

# Comprehensive Annual Financial Report



Year ending June 30, 2017  
Grants Pass, Oregon

[www.roguecc.edu/audit/2017/](http://www.roguecc.edu/audit/2017/)

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# Comprehensive Annual Financial Report

Rogue Community College

Grants Pass, Oregon

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For the Year Ended June 30, 2017

Report prepared by Rogue Community College Budget and Financial  
Services Department

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3345 Redwood Hwy  
Grants Pass, OR 97527-9298

December 4, 2017

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, 2017, together with the audit opinion therein of our auditors as required by Oregon State Statutes. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the College. We believe the financial statements and related information are stated fairly in all material aspects in reflecting the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain maximum understanding of the College's financial affairs have been included.

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

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

The Comprehensive Annual Financial Report is organized in five sections. (1) The Introductory Section contains this letter of transmittal and information on the organizational structure of the College; (2) The Financial Section includes the basic financial statements, accompanying notes, required supplemental financial information, and the independent auditor's report; (3) The Statistical Section includes selected financial, demographic, economic and operating information; (4) The Audit Comments Section includes the independent auditor's comments required by the Minimum Standards for Audits of Oregon Municipal Corporations; and (5) The Government Auditing Standards Section contains the schedule of Expenditures of Federal Awards and disclosures and comments required by the Uniform Guidance.

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

### **Budgeting Controls**

The annual budget is a quantitative expression of the College's mission, providing a foundation for the College's financial planning and control. The College is required by the State of Oregon to adopt an annual budget subject to the

requirements of “Local Budget Law” as addressed in Oregon Revised Statutes chapters 294 and 310. The budget is a plan for the financial operations to be conducted during the coming fiscal year and is adopted annually, prior to July 1.

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

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

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

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

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

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

## **About the College**

The Rogue Community College District, located in the Rogue Valley covers a 4,453 square-mile area encompassing Josephine and Jackson counties. Total population for the two counties in 2017 is estimated at 302,431, which is a 6.2% increase since 2008.

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

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

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

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

## Mission, Vision and Core Values

The College's mission, as adopted by the Board of Education, is to provide quality learning opportunities for students to achieve their goals and support the vitality of our communities. The College's vision is to be a premiere learning college that transforms, strengthens and inspires.

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

**Integrity** requires us, as an institution and individuals, to be transparent, ethical and accountable.

**Collaboration** promotes an agile, responsive culture to creatively address the aspirations and needs of our communities.

**Inclusion** creates a compassionate and safe environment that views all individuals and ideas fairly.

**Stewardship** commits us to responsible and thoughtful guardianship of our human, economic, environmental, and cultural resources.

**Courage** frees the institution to find and pursue the best path in support of student learning and Rogue excellence.

In addition to core values, the College has developed three (3) Wildly Important Goals (WIGS): Core Themes, to further succeed in carrying out its mission:

### 1. Access to Educational Opportunities

Objective 1: Improve access to educational and support systems for current and prospective students.

Make entry to the College a smoother transition for all students. Make use of college support systems more student-friendly, including course entry requirements and prerequisites.

Objective 2: Increase participation of under-served populations in our programs.

College enrollments do not reflect under-served populations at the same rate as they occur in the community.

Objective 3: Create collaborative learning spaces that connect students to other students, faculty, staff, and local employers.

These are spaces where students can learn together, with college faculty/staff, or with local employers.

### 2. Student Success

Objective 4: Construct guided educational pathways.

Guided pathways are highly structured, educationally logical program maps.

Objective 5: Increase effective student engagement strategies.

Student engagement is the degree of attention, curiosity, optimism, interest and passion that students demonstrate when they are learning. It influences the level of motivation they have to learn and progress in their education.

Objective 6: Decrease student time to completion while maintaining quality education.

The longer it takes a student to finish a certificate or degree, the more likely they are to drop out of college. This has a negative impact on their earning power in the workforce.

### 3. Collaborative Partnerships

Objective 7: Increase alignment between college programs and local employers.

Make sure that programs lead to actual jobs in the Rogue Valley.

Objective 8: Leverage local partnerships to enhance college strategic goals.  
Find ways to share resources and reduce costs.

Objective 9: Maximize cross-divisional strategies to solve problems creatively.  
Work together for the success of our students.

## **District Demographics**

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

The Redwood Campus (RWC) is the College's founding campus. It is located on 88 wooded acres; five miles west of the city of Grants Pass. It serves 4,979 students representing 1,159.51 full-time equivalent student (FTE). The campus was originally constructed in the late 1960s as a federal training facility known as the Fort Vannoy Jobs Corps Training Center. Remodeled in 1989, the spacious campus of wood-framed buildings creates an informal atmosphere geared to student learning and success. RWC is home to the College's nursing, and automotive departments.

The Riverside Campus (RVC) is located in the heart of downtown Medford, spanning a four-block radius, where it plays a key role in the educational and cultural renaissance occurring in Medford. RVC serves 6,275 students representing 1,796.48 FTE. RVC is the home of the College's dental and allied health programs.

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

The Table Rock Campus (TRC) is located in an industrial park in White City, Oregon, and is a high tech facility housing professional/technical programs. It currently serves 2,618 students who represent 381.02 FTE. The original 102,000 square foot building is currently home to diesel technology, fire science/EMS, electronics, apprenticeship, and manufacturing. In December 2015 the College purchased an adjacent building for development as its High Technology Center. The 12,000 square foot facility will offer mechatronics, advanced manufacturing, welding and related programs. The building is scheduled to open July 2018.

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

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

## **Economic Outlook**

Oregon's economy is largely tracking expectations of slower growth in a mature expansion. The state continues to experience healthy job gains that are enough to keep pace with a growing population and hold down the unemployment rate. One contributing factor to lower unemployment rates is an increase in labor participation rates as more Oregonians have come back to the workforce in search of the more-plentiful and better-paying jobs. As of July 2017 the seasonally

adjusted unemployment rate is 4.7% for Jackson County and 5.5% for Josephine County. This is a 1.4% and 1.3% decrease, respectively, from the prior year.

Oregon's revenue growth is currently healthy, however the slowing pace of Oregon's expansion is evident in tax return data just as it is in the jobs data. The slowdown was to be expected now that we are in a mature business cycle, far removed from the early recovery's bounce. Looking forward over the next 10 years, traditional state tax instruments such as personal income taxes and general sales taxes will become less effective as the baby boom population cohort works and spends less.

The Board-approved financial policies that are in place provide guidance for planning of resources, capital needs and adequate reserve levels for revenue shortfalls or unforeseen expenditure needs. The College's budgets are built on the basis of maintaining the financial stability of the District. The College sets goals for financial stability enabling it to manage revenue shortfalls and cash flows ensuring continued operations, and providing for unforeseen contingencies without impairing service quality. Additional detail regarding next year's budget and economic factors is available in Management's Discussion and Analysis in the Financial Section of this report.

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

The College conducts long-range financial planning for five fiscal years forward with the goal of maintaining financial sustainability and flexibility. The forecast is updated and reviewed for changes in any of the primary revenue sources or personnel and other operating expenses. A few of the most significant issues expected to impact the College include state funding, enrollment levels, PERS rates and unfunded mandates.

In May 2016, voters of the district approved a \$20 million ballot measure for the College to issue general obligation bonds for the acquisition, construction, renovation and improvement of college facilities. The projects underway or planned for the near future include:

- High Technology Center remodel of the recently acquired building adjacent to the existing Table Rock Campus. Projected completion in early July 2018.
- Health Professions Building new construction on currently owned property at Table Rock Campus. Projected completion of June 2020.
- Connection to Grants Pass Municipal Water on the Redwood Campus. Projected completion of Spring 2018.
- Science Building remodel of the existing Redwood Campus facility. Project is pending.
- Nursing Building expansion of the existing Redwood Campus facility. Project is pending.
- Career and Technical Education expansion and improvements at the Redwood, Riverside and Table Rock Campuses. Project is pending.
- Fire Training Classrooms construction at the Medford Fire District #3 location. Project is pending.

### **Accreditation**

The College is a regionally accredited, comprehensive, two-year public college in southern Oregon serving both Jackson and Josephine counties through its three campuses. The College's accreditation status has continuously been affirmed since receiving correspondent status in 1971. The Northwest Commission on Colleges and Universities (NWCCU) is the regional accreditation authority operating under the U.S. Department of Education. NWCCU last reaffirmed the College's accreditation status following a comprehensive evaluation in Fall 2011. Since that time, the College has completed a successful *Year-One Self-Evaluation* (Fall 2012) and a positive *Mid-Cycle Evaluation* (Fall 2014) with NWCCU. The next comprehensive self-study is due in Fall 2019.

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

Students graduating from the College under accreditation will also enjoy smoother transfer experiences from the College to other colleges and universities within the state and nationwide.

### Independent Audits

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

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

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Rogue Community College for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the fifteenth year, fourteenth consecutive, that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

### Acknowledgments

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

Sincerely,

  
Cathy Kemper-Pelle, Ed.D.  
President

  
Lisa Stanton, CPA  
Chief Financial Officer

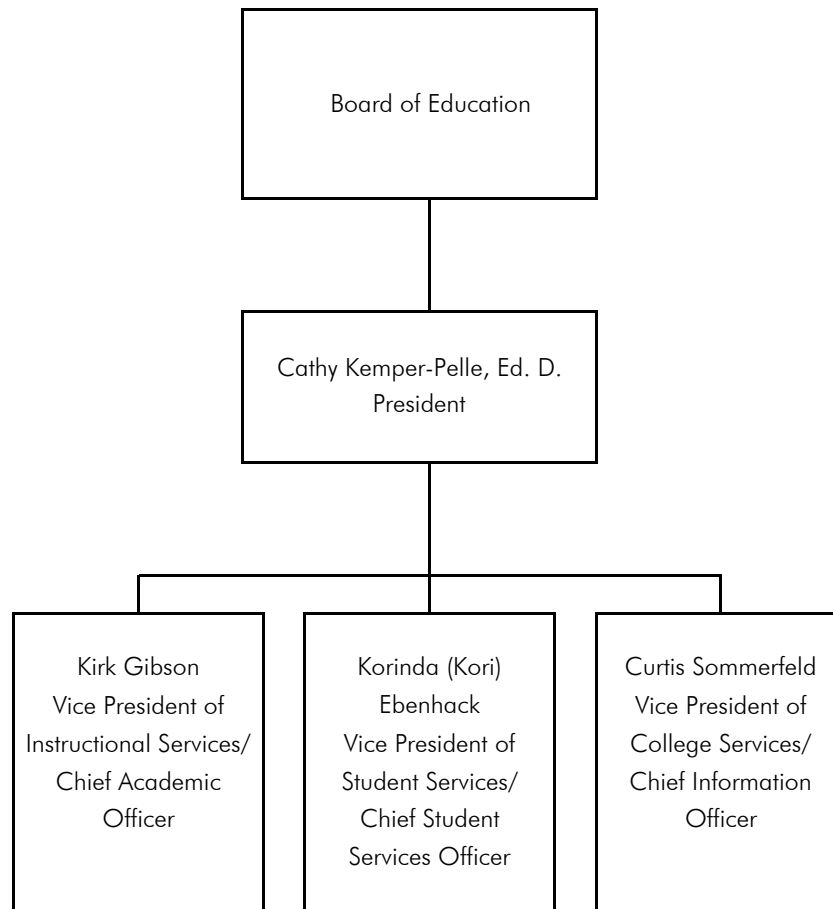
ELECTED/APPOINTED OFFICIALS

Ron G. Fox 4727 Torrey Pines Drive Medford, OR 97504	Chairperson
Timothy Johnson 258 Mt. Echo Dr. Medford, OR 97504	Vice-chairperson
Dean Wendle P.O. Box 1988 Grants Pass, Oregon 97528	Member
Patricia Ashley 3182 Rogue River Drive Eagle Point, OR 97524	Member
Kevin Talbert, Ph.D. 1291 N. Valley View Road Ashland, OR 97520	Member
Claudia Sullivan 900 S. Vannoy Creek Rd. Grants Pass, OR 97526	Member
Brett L. Johnson 1304 N. Haskell Central Point, OR 97502	Member

ADMINISTRATION

3345 Redwood Highway  
Grants Pass, Oregon 97527

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







Government Finance Officers Association

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

Presented to

**Rogue Community College  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is fluid and cursive.

Executive Director/CEO

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## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of Rogue Community College (the College), and its discretely presented component unit as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit, Rogue Community College Foundation. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Rogue Community College Foundation is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Rogue Community College Foundation were not audited in accordance with *Government Auditing Standards*.

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

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

## **Opinion**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College and its discretely presented component unit, as of June 30, 2017, and the respective changes in its financial position and its cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter - Correction of Error**

As discussed in Note 11 to the financial statements, the College determined a pension transition liability should have been recorded in prior years which resulted in overstatement of previously reported net position as of June 30, 2016. Accordingly, the amount reported for the net position has been restated in the financial statements as of July 1, 2016. Our opinion is not modified with respect to that matter.

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Funding Progress for Retiree Health Plan, the Schedule of Employer's Share of Net Pension Liability, and the Schedule of Employer Contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 4, 2017 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

**Report on Other Legal and Regulatory Requirements**

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 4, 2017, on our consideration of the College's compliance with certain provisions of laws and regulations, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink, reading "Seelen Miller". The signature is written in a cursive, flowing style.

For Eide Bailly, LLP  
Boise, Idaho  
December 4, 2017

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Rogue Community College's (the College) Comprehensive Annual Financial Report (CAFR) presents an analysis of the financial activities of the College for the fiscal year ended June 30, 2017. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with them. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. This discussion is designed to focus on current activities, resulting changes and currently known facts.

### *Financial Highlights*

The significant events of the fiscal year ended June 30, 2017 that impacted the College are as follows:

- FTE reimbursement from the State of Oregon decreased 39.58% or \$4.7 million. This decrease is attributable to the Oregon Legislature's deferral of its eighth quarter reimbursement from May 2017 to August 2017. The deferrals were enacted in 2003 and are scheduled to occur on alternate years so that the State can balance its biennial budget. More information about FTE reimbursement is located in the revenue section of this analysis.
- As valued by PERS and an independent actuary, the College's share of the system-wide PERS unfunded liability, shifted from a \$9 million liability at June 30, 2015 to a \$25 million liability at June 30, 2016. The pension reporting requirements of GASB 68 and 71 impacted the financial statements by increasing the non-current liabilities, deferred outflows of resources and pension expense, as well as decreasing deferred inflows. More information about PERS is located in the Notes to the Basic Financial Statements, Note 8.
- Current assets increased from \$27.3 million in 2016 to \$50.5 million in 2017 due to the unspent proceeds received from the sale of general obligation bonds. More information about the bond sale is located in the overview of the financial statements section of this analysis.

One of the College's largest categories in net position (\$17.7 million) reflects the amount invested in capital assets, (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The College uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### **Overview of the Financial Statements**

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

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

The College implemented Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions, and Statement No. 71, Pension Transition for Contributions made subsequent to the Measurement Date, in the year ending June 30, 2015. The amount recorded did not include the proportionate share calculated amount for the pre-State and Local Government Rate Pool (SLGRP). The effects of recording this

liability is shown as a prior period adjustment in the financial statements for the year ending June 30, 2017. The prior year information was not restated in the Management's Discussion and Analysis section of this report.

The College also made a classification change; the Pell grant receipts (Federal Financial Aid) are now classified as a non-operating revenue as indicated in GASB Statement 24, Accounting and Financial Reporting for Grants and Other Financial Assistance. Prior year Pell Grant receipts have been re-classed into non-operating revenue.

***Analysis of the Statement of Net Position  
As of June 30, 2017***

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

	2017	2016	% Change
<b>Assets</b>			
Current assets	\$ 50,488,241	\$ 27,319,448	84.81%
Capital assets, net of depreciation	33,108,092	33,524,010	-1.24%
Other non-current assets	32,655	162,768	-79.94%
Total Current Assets	83,628,988	61,006,226	37.08%
<b>Deferred Outflow of Resources</b>			
Deferred charge on refunding and PERS Contribution	13,876,904	3,164,790	338.48%
Total Deferred Outflow of Resources	13,876,904	3,164,790	338.48%
Total Assets and Deferred Outflow of Resources	\$97,505,892	\$ 64,171,016	51.95%
<b>Liabilities</b>			
Current liabilities	\$ 5,667,802	\$ 4,368,242	29.75%
Long-term debt, non-current portion	80,527,216	42,623,463	88.93%
Total Liabilities	86,195,018	46,991,705	83.43%
<b>Deferred Inflows of Resources</b>			
Deferred Pension Amount	455,235	2,399,791	-81.03%
Total Deferred Inflow of Resources	455,235	2,399,791	-81.03%
<b>Net Position</b>			
Investment in capital assets, net of related debt and deferred outflows	17,721,477	16,913,135	4.78%
Restricted	4,727,814	927,191	409.91%
Unrestricted	(11,593,652)	(3,060,806)	278.78%
Total Net Position	10,855,639	14,779,520	-26.55%
Total Liabilities, Deferred inflow of Resources and Net Position	\$97,505,892	\$ 64,171,016	51.95%

On June 30, 2017, the College's assets were approximately \$83.6 million. The College's current assets of \$50.5 million were sufficient to cover current liabilities of \$5.7 million. This represents a current ratio of 8.9. The \$22.6 million increase in current assets can be attributed to the unspent proceeds from the 2016 bond sale. Net investment in capital assets is \$17.7 million, and represents an increase of \$808,000 from the prior year. The College uses capital assets to provide services to students; consequently, these assets are not available for future spending. Therefore, the resources to repay this debt will be provided by other sources. The College's receivables consist of taxes, student accounts, interest and various operating receivables. Additional information regarding capital assets can be found in Note 3.



Long-term debt increased \$37.9 million or 89%. Half of the increase is attributable to the issuance of general obligation bonds during 2016. Additional information regarding long-term obligations can be found in Note 5. The remaining increase in long-term debt is due to the \$15.7 million increase in the College's proportionate share of the Net Pension Liability and the recording of the \$3 million pre-SLGRP, or transition, liability. Additional information regarding pension plans can be found in Note 8.

Net position is reported in three components with an overall decrease of approximately 26.6% in fiscal year 2017. The largest portion of the College's net position is the \$17.7 million net investment in capital assets. The restricted component of net position consists of amounts set aside for debt service, student financial aid, federal financial aid, unspent bond proceeds, and grants and contracts. The remaining component is categorized as unrestricted.

