Comprehensive Annual Financial Report

Rogue Community College

Grants Pass, Oregon

For the Year Ended June 30, 2018

Report prepared by Rogue Community College Budget and Financial Services Department

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Rogue Community College
3345 Redwood Hwy
Grants Pass, OR 97527-9298

December 6, 2018

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, 2018, 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 four 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 State and Federal Compliance Section contains the schedule of Expenditures of Federal Awards and disclosures and comments required by the minimum Standards for Audits of Oregon Municipal Corporations and 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 revenues, 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 College'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 2018 is estimated at 303,831, which is a 5.3% increase since 2009.

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.

College 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 4,515 students representing 1,051.99 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 5,257 students representing 1,634.45 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 2,405 students who represent 379.3 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. Building occupancy took place in September 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 Innovation Hub 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 Innovation Hub Gallery is designed to promote creativity and innovation in science, technology, engineering, art and math. The art department offers both credit and non-credit courses. This is an active and heavily used space because of its proximity and access to the downtown art community.

Economic Outlook

Economic growth in the US continues to be healthy and the risks to the near-term outlook are balanced, if not improving. However, with a confluence of events in the beginning of 2020, it is reasonable to expect an end to the economic expansion. At that time, Federal fiscal policy will be a drag on economic growth and monetary policy is expected to have transitioned from accommodative, to neutral, and potentially even restrictive.

Oregon's economy follows the U.S. business cycle, with a bit more volatility. The good news is job gains are enough to keep pace with a growing population and hold down the unemployment rate. Wages are rising faster than in the typical state, as are household incomes. That said, growth is slower today than a few years ago. The economic well-being Oregon is experiencing is expected to continue until the onset of the next recession. As of July 2018, the seasonally adjusted unemployment rate is 4.5% for Jackson County and 5.2% for Josephine County. This is a 0.1% and 0.1% decrease, respectively, from the prior year.

Oregon's state revenue growth continues to outpace the forecast; however, this is tied to temporary factors, including the response of Oregonians to federal tax law changes and a spike in estate tax collections. 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. Another factor that could negatively impact Oregon's revenue outlook is the potential extension of large tax credits that are scheduled to expire in the 2017-19 biennium.

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 College. 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 the 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 bond sale provided an additional $3 million in premium proceeds. Passage of the bond levy allows the College to make use of $14 million in matching capital project funds awarded by the State of Oregon, raising the total amount of funds available for capital projects to $37 million. The projects completed, underway or planned for the near future include:

- High Technology Center remodel of the recently acquired building adjacent to the existing Table Rock Campus. Building occupancy took place in September 2018 with project completion in November 2018.
- Health Professions Building new construction on currently owned property at Table Rock Campus. Project design is in-progress with projected completion, June 2020.
- Connection to Grants Pass Municipal Water on the Redwood Campus. Project planning is underway.
- Science Building remodel of the existing Redwood Campus facility. Project is pending.
- Nursing Building expansion of the existing Redwood Campus facility. Project was reassigned to the Science Building project.
- Career and Technical Education expansion and improvements at the Redwood, Riverside and Table Rock Campuses. The Redwood project projected completion is August 2019. The Riverside and Table Rock campuses project were reassigned.
- Fire Training Classrooms construction at the Medford Fire District #3 location. Project completion, February 2019.

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 August 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, 2017. This was the sixteenth year, fifteenth 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