Unrestricted assets, as defined by GAAP, are funds that are not subject to externally imposed restrictions on the use. Unrestricted funds are allocated for academic programs, capital projects, reserves, and other purposes from year to year. With the implementation of GASB 68 and 71, unrestricted net position will fluctuate materially from year to year based upon the PERS system-wide investment returns and the associated changes in the actuarial unfunded liability. The large fluctuation in the recent valuation resulted in the College reporting a negative unrestricted net position of \$11.6 million at June 30, 2017.

***Analysis of the Statement of Revenues, Expenses and Changes in Net Position  
For the Year Ended June 30, 2017***

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

Rogue Community College  
Fiscal Year Ended June 30, 2017

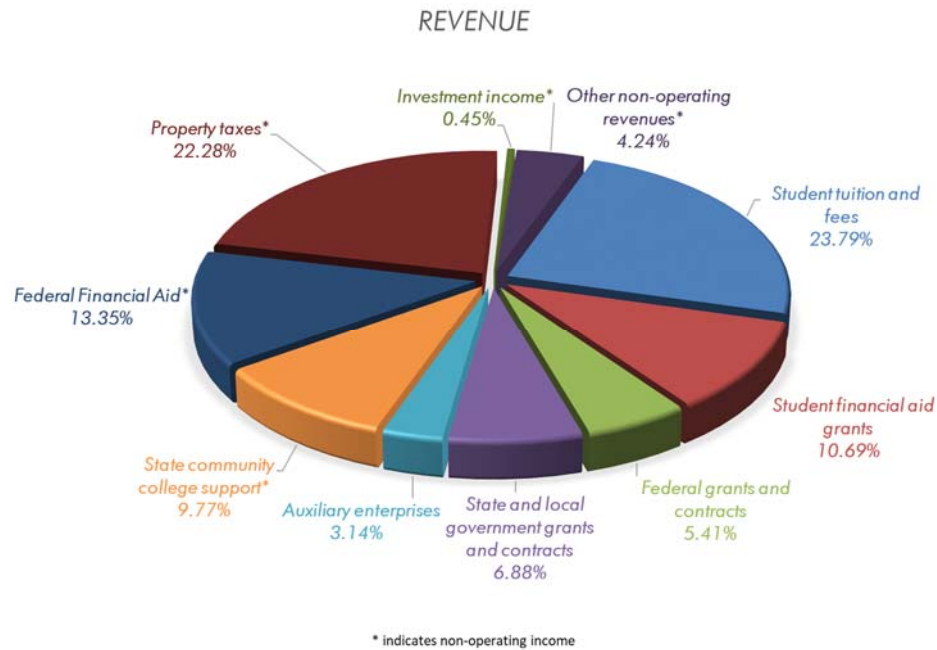
	2017	2016	% Change
Operating Revenues:			
Student tuition and fees	\$ 17,346,411	\$ 16,962,306	2.26%
Student financial aid grants	7,796,047	9,868,029	-21.00%
Federal grants and contracts	3,948,966	3,028,295	30.40%
State and local government grants and contracts	5,023,057	3,929,186	27.84%
Auxiliary enterprises	2,292,794	2,290,647	0.09%
Total operating revenues	36,407,275	36,078,463	0.91%
Non-Operating Revenues:			
State community college support	7,125,402	11,792,670	-39.58%
Federal Financial Aid	9,743,242	10,758,218	-9.43%
Property taxes	16,255,532	14,273,517	13.89%
Investment income	330,789	230,823	43.31%
Other non-operating revenues	3,094,731	3,033,080	2.03%
Total non-operating revenues	36,549,696	40,088,308	-8.83%
Operating and Non-Operating Expenses:			
Instruction	18,643,414	21,071,960	-11.53%
Instructional support services	6,612,951	7,096,620	-6.82%
Student services	10,963,620	10,312,279	6.32%
Community services	918,368	802,943	14.38%
College support services	8,163,765	8,273,480	-1.33%
Plant operations and maintenance	3,978,409	4,197,801	-5.23%
Scholarships and grants	21,331,237	23,478,895	-9.15%
Depreciation	1,356,198	1,318,294	2.88%
Loss on capital assets	50,008	20,080	149.04%
Interest expense	1,453,237	1,481,265	-1.89%
Amortization of deferred charges	166,864	118,835	40.42%
Total operating and non-operating expenses	73,638,071	78,172,452	-5.80%
Income (loss) before contributions	(681,100)	(2,005,681)	-66.04%
Capital contributions - donated assets	35,613	11,825	201.17%
Change in net position	(645,487)	(1,993,856)	-67.63%
Net position, beginning of year, as restated	11,501,126	16,773,376	-31.43%
Net position, end of year	\$ 10,855,639	\$ 14,779,520	-26.55%

## Revenues:

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

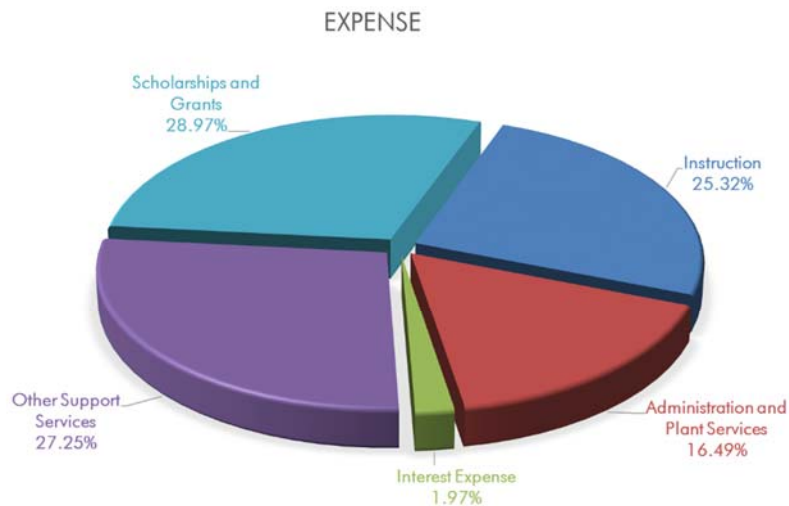
Operating revenues increased by \$328,812 or 0.91% between 2016 and 2017. The most significant sources of operating revenue for the College include student tuition and fees and student financial aid grants. Tuition and fees increased 2.26% or \$384,105 due to a very slight, 0.73% decrease in student FTE and a \$4 per credit increase in tuition. Student financial aid grants decreased \$2.0 million or 21%. The decrease in financial aid grants is mainly a reflection of the ever changing needs of the students the College serves.

Non-operating revenues decreased \$3.5 million or 8.83% between 2016 and 2017. The largest non-operating revenue source is property taxes. The College received \$16.3 million from property taxes representing a 13.89% increase from the prior year. This increase is directly related to the overall assessed value of property located in Jackson and Josephine counties increasing approximately 3.8%. The second largest non-operating revenue is federal financial aid. The \$1 million or 9.4% decrease in federal financial aid is a reflection of enrolled student's Pell grant eligibility. The third largest non-operating revenue source is State appropriations. The decrease in State appropriations is predictable, as the payment structure from the state requires the College to report five support payments in the first year of a biennium and three payments in the second year. For the year ended June 30, 2017, the College received three payments.



#### Expenses:

Operating and non-operating expenses totaling \$73.6 million include salaries and benefits, materials and supplies, utilities, operating leases, scholarships and depreciation. Instruction expenses represent a large percentage of total expenses at \$18.6 million, or 25.32%. Support services, including auxiliary enterprises, contracted programs, and depreciation, represent \$20.0 million, or 27.25%, of total expenses. Scholarship and grant expenses of \$21.3 million represent 28.97% of total expenses. Administration expenses, including plant services, represent \$12.1 million, or 16.49%, of total expenses. Interest expense, the College's most significant non-operating expense, represents \$1.5 million, or 1.97%, of total expense.



### ***Analysis of Cash Flows For the Year Ended June 30, 2017***

The primary purpose of the *Statement of Cash Flows* is to provide relevant information about cash receipts and cash payments, which is a basis to assess the financial health of the College. The *Statement of Cash Flows* presents information on cash flows from operating activities, non-capital financial 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, assisting in the evaluation of financial viability, the College's ability to meet financial obligations as they become due, and the need for external financing.

	2017	2016	% Change
Cash Provided By (Used In):			
Operating activities	\$ (27,642,441)	\$ (18,023,506)	53.37%
Non-capital financing activities	31,440,776	24,578,112	27.92%
Capital financing activities	19,228,064	(3,536,218)	-643.75%
Investing activities	330,789	230,823	43.31%
Net increase (decrease) in cash	23,357,188	3,249,211	618.86%
Cash, beginning of year	23,289,055	20,039,844	16.21%
Cash, end of year	\$ 46,646,243	\$ 23,289,055	100.29%

The major sources of cash included in operating activities include student tuition and fees, student financial aid and contracts and grants. Major uses include payments to employees, suppliers and to students for financial aid and scholarships. The 53.37% change in operating activities is due to the reclassification of federal financial aid revenue from operating activities to non-capital financing.

The primary sources of non-capital financing activities include federal financial aid, property taxes, and state support. Accounting standards require these sources of revenue be reported as non-operating even though the College depends on these revenues for normal operations. The majority of the 27.92% increase is due to the reclassification of federal financial aid revenue from operating activities to non-capital financing activities.

The primary source of capital financing activities includes proceeds from long-term debt. Major uses include the payment of long-term debt. Cash received by capital financing activities increased by \$22.8 million compared to prior year. The increase is related to the issuance of general obligation and refunding bonds. More information about the bond sale is located in the Notes to the Basic Financial Statements, Note 5.

The primary sources of investing activities is interest income. The cash provided by investing income increased \$100,000, due to the interest earned on unspent bond proceeds.

### ***Capital Assets and Debt Administration***

#### ***Capital Assets***

The College's investment in capital assets as of June 30, 2017, amounts to \$33.1 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.

#### ***Long-Term Obligations***

At the end of the current fiscal year, the College's total outstanding debt was \$50.5 million. Of this amount, \$34.0 million is General Obligation and Refunding Bonds and \$16.3 million is Limited Tax Pension Obligation Bonds; all of which are backed by the full faith and credit of the College. In addition, the College also owes \$147,921 to US

Department of Education for the purchase of property. The College's total debt increased by \$20 million during 2016-17 due to the issuance of general obligation bonds.

The bonds were issued and funded in July 2016 at a premium of over \$3.3 million. The projects related to the 2016 bond include:

- High Technology Center remodel of the recently acquired building adjacent to the existing Table Rock Campus. Projected completion in early July 2018.
- Health Professions Building new construction on currently owned property at Table Rock Campus. Projected completion of June 2020.
- Connection to Grants Pass Municipal Water on the Redwood Campus. Projected completion of spring 2018.
- Science Building remodel of the existing Redwood Campus facility. Project is pending.
- Nursing Building expansion of the existing Redwood Campus facility. Project is pending.
- Career and Technical Education expansion and improvements at the Redwood, Riverside and Table Rock Campuses. Project is pending.
- Fire Training Classrooms construction at the Medford Fire District #3 location. Project is pending.

Passage of the bond levy allows the College to make use of \$8 million in matching capital project funds awarded by the State of Oregon, raising the total amount of funds available for capital projects to \$31 million. More information about long-term obligations is located in the Notes to the Basic Financial Statements Note 5.

State statutes limit the amount of general obligation debt the College may issue to 1.5% of Real Market Value of properties within the College's district. As of June 30, 2017, the College's general obligation debt is 0.10% of Real Market Value. Based upon this, the College's legal debt limit is \$533.9 million, which is significantly higher than the College's outstanding general obligation debt of \$34.0 million. Additional information on the College's long-term debt can be found in Note 5.

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

The College's budgets are built on the basis of maintaining the financial stability of the District. The College sets goals for financial stability enabling it to manage revenue shortfalls and cash flows to ensure continued operations, and to provide for unforeseen contingencies without impairing service quality.

When preparing the upcoming year's budget, revenue and expenditure forecasts were prepared within the context of the current economic conditions. State wide, Oregon's economy is largely tracking expectations of slower growth in a mature expansion. The state continues to experience healthy job gains that are enough to keep pace with a growing population and hold down the unemployment rate. Regionally, the Rogue Valley's economic outlook was positive, with unemployment levels at a historic low. With the increase in job availability, many students are drawn away from their studies and reenter the workforce full time. This economic reality presents a mix of financial impacts on the College. On one hand, the State Appropriation for Community Colleges has remained stable and property taxes are expected to increase. On the other hand, growth in the local job market continues to erode enrollment levels, reducing not only tuition and fees, but the College's portion of the State appropriation.

The College adopted a balanced budget on June 20, 2017 for fiscal year 2017-18. The budget was prepared within the context of the current economic conditions. The proposed General Fund budget for fiscal year 2017-18 is \$40.7 million. This budget is based upon a State appropriation of \$550 million. Property taxes are projected to increase 3.25%, or \$232,441, over 2016-17 actuals. Tuition is expected to decrease 2% in accordance with the anticipated enrollment decline. The College's Board voted to increase tuition by \$5 per credit for 2017-18. The General Fund budget also includes a transfer from the College Services Fund of \$1.64 million. The beginning fund balance for 2017-18 is budgeted at \$3.1 million.

State funding for the 2017-19 biennium of the State appropriation is \$570 million, \$20 million more than the previous biennium. This funding level is substantially short of the \$620 million community colleges need to maintain current service levels.

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

***Requests for Information***

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

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

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Statement of Net Position  
June 30, 2017

	College	Foundation (Component Unit)
ASSETS		
Current Assets:		
Cash	\$ 3,339,310	\$ 494,979
Cash equivalents	43,306,933	0
Receivables:		
Property taxes	1,075,786	0
Accounts, net	2,033,000	347,164
Inventory	720,805	0
Prepaid expenses	12,407	2,035
Total current assets	<u>50,488,241</u>	<u>844,178</u>
Non-current Assets:		
Endowment investments	0	8,653,254
Land investments	0	182,977
Postemployment benefit	32,655	0
Capital assets	53,400,300	38,627
Less: accumulated depreciation	<u>(20,292,208)</u>	<u>(38,452)</u>
Capital assets, net	<u>33,108,092</u>	<u>175</u>
Total non-current assets	<u>33,140,747</u>	<u>8,836,406</u>
TOTAL ASSETS	<u>83,628,988</u>	<u>9,680,584</u>
DEFERRED OUTFLOW OF RESOURCES		
Deferred charge on refunding	885,697	0
Deferred outflows on pension obligation	<u>12,991,207</u>	<u>0</u>
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>13,876,904</u>	<u>0</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	621,607	22,818
Accrued interest payable	53,393	0
Payroll liabilities	1,570,741	8,670
Unearned revenue	205,233	0
Compensated absences	82,974	0
Scholarships payable, net	0	265,317
Current portion of long-term obligations	<u>3,133,854</u>	<u>0</u>
Total current liabilities	<u>5,667,802</u>	<u>296,805</u>
Non-current liabilities - long-term obligations		
Pension liability	25,241,640	0
Pension Transition Liability	3,097,390	
Compensated absences	589,772	0
Pension bonds payable	16,275,000	0
General obligation and refunding bonds payable (net of unamortized premium)	38,309,347	0
Note payable	147,921	0
Obligation under Standard Unitrust	0	117,723
Less: current portion of long-term obligations	<u>(3,133,854)</u>	<u>0</u>
Total non-current liabilities - long-term obligations	<u>80,527,216</u>	<u>117,723</u>
TOTAL LIABILITIES	<u>86,195,018</u>	<u>414,528</u>

See notes to basic financial statements.



Statement of Net Position  
June 30, 2017 (continued)

	<u>College</u>	<u>Foundation (Component Unit)</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred pension obligation	455,235	0
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>455,235</u>	<u>0</u>
NET POSITION		
Investment in capital assets	\$ 33,108,092	\$ 0
Less: related debt	(15,922,095)	0
Plus: deferred outflows attributable to capital assets	535,480	0
Net investment in capital assets	<u>17,721,477</u>	<u>0</u>
Restricted - non-expendable		
Restricted - permanent endowment	0	4,301,880
Restricted - expendable		
Restricted temporarily - endowment income and scholarships	0	4,062,131
Restricted - debt service	207,762	0
Restricted - contracts and grants	1,017,630	0
Restricted - bond proceeds	22,897,422	0
Less: Restricted - bond debt related to unspent bond proceeds, net of premium	<u>(19,395,000)</u>	<u>0</u>
Total restricted net position	<u>4,727,814</u>	<u>8,364,011</u>
Unrestricted	<u>(11,593,652)</u>	<u>902,045</u>
TOTAL NET POSITION	<u>\$ 10,855,639</u>	<u>\$ 9,266,056</u>

See notes to basic financial statements.

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Statement of Revenues, Expenses, and Changes in Net Position  
For the year ended June 30, 2017

	College	Foundation (Component Unit)
OPERATING REVENUES		
Student tuition and fees	\$ 17,346,411	\$ 0
Federal student financial aid grants	7,796,047	0
Federal grants and contracts	3,948,966	0
State and local grants and contracts	5,023,057	0
Auxiliary enterprises	2,292,794	0
Public support and revenue	0	1,145,953
Total operating revenues	36,407,275	1,145,953
OPERATING EXPENSES		
Instruction	18,643,414	0
Instructional support services	6,612,951	0
Student services	10,963,620	0
Community services	918,368	0
College support services	8,163,765	0
Plant operations and maintenance	3,978,409	0
Scholarships and grants	21,331,237	0
Foundation programs	0	925,838
Depreciation	1,356,198	0
Total operating expenses	71,967,962	925,838
Operating income (loss)	(35,560,687)	220,115
NON-OPERATING REVENUES (EXPENSES)		
State community college support	7,125,402	0
Federal Financial Aid	9,743,242	
Property taxes	16,255,532	0
Investment income	330,789	921,017
Interest expense	(1,453,237)	0
Amortization of deferred charges	(166,864)	0
Loss on disposal of capital assets	(50,008)	0
Loss for uncollectible promise to give	0	(132,618)
Other non-operating revenues	3,094,731	0
Total non-operating revenues (expenses)	34,879,587	788,399
Income (loss) before contributions	(681,100)	1,008,514
CAPITAL CONTRIBUTIONS - donated assets	35,613	0
Change in net position	(645,487)	1,008,514
NET POSITION		
Net position, beginning of year, as restated	11,501,126	8,257,542
Net position, end of year	\$ 10,855,639	\$ 9,266,056

See notes to basic financial statements.

Statement of Cash Flows  
For the year ended June 30, 2017

	<u>College</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	\$ 17,268,208
Student financial aid grants	7,812,157
Federal, State and local government grants and contracts	9,333,196
Payments to suppliers for goods and services	(11,795,320)
Payments to employees	(32,330,644)
Payments for student financial aid and other scholarships	(21,331,237)
Auxiliary enterprises:	
Cash received from customers	2,349,050
Paid to suppliers for resale materials	(1,941,902)
Cash from other sources	<u>2,994,051</u>
Net cash used in operating activities	<u>(27,642,441)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Cash received from property taxes	16,195,010
Cash received from State community college support	7,125,402
Federal Financial Aid	9,743,242
Principal paid on pension bonds	(805,000)
Interest paid on pension bonds	<u>(817,878)</u>
Net cash provided by non-capital financing activities	<u>31,440,776</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Proceeds from general obligation and refunding bonds	27,040,000
Proceeds from premium on general obligation and refunding bonds	4,045,296
Purchase of capital assets	(990,232)
Proceeds from sale of capital assets	35,554
Principal paid on capital-related long-term debt	(9,631,909)
Interest paid on capital-related long-term debt	<u>(1,270,645)</u>
Net cash provided by capital financing activities	<u>19,228,064</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income (loss)	<u>330,789</u>
NET INCREASE IN CASH	23,357,188
Cash and cash equivalents, beginning of year	<u>23,289,055</u>
Cash and cash equivalents, end of year	<u><u>\$ 46,646,243</u></u>

See notes to basic financial statements.

## Statement of Cash Flows

For the year ended June 30, 2017 (continued)

	<u>College</u>
RECONCILIATION TO AMOUNTS SHOWN ON STATEMENT OF NET POSITION	
Cash	\$ 3,339,310
Cash equivalents	<u>43,306,933</u>
	<u>\$ 46,646,243</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (35,560,687)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	1,356,198
GASB 68 actuarial pension (revenue) expense	2,751,976
Other non-operating revenues	3,094,731
Changes in assets and liabilities:	
Increase in accounts receivable	292,680
Increase in inventory	(97,752)
Increase in prepaid expenses	53,989
Increase in accounts payable	244,753
Increase in payroll liabilities and compensated absences	129,583
Decrease in deferred revenue	(38,025)
Increase in post-employment benefit	130,113
Net cash used in operating activities	<u>\$ (27,642,441)</u>
NON-CASH CAPITAL FINANCING AND INVESTING ACTIVITIES	
Premium on general obligation and refunding bonds	\$ 166,148
Amortization of premium on general obligation and refunding bonds	(166,148)
Book value of capital assets disposed	50,008
Loss on disposal of capital assets	(50,008)
Donation of capital asset	35,613
Capital assets	<u>(35,613)</u>
Net non-cash capital financing and investing activities	<u>\$ 0</u>

See notes to basic financial statements.

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Rogue Community College  
Grants Pass, Oregon

## Notes to Basic Financial Statements

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**1. Summary of Significant Accounting Policies**

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

**Reporting Entity**

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

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

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

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

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

During the year ended June 30, 2017, the Foundation provided scholarships and awards of \$373,211 and project grants of \$19,463 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**

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

**1. Summary of Significant Accounting Policies (continued)**

Measurement Focus and Basis of Accounting (continued)

Non-exchange transactions, in which the College receives value without directly giving equal value in return, include property taxes, federal, state, and local grants, state appropriations, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, matching requirements, and expense requirements. Timing requirements specify the year when the resources are required to be used or the fiscal year when use is first permitted. Matching requirements stipulate the College provides local resources to be used for a specified purpose. Expense requirements stipulate the College will receive resources on a reimbursement basis.

Use of Estimates

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

Cash and Cash Equivalents

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

Investments

Oregon Revised Statutes authorize investment in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, repurchase agreements and bankers' acceptances. As of June 30, 2017 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

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

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

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

1. Summary of Significant Accounting Policies (continued)

Inventory

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

Capital Assets

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

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

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

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

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

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

Deferred Outflow/Inflow of Resources

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

**1. Summary of Significant Accounting Policies (continued)**

Deferred Outflow/Inflow of Resources (continued)

for reporting in this category: the pension obligation and deferred charge on refunding. Both deferred outflows are reported on the statement of net position. The pension obligation results from changes in assumptions, differences between expected and actual experience, and net differences between projected and actual earnings on investments in the actuarial calculation of the College's net pension asset. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

Compensated Absences

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

Short-Term Obligations

Oregon Revised Statutes Section 287A.180 authorizes the College to borrow money by issuing notes with a maturity date of no more than thirteen months. In addition, the principal amount of the obligations cannot exceed eighty percent (80%) of the amount of taxes and other revenues budgeted to be received in that fiscal year. As of June 30, 2017 there were no outstanding short-term obligations.

Long-Term Obligations

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

Pensions

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

**1. Summary of Significant Accounting Policies (continued)**

Pre-SLGRP Pooled Liability

Actuarially determined liability recorded in the statement of net position based on the College's entry into the Oregon Public Employees Retirement System (PERS) State and Local Government Rate Pool. The transition liability is reduced each year by contributions to PERS and increased for interest charged by PERS.

Operating Revenues and Expenses

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

Federal Financial Assistance Program

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

Net Position

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

Budgetary Information

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

**2. Cash and Investments**

The College's cash and investments are comprised of the following at June 30, 2017:

Cash on hand	\$	4,750
Cash with fiscal agent		152,165
Deposits with Financial Institutions		3,182,395
Investments		43,306,933
Total	\$	<u>46,646,243</u>

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

Deposits with financial institutions consist of bank demand deposits. The College's demand deposits at June 30, 2017 included:

Insured (FDIC)	\$ 250,000
Collateralized by depository qualified by the Oregon State Treasurer	<u>3,285,067</u>
Total	<u><u>\$ 3,535,067</u></u>

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

Investments

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

At June 30, 2017, the College's investments consisted of:

Oregon Local Government Investment Pool	\$ 43,304,593
Other	<u>2,340</u>
Total Investments	<u><u>\$ 43,306,933</u></u>

The Oregon Local Government Investment Pool (LGIP) is an external investment pool which is part of the Oregon Short-Term Fund. Investment policies of this fund are governed by the Oregon Revised Statutes and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council. Investments are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board. The Oregon Short-Term Fund does not receive credit quality ratings from nationally recognized statistical rating organizations. The College does not have a formal policy regarding credit risk.

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

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

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, 2017 were: 65% mature within 93 days, 20% mature from 94 days to one year, and 15% mature from one to three years. The College does not have a formal policy regarding interest rate risk.

Foundation Cash and Investments

The Rogue Community College Foundation maintains cash balances at a single financial institution. The Federal Deposit Insurance Corporation insures account balances at each institution for amounts up to \$250,000. The Foundation did not have deposits that exceeded the FDIC insured during fiscal year ending 2017. The Foundation's cash and cash equivalents were \$494,979 at June 30, 2017.

The Foundation's investments totaling \$8.65 million at June 30, 2017 are stated at fair value and consist of the following:

	Fair Value	(Level 1)	(Level 2)	(Level 3)
Equity funds	\$ 4,968,208	\$ 4,968,208	\$ -	\$ -
Fixed income funds	2,184,051	-	2,184,051	-
Mutual funds	949,544	949,544	-	-
Exchange Traded Funds	251,961	251,961	-	-
Other assets	299,490	-	299,490	-
Total Investments	<u>\$ 8,653,254</u>	<u>\$ 6,169,713</u>	<u>\$ 2,483,541</u>	<u>\$ -</u>

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

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

**3. Capital Assets**

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

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 3,827,853	\$ -	\$ -	\$ 3,827,853
Construction in progress	802,775	364,854	35,557	1,132,072
Total capital assets not being depreciated	4,630,628	364,854	35,557	4,959,925
Capital assets being depreciated:				
Buildings	40,645,537	-	-	40,645,537
Infrastructure	1,797,825	-	-	1,797,825
Furniture and equipment	4,192,944	614,412	567,886	4,239,470
Library collections	764,152	46,579	-	810,731
Software RogueNet	996,153	-	49,341	946,812
Total capital assets being depreciated	48,396,611	660,991	617,227	48,440,375
Less accumulated depreciation for:				
Buildings	14,787,088	936,912	-	15,724,000
Infrastructure	525,870	37,932	-	563,802
Furniture and equipment	2,700,381	320,683	547,247	2,473,817
Library collections	603,384	43,875	-	647,259
Software	886,506	16,796	19,972	883,330
Total accumulated depreciation	19,503,229	1,356,198	567,219	20,292,208
Total capital assets being depreciated, net	28,893,382	(695,207)	50,008	28,148,167
Total capital assets, net	\$ 33,524,010	\$ (330,353)	\$ 85,565	\$ 33,108,092

**4. Accounts Receivable**

The College's student and agency receivables are shown net of an allowance for uncollectible accounts. As of June 30, 2017, the allowance for uncollectible accounts totaled \$1.97 million.

In 1999, the Foundation was bequeathed funds for the Helen M. Whitaker Education Fund. For the year ended June 30, 2017, they held a student loan receivable of \$137,396. The Foundation also received pledges from donors in the fiscal year 2016-17 and the total remaining receivable at June 30, 2017 consisted of \$185,638.

**5. Long-Term Obligations**

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

	July 1, 2016 as restated	Additions	Deletions	June 30, 2017	Due Within One Year	Interest Matured and Paid
Pension bonds payable	\$ 17,080,000	\$ -	\$ 805,000	\$ 16,275,000	\$ 905,000	\$ 817,878
General obligation and refunding bonds payable	16,605,000	27,040,000	9,615,000	34,030,000	2,030,000	1,261,808
Premium on general obligation and refunding bonds	893,607	4,045,296	659,556	4,279,347	-	-
Note payable	164,830	-	16,909	147,921	17,852	8,836
Pre-SLGRP Liability	3,278,394	-	181,004	3,097,390	181,002	-
Compensated Absences	643,450	869,088	839,792	672,746	82,974	-
Total	\$ 38,665,281	\$ 31,954,384	\$ 12,117,261	\$ 58,502,404	\$ 3,216,828	\$ 2,088,522



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

## Bonds and Notes Payable

Wells Fargo Bank, Limited Tax Pension Obligation Bonds, Series 2005, original principal of \$21,035,000 is payable in semi-annual interest and annual principal payments, interest at 4.643% to 4.831%, due June 30, 2028. \$16,275,000

US Bank, General Obligation and Refunding Bonds, Series 2012, original principal of \$9,430,000 is payable in semi-annual interest and annual principal payments, interest at 3.0% to 4.0%, due June 15, 2025. 8,880,000

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. 147,921

US Bank, General Obligation and Refunding Bonds, Series 2016A, original principal of \$7,040,000 is payable in semi-annual interest and annual principal payments, interest at 3.0% to 4.0%, due June 15, 2025. 5,755,000

US Bank, General Obligation and Refunding Bonds, Series 2016B, original principal of \$20,000,000 is payable in semi-annual interest and annual principal payments, interest at 2.0% to 5.0%, due June 15, 2025. 19,395,000

Total Bonds and Notes Payable \$ 50,452,921

FISCAL YEAR	PENSION BONDS		GENERAL OBLIGATION AND REFUNDING BONDS		NOTE PAYABLE		TOTAL	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2017-18	\$ 905,000	\$ 780,502	\$ 2,030,000	\$ 1,248,900	\$ 17,852	\$ 7,894	\$ 2,952,852	\$ 2,037,296
2018-19	1,015,000	738,483	2,210,000	1,193,950	18,847	6,898	3,243,847	1,939,331
2019-20	1,135,000	691,356	2,400,000	1,127,650	19,898	5,847	3,554,898	1,824,855
2020-21	1,260,000	638,658	2,580,000	1,055,650	21,008	4,738	3,861,008	1,699,046
2021-22	1,395,000	577,788	2,745,000	952,450	22,179	3,567	4,162,179	1,533,803
2022-27	9,385,000	1,729,015	12,045,000	3,074,850	48,137	3,354	21,478,137	4,807,219
2027-32	1,180,000	57,006	7,395,000	1,423,450	-	-	8,575,000	1,480,456
2032-37	-	-	2,625,000	140,200	-	-	2,625,000	140,200
	<u>\$16,275,000</u>	<u>\$5,212,808</u>	<u>\$34,030,000</u>	<u>\$10,217,100</u>	<u>\$ 147,921</u>	<u>\$ 32,298</u>	<u>\$50,452,921</u>	<u>\$15,462,206</u>

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

In April 2012, the College issued \$9.43 million of General Obligation and Refunding bonds to partially defease the existing General Obligation and Refunding Bond, Series 2005. This refunding reduces the College's total debt service payments over 14 years by \$815,939. As a result, the refunded Bonds are considered defeased and the liability for those Bonds has been removed from the College's basic financial statements. The re-acquisition price exceeded the net carrying amount of the old debt by \$905,000. As of June 30, 2017, \$8.53 million of the defeased bonds are outstanding.

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

## Bonds and Notes Payable (continued)

In July 2016, the College issued \$27.04 million in General Obligation and Refunding bonds to provide funds which (a) were used and are continuing to be used for the acquisition and construction of major capital facilities in both Jackson and Josephine counties, and (b) were used to refund \$7.64 million of the General Obligation Bond Series 2005. The measure for authorizing the \$27.04 million of general obligation bonds was on the May 17, 2016 ballot in Jackson and Josephine Counties. This ballot measure was approved by a favorable vote of the College's District residents. As of June 30, 2017, the General Obligation Bond Series 2005 is paid in full.

**6. Operating Leases**

The College leases building and office facilities and other equipment under non-cancelable operating leases. Payments under these leases totaled \$239,311 in 2016-17. The current and future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 204,364
2019	185,984
2020	186,730
2021	118,515
2022	120,834
2023-2025	159,054
Total	<u>\$ 975,481</u>

**7. Risk Management**

The College is exposed to various risks of loss related to general liability, property loss and workers' compensation. The College is a member of the OSBA Property and Casualty Coverage for Education (PACE) and pays 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 College retains the risk of liability for claims under \$5,000 per occurrence. There have been no significant reductions in insurance coverage during 2017 and no insurance settlement exceeded insurance coverage for the past three years. Liability insurance has a limit of \$10 million per occurrence and \$20 million in the aggregate. Earthquake and flood coverage has a loss limit of \$20 million with a PACE Annual Aggregate Loss Limit of \$400 million.

The College purchased workers' compensation insurance through the State Accident Insurance Fund Corporation (SAIF) for 2016-17. The coverage limits for workers' compensation under coverage A are statutorily limited and under coverage B is \$2 million per occurrence. The workers' compensation policy is a guaranteed cost plan, which means the College pays the premium based on an estimated payroll at the beginning of the fiscal year. The College accrues additional, or receives a return on premiums calculated on the actual payroll through an end of the fiscal year audit.

## 8. Pension Plans

### General Information about the Pension Plans

The College contributes to two pension plans administered by PERS. The Oregon Public Employees Retirement Fund (OPERF) applies to the College's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: 1) The Pension Program, the defined benefit portion of the plan which applies to the qualifying College employees hired after August 29, 2003. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. 2) The Individual Account Program (IAP), the defined contribution portion of the plan. Beginning January 1, 2004, all PERS member contributions go into the IAP. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, postemployment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at: <http://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx>

### Benefits Provided

#### A. Tier One/Tier Two Retirement Benefit - ORS Chapter 238

Pension Benefits - The PERS retirement allowance is payable monthly for life. The allowance may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage, equal to 1.67 percent for general service employees, is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus an annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits - Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- The member was employed by a PERS employer at the time of death,
- The member died within 120 days after termination or PERS-covered employment,

**8. Pension Plans (continued)**

Benefits Provided (continued)

A. Tier One/Tier Two Retirement Benefit - ORS Chapter 238 (Continued)

Death Benefits (continued)

- The member died as a result of injury sustained while employed in a PERS-covered job, or
- The member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits - A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes after Retirement - Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

B. PERS Pension Program (OPSRP-DB) – ORS Chapter 238A

Pension Benefits – This portion of the OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is 65, or age 58 with 30 years of retirement credit.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits - Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

Disability Benefits - A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

C. OPSRP Individual Account Program (OPSRP IAP) – ORS Chapter 238A

Pension Benefits – A member of the pension program becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: The date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the OPSRP IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 401(a).

**8. Pension Plans (continued)**

Benefits Provided (continued)

C. OPSRP Individual Account Program (OPSRP IAP) – ORS Chapter 238A (continued)

Pension Benefits (continued)

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15- or 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits – Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping – PERS contracts with Voya Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2017 were \$1,627,953, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2017 were 11.33% for Tier One/Tier Two General Service Members and 5.78% for OPSRP Pension Program General Service Members, net of 8.96% of side account rate relief.

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

At June 30, 2017, the College reported a liability of \$25.2 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 and rolled forward to June 30, 2016. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2016, the College's proportion was 0.168%, which was an increase from its proportion of .1652% measured as of June 30, 2015.