Cathy Kemper-Pelle, Ed.D.
President

Lisa Stanton, CPA
Chief Financial Officer

ELECTED/APPOINTED OFFICIALS

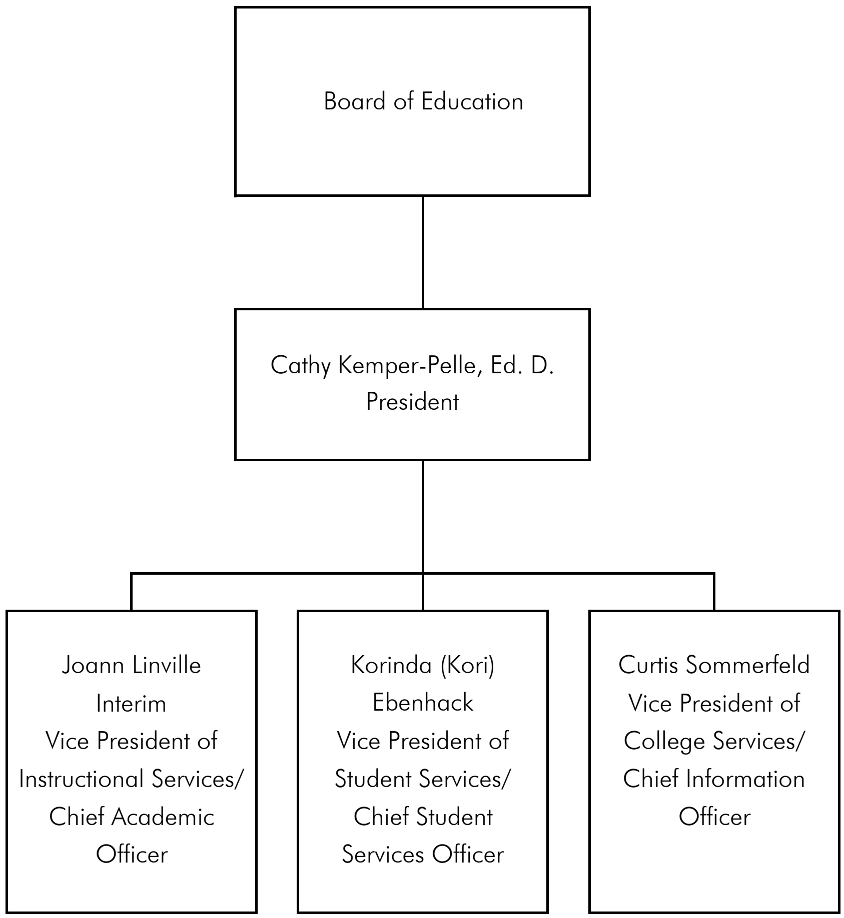
Dean Wendle P.O. Box 1988 Grants Pass, Oregon 97528	Chairperson
Claudia Sullivan 900 S. Vannoy Creek Rd. Grants Pass, OR 97526	Vice-chairperson
Patricia Ashley 3182 Rogue River Drive Eagle Point, OR 97524	Member
Ron Fox 4727 Torrey Pines Drive Medford, OR 97504	Member
Shawn Hogan P.O. Box 452 Gold Hill, OR 97525	Member
Roger Stokes 314 Medford Heights Lane Medford, OR 97504	Member
Kevin Talbert, Ph.D. 1291 N Valley View Road Ashland, OR 97520	Member

ADMINISTRATION

3345 Redwood Highway
Grants Pass, Oregon 97527

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

Organizational Chart
Year ended June 30, 2018



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, 2017

Christopher P. Morrill

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, 2018, 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, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1 and 11 to the financial statements, the College has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Other Post-Employment Benefits (OPEB),* which has resulted in a restatement of the net position as of July 1, 2017. Our opinion is not modified with respect to this 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 Changes in Total College Administered OPEB Liability and Related Ratios, Schedule of Changes in Total RHIA OPEB Asset and Related Ratios, Schedule of RHIA OPEB Employer Contributions, Schedule of Employer's Share of Net Pension Liability/(Asset), and Schedule of Employer Contributions – OPERS, 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 or 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 6, 2018 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 6, 2018, 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.

For Eide Bailly, LLP
Boise, Idaho
December 6, 2018

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Board of Education
Rogue Community College

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, 2018. 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, 2018 that impacted the College are as follows:

- FTE reimbursement from the State of Oregon increased 67.8% or $4.8 million. This increase 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 $25.2 million liability at June 30, 2017 to a $23.5 million liability at June 30, 2018. The pension reporting requirements of GASB 68 and 71 impacted the financial statements by increasing the non-current liabilities, and deferred inflows, as well as decreasing deferred outflows of resources, and pension expense. More information about PERS is located in the Notes to the Basic Financial Statements, Note 8.

- The College's student financial aid grants decreased $1.8 million or 23.6% from the prior year. The decrease in financial aid is related to the decrease in student FTE and the type of financial aid, specifically direct student loans. Additional information about student financial aid grants can be located in the Revenue Section of this analysis.