For the year ended June 30, 2017, the College recognized a pension expense of \$2.8 million. This is a reduction in expense of \$5 million from prior year, primarily due to the change in value of the College's Liability and changes in deferred inflows and outflows associated with the pension. At June 30, 2017, the College reports deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as shown on the following page:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 835,104	\$ -
Changes of assumptions	5,383,435	-
Net difference between projected and actual earnings on investments	4,986,689	-
Changes in proportion	158,026	31,458
Differences between employer contributions and proportionate share of contributions	-	423,777
Total (prior to post-measurement date contributions)	11,363,254	455,235
Contributions subsequent to the measurement date	1,627,953	-
Total	<u>\$ 12,991,207</u>	<u>\$ 455,235</u>

There is \$1.6 million reported as deferred outflows of resources related to the pensions resulting from College contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows
FY2018	\$ 1,926,497
FY2019	1,926,497
FY2020	3,767,530
FY2021	2,880,339
FY2022	407,156
Total	<u>\$ 10,908,019</u>

Actuarial Assumptions

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

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

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

Actuarial methods and assumptions used to determine the Total Pension Liability are as follows:

Valuation date	December 31, 2014
Measurement date	June 30, 2016
Experience Study	2014, published September 2015
Actuarial Assumptions:	
Inflation rate	2.5 percent (reduced from 2.75%)
Long-term expected rate of return	7.5 percent (reduced from 7.75%)
Discount rate	7.5 percent (reduced from 7.75%)
Projected salary increase	3.5 percent (reduced from 3.75%)
Cost of living adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<p><b>Healthy Retirees and beneficiaries:</b> RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p><b>Active members:</b> Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p><b>Disabled retirees:</b> Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.</p>

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

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

**8. Pension Plans (continued)**Long-Term Expected Rate of Return (continued)

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.31%	6.99%
Micro Cap US Equities	1.31%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Market Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equity	17.50%	7.97%
Real Estate (Property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	2.50%	4.64%
Hedge Fund - Event-driven	0.63%	6.72%
Timber	1.88%	5.85%
Farmland	1.88%	6.37%
Infrastructure	3.75%	7.13%
Commodities	1.88%	4.58%
<b>Total</b>	<b>100.00%</b>	

Assumed Inflation - Mean

2.50%

Discount Rate

The discount rate used to measure the total pension liability was 7.5% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments for the Defined Benefit Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Proportionate share of Net Pension Liability (Asset)	\$ 40,756,832	\$ 25,241,640	\$ 12,273,654



**8. Pension Plans (continued)**Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report that can be found at <http://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx>.

Transition Liability

The College reports a separate liability to the plan with a balance of \$3.1 million at June 30, 2017. The liability represents the College's allocated share of the pre-SLGRP pooled liability. The College is being assessed an employer contribution rate of 1.85% of covered payroll for the payment of this transition liability.

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

The College implemented GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, beginning in the fiscal year ending June 30, 2009.

Plan Description

The College administers a single-employer defined-benefit other postemployment health care plan that provides postemployment health, dental, vision and prescription coverage benefits to eligible employees as shown below. The "plan" is not a stand-alone plan and therefore does not issue its own financial statement. The College is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. The College's contributions toward eligible retiree health care are as shown below. Retired employees who do not meet the eligibility requirements may continue enrollment in the health plans on a self-pay basis until age 65.

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

**9. Post-Employment Health Care Costs (continued)**Funding Policy

The benefits from this program are fully paid by the College. Employee contributions may be required, depending on retirement date and employee group. There is no obligation on the part of the College to fund the benefits in advance. The College covers this obligation through annual appropriations on a pay-as-you-go basis. For the year ended June 30, 2017 expenses under the plan were \$368,911.

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 GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a 30-year period. For actuarial valuations dated prior to March 31, 2015, an exception existed for plan employers with a very small membership in a large "community related" health care program. This exception was available to the College and prior valuations excluded recognition of the implicit subsidy liability. Following a change in Actuarial Standards of Practice, GASB no longer offers this exception for the January 1, 2017 valuation. This change had a significant impact on the College's OPEB liability.

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 for Fiscal Year End June 30, 2017:

Annual Required Contribution	\$ 497,525
Interest on net OPEB obligation (asset)	(6,511)
Adjustment to annual required contribution	8,090
Annual OPEB cost	499,104
Contributions made for retirees	243,493
Current year's implicit subsidy	125,498
Increase (decrease) in net OPEB obligation	130,113
Net OPEB asset – beginning of year	(162,768)
Net OPEB asset – end of year	<u>\$ (32,655)</u>

The College's historical annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Year Ended	Annual OPEB Cost	Employer OPEB Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2017	\$ 499,104	\$ 368,991	73.9%	\$ (32,655)
6/30/2016	279,641	273,117	97.7%	(162,768)
6/30/2015	269,924	270,904	100.4%	(169,292)

**9. Post-Employment Health Care Costs (continued)**Funding Status and Funding Progress

The funding status of the plan is as follows:

Valuation Date	Value of Asset	AAL Unit Credit	UAAL	Funded Ratio	Covered Payroll	UAAL % of Covered Payroll
1/1/2017	\$ -	\$ 5,042,584	\$ 5,042,584	0%	\$ 17,720,434	28.5%
1/1/2015	-	3,024,559	3,024,559	0%	16,321,107	18.5%
1/1/2013	-	2,783,096	2,783,096	0%	16,828,677	16.5%

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

Actuarial Methods and Assumptions

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

Actuarial Valuation Date	1/1/2017
Actuarial Cost Method	Entry Age Normal Cost
Amortization Method	Level Percent of Pay
Amortization Period	22 Years (closed)
General Inflation Rate	3.50%
Investment Rate of Return	4.00%
Projected Salary Increases	3.75%
Medical Healthcare inflation rate	Reflects actual increase effective October 2017 Increases effective October 2018 and later range from 5.4% - 6.4% until an ultimate trend rate of 4.4% is reached in 2094

**10. Commitments**Federal Issues

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

**10. Commitments (continued)**

Purchasing Commitments

In October 2017, the College entered into two contracts for the proposed Health Professions Building located on the Table Rock Campus; 1) Kistler Small & White Architects for \$1.1 million for architectural services and 2) Adroit Construction for \$19,500 for preconstruction services.

In November 2017, the College entered into two purchasing commitments for equipment; 1) Klein Education Systems in the amount of \$200,953 for the Mechatronics' program, and 2) Snap-on tools in the amount of \$54,774, for the automotive program.

**11. Restatement for PERS Pre-SLGRP Transition Liability**

As of July 1, 2014, the College adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments to calculate and report the cost and obligations associated with pensions in their financial statements, including additional note disclosures and required supplementary information.

Pre-SLGRP (State and Local Government Rate Pool) liabilities/surpluses are the result of a change in pooled status. Prior to formation of the SLGRP, all state agencies and community colleges were pooled by statute, and local governments had the option of pooling with other local governments. The SLGRP replaced the state/community college pool, which had an unfunded liability at the time, and the local government pool, which had an actuarial surplus at the time. The state/community college pool's UAL remained with those entities as a pre-SLGRP liability. The local government pool's surplus remained with participating local governments as a pre-SLGRP surplus. During the year, the College noted the SLGRP liability was not properly recorded with the implementation of GASB No. 68 in prior years; therefore, beginning net position was restated to retroactively report the Pre-SLGRP as follows:

Net position at June 30, 2016, as previously reported	\$ 14,779,520
Pre-SLGRP Transition liability at June 30, 2016	<u>(3,278,394)</u>
Net position at July 1, 2016, as restated	<u><u>\$ 11,501,126</u></u>

Rogue Community College  
Grants Pass, Oregon

Required Supplementary Information

Schedule of Funding Progress for Retiree Health Plan  
For the year ended June 30, 2017

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability	(b-a) Unfunded Actuarial Accrued Liability	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) Unfunded Actuarial Accrued Liability As A Percentage Of Covered Payroll
01/01/2017	\$ 0	\$ 5,042,584	\$ 5,042,584	0%	\$ 17,720,434	28.5%
01/01/2015	\$ 0	\$ 3,024,559	\$ 3,024,559	0%	\$ 16,321,107	18.5%
01/01/2013	\$ 0	\$ 2,783,096	\$ 2,783,096	0%	\$ 16,828,677	16.5%
01/01/2011	\$ 0	\$ 2,457,155	\$ 2,457,155	0%	\$ 16,841,998	14.6%

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

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

Year Ended June 30,*	(a) College's proportion of the net pension liability (asset)	(b) College's proportionate share of the net pension liability (asset)	(c) College's covered payroll**	(b/c) College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.16813948%	\$ 25,241,640	\$ 19,521,681	129.30%	80.5%
2016	0.16520480%	\$ 9,485,128	\$ 18,622,319	50.93%	91.9%
2015	0.16757515%	\$ (3,798,451)	\$ 19,502,761	-19.48%	103.6%

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

\* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

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

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

Year Ended June 30,*	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) College's covered payroll**	(b/c) Contributions as a percent of covered payroll
2017	\$ 1,627,953	\$ (1,627,953)	\$ 0	\$ 19,296,046	8.44%
2016	\$ 1,600,743	\$ (1,600,743)	\$ 0	\$ 19,521,681	8.20%
2015	\$ 1,540,025	\$ (1,540,025)	\$ 0	\$ 18,622,319	8.27%

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

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

\* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

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



Rogue Community College  
Grants Pass, Oregon

Other Supplementary Information

(Individual Fund Financial Schedules)

Other Supplementary Information  
Description of Budgeted College Funds

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

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

Budgeted College funds are as follows:

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

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

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

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

Contract and Grant Fund – Accounts for grants and contracts awarded to and for the College from federal, state, and local sources.

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

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

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

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

## Rogue Community College

### Other Supplementary Information

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

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

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

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

Technology and Equipment Fund – This fund is designated for the replacement of the College's equipment, software maintenance, and distance delivery. The principal revenues are the \$5 per-credit and the \$5 per-non-credit course technology fee, the distance education fee, and transfers from other funds. The principal expenditure are upgrades/replacements for equipment, software maintenance, and distance delivery services.

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

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

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

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Rogue Community College

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

(Non-GAAP Budgetary Basis) - Budget and Actual

For the year ended June 30, 2017

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
State sources	\$ 9,274,249	\$ 9,274,249	\$ 9,458,552	\$ 184,303
Local sources	12,772,720	12,752,720	12,921,491	168,771
Tuition and fees	12,305,727	12,305,727	12,574,187	268,460
Other revenue sources	376,000	396,000	474,944	78,944
Total revenues	<u>34,728,696</u>	<u>34,728,696</u>	<u>35,429,174</u>	<u>700,478</u>
Expenditures:				
Instruction	15,365,522	15,365,722	15,272,213	93,509
Instructional support services	4,056,295	4,059,295	3,849,618	209,677
Student services	5,760,801	5,716,140	5,007,345	708,795
Community services	266,740	266,740	246,158	20,582
College support services	7,357,371	7,508,853	6,828,242	680,611
Plant operations and maintenance	3,116,060	3,047,039	2,591,780	455,259
Contingency	1,599,832	558,832	0	558,832
Total expenditures	<u>37,522,621</u>	<u>36,522,621</u>	<u>33,795,356</u>	<u>2,727,265</u>
Revenues over (under) expenditures	<u>(2,793,925)</u>	<u>(1,793,925)</u>	<u>1,633,818</u>	<u>3,427,743</u>
Other financing sources (uses):				
Transfers in	560,044	560,044	5,964	(554,080)
Transfers out	(2,104,340)	(3,104,340)	(3,104,340)	0
Total other financing sources (uses)	<u>(1,544,296)</u>	<u>(2,544,296)</u>	<u>(3,098,376)</u>	<u>(554,080)</u>
Revenues and other sources over (under) expenditures and other uses	<u>(4,338,221)</u>	<u>(4,338,221)</u>	<u>(1,464,558)</u>	<u>2,873,663</u>
Fund balance, beginning of year	<u>4,338,221</u>	<u>4,338,221</u>	<u>4,876,455</u>	<u>538,234</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,411,897</u>	<u>\$ 3,411,897</u>

Rogue Community College

Capital Improvement Fund - COPs and Bonds  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
(Non-GAAP Budgetary Basis) - Budget and Actual  
For the year ended June 30, 2017

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other revenue sources	\$ 0	\$ 0	\$ 239,421	\$ 239,421
Expenditures:				
Plant additions	20,000,000	20,000,000	613,450	19,386,550
Total expenditures	20,000,000	20,000,000	613,450	19,386,550
Revenues over (under) expenditures	(20,000,000)	(20,000,000)	(374,029)	19,625,971
Other financing sources (uses):				
Bond proceeds	20,000,000	20,000,000	30,984,615	10,984,615
Transfers out	0	0	(7,713,164)	(7,713,164)
Total other financing sources (uses)	20,000,000	20,000,000	23,271,451	3,271,451
Revenues and other sources over (under) expenditures and other uses	0	0	22,897,422	22,897,422
Fund balance, beginning of year	0	0	0	0
Fund balance, end of year	\$ 0	\$ 0	\$ 22,897,422	\$ 22,897,422

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, 2017

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other revenue sources	\$ 8,000	\$ 8,000	\$ 50,305	\$ 42,305
Expenditures:				
Plant operations and maintenance	1,872,607	1,872,607	720,122	1,152,485
Plant additions	989,621	989,621	0	989,621
Contingency	186,282	186,282	0	186,282
Total expenditures	3,048,510	3,048,510	720,122	2,328,388
Revenues over (under) expenditures	(3,040,510)	(3,040,510)	(669,817)	2,370,693
Other financing sources (uses):				
Transfers in	701,635	701,635	926,635	225,000
Revenues and other sources over (under) expenditures and other uses	(2,338,875)	(2,338,875)	256,818	2,595,693
Fund balance, beginning of year	2,338,875	2,338,875	2,518,999	180,124
Fund balance, end of year	\$ 0	\$ 0	\$ 2,775,817	\$ 2,775,817

Rogue Community College

Capital Improvement Fund - State and Local Funds  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
(Non-GAAP Budgetary Basis) - Budget and Actual  
For the year ended June 30, 2017

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
State sources	\$ 8,000,000	\$ 8,000,000	\$ 0	\$ (8,000,000)
Local sources	2,000,000	2,000,000	0	(2,000,000)
Total revenues	10,000,000	10,000,000	0	(10,000,000)
Expenditures:				
Plant additions	10,000,000	10,000,000	36,969	9,963,031
Total expenditures	10,000,000	10,000,000	36,969	9,963,031
Revenues over (under) expenditures	0	0	(36,969)	(36,969)
Fund balance, beginning of year	0	0	250,000	250,000
Fund balance, end of year	\$ 0	\$ 0	\$ 213,031	\$ 213,031



Rogue Community College

Debt Service Fund - General Obligation Bonds  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
(Non-GAAP Budgetary Basis) - Budget and Actual  
For the year ended June 30, 2017

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Local sources	\$ 3,736,331	\$ 3,736,331	\$ 3,286,080	\$ (450,251)
Other revenue sources	16,171	16,171	30,633	14,462
Total revenues	<u>3,752,502</u>	<u>3,752,502</u>	<u>3,316,713</u>	<u>(435,789)</u>
Expenditures:				
Debt service	3,558,873	3,558,873	10,876,809	(7,317,936)
Unappropriated ending fund balance	422,408	422,408	0	422,408
Total expenditures	<u>3,981,281</u>	<u>3,981,281</u>	<u>10,876,809</u>	<u>(6,895,528)</u>
Revenues over (under) expenditures	(228,779)	(228,779)	(7,560,096)	(7,331,317)
Other financing sources (uses):				
Transfers in	0	0	7,713,164	7,713,164
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>7,713,164</u>	<u>7,713,164</u>
Revenues and other sources over (under) expenditures and other uses	(228,779)	(228,779)	153,068	381,847
Fund balance, beginning of year	228,779	228,779	257,567	28,788
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 410,635</u>	<u>\$ 410,635</u>
Summary of expenditures by appropriation:				
College support services	\$ 3,558,873	\$ 3,558,873	\$ 10,876,809	\$ (7,317,936)
Unappropriated ending fund balance	422,408	422,408	0	422,408
Total expenditures	<u>\$ 3,981,281</u>	<u>\$ 3,981,281</u>	<u>\$ 10,876,809</u>	<u>\$ (6,895,528)</u>

Rogue Community College

Debt Service Fund - Other  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
(Non-GAAP Budgetary Basis) - Budget and Actual  
For the year ended June 30, 2017

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other revenue sources	\$ 0	\$ 0	\$ 18	\$ 18
Expenditures:				
Debt service	1,648,625	1,648,625	1,648,624	1
Contingency	34,240	34,240	0	34,240
Total expenditures	1,682,865	1,682,865	1,648,624	34,241
Revenues over (under) expenditures	(1,682,865)	(1,682,865)	(1,648,606)	34,259
Other financing sources (uses):				
Transfers in	1,648,625	1,648,625	1,648,606	(19)
Revenues and other sources over (under) expenditures and other uses	(34,240)	(34,240)	0	34,240
Fund balance, beginning of year	34,240	34,240	34,245	5
Fund balance, end of year	\$ 0	\$ 0	\$ 34,245	\$ 34,245
Summary of expenditures by appropriation:				
College support services	\$ 1,648,625	\$ 1,648,625	\$ 1,648,624	\$ 1
Contingency	34,240	34,240	0	34,240
Total expenditures	\$ 1,682,865	\$ 1,682,865	\$ 1,648,624	\$ 34,241

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, 2017

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Tuition and fees	\$ 1,531,074	\$ 1,531,074	\$ 1,583,610	\$ 52,536
Expenditures:				
College support services	238,000	264,522	64,188	200,334
Plant operations and maintenance	161,039	149,517	146,358	3,159
Contingency	100,000	85,000	0	85,000
Reserved for future expenditures	3,106,295	3,106,295	0	3,106,295
Total expenditures	3,605,334	3,605,334	210,546	3,394,788
Revenues over (under) expenditures	(2,074,260)	(2,074,260)	1,373,064	3,447,324
Other financing sources (uses):				
Transfer in	0	1,000,000	1,114,881	114,881
Transfers out	(1,176,920)	(1,176,920)	(929,928)	246,992
Total other financing sources (uses)	(1,176,920)	(176,920)	184,953	361,873
Revenues and other sources over (under) expenditures and other uses	(3,251,180)	(2,251,180)	1,558,017	3,809,197
Fund balance, beginning of year	3,251,180	2,251,180	3,514,694	1,263,514
Fund balance, end of year	\$ 0	\$ 0	\$ 5,072,711	\$ 5,072,711

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, 2017

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Federal sources	\$ 8,429,297	\$ 8,424,097	\$ 3,948,966	\$ (4,475,131)
State sources	402,781	395,879	955,281	559,402
Local sources	115,000	184,572	195,302	10,730
Tuition and fees	223,704	230,094	252,332	22,238
Other revenue sources	346,298	129,415	448,349	318,934
Total revenues	<u>9,517,080</u>	<u>9,364,057</u>	<u>5,800,230</u>	<u>(3,563,827)</u>
Expenditures:				
Instruction	1,458,443	1,455,716	1,109,632	346,084
Instructional support services	1,982,763	1,895,933	1,392,301	503,632
Student services	4,261,862	4,351,903	2,783,465	1,568,438
Community services	5,000	145,000	140,000	5,000
College support services	77,427	77,427	46,548	30,879
Plant operations and maintenance	5,000	5,000	138	4,862
Plant additions	1,250,000	1,250,000	0	1,250,000
Contingency	996,949	856,465	0	856,465
Total expenditures	<u>10,037,444</u>	<u>10,037,444</u>	<u>5,472,084</u>	<u>4,565,360</u>
Revenues over (under) expenditures	<u>(520,364)</u>	<u>(673,387)</u>	<u>328,146</u>	<u>1,001,533</u>
Other financing sources (uses):				
Transfer in	140,000	140,000	43,406	(96,594)
Total other financing sources (uses)	<u>140,000</u>	<u>140,000</u>	<u>43,406</u>	<u>(96,594)</u>
Revenues and other sources over (under) expenditures and other uses	<u>(380,364)</u>	<u>(533,387)</u>	<u>371,552</u>	<u>904,939</u>
Fund balance, beginning of year	<u>380,364</u>	<u>533,387</u>	<u>646,078</u>	<u>112,691</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,017,630</u>	<u>\$ 1,017,630</u>

Rogue Community College

Entrepreneurial Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

(Non-GAAP Budgetary Basis) - Budget and Actual

For the year ended June 30, 2017

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Tuition and fees	\$ 1,102,624	\$ 1,102,624	\$ 988,610	\$ (114,014)
Other revenue sources	0	0	1,397	1,397
Total revenues	1,102,624	1,102,624	990,007	(112,617)
Expenditures:				
Instruction	793,528	643,528	451,991	191,537
Instructional support	679,334	679,334	407,511	271,823
Student services	0	50,000	0	50,000
Community services	0	50,000	0	50,000
College support services	0	50,000	4,117	45,883
Contingency	229,762	229,762	0	229,762
Total expenditures	1,702,624	1,702,624	863,619	839,005
Revenues over (under) expenditures	(600,000)	(600,000)	126,388	726,388
Other financing sources (uses):				
Transfers in	525,000	525,000	528,671	3,671
Total other financing sources (uses)	525,000	525,000	528,671	3,671
Revenues and other sources over (under) expenditures and other uses	(75,000)	(75,000)	655,059	730,059
Fund balance, beginning of year	75,000	75,000	75,000	0
Fund balance, end of year	\$ 0	\$ 0	\$ 730,059	\$ 730,059

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, 2017

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Federal sources	\$ 29,301,429	\$ 29,339,500	\$ 17,539,289	\$ (11,800,211)
State sources	4,100,000	4,100,000	3,365,708	(734,292)
Local sources	350,000	350,000	325,980	(24,020)
Other revenue sources	38,071	0	0	0
Total revenues	<u>33,789,500</u>	<u>33,789,500</u>	<u>21,230,977</u>	<u>(12,558,523)</u>
Expenditures:				
Student financial aid	<u>33,751,429</u>	<u>33,751,429</u>	<u>21,225,013</u>	<u>12,526,416</u>
Total expenditures	<u>33,751,429</u>	<u>33,751,429</u>	<u>21,225,013</u>	<u>12,526,416</u>
Revenues over (under) expenditures	38,071	38,071	5,964	(32,107)
Other financing sources (uses):				
Transfers out	<u>(38,071)</u>	<u>(38,071)</u>	<u>(5,964)</u>	<u>32,107</u>
Revenues and other sources over (under) expenditures and other uses	0	0	0	0
Fund balance, beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, end of year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

Rogue Community College

Higher Education Center Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
(Non-GAAP Budgetary Basis) - Budget and Actual  
For the year ended June 30, 2017

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other revenue sources	\$ 423,506	\$ 423,506	\$ 194,690	\$ (228,816)
Expenditures:				
Instructional support	36,357	36,357	34,912	1,445
College support services	113,240	246,897	205,604	41,293
Plant operations and maintenance	620,463	486,806	301,628	185,178
Contingency	94,362	94,362	0	94,362
Total expenditures	864,422	864,422	542,144	322,278
Revenues over (under) expenditures	(440,916)	(440,916)	(347,454)	93,462
Other financing sources (uses):				
Transfers in	470,916	470,916	377,454	(93,462)
Transfers out	(30,000)	(30,000)	(30,000)	0
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, 2017

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
Revenues:				
Tuition and fees	\$ 280,940	\$ 280,940	\$ 260,804	\$ (20,136)
Other revenue sources	31,400	31,400	9,217	(22,183)
Total revenues	<u>312,340</u>	<u>312,340</u>	<u>270,021</u>	<u>(42,319)</u>
Expenditures:				
Instructional support	205,805	205,305	78,673	126,632
Student services	351,939	352,189	344,327	7,862
College support services	116,107	116,357	64,046	52,311
Contingency	25,853	25,853	0	25,853
Total expenditures	<u>699,704</u>	<u>699,704</u>	<u>487,046</u>	<u>212,658</u>
Revenues over (under) expenditures	<u>(387,364)</u>	<u>(387,364)</u>	<u>(217,025)</u>	<u>170,339</u>
Other financing sources (uses):				
Transfers in	156,673	156,673	149,173	(7,500)
Transfers out	(5,500)	(5,500)	0	5,500
Total other financing sources (uses)	<u>151,173</u>	<u>151,173</u>	<u>149,173</u>	<u>(2,000)</u>
Revenues and other sources over (under) expenditures and other uses	<u>(236,191)</u>	<u>(236,191)</u>	<u>(67,852)</u>	<u>168,339</u>
Fund balance, beginning of year	<u>236,191</u>	<u>236,191</u>	<u>234,393</u>	<u>(1,798)</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 166,541</u>	<u>\$ 166,541</u>



Rogue Community College

PERS Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

(Non-GAAP Budgetary Basis) - Budget and Actual

For the year ended June 30, 2017

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other revenue sources	\$ 1,792,592	\$ 1,792,592	\$ 1,719,441	\$ (73,151)
Expenditures:				
College support services	50,000	50,000	10,855	39,145
Contingencies	100,000	100,000	0	100,000
Reserved for future expenditures	5,712,446	5,712,446	0	5,712,446
Total expenditures	5,862,446	5,862,446	10,855	5,851,591
Revenues over (under) expenditures	(4,069,854)	(4,069,854)	1,708,586	5,778,440
Other financing sources (uses):				
Transfers out	(1,622,878)	(1,622,878)	(1,622,878)	0
Total other financing sources (uses)	(1,622,878)	(1,622,878)	(1,622,878)	0
Revenues and other sources over (under) expenditures and other uses	(5,692,732)	(5,692,732)	85,708	5,778,440
Fund balance, beginning of year	5,692,732	5,692,732	5,704,368	11,636
Fund balance, end of year	\$ 0	\$ 0	\$ 5,790,076	\$ 5,790,076

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, 2017

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
State sources	\$ 158,730	\$ 158,730	\$ 168,225	\$ 9,495
Tuition and fees	546,250	546,250	598,460	52,210
Other revenue sources	12,000	12,000	11,823	(177)
Total revenues	<u>716,980</u>	<u>716,980</u>	<u>778,508</u>	<u>61,528</u>
Expenditures:				
Instruction	565,019	565,019	490,962	74,057
Instructional support services	390,106	427,005	410,883	16,122
Student services	19,854	19,854	2,859	16,995
Contingencies	36,899	0	0	0
Total expenditures	<u>1,011,878</u>	<u>1,011,878</u>	<u>904,704</u>	<u>107,174</u>
Revenues over (under) expenditures	<u>(294,898)</u>	<u>(294,898)</u>	<u>(126,196)</u>	<u>168,702</u>
Other financing sources (uses):				
Transfers in	219,054	219,054	219,054	0
Transfers out	(240,000)	(240,000)	(212,143)	27,857
Total other financing sources (uses)	<u>(20,946)</u>	<u>(20,946)</u>	<u>6,911</u>	<u>27,857</u>
Revenues and other sources over (under) expenditures and other uses	<u>(315,844)</u>	<u>(315,844)</u>	<u>(119,285)</u>	<u>196,559</u>
Fund balance, beginning of year	<u>315,844</u>	<u>315,844</u>	<u>227,309</u>	<u>(88,535)</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 108,024</u>	<u>\$ 108,024</u>

Rogue Community College

Stability Reserve Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
(Non-GAAP Budgetary Basis) - Budget and Actual  
For the year ended June 30, 2017

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

Rogue Community College

Technology and Equipment Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
(Non-GAAP Budgetary Basis) - Budget and Actual  
For the year ended June 30, 2017

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Tuition and fees	\$ 1,085,591	\$ 1,030,551	\$ 1,088,408	\$ 57,857
Other revenue sources	0	1,300	1,300	0
Total revenues	1,085,591	1,031,851	1,089,708	57,857
Expenditures:				
Instruction	359,432	381,204	297,902	83,302
Instructional support services	546,738	557,545	426,145	131,400
Student services	24,070	15,370	14,793	577
College support services	762,942	809,364	579,288	230,076
Plant operations and maintenance	30,000	30,000	0	30,000
Contingency	113,097	42,796	0	42,796
Total expenditures	1,836,279	1,836,279	1,318,128	518,151
Revenues over (under) expenditures	(750,688)	(804,428)	(228,420)	576,008
Other financing sources (uses):				
Transfers in	301,339	301,339	346,985	45,646
Total other financing sources (uses)	301,339	301,339	346,985	45,646
Revenues and other sources over (under) expenditures and other uses	(449,349)	(503,089)	118,565	621,654
Fund balance, beginning of year	449,349	503,089	598,502	95,413
Fund balance, end of year	\$ 0	\$ 0	\$ 717,067	\$ 717,067

Rogue Community College

Unemployment Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
(Non-GAAP Budgetary Basis) - Budget and Actual  
For the year ended June 30, 2017

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other revenue sources	\$ 50,521	\$ 50,521	\$ 42,569	\$ (7,952)
Expenditures:				
College support services	75,000	85,000	63,400	21,600
Contingencies	161,033	151,033	0	151,033
Total expenditures	236,033	236,033	63,400	172,633
Revenues over (under) expenditures	(185,512)	(185,512)	(20,831)	164,681
Fund balance, beginning of year	185,512	185,512	214,869	29,357
Fund balance, end of year	\$ 0	\$ 0	\$ 194,038	\$ 194,038

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, 2017

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Sales	\$ 2,409,561	\$ 2,409,561	\$ 2,376,583	\$ (32,978)
Other income	9,250	9,250	4,740	(4,510)
Total revenues	<u>2,418,811</u>	<u>2,418,811</u>	<u>2,381,323</u>	<u>(37,488)</u>
Expenditures:				
Personnel services	365,879	365,879	279,413	86,466
Other payroll expense	217,343	217,343	167,924	49,419
Materials and services	140,635	140,635	79,305	61,330
Materials for resale	1,860,171	1,860,171	1,847,628	12,543
Capital equipment	10,000	10,000	0	10,000
Contingency	207,706	207,706	0	207,706
Total expenditures	<u>2,801,734</u>	<u>2,801,734</u>	<u>2,374,270</u>	<u>427,464</u>
Revenues over (under) expenditures	(382,923)	(382,923)	7,053	389,976
Other financing sources (uses):				
Transfers out	(64,550)	(64,550)	(14,550)	50,000
Revenues and other sources over (under) expenditures and other uses	(447,473)	(447,473)	(7,497)	439,976
Fund balance, beginning of year	447,473	447,473	771,793	324,320
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 764,296</u>	<u>\$ 764,296</u>
Summary of expenditures by appropriation:				
Student services	\$ 2,594,028	\$ 2,594,028	\$ 2,374,270	\$ 219,758
Contingency	207,706	207,706	0	207,706
Total expenditures	<u>2,801,734</u>	<u>2,801,734</u>	<u>2,374,270</u>	<u>427,464</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, 2017

	Budgeted Amounts			Variance - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other income	\$ 653,502	\$ 653,502	\$ 643,278	\$ (10,224)
Expenditures:				
Personnel services	352,523	352,523	293,838	58,685
Other payroll expense	195,030	195,030	153,403	41,627
Materials and services	522,444	527,090	118,103	408,987
Materials for resale	31,752	31,752	11,695	20,057
Capital equipment	69,916	69,770	0	69,770
Contingency	114,146	109,646	0	109,646
Total expenditures	1,285,811	1,285,811	577,039	708,772
Revenues over (under) expenditures	(632,309)	(632,309)	66,239	698,548
Other financing sources (uses):				
Transfers in	92,162	92,162	92,162	0
Transfers out	(33,189)	(33,189)	(33,188)	1
Total other financing sources (uses)	58,973	58,973	58,974	1
Revenues and other sources over (under) expenditures and other uses	(573,336)	(573,336)	125,213	698,549
Fund balance, beginning of year	573,336	573,336	585,524	12,188
Fund balance, end of year	\$ 0	\$ 0	\$ 710,737	\$ 710,737
Summary of expenditures by appropriation:				
Student services	\$ 67,997	\$ 67,997	\$ 16,754	\$ 51,243
Community services	848,626	853,126	494,549	358,577
Plant operations and maintenance	255,042	255,042	65,736	189,306
Contingency	114,146	109,646	0	109,646
Total expenditures	\$ 1,285,811	\$ 1,285,811	\$ 577,039	\$ 708,772

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Rogue Community College  
Grants Pass, Oregon

Other Supplementary Information  
(Schedule of Property Tax Transactions)

Schedule of Property Tax Transactions - General Fund  
For the year ended June 30, 2017

<u>Fiscal Year Ended</u>	<u>Uncollected Balances July 1, 2016</u>	<u>Current Year's Levy</u>	<u>Adjustments and Discounts</u>	<u>Collections</u>	<u>Uncollected Balances June 30, 2017</u>
2017	\$ 0	\$ 13,283,281	\$ (358,045)	\$ 12,564,911	\$ 360,325
2016	370,300	0	3,203	164,856	208,647
2015	213,196	0	(1,820)	72,297	139,079
2014	135,498	0	(1,405)	58,896	75,197
2013	68,542	0	(1,028)	25,321	42,193
2012	44,008	0	(1,051)	4,489	38,468
2011	19,319	0	(1,293)	3,315	14,711
Prior Years	37,711	0	(2,494)	6,026	29,191
Total	<u>\$ 888,574</u>	<u>\$ 13,283,281</u>	<u>\$ (363,933)</u>	<u>\$ 12,900,111</u>	<u>\$ 907,811</u>

Schedule of Property Tax Transactions - Debt Service Fund  
For the year ended June 30, 2017

Fiscal Year Ended	Uncollected Balances July 1, 2016	Current Year's Levy	Adjustments and Discounts	Collections	Uncollected Balances June 30, 2017
2017	\$ 0	\$ 3,418,548	\$ (92,637)	\$ 3,236,665	\$ 89,246
2016	52,596	0	644	23,413	29,827
2015	31,021	0	(330)	10,739	19,952
2014	20,560	0	(265)	8,344	11,951
2013	9,823	0	(189)	3,265	6,369
2012	6,574	0	(180)	482	5,912
2011	1,660	0	(268)	301	1,091
Prior Years	4,456	0	(244)	585	3,627
Total	<u>\$ 126,690</u>	<u>\$ 3,418,548</u>	<u>\$ (93,469)</u>	<u>\$ 3,283,794</u>	<u>\$ 167,975</u>

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FINANCIAL TRENDS: .....	86
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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:.....	90
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*These schedules contain information to help the reader assess the government's most significant local revenue source, property taxes.*

DEBT CAPACITY:.....	102
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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: .....	107
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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: .....	109
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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 published comprehensive annual financial reports for the relevant year. The College implemented GASB Statement No. 65 in fiscal 2014; schedules containing information for years prior to fiscal year 2014 have not been restated in accordance with GASB No. 65, unless otherwise stated. The College implemented GASB Statement No. 68 and No. 71 in fiscal 2015; schedules containing information for years prior to fiscal year 2015 have not been restated in accordance with GASB No. 68 and No 71, unless otherwise stated.

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

	2016-17	2015-16	2014-15	2013-14
Net investment in capital assets	\$ 17,721,477	\$ 16,913,135	\$ 14,283,970	\$ 14,057,119
Restricted - expendable	4,727,814	927,191	881,954	993,992
Unrestricted	(11,593,652)	(3,060,806)	1,607,452	22,310,498
Total net position	<u>\$ 10,855,639</u>	<u>\$ 14,779,520</u>	<u>\$ 16,773,376</u>	<u>\$ 37,361,609</u>

Note: The College implemented GASB Statement No. 54 in fiscal 2014; years prior to 2014 have not been restated, unless otherwise stated. The College implemented GASB Statement No. 68 and No. 71 in fiscal 2015, with an adjustment in 2017; schedules containing information for years prior to the referenced fiscal years have not been restated in accordance with GASB No. 68 and No. 71, unless otherwise stated.

Source: Rogue Community College Budget and Financial Services Department.