- Investment income increased $568,000 or 171.7% from the prior year. The increase is attributable to the increase in interest rates and the remaining unspent General Obligation and Refunding bond proceeds, series 2016B.

One of the College's largest categories in net position ($18.6 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 the State and Federal Compliance 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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The effects of recording this liability and deferred outflow of resources is shown as a prior period adjustment in the financial statements for the year ending June 30, 2018. The prior year information was not restated in the Management's Discussion and Analysis section of this report. More information regarding this restatement is located in the Notes to the Basic Financial Statements, Note 11.

Analysis of the Statement of Net Position
As of June 30, 2018

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.

	2018	2017	% Change
Assets			
Current assets	$ 54,226,146	$ 50,488,241	7.40%
Capital assets, net of depreciation	34,623,538	33,108,092	4.58%
Other non-current assets	85,966	32,655	163.26%
Total Assets	88,935,650	83,628,988	6.35%
Deferred Outflow of Resources			
Deferred outflows	9,707,975	13,876,904	-30.04%
Total Deferred Outflow of Resources	9,707,975	13,876,904	-30.04%
Total Assets and Deferred Outflow of Resources	$ 98,643,625	$ 97,505,892	1.17%
Liabilities			
Current liabilities	$ 6,489,600	$ 5,667,802	14.50%
Long-term debt, non-current portion	80,412,953	80,527,216	-0.14%
Total Liabilities	86,902,553	86,195,018	0.82%
Deferred Inflows of Resources			
Deferred inflows	838,288	455,235	84.14%
Total Deferred Inflow of Resources	838,288	455,235	84.14%
Net Position			
Investment in capital assets, net of related debt and deferred outflows	24,023,561	17,721,477	35.56%
Restricted	1,510,835	4,727,814	-68.04%
Unrestricted	(14,631,612)	(11,593,652)	26.20%
Total Net Position	10,902,784	10,855,639	0.43%
Total Liabilities, Deferred inflow of Resources and Net Position	$ 98,643,625	$ 97,505,892	1.17%

On June 30, 2018, the College's assets were approximately $88.9 million. The College's current assets of $54.2 million were sufficient to cover current liabilities of $6.4 million. This represents a current ratio of 8.4. The $3.7 million increase in current assets can be attributed to the unspent proceeds from the 2016 bond sale. Net investment in capital assets is $24.0 million, and represents an increase of $6.3 million from the prior year. The College uses capital assets to provide services to students; consequently, these assets are not available for future spending. Therefore, the resources to repay this debt will be provided by other sources. The College's receivables consist of taxes, student accounts, interest and various operating receivables. Additional information regarding capital assets can be found in Note 3.

Deferred outflows represent the consumption of net assets attributable to a future period and are primarily associated with the College's obligations for the pension and other post-employment benefits, as well as, the deferred charge on refunding of debt. Deferred outflows decreased $4.2 million, or 30.04% from the previous year.

Current liabilities consist primarily of accounts payables, accrued compensation, unearned revenue, and the current portion of long-term obligations. Current liabilities increased $822,000 or 14.50% over prior year. The increase is attributable to the increase in accounts payable and retainage due to the increase in construction.

Net position is reported in three components with an overall increase of approximately 0.43% in fiscal year 2018. The largest portion of the College's net position is the $24.0 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, other post-employment benefit assets, 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, 71 and 75, unrestricted net position will have the potential to fluctuate materially from year to year. The fluctuation is dependent on college-wide investment returns and changes related to the actuarial unfunded liability for pensions and OPEB. The large fluctuation in the recent valuation resulted in the College reporting a negative unrestricted net position of $14.6 million at June 30, 2018.

Analysis of the Statement of Revenues, Expenses and Changes in Net Position For the Year Ended June 30, 2018

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.