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<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
\$ 13,608,528	\$ 13,153,067	\$ 13,752,101	\$ 13,176,167	\$ 13,285,344	\$ 13,337,179
592,876	607,081	747,302	746,133	628,693	2,563,399
<u>16,945,296</u>	<u>16,428,065</u>	<u>12,038,388</u>	<u>10,149,312</u>	<u>2,718,379</u>	<u>6,576,208</u>
<u>\$ 31,146,700</u>	<u>\$ 30,188,213</u>	<u>\$ 26,537,791</u>	<u>\$ 24,071,612</u>	<u>\$ 16,632,416</u>	<u>\$ 22,476,786</u>

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

	2016-17	2015-16	2014-15	2013-14
Operating revenues:				
Student tuition and fees	\$ 17,346,411	\$ 16,962,306	\$ 17,160,540	\$ 19,189,090
Federal student financial aid grants	7,796,047	20,626,247	24,250,395	28,357,361
Federal grants and contracts	3,948,966	3,028,295	2,370,058	2,407,971
State and local grants and contracts	5,023,057	3,929,186	3,283,212	3,039,372
Auxiliary enterprises	2,292,794	2,290,647	2,600,729	2,886,688
Total operating revenues	\$ 36,407,275	\$ 46,836,681	\$ 49,664,934	\$ 55,880,482
Operating Expenses:				
Instruction	\$ 18,643,414	\$ 21,071,960	\$ 14,706,052	\$ 16,944,686
Instructional support services	6,612,951	7,096,620	5,232,455	5,270,080
Student services	10,963,620	10,312,279	7,802,365	8,713,370
Community services	918,368	802,943	655,848	690,447
College support services	8,163,765	8,273,480	6,643,253	6,540,975
Plant operations and maintenance	3,978,409	4,197,801	3,531,257	3,775,239
Scholarships and grants	21,331,237	23,478,895	26,639,338	30,818,208
Depreciation	1,356,198	1,318,294	1,383,795	1,249,414
Total operating expenses	\$ 71,967,962	\$ 76,552,272	\$ 66,594,363	\$ 74,002,419
Operating income (loss)	\$ (35,560,687)	\$ (29,715,591)	\$ (16,929,429)	\$ (18,121,937)
Non-operating revenues (expenses):				
State community college support	\$ 7,125,402	\$ 11,792,670	\$ 6,419,845	\$ 8,812,032
Federal financial aid	9,743,242	0	0	0
Property taxes	16,255,532	14,273,517	13,893,310	13,363,178
Investment income	330,789	230,823	196,146	3,050,295
Interest expense	(1,453,237)	(1,481,265)	(1,665,064)	(1,730,889)
Amortization of deferred charges	(166,864)	(118,835)	(21,313)	(121,865)
Gain (Loss) on disposal of capital assets	(50,008)	(20,080)	(5,602)	(14,745)
Gain (Loss) on pension asset	0	0	0	0
Other non-operating revenue	3,094,731	3,033,080	3,186,377	1,318,307
Total non-operating revenue (expenses)	\$ 34,879,587	\$ 27,709,910	\$ 22,003,699	\$ 24,676,313
Income (loss) before contributions	(681,100)	(2,005,681)	5,074,270	6,554,376
Capital contribution - donated assets	35,613	11,825	20,700	40,500
Change in net position	\$ (645,487)	\$ (1,993,856)	\$ 5,094,970	\$ 6,594,876

Note: The College implemented GASB Statement No. 54 in fiscal 2014; years prior to 2014 have not been restated, unless otherwise stated. The College implemented GASB Statement No. 68 and No. 71 in fiscal 2015, with an adjustment in 2017; schedules containing information for years prior to the referenced fiscal years have not been restated in accordance with GASB No. 68 and No. 71, unless otherwise stated.

Source: Rogue Community College Budget and Financial Services Department.



2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
\$ 18,951,762	\$ 19,980,687	\$ 17,396,805	\$ 15,611,574	\$ 11,848,151	\$ 10,010,734
29,282,493	31,128,994	29,517,520	12,812,538	6,581,276	4,748,199
2,070,948	2,306,020	2,627,174	2,586,851	2,560,624	2,197,465
3,382,815	3,315,112	3,832,881	6,977,045	5,461,820	6,666,795
3,012,341	3,263,140	3,446,288	3,227,307	2,726,353	2,148,596
<u>\$ 56,700,359</u>	<u>\$ 59,993,953</u>	<u>\$ 56,820,668</u>	<u>\$ 41,215,315</u>	<u>\$ 29,178,224</u>	<u>\$ 25,771,789</u>
\$ 16,959,707	\$ 17,602,427	\$ 17,036,563	\$ 14,699,340	\$ 14,152,736	\$ 13,191,336
8,457,690	4,763,229	4,621,373	4,646,151	4,908,709	4,689,741
637,728	8,757,710	8,821,596	8,100,885	7,292,340	4,191,697
4,770,501	696,173	635,513	521,995	619,193	420,116
6,522,004	6,578,074	5,917,232	5,866,887	5,648,526	7,453,270
3,485,631	3,864,283	4,915,125	4,825,340	4,820,046	3,113,041
31,995,666	33,719,682	30,816,983	16,945,400	9,265,555	6,612,883
1,232,604	1,177,785	1,137,160	1,152,375	1,087,950	883,083
<u>\$ 74,061,531</u>	<u>\$ 77,159,363</u>	<u>\$ 73,901,545</u>	<u>\$ 56,758,373</u>	<u>\$ 47,795,055</u>	<u>\$ 40,555,167</u>
<u>\$ (17,361,172)</u>	<u>\$ (17,165,410)</u>	<u>\$ (17,080,877)</u>	<u>\$ (15,543,058)</u>	<u>\$ (18,616,831)</u>	<u>\$ (14,783,378)</u>
\$ 3,902,363	\$ 7,690,282	\$ 4,099,976	\$ 8,803,430	\$ 6,229,361	\$ 10,700,936
0	0	0	0	0	0
12,779,883	12,708,580	12,816,782	12,500,363	11,816,153	11,287,714
2,327,212	674,452	3,637,636	2,788,708	350,437	72,451
(1,791,596)	(1,818,453)	(2,036,715)	(2,113,088)	(2,166,204)	(2,236,097)
(151,950)	(148,952)	(47,295)	(47,295)	(47,293)	(47,293)
(1,040)	(5,323)	(3,688)	0	0	2,382
0	0	0	0	(5,003,419)	0
1,237,287	1,715,246	1,080,360	1,050,136	961,662	686,860
<u>\$ 18,302,159</u>	<u>\$ 20,815,832</u>	<u>\$ 19,547,056</u>	<u>\$ 22,982,254</u>	<u>\$ 12,140,697</u>	<u>\$ 20,466,953</u>
940,987	3,650,422	2,466,179	7,439,196	(6,476,134)	5,683,575
17,500	0	0	0	0	10,000
<u>\$ 958,487</u>	<u>\$ 3,650,422</u>	<u>\$ 2,466,179</u>	<u>\$ 7,439,196</u>	<u>\$ (6,476,134)</u>	<u>\$ 5,693,575</u>

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

Fiscal Year	Total Direct Tax Rate (2)	Assessed Value (1) (3)						Real Market Value (3)	Assessed Value as a Percent of Real Market Value
		Real Property	Manufactured Structures	Personal Property	Utilities	Other	Total		
Jackson County:									
2016-17	0.6691	\$ 17,643,475	\$ 152,415	\$ 478,044	\$ 714,156	\$ 251,515	\$ 19,239,605	\$26,608,474	72.3%
2015-16	0.6197	17,011,213	148,818	452,579	675,537	227,750	18,515,897	25,101,286	73.8%
2014-15	0.6216	16,336,982	149,974	438,182	636,656	221,296	17,783,090	23,512,803	75.6%
2013-14	0.6252	15,564,230	144,879	428,371	572,796	221,874	16,932,150	21,365,297	79.3%
2012-13	0.6231	15,018,426	148,002	423,276	575,197	208,255	16,373,156	20,963,860	78.1%
2011-12	0.6193	15,253,569	170,153	439,403	586,330	0	16,449,455	22,526,553	73.0%
2010-11	0.6319	15,059,656	161,634	459,830	569,936	0	16,251,056	24,611,610	66.0%
2009-10	0.6278	14,732,599	180,529	463,067	534,132	0	15,910,327	28,365,972	56.1%
2008-09	0.6256	14,204,195	200,989	500,594	500,517	0	15,406,295	31,152,479	49.5%
2007-08	0.6323	13,546,749	199,723	484,839	469,797	0	14,701,108	31,687,849	46.4%
Josephine County:									
2016-17	0.5695	\$ 6,810,298	\$ 61,778	\$ 116,091	\$ 217,304	\$ 0	\$ 7,205,471	\$ 8,983,551	80.2%
2015-16	0.5128	6,557,658	58,753	117,364	212,676	0	6,946,451	8,209,105	84.6%
2014-15	0.5128	6,355,768	54,208	109,899	186,685	0	6,706,560	8,063,237	83.2%
2013-14	0.5128	6,110,168	54,858	108,816	171,861	0	6,445,703	7,405,558	87.0%
2012-13	0.5128	5,934,113	55,862	112,494	164,801	0	6,267,270	7,275,734	86.1%
2011-12	0.5128	5,811,113	88,261	114,715	168,844	0	6,182,933	7,574,999	81.6%
2010-11	0.5128	5,682,170	117,201	122,550	165,070	0	6,086,991	8,446,480	72.1%
2009-10	0.5128	5,509,036	128,920	116,701	153,834	0	5,908,491	9,182,834	64.3%
2008-09	0.5128	5,267,002	137,774	119,351	131,097	0	5,655,224	10,271,803	55.1%
2007-08	0.5128	5,015,175	139,087	110,375	119,151	0	5,383,788	10,626,563	50.7%

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

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

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

Source: Jackson and Josephine County Assessor's Offices

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

	2016-17	2015-16	2014-15	2013-14
Jackson County:				
Rogue Community College Permanent Rate	0.5128	0.5128	0.5128	0.5128
Rogue Community College Bond Rate	0.1563	0.1069	0.1088	0.1124
Total Rogue Community College rate - Jackson County	0.6691	0.6197	0.6216	0.6252
Josephine County:				
Rogue Community College Permanent Rate	0.5128	0.5128	0.5128	0.5128
Rogue Community College Bond Rate	0.0567	0.0000	0.0000	0.0000
Total Rogue Community College rate - Josephine County	0.5695	0.5128	0.5128	0.5128
Jackson County:				
Jackson County	2.1755	2.1805	2.1883	2.1988
4-H Ag Extension District	0.0410	0.0388	0.0500	0.0000
Southern Oregon ESD	0.3524	0.3524	0.3524	0.3524
Jackson County Library District	0.5200	0.5200	0.5200	0.0000
Rogue Valley Transit District	0.3072	0.1772	0.1772	0.1772
Vector Control	0.0429	0.0429	0.0429	0.0429
White City Enhanced LED	2.0211	2.0211	2.0211	2.0211
White City Lighting District	0.3500	0.3500	0.4000	0.4000
White City Soil and Water Conservation	0.0500	0.0500	0.0500	0.0500
Cities and Towns:				
Ashland	4.4002	4.4070	4.4169	4.6175
Butte Falls	7.2494	7.2494	7.2494	7.2494
Central Point	4.4700	4.4700	4.4700	4.4700
Eagle Point	2.6667	2.6854	2.6991	2.7063
Gold Hill	2.2469	2.3053	2.3032	2.3348
Jacksonville	2.4413	2.4450	2.4474	2.4625
Medford	5.3525	5.3658	5.3688	5.3733
Phoenix	3.6463	3.6463	3.6463	3.6463
Rogue River	3.7444	3.7916	3.7994	3.8477
Shady Cove	0.8081	0.8706	0.8598	0.8989
Talent	3.4502	3.4548	3.4429	3.4310
Fire Districts:				
Applegate RFPD #9	2.5987	2.5987	2.5987	2.5287
Central Point #3	3.1194	3.1194	3.1194	3.1194
Colestine RFPD	1.9455	1.9455	1.9455	1.9455
Evans Valley #6	1.6505	1.6505	1.6505	1.6505
Lake Creek RFPD	1.4740	1.4740	1.4740	1.4740
Medford #2	2.4938	2.4938	2.4938	2.4938
Prospect	0.9902	0.9902	0.9902	0.9902
Rogue River #1	2.6813	2.6813	2.6813	2.6901
Shady Cove/Trail #4	2.0181	2.0181	2.0181	2.0181
Talent #5	3.1976	3.1976	3.1976	3.1976

2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
0.5128	0.5128	0.5128	0.5128	0.5128	0.5128
0.1103	0.1065	0.1191	0.1150	0.1128	0.1195
0.6231	0.6193	0.6319	0.6278	0.6256	0.6323
0.5128	0.5128	0.5128	0.5128	0.5128	0.5128
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.5128	0.5128	0.5128	0.5128	0.5128	0.5128
2.2040	2.2056	2.3276	2.3674	2.3433	2.2534
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.3524	0.0352	0.3524	0.3524	0.3524	0.3524
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.1772	0.1772	0.1772	0.1772	0.1772	0.1772
0.0429	0.0429	0.0429	0.0429	0.0429	0.0429
2.0211	2.0211	2.0211	2.0211	2.0211	2.0211
0.4700	0.4700	0.4700	0.4700	0.4700	0.4700
0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
4.6252	4.7608	4.6036	4.5864	4.4186	5.7225
7.2494	7.2494	7.2494	7.2494	7.2494	7.2494
4.4700	4.4700	4.4700	4.4700	4.4700	4.4470
2.7076	2.7123	2.7168	2.7172	2.7328	2.7509
2.4378	2.4169	2.3744	2.4179	2.4637	2.4174
2.4673	2.4447	2.4653	2.5487	2.5745	2.6478
5.3760	5.3753	5.3814	5.3695	5.3709	5.3751
3.6463	3.6463	3.6463	3.6463	3.6463	6.4963
3.5216	3.6422	3.6425	3.6302	3.6477	3.5900
0.9224	0.9044	0.9145	0.9202	0.9283	0.9488
3.4270	3.4346	3.4056	3.4205	3.4185	3.4654
2.5287	2.5287	2.5287	2.5287	2.5287	2.5287
3.1194	3.1194	3.1194	3.1194	3.1194	3.1194
1.9455	1.9455	1.9455	1.9455	1.9455	1.9455
1.6505	1.6505	1.6505	1.6505	1.6505	1.6505
1.4740	1.4740	1.4740	1.4740	1.4740	1.4740
2.4938	2.4938	2.4938	2.4938	2.4938	2.4920
0.9902	0.9902	0.9902	0.9902	0.9902	0.9902
2.6887	2.6849	2.7261	2.7159	2.7116	2.7018
2.0181	2.0181	2.0181	2.0181	2.0181	2.0181
3.1976	3.1976	3.1976	3.1976	3.1976	3.1976

## Property Tax Rates - All Direct and Overlapping Governments

Last Ten Fiscal Years (Rate per \$1,000 of Assessed Value) - (unaudited) (continued)

	2016-17	2015-16	2014-15	2013-14
School Districts:				
Applegate #40	4.2618	4.2677	4.2739	4.2838
Ashland #5	7.4266	7.4383	7.3543	7.3576
Butte Falls #91	4.5749	4.5749	4.5749	4.5749
Central Point #6	5.5567	5.5043	5.5491	5.5921
Eagle Point #9	6.3405	6.3080	6.2823	6.3143
Medford #549C	6.0981	6.0959	6.2713	6.3651
Phoenix #4	5.1950	5.2051	5.0440	5.1095
Pinehurst #94	4.8235	4.8235	4.8235	4.8235
Prospect #59	4.3628	4.3628	4.3628	4.3628
Rogue River #35	4.8113	4.8275	4.7523	4.9170
Special Levies:				
Jackson County Urban Renewal	0.0000	0.0000	0.0000	0.0000
Medford Urban Renewal	0.4350	0.4396	0.4291	0.4400
Talent Urban Renewal	1.3495	1.3190	1.2845	1.3183
Josephine County:				
Josephine County	0.8054	0.8135	0.8247	0.7464
4-H Extension	0.0459	0.0459	0.0459	0.0459
Southern Oregon ESD	0.3524	0.3524	0.3524	0.3524
Kerby Water District	1.9284	2.7439	2.8605	3.0247
Cities:				
Grants Pass	6.3101	6.3135	6.3232	6.3092
Cave Junction	1.8959	1.8959	1.8959	1.8959
Fire Districts:				
Applegate RFPD #9	2.5987	2.5987	2.5987	2.5287
Illinois Valley RFPD #1	2.4172	2.4705	2.5352	2.4498
Williams RFPD	1.5852	1.5852	1.5852	1.5852
Wolf Creek RFPD	2.7765	2.7765	2.7765	2.7765
School Districts:				
Grants Pass #7	4.5248	4.5248	4.5248	4.5248
Three Rivers	4.2618	4.2677	4.2739	4.2838

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. Voters in both counties approved an additional bond levy in 2016/17.

Source: Jackson and Josephine County Assessor's Offices

2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
4.2861	4.2460	4.2919	4.2764	4.2875	4.3035
7.4270	7.4172	7.4508	7.4527	7.3370	5.9395
4.5749	4.5749	4.5749	4.5749	4.5749	4.5749
5.6479	5.6745	5.5963	5.5661	5.7278	5.7252
6.2575	6.2443	6.3475	6.3233	6.5937	6.6287
6.3127	6.4663	6.4746	6.4882	6.5550	6.2424
5.0473	5.0777	5.1057	5.1358	5.0918	5.0617
4.8235	4.8235	4.8235	4.8235	4.8235	4.8235
4.3628	4.3628	4.3628	4.3628	4.3628	4.3628
4.6933	5.0023	5.0290	5.0304	4.9901	5.0307
0.0000	0.0000	0.0000	0.0000	0.0000	0.2726
0.4070	0.3806	0.3828	0.3855	0.4131	0.3938
1.2504	1.2298	1.2231	1.2189	1.2392	1.2556
0.7542	0.7532	0.7583	0.7728	0.7873	0.8039
0.0459	0.0459	0.0459	0.0459	0.0459	0.0459
0.3524	0.3524	0.3524	0.3524	0.3524	0.3524
2.9764	3.1356	3.4055	3.3493	1.9045	0.0000
6.3250	6.3288	6.3301	6.3225	6.1238	6.1332
1.8959	1.8959	1.8959	1.8959	1.8959	1.8959
2.5287	2.5287	2.5287	2.5287	2.5287	2.5287
2.4272	2.1685	2.2220	2.2319	2.2615	2.3074
1.5852	1.5852	1.5852	1.5852	1.5852	1.5852
2.8765	2.8765	2.8765	2.8765	2.9765	2.9765
5.8968	5.9661	5.9206	6.4285	6.2061	6.4129
4.2861	4.2460	4.2919	4.2764	4.2875	4.3035

Principal Taxpayers of Jackson County  
Current Year and Nine Years Ago

Taxpayer	June 30, 2017			June 30, 2008		
	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)	\$ 266,920,000	1	1.39%	\$ 166,481,000	1	1.13%
Avista Corp. DBA Avista Utilities	119,697,000	2	0.62%	61,251,800	6	0.42%
Rogue Valley Manor	105,337,170	3	0.55%	61,322,070	5	0.42%
Charter Communications	80,237,300	4	0.42%			
Boise Cascade Corp	67,268,707	5	0.35%			
Harry & David Operations Inc	62,803,390	6	0.33%			
Centurylink	61,490,000	7	0.32%			
AT&T Inc	59,826,000	8	0.31%			
Carestream Health	55,726,320	9	0.29%	115,529,360	2	0.79%
Amy's Kitchen	50,351,190	10	0.26%			
Bear Creek Operations, Inc.				71,640,199	3	0.49%
Qwest Corporation				67,258,100	4	0.46%
Boise Building Solutions				55,586,075	7	0.38%
Rogue Valley Mall LLC				48,383,400	8	0.33%
PK Sale LLC				44,837,180	9	0.30%
Certainteed Corporation				41,479,960	10	0.27%
Total - principal taxpayers	929,657,077		4.84%	733,769,144		4.99%
Other taxpayers	18,309,948,562		95.16%	13,967,338,577		95.01%
Total - all taxpayers	\$ 19,239,605,639		100.00%	\$ 14,701,107,721		100.00%