	2018	2017	% Change
Operating Revenues:			
Student tuition and fees	$ 17,043,113	$ 17,346,411	-1.75%
Student financial aid grants	5,958,859	7,796,047	-23.57%
Federal grants and contracts	5,051,871	3,948,966	27.93%
State and local government grants and contracts	4,141,439	5,023,057	-17.55%
Auxiliary enterprises	1,942,526	2,292,794	-15.28%
Total operating revenues	34,137,808	36,407,275	-6.23%
Non-Operating Revenues:			
State community college support	11,956,146	7,125,402	67.80%
Federal Financial Aid	9,420,754	9,743,242	-3.31%
Property taxes	16,867,187	16,255,532	3.76%
Investment income	898,649	330,789	171.67%
Other non-operating revenues	2,659,829	3,094,731	-14.05%
Total non-operating revenues	41,802,565	36,549,696	14.37%
Operating and Non-Operating Expenses:			
Instruction	18,350,270	18,643,414	-1.57%
Instructional support services	6,062,044	6,612,951	-8.33%
Student services	11,062,661	10,963,620	0.90%
Community services	559,362	918,368	-39.09%
College support services	8,250,664	8,163,765	1.06%
Plant operations and maintenance	3,752,575	3,978,409	-5.68%
Scholarships and grants	19,260,733	21,331,237	-9.71%
Depreciation	1,324,245	1,356,198	-2.36%
Loss on capital assets	260,642	50,008	421.20%
Interest expense	1,731,019	1,453,237	19.11%
Amortization of deferred charges	110,712	166,864	-33.65%
Total operating and non-operating expenses	70,724,927	73,638,071	-3.96%
Income (loss) before contributions	5,215,446	(681,100)	-865.74%
Capital contributions - donated assets	-	35,613	-100.00%
Change in net position	5,215,446	(645,487)	-907.99%
Net position, beginning of year, as restated	5,687,338	11,501,126	-50.55%
Net position, end of year	$ 10,902,784	$ 10,855,639	0.43%

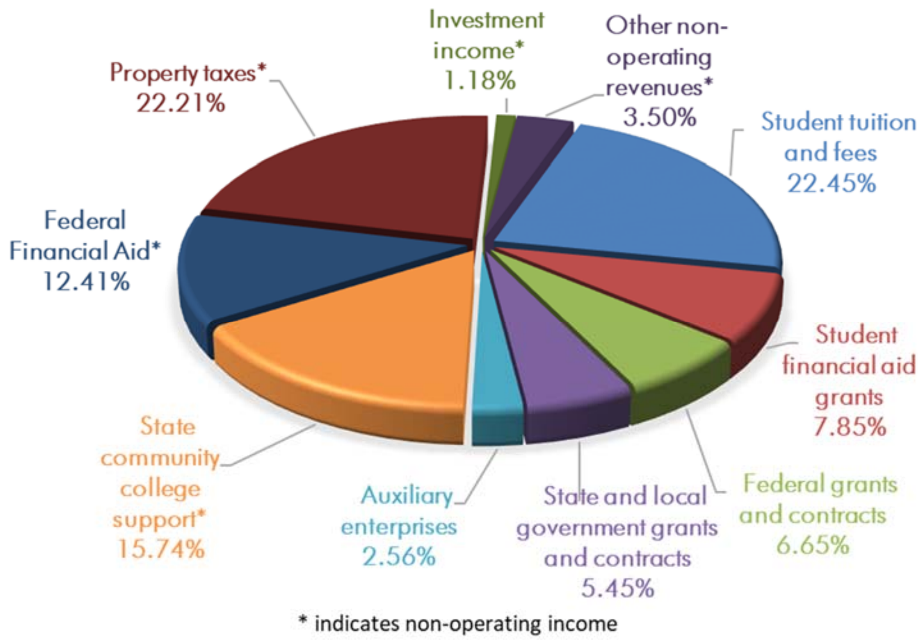
Revenues:

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

Operating revenues decreased by $2.3 million or 6.23% between 2017 and 2018. The most significant sources of operating revenue for the College include student tuition and fees and student financial aid grants. Tuition and fees decreased 1.75% or $303,300 due to a 3.7% decrease in student FTE and a $3 per credit increase in tuition and a $2 per credit increase in the Technology Fee. Student financial aid grants decreased $1.8 million or 23.6%. The decrease in financial aid grants reflects a sharp decrease in student borrowing and a slight decrease in scholarships and grants.