Source: Jackson County Assessor's Office



Principal Taxpayers of Josephine County  
Current Year and Nine Years Ago

Taxpayer	June 30, 2017			June 30, 2008		
	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)	\$ 88,212,480	1	1.22%	\$ 54,723,320	1	0.97%
Charter Communications	25,269,540	2	0.35%			
S-H Forty-Nine Properties	24,180,700	3	0.34%			
Avista Corp dba Avista Utilities	23,502,000	4	0.33%	13,640,000	8	0.24%
Masterbrand Cabinets, Inc.	22,957,860	5	0.32%	22,362,260	3	0.40%
Auerbach Grants Pass LLC & Freeman Grants Pass LLC	19,857,050	6	0.28%	15,745,640	5	0.28%
Frontier Communications	19,404,000	7	0.27%			
Fred Meyer Stores, Inc.	15,052,590	8	0.21%	12,579,470	10	0.22%
Home Depot	13,707,572	9	0.19%			
Johnson Trust	10,460,427	10	0.15%			
Qwest Corporation				23,601,790	2	0.42%
Nunn, Ronald C & Marcia K				18,916,020	4	0.33%
Wal-Mart Stores, Inc				15,248,163	6	0.27%
Spring Village LLC & Spring Village Retirement LLC				14,800,521	7	0.26%
Lynn-Ann Development LLC				12,845,625	9	0.23%
Total - principal taxpayers	262,604,219		3.66%	204,462,809		3.62%
Other taxpayers	6,942,866,633		96.34%	5,453,842,300		96.38%
Total - all taxpayers	\$ 7,205,470,852		100.00%	\$ 5,658,305,109		100.00%

Source: Josephine County Assessor's Office

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

	2016-17	2015-16	2014-15	2013-14
General Fund				
Levy extended by assessor	\$ 13,283,281	\$ 12,773,306	\$ 12,288,116	\$ 11,685,242
Property taxes receivable:				
Current year collections	12,564,911	12,052,892	11,556,905	10,963,892
Percentage of levy	94.59%	94.36%	94.05%	93.83%
Tax roll adjustments and discounts	(358,045)	(350,113)	(294,827)	(316,620)
Tax receivable - initial year of levy	360,325	370,301	436,384	404,730
Total taxes receivable beginning of year	888,574	948,699	867,967	909,858
Reduction of (increase in) taxes receivable:				
Prior year receivable collections	335,201	358,262	360,359	553,084
Tax roll adjustments and discounts	(5,887)	(72,164)	(4,707)	(106,463)
Total taxes receivable end of year	907,811	888,574	948,699	867,967
Interest	79,407	85,891	91,638	99,755
Other payments received in lieu of taxes	8,818	1,472	0	0
Total received by College	<u>\$ 12,988,337</u>	<u>\$ 12,498,517</u>	<u>\$ 12,008,902</u>	<u>\$ 11,616,731</u>
Tax levy rate (per \$1,000 assessed value)	\$ 0.5128	\$ 0.5128	\$ 0.5128	\$ 0.5128
 Total tax collections in subsequent years	 \$ N/A	 \$ 161,654	 \$ 297,305	 \$ 329,532
Total collections to date	\$ 12,564,911	\$ 12,214,546	\$ 11,854,210	\$ 11,293,424
Percentage of levy collected	94.59%	95.63%	96.47%	96.65%

Source: Rogue Community College Budget and Financial Services Department.

2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
\$ 11,308,025	\$ 11,355,208	\$ 11,267,815	\$ 11,034,251	\$ 10,419,011	\$ 9,879,788
10,538,024	10,559,245	10,468,814	10,194,500	9,675,014	9,210,075
93.19%	93.00%	92.91%	92.39%	92.86%	93.22%
(339,368)	(336,588)	(311,637)	(366,837)	(292,053)	300,622
430,633	459,375	487,364	472,914	451,944	369,091
921,323	903,928	826,255	729,457	574,037	493,004
505,121	433,201	386,760	440,494	297,111	285,952
(63,023)	8,779	22,931	(64,378)	(587)	2,106
909,858	921,323	903,928	826,255	729,457	574,037
97,330	91,119	72,938	66,005	52,366	54,088
0	0	0	4,165	345	2,706
<u>\$ 11,140,475</u>	<u>\$ 11,083,565</u>	<u>\$ 10,928,512</u>	<u>\$ 10,705,164</u>	<u>\$ 10,024,836</u>	<u>\$ 9,552,821</u>
\$ 0.5128	\$ 0.5128	\$ 0.5128	\$ 0.5128	\$ 0.5128	\$ 0.5128
\$ 388,440	\$ 420,907	\$ 472,653	\$ 443,722	\$ 451,944	\$ 369,091
\$ 10,926,464	\$ 10,980,152	\$ 10,941,467	\$ 10,638,222	\$ 10,126,958	\$ 9,579,166
96.63%	96.70%	97.10%	96.41%	97.20%	96.96%

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

	2016-17	2015-16	2014-15	2013-14
Debt Service Fund				
Levy extended by assessor	\$ 3,418,548	\$ 1,981,762	\$ 1,935,996	\$ 1,910,095
Property taxes receivable:				
Current year collections	3,236,665	1,875,062	1,815,528	1,784,301
Percentage of levy	94.68%	94.62%	93.78%	93.41%
Tax roll adjustments and discounts	(92,637)	(54,103)	(53,490)	(63,387)
Tax receivable - initial year of levy	89,246	52,597	66,978	62,407
Total taxes receivable beginning of year	126,691	139,333	125,112	137,289
Reduction of (increase in) taxes receivable:				
Prior year receivable collections	47,129	48,991	63,243	91,300
Tax roll adjustments and discounts	(833)	16,248	(10,486)	(16,716)
Total taxes receivable end of year	167,975	126,691	139,333	125,112
Interest	10,734	12,207	14,260	16,990
Other payments received in lieu of taxes	2,126	0	0	0
Total received by College	\$ 3,296,654	\$ 1,936,260	\$ 1,893,031	\$ 1,892,591
Tax levy rate (per \$1,000 assessed value)	\$ 0.2130	\$ 0.1069	\$ 0.1088	\$ 0.1124
Total collections in subsequent years	\$ N/A	\$ 22,770	\$ 47,026	\$ 50,455
Total collections to date	\$ 3,236,665	\$ 1,897,832	\$ 1,862,554	\$ 1,834,756
Percentage of levy collected	94.68%	95.76%	96.21%	96.06%

Source: Rogue Community College Budget and Financial Services Department.

2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
\$ 1,807,962	\$ 1,753,567	\$ 1,938,022	\$ 1,833,643	\$ 1,742,972	\$ 1,764,076
1,685,217	1,631,852	1,800,335	1,690,821	1,613,969	1,639,308
93.21%	93.06%	92.90%	92.21%	92.60%	92.93%
(56,672)	(53,529)	(54,704)	(66,435)	(53,154)	(57,194)
66,073	68,186	82,983	76,387	75,849	67,574
139,254	151,401	130,706	122,544	99,485	77,066
64,951	79,034	62,508	65,423	51,235	46,221
3,087	1,299	(220)	2,802	1,555	(1,066)
137,289	139,254	151,401	130,706	122,544	99,485
14,975	15,608	11,688	11,316	8,073	7,006
0	0	0	0	0	0
\$ 1,765,143	\$ 1,726,494	\$ 1,874,531	\$ 1,767,560	\$ 1,673,277	\$ 1,692,535
\$ 0.1103	\$ 0.1065	\$ 0.1191	\$ 0.1150	\$ 0.1128	\$ 0.1195
\$ 59,704	\$ 62,273	\$ 81,893	\$ 72,758	\$ 75,849	\$ 67,574
\$ 1,744,921	\$ 1,694,125	\$ 1,882,228	\$ 1,763,579	\$ 1,689,818	\$ 1,706,882
96.51%	96.61%	97.12%	96.18%	96.95%	96.76%

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

	2016-17	2015-16	2014-15	2013-14
General obligation and refunding bonds, net (1)	\$ 38,309,347	\$ 17,498,606	\$ 18,827,897	\$ 20,052,184
General bonded debt	38,309,347	17,498,606	18,827,897	20,052,184
Limited tax pension obligation bonds	\$ 16,275,000	\$ 17,080,000	\$ 17,790,000	\$ 18,410,000
Certificates of participation	0	0	0	0
Note payable	147,921	164,830	180,846	196,016
Other debt to be repaid by general government resources	16,422,921	17,244,830	17,970,846	18,606,016
Total outstanding debt	\$ 54,732,268	\$ 34,743,436	\$ 36,798,743	\$ 38,658,200
General Bonded Debt Ratios				
Per capita	\$ 126.67	\$ 58.86	\$ 64.07	\$ 69.35
Per FTE	\$ 8,290	\$ 3,759	\$ 3,768	\$ 3,714
As a percentage of taxable assessed value	0.14%	0.07%	0.08%	0.09%
Total Outstanding Debt Ratios				
Per capita	\$ 180.97	\$ 116.86	\$ 125.21	\$ 133.71
Per FTE	\$ 11,844	\$ 7,464	\$ 7,365	\$ 7,160
As a percentage of taxable assessed value	0.21%	0.14%	0.15%	0.17%

(1) Presented net of original issuance discounts and premiums

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

Source: Jackson and Josephine County Assessor's Offices and Rogue Community College Budget and Financial Services Department.

2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
\$ 21,186,474	\$ 23,025,763	\$ 22,893,181	\$ 23,058,429	\$ 23,840,859	\$ 24,543,289
21,186,474	23,025,763	22,893,181	23,058,429	23,840,859	24,543,289
\$ 18,950,000	\$ 19,410,000	\$ 19,800,000	\$ 20,125,000	\$ 20,385,000	\$ 20,590,000
135,000	265,000	390,000	510,000	620,000	730,000
210,385	223,996	236,887	249,098	260,664	271,619
19,295,385	19,898,996	20,426,887	20,884,098	21,265,664	21,591,619
\$ 40,481,859	\$ 42,924,759	\$ 43,320,068	\$ 43,942,527	\$ 45,106,523	\$ 46,134,908

\$ 73.72	\$ 80.29	\$ 78.58	\$ 79.33	\$ 82.61	\$ 86.21
\$ 3,808	\$ 3,947	\$ 3,626	\$ 3,862	\$ 4,688	\$ 5,617
0.09%	0.10%	0.10%	0.11%	0.11%	0.12%

\$ 140.85	\$ 149.68	\$ 148.69	\$ 151.17	\$ 156.30	\$ 162.05
\$ 7,276	\$ 7,358	\$ 6,861	\$ 7,361	\$ 8,870	\$ 10,558
0.18%	0.19%	0.20%	0.20%	0.21%	0.23%

Direct and Overlapping Governmental Activities Debt  
As of June 30, 2017 - (unaudited)

	Gross Property-tax Backed Debt	Net Property-tax Backed Debt	Percent Overlap
Direct Debt		0	0.0%
Rogue Community College	\$ 50,305,000	\$ 34,030,000	
Premium on general obligation and refunding bonds	4,279,347	4,279,347	
Total Direct Debt	\$ 54,584,347	\$ 38,309,347	
Overlapping Debt			
Jackson County	11,023,053	11,023,053	100.0%
Cities:			
Ashland	29,525,565	4,889,986	100.0%
Butte Falls	1,335	1,335	100.0%
Central Point	11,350,261	11,350,261	100.0%
Eagle Point	220,528	220,528	100.0%
Gold Hill	262,422	262,422	100.0%
Jacksonville	2,480,000	565,000	100.0%
Medford	92,236,000	39,085,000	100.0%
Phoenix	4,700,000	0	100.0%
Rogue River	2,815,123	2,815,123	100.0%
Shady Cove	1,153,622	939,622	100.0%
Talent	6,301,016	3,126,016	100.0%
Fire Districts and other:			
Jackson County RFPD 3	1,109,370	1,109,370	100.0%
Jackson County RFPD 5	1,405,000	1,405,000	100.0%
Jackson County Housing Authority	4,711,226	340,468	100.0%
Rogue Valley Transit District	247,600	247,600	100.0%
School Districts:			
Ashland #5	11,465,000	11,465,000	100.0%
Central Point #6	8,892,238	8,892,238	100.0%
Eagle Point #9	12,575,000	12,575,000	100.0%
Medford #549C	176,760,000	176,760,000	100.0%
Phoenix #4	17,335,000	17,335,000	100.0%



Direct and Overlapping Governmental Activities Debt  
As of June 30, 2017 - (unaudited) (continued)

	Gross Property-tax Backed Debt	Net Property-tax Backed Debt	Percent Overlap
Overlapping Debt (continued)			
Josephine County	9,323,172	9,050,000	100.0%
Cities:			
Grants Pass	7,500,000	1,865,000	100.0%
Fire Districts and other:			
Illinois Valley RFPD #1	1,032,628	1,032,628	100.0%
Williams RFPD	84,535	84,535	100.0%
School Districts:			
Grants Pass #7	4,500,000	4,500,000	100.0%
Three Rivers	32,240,636	32,240,636	100.0%
Total Overlapping Debt	<u>\$ 451,250,330</u>	<u>\$ 353,180,821</u>	
Total Direct and Overlapping Debt	<u><u>\$ 505,834,677</u></u>	<u><u>\$ 391,490,168</u></u>	

Source: Oregon State Treasury

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

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

Fiscal Year	Real Market Value of Taxable Property	Legal Debt Limitation (1)	Bonded Indebtedness	Bonded Debt Margin	Bonded Indebtedness As a Percentage of Legal Debt Limit
2016-17					
Jackson County	\$ 26,608,473,944	\$ 399,127,109	\$ 28,599,400	\$ 370,527,709	7.17%
Josephine County	8,983,550,869	134,753,263	5,430,600	129,322,663	4.03%
2015-16					
Jackson County	25,101,285,743	376,519,286	16,605,000	359,914,286	4.41%
Josephine County	8,209,104,762	123,136,571	0	123,136,571	0
2014-15					
Jackson County	23,512,802,671	352,692,040	17,835,000	334,857,040	5.06%
Josephine County	8,063,236,663	120,948,550	0	120,948,550	0
2013-14					
Jackson County	21,365,297,099	320,479,456	18,960,000	301,519,456	5.92%
Josephine County	7,405,557,726	111,083,366	0	111,083,366	0
2012-13					
Jackson County	20,963,859,574	314,457,893	19,995,000	294,462,893	6.36%
Josephine County	7,275,733,739	109,136,006	0	109,136,006	0
2011-12					
Jackson County	22,526,552,961	337,898,294	20,950,000	316,948,294	6.20%
Josephine County	7,574,999,491	113,624,992	0	113,624,992	0
2010-11					
Jackson County	24,611,610,456	369,174,156	21,000,000	348,174,156	5.69%
Josephine County	8,446,479,564	126,697,193	0	126,697,193	0
2009-10					
Jackson County	28,365,971,987	425,489,579	21,735,000	403,754,579	5.11%
Josephine County	9,182,833,828	137,742,507	0	137,742,507	0
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

(1) The legal debt limitation is calculated at 1.5% of real market value of the property in the College taxing district 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 Department and the Jackson and Josephine County Assessor's Offices.

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

Year Ended	Estimated Population	Total Personal Income	Per Capita Income	Median Age	Percent of Population With A Bachelors Degree or Higher	Unemployment Rate
2016-17						
Jackson County	216,527	\$ N/A	\$ 24,605	42.0	15.9	4.4
Josephine County	85,904	N/A	22,470	47.0	10.3	5.1
2015-16						
Jackson County	212,567	8,650,946	24,460	42.0	15.6	6.2
Josephine County	84,745	3,051,963	22,412	47.0	11.0	6.9
2014-15						
Jackson County	210,287	7,914,576	24,378	42.0	8.6	7.0
Josephine County	83,599	2,806,979	21,791	47.0	8.9	7.9
2013-14						
Jackson County	206,412	7,687,191	24,449	42.0	14.8	8.5
Josephine County	82,930	2,654,901	21,028	47.0	10.0	9.6
2012-13						
Jackson County	203,206	7,490,481	24,263	42.0	14.9	9.5
Josephine County	82,713	2,600,748	21,535	47.0	10.6	11.2
2011-12						
Jackson County	203,950	7,087,194	24,410	42.1	18.4	10.8
Josephine County	82,820	2,498,196	21,539	47.3	17.1	11.7
2010-11						
Jackson County	207,745	6,951,654	24,182	42.1	21.5	11.4
Josephine County	83,600	2,450,499	21,256	47.3	12.2	12.5
2009-10						
Jackson County	207,010	6,907,021	23,933	42.0	21.5	12.7
Josephine County	83,665	2,429,273	19,644	47.2	16.0	14.3
2008-09						
Jackson County	205,305	6,911,440	24,001	40.7	24.5	13.1
Josephine County	83,290	2,377,327	20,257	44.6	13.4	14.7
2007-08						
Jackson County	202,310	6,669,870	23,460	40.6	22.8	7.4
Josephine County	82,390	2,247,384	22,389	44.6	17.3	8.4

N/A - Not available

Source: U. S. Census Bureau, U. S. Bureau of Economic Analysis, Suburban Stats, and State of Oregon Employment Department

Principal Employers by Industry in the Rogue Valley  
Current Year and Nine Years Ago - (unaudited)

Industry	June 30, 2017			June 30, 2008		
	Rank	Total Employees	Percentage of Total Regional Employment	Rank	Total Employees	Percentage of Total Regional Employment
Trade, Transportation, & Utilities	1	24,570	21.5%	1	23,980	22.0%
Education & Health Services	2	20,590	18.0%	2	16,810	15.5%
Government	3	16,760	14.7%	3	16,800	15.5%
Leisure & Hospitality	4	15,330	13.4%	4	12,940	11.9%
Manufacturing	5	10,760	9.4%	5	10,610	9.8%
Professional & Business Services	6	9,450	8.3%	6	9,230	8.5%
Financial Activities	7	5,480	4.8%	8	5,830	5.4%
Construction	8	5,440	4.8%	7	5,860	5.4%
Other Services	9	3,830	3.3%	9	3,710	3.4%
Information	10	1,470	1.3%	10	1,970	1.8%
Natural Resources & Mining	11	590	0.5%	11	900	0.8%
Total		<u>114,270</u>	<u>100.0%</u>		<u>108,640</u>	<u>100.0%</u>

Source: Oregon Employment Department

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

Fiscal Year	Management	Classified	Part-Time Classified	Faculty	Part-Time Faculty	Students	Total
2016-17	43	161	8	101	159	111	583
2015-16	45	155	9	104	153	108	574
2014-15	54	150	10	99	158	114	585
2013-14	52	148	13	97	163	106	579
2012-13	52	152	13	102	167	114	600
2011-12	53	157	13	109	175	130	637
2010-11	48	155	13	117	173	120	626
2009-10	46	157	14	108	167	120	612
2008-09	45	160	14	100	145	123	587
2007-08	44	156	9	104	130	142	585

Source: Rogue Community College Budget and Financial Services Department.

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

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

Fiscal Year	Tuition Rate Per Credit Hour		Total FTE	Total Reimbursable FTE	Unduplicated Headcount
	In-District	Out-Of-State			
2016-17	\$ 104	\$ 127 *	4,621.25	4,502.42	16,372
2015-16	95	116	4,655.11	4,546.52	16,417
2014-15	91	111	4,996.67	4,884.00	16,584
2013-14	91	111	5,399.56	5,333.17	17,092
2012-13	87	107	5,563.99	5,495.17	16,643
2011-12	85	104	5,834.14	5,764.08	16,956
2010-11	75	91	6,314.03	6,232.09	18,647
2009-10	73	89	5,969.82	5,889.88	19,596
2008-09	68	83	5,085.28	4,999.49	19,061
2007-08	66	80	4,369.83	4,277.09	17,782

\* Residents of Washington, Idaho, California and Nevada pay the in-district tuition rate. International student tuition is \$348.

Source: Rogue Community College Budget and Financial Services Department.

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

	2016-17	2015-16	2014-15	2013-14
Adult Basic Education	121.12	181.77	196.86	210.41
Self Improvement	40.29	34.53	28.57	45.57
Career and Technical Education - Preparatory	911.35	867.44	965.29	1,021.62
Career and Technical Education - Apprenticeship	63.42	56.96	50.69	42.79
Career and Technical Education - Stand Alone Preparatory	4.68	14.38	19.14	19.97
Career and Technical Education - Supplemental	48.16	55.91	74.46	46.57
English as a Second Language	81.62	90.21	84.68	92.71
General Educational Development	88.86	102.70	129.88	101.46
Lower Division Collegiate	2,549.02	2,551.25	2,688.64	2,948.83
Post Secondary Remedial	76.80	67.51	80.64	117.25
Post Secondary Remedial - Math	324.77	338.57	371.43	453.95
Post Secondary Remedial - Electives	192.33	185.29	193.72	232.04
Total Reimbursable FTSE *	4,502.42	4,546.52	4,884.00	5,333.17
Non-reimbursable	118.83	108.59	112.67	66.39
Total FTSE	4,621.25	4,655.11	4,996.67	5,399.56
State Appropriation	\$ 9,457,105	\$ 9,780,930	\$ 8,428,906	\$ 7,433,388
State Appropriation per Reimbursable FTSE	\$ 2,100.45	\$ 2,151.30	\$ 1,725.82	\$ 1,393.80

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

Source: Rogue Community College Institutional Research and Effectiveness Department, verified by the Higher Education Coordinating Commission.



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2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
278.60	254.47	320.60	291.05	300.08	247.66
58.11	70.28	104.18	144.52	121.49	189.21
954.69	1,031.18	1,067.64	1,042.92	937.60	796.60
34.29	34.85	37.47	42.42	61.44	73.35
20.64	0.00	0.00	0.00	0.00	0.00
59.53	78.62	127.35	162.38	125.68	95.29
106.38	117.96	169.64	174.85	174.32	187.31
106.48	106.95	134.24	119.89	87.46	98.50
3,024.24	3,148.54	3,199.12	2,939.88	2,344.47	1,992.97
146.40	386.85	511.40	424.49	405.77	247.00
482.05	534.38	560.45	547.48	441.18	349.20
223.76	0.00	0.00	0.00	0.00	0.00
5,495.17	5,764.08	6,232.09	5,889.88	4,999.49	4,277.09
68.82	70.06	81.94	79.94	85.79	92.74
5,563.99	5,834.14	6,314.03	5,969.82	5,085.28	4,369.83
\$ 5,278,969	\$ 5,967,177	\$ 5,821,722	\$ 7,175,209	\$ 7,857,286	\$ 9,227,167
\$ 960.66	\$ 1,035.23	\$ 934.15	\$ 1,218.23	\$ 1,571.62	\$ 2,157.35

Capital Assets Activity  
Last Ten Fiscal Years - (unaudited)

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
2016-17				
Land	\$ 3,827,853	\$ 0	\$ 0	\$ 3,827,853
Buildings	40,645,537	0	0	40,645,537
Equipment	4,192,944	614,412	567,886	4,239,470
Construction in progress	802,775	364,854	35,557	1,132,072
Infrastructure	1,797,825	0	0	1,797,825
Library collections	764,152	46,579	0	810,731
Software	996,153	0	49,341	946,812
Total capital and other assets	53,027,239	1,025,845	652,784	53,400,300
Less accumulated depreciation	19,503,229	1,356,198	567,219	20,292,208
Total	<u>\$ 33,524,010</u>	<u>\$ (330,353)</u>	<u>\$ 85,565</u>	<u>\$ 33,108,092</u>
2015-16				
Land	\$ 3,827,853	\$ 0	\$ 0	\$ 3,827,853
Buildings	40,645,537	0	0	40,645,537
Equipment	3,820,538	772,024	399,618	4,192,944
Construction in progress	49,899	752,876	0	802,775
Infrastructure	1,797,825	0	0	1,797,825
Library collections	717,681	46,471	0	764,152
Software	996,153	0	0	996,153
Total capital and other assets	51,855,486	1,571,371	399,618	53,027,239
Less accumulated depreciation	18,562,774	1,318,294	377,839	19,503,229
Total	<u>\$ 33,292,712</u>	<u>\$ 253,077</u>	<u>\$ 21,779</u>	<u>\$ 33,524,010</u>
2014-15				
Land	\$ 3,827,853	\$ 0	\$ 0	\$ 3,827,853
Buildings	40,645,537	0	0	40,645,537
Equipment	3,590,850	333,106	103,418	3,820,538
Construction in progress	49,899	0	0	49,899
Infrastructure	1,797,825	0	0	1,797,825
Library collections	667,497	50,184	0	717,681
Software	996,153	0	0	996,153
Total capital and other assets	51,575,614	383,290	103,418	51,855,486
Less accumulated depreciation	17,270,296	1,383,795	91,317	18,562,774
Total	<u>\$ 34,305,318</u>	<u>\$ (1,000,505)</u>	<u>\$ 12,101</u>	<u>\$ 33,292,712</u>

## Capital Assets Activity

Last Ten Fiscal Years - (unaudited) (continued)

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
2013-14				
Land	\$ 3,827,853	\$ 0	\$ 0	\$ 3,827,853
Buildings	40,645,537	0	0	40,645,537
Equipment	3,433,122	230,097	72,369	3,590,850
Construction in progress	49,899	0	0	49,899
Infrastructure	1,797,825	0	0	1,797,825
Library collections	626,516	40,981	0	667,497
Software	833,355	162,798	0	996,153
Total capital and other assets	51,214,107	433,876	72,369	51,575,614
Less accumulated depreciation	16,078,505	1,249,414	57,623	17,270,296
Total	<u>\$ 35,135,602</u>	<u>\$ (815,538)</u>	<u>\$ 14,746</u>	<u>\$ 34,305,318</u>
2012-13				
Land	\$ 3,827,853	\$ 0	\$ 0	\$ 3,827,853
Buildings	40,366,219	279,318	0	40,645,537
Equipment	3,273,523	180,435	20,836	3,433,122
Construction in progress	6,206	323,011	279,318	49,899
Infrastructure	1,797,825	0	0	1,797,825
Library collections	586,424	40,092	0	626,516
Software	833,355	0	0	833,355
Total capital and other assets	50,691,405	822,856	300,154	51,214,107
Less accumulated depreciation	14,865,697	1,232,604	19,796	16,078,505
Total	<u>\$ 35,825,708</u>	<u>\$ (409,748)</u>	<u>\$ 280,358</u>	<u>\$ 35,135,602</u>
2011-12				
Land	\$ 3,827,853	\$ 0	\$ 0	\$ 3,827,853
Buildings	37,855,019	2,511,200	0	40,366,219
Equipment	2,964,863	333,366	24,706	3,273,523
Construction in progress	1,722,567	916,138	2,632,499	6,206
Infrastructure	1,797,825	0	0	1,797,825
Library collections	556,364	30,060	0	586,424
Software	833,355	0	0	833,355
Total capital and other assets	49,557,846	3,790,764	2,657,205	50,691,405
Less accumulated depreciation	13,701,293	1,177,785	13,381	14,865,697
Total	<u>\$ 35,856,553</u>	<u>\$ 2,612,979</u>	<u>\$ 2,643,824</u>	<u>\$ 35,825,708</u>

# Capital Assets Activity

Last Ten Fiscal Years - (unaudited) (continued)

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
2010-11				
Land	\$ 3,827,853	\$ 0	\$ 0	\$ 3,827,853
Buildings	37,503,316	351,703	0	37,855,019
Equipment	2,760,326	244,339	39,802	2,964,863
Construction in progress	1,088,929	985,340	351,702	1,722,567
Infrastructure	1,797,825	0	0	1,797,825
Library collections	525,080	31,284	0	556,364
Software	833,355	0	0	833,355
Total capital and other assets	48,336,684	1,612,666	391,504	49,557,846
Less accumulated depreciation	12,600,247	1,137,160	36,114	13,701,293
Total	<u>\$ 35,736,437</u>	<u>\$ 475,506</u>	<u>\$ 355,390</u>	<u>\$ 35,856,553</u>
2009-10				
Land	\$ 3,448,912	\$ 378,941	\$ 0	\$ 3,827,853
Buildings	37,503,316	0	0	37,503,316
Equipment	2,500,125	275,197	14,996	2,760,326
Construction in progress	0	1,088,929	0	1,088,929
Infrastructure	1,797,825	0	0	1,797,825
Library collections	496,491	28,589	0	525,080
Software	833,355	0	0	833,355
Total capital and other assets	46,580,024	1,771,656	14,996	48,336,684
Less accumulated depreciation	11,462,868	1,152,375	14,996	12,600,247
Total	<u>\$ 35,117,156</u>	<u>\$ 619,281</u>	<u>\$ 0</u>	<u>\$ 35,736,437</u>
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>

## Capital Assets Activity

Last Ten Fiscal Years - (unaudited) (continued)

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
2007-08				
Land	\$ 2,908,177	\$ 0	\$ 0	\$ 2,908,177
Buildings	28,052,018	86,735	0	28,138,753
Equipment	1,994,432	131,292	22,287	2,103,437
Construction in progress	2,266,834	6,868,257	0	9,135,091
Infrastructure	1,797,825	0	0	1,797,825
Library collections	386,865	58,112	0	444,977
Software	833,355	0	0	833,355
Total capital and other assets	38,239,506	7,144,396	22,287	45,361,615
Less accumulated depreciation	9,560,523	883,083	17,994	10,425,612
Total	<u>\$ 28,678,983</u>	<u>\$ 6,261,313</u>	<u>\$ 4,293</u>	<u>\$ 34,936,003</u>

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

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



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

We have audited the basic financial statements of Rogue Community College (the College) as of and for the year ended June 30, 2017, and have issued our report thereon dated December 4, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

### **Compliance**

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

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

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

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



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

In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the College's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Purpose of this Report**

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



For Eide Bailly, LLP  
Boise, Idaho  
December 4, 2017

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Rogue Community College  
Grants Pass, Oregon

Government Audit Standards and Uniform Guidance

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Rogue Community College  
Grants Pass, Oregon

## Government Audit Standards Report



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Rogue Community College (the College) and its discretely presented component unit, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 4, 2017. Our report includes a reference to other auditors who audited the financial statements of Rogue Community College Foundation, as described in our report on the College's financial statements. The audit of the financial statements of the Foundation were not performed in accordance with *Government Auditing Standard*, and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance that are reported on separately by those auditors of Rogue Community College Foundation.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

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

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

Boise, Idaho  
December 4, 2017

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Rogue Community College  
Grants Pass, Oregon

Uniform Guidance (Single Audit) Report



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

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

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

We have audited Rogue Community College's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2017. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

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

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

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

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

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

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

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2017-002 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2017-001 to be a significant deficiency.

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

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



Boise, Idaho  
December 4, 2017

## Section I – Summary of Auditor’s Results

### Financial Statements

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

### Federal Awards

Internal control over major programs	
Material weaknesses identified?	Yes
Significant deficiency identified not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	Yes

Identification of major programs:

Name of Federal Program	CFDA Number
U. S. Department of Education Direct Programs	
Student Financial Aid Cluster	
Pell Grant Program	84.063
Federal Work-Study Program	84.033
Direct Loan Program	84.268
Supplemental Educational Opportunity Grants Program	84.007
U.S. Department of Health and Human Services	
Southern Oregon Health Occupations Poverty Elimination Project (SOHOPE)	93.093
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

## Section II – Financial Statement Findings

None Reported

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

2017-001

Direct Programs – Department of Education

CFDA# 84.063, 84.007, 84.268, 84.033

Student Financial Aid Cluster

Special Tests and Provisions: Return of Title IV Funds

Significant Deficiency in Internal Control Over Compliance

**Criteria:**

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

**Condition:**

During our testing of students that were disbursed financial aid in fiscal year 2017, there were four instances out of 60 in which the student withdrawal date per the R2T4 calculation worksheets did not match the dates reported to NSLDS.

**Cause:**

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

**Effect:**

The withdraw date reported to the NSLDS was incorrect.

**Questioned Costs:**

None reported

**Context/Sampling:**

A nonstatistical sampling was used. Sample size was 60 students out of 579 students were selected for special tests and provisions over Return of Title IV funds.

**Repeat Finding from Prior Year:**

Yes, prior year finding 2016-001.

**Recommendation:**

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

**Management's Response:**

Management agrees with the finding.

2017-002

Direct Programs – Department of Health and Human Services

CFDA# 93.093

Southern Oregon Health and Occupations Poverty Elimination Project

Eligibility

Material Weakness in Internal Control Over Compliance

**Criteria:**

The college is required to implement internal controls over federal programs to ensure compliance with eligibility requirements under the federal program.

**Condition:**

During our testing of students that were considered for receipt of benefits under the program in fiscal year 2017, there were 40 instances out of 60 in which participant's eligibility was not reviewed subsequent to the initial eligibility form being completed.

**Cause:**

The College did not have a control in place to review the completed eligibility forms.

**Effect:**

Participants in the program may have received benefits for which they may not have been eligible.

**Questioned Costs:**

None reported

**Context/Sampling:**

A nonstatistical sampling was used. Sample size was 60 participants out of 547 participants were selected for eligibility.

**Repeat Finding from Prior Year:**

No

**Recommendation:**

The College should implement a control process in which the information submitted for participant eligibility is reviewed.

**Management's Response:**

Management agrees with the finding.

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Schedule of Expenditures of Federal Awards  
Year ended June 30, 2017

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
Direct Grants:			
Financial Aid Cluster:			
Pell Grant Program	84.063 (*)		\$ 9,762,732
Federal Work-Study Program	84.033 (*)		149,825
Direct Loan Program	84.268 (*)		7,481,202
Supplemental Educational Opportunity Grants Program	84.007 (*)		<u>145,530</u>
Total Financial Aid Cluster			<u>17,539,289</u>
TRIO Cluster:			
TRIO - Student Support Services	84.042A		422,751
TRIO - Educational Opportunity Center	84.066A		213,299
TRIO - Talent Search	84.044A		<u>244,898</u>
Total Trio Cluster			<u>880,948</u>
Passed through Oregon Department of Education:			
Perkins Vocational Education	84.048	27382	337,157
Passed through Southern Oregon Education Service District:			
Perkins Vocational Education	84.048	N/A	<u>18,108</u>
Total Perkins			<u>355,265</u>
Passed through Oregon Higher Education Coordinating Commission:			
Adult Basic Education Program - Title II	84.002A	EE161718	<u>354,571</u>
Total Title II			<u>354,571</u>
Passed through Oregon Department of Education:			
Race to the Top Professional Development Grant	84.412	37784	11,889
Total U.S. Department of Education			\$ 19,141,962
U.S. Department of Health and Human Services			
Direct Grants:			
Southern Oregon Health Occupations Poverty Elimination Project (SOHOPE)	93.093 (*)		2,185,838
Total U.S. Department of Health and Human Services			\$ 2,185,838



Schedule of Expenditures of Federal Awards  
Year ended June 30, 2017 (continued)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
U.S. Small Business Administration			
Passed through Oregon Small Business Development Center Network:			
Small Business Assistance	59.037	15-153	15,125
Small Business Assistance	59.037	16-153	16,125
Total U.S. Small Business Administration			\$ 31,250
U.S. Department of Labor			
Direct Grant:			
TAACCCT PATH - Trade Adjustment Assistance Community College and Career Training Pathways to Allied Health Professions	17.282		14,372
Total U.S. Department of Labor			\$ 14,372
National Science Foundation			
Direct Grant:			
Contextualizing CTE in Math	47.076		66,551
Total National Science Foundation			\$ 66,551
U.S. Department of Housing and Urban Development			
Passed through City of Grants Pass:			
Community Development Block Grant - Entitlement Cluster			
Josephine County Microenterprise Assistance Program	14.218	M13009	13,176
Total U.S. Department of Housing and Urban Development			\$ 13,176
U.S. Department of Transportation			
Direct Grant:			
Commercial Motor Vehicle Operator Safety Training	20.235		39,211
Total U.S. Department of Transportation			\$ 39,211

(\*) Denotes a major program cluster.

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

1. Basis of Presentation

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

2. Significant Accounting Policies

Governmental fund types account for the College's federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the accrual basis of accounting. For more information see the Summary of Significant Accounting Policies presented in Note 1 in the College's basic financial statements.

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

3. Federal Student Loan Programs

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