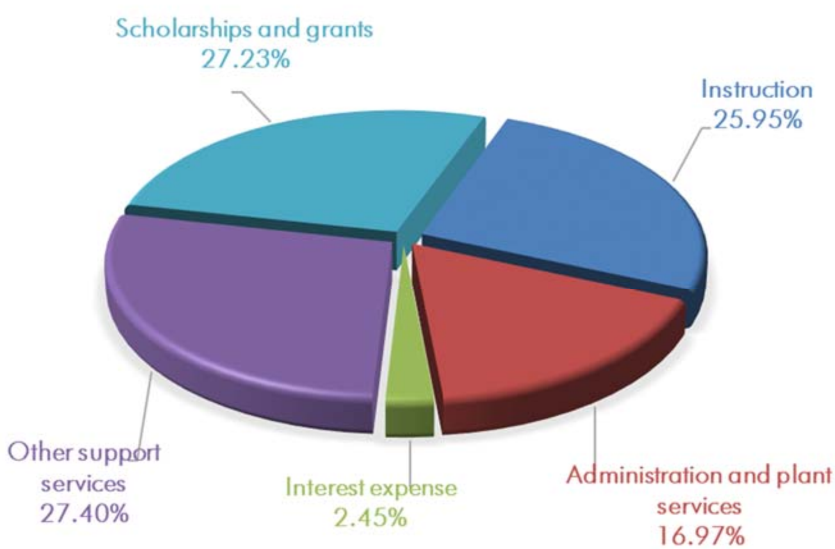
Non-operating revenues increased $5.3 million or 14.4% between 2017 and 2018. The largest non-operating revenue source is property taxes. The College received $16.9 million from property taxes representing a 3.8% increase from the prior year. This increase is directly related to the overall assessed value of property located in Jackson and Josephine counties increasing approximately 4.3%. The second largest non-operating revenue is State appropriations.

The increase 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, 2018, the College received five payments.



Expenses:

Operating and non-operating expenses totaling $70.7 million include salaries and benefits, materials and supplies, utilities, operating leases, scholarships and depreciation. Instruction expenses represent a large percentage of total expenses at $18.4 million or 26.0%. Support services, including auxiliary enterprises, contracted programs, and depreciation, represent $19.4 million, or 27.4%, of total expenses. Scholarship and grant expenses of $19.3 million represent 27.2% of total expenses. Administration expenses, including plant services, represent $12.0 million, or 17.0%, of total expenses. Interest expense, the College's most significant non-operating expense, represents $1.7 million, or 2.4%, of total expense.



Analysis of Cash Flows For the Year Ended June 30, 2018

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.

	2018	2017	% Change
Cash Provided By (Used In):			
Operating activities	$ (28,100,357)	$ (27,642,441)	1.66%
Non-capital financing activities	36,525,599	31,440,776	16.17%
Capital financing activities	(6,404,978)	19,228,064	-133.31%
Investing activities	898,649	330,789	171.67%
Net increase (decrease) in cash	2,918,913	23,357,188	-87.50%
Cash, beginning of year	46,646,243	23,289,055	100.29%
Cash, end of year	$ 49,565,156	$ 46,646,243	6.26%

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 students for financial aid and scholarships.

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 16.17% increase is due to the College receiving five State support payments in 2018.

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 decreased by $25.6 million compared to prior year. The decrease is related to the issuance of general obligation and refunding bonds in 2017. 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 $568,000, 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, 2018, amounts to $34.6 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 $52.1 million. Of this amount, $36.0 million is General Obligation and Refunding Bonds, and their related premium and $15.4 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 $130,100 to US Department of Education for the purchase of property. The College also has a compensated absences liability of $668,500. The College's total debt decreased by $4.1million during 2018.

The General Obligation and refunding bonds series 2016B were sold at a premium of over $3.3 million. The projects related to these bonds include:

- High Technology Center remodel of the recently acquired building adjacent to the existing Table Rock Campus. Projected occupancy is September 2018 with project completion in November 2018.
- Health Professions Building new construction on currently owned property at Table Rock Campus. Project design is in-progress with projected completion, June 2020.
- Connection to Grants Pass Municipal Water on the Redwood Campus. Project planning is underway.
- Science Building remodel of the existing Redwood Campus facility. Project is pending.
- Nursing Building expansion of the existing Redwood Campus facility. Project was reassigned to the Science Building project.
- Career and Technical Education expansion and improvements at the Redwood, Riverside and Table Rock Campuses. The Redwood project projected completion is August 2019. The Riverside and Table Rock campuses project were reassigned to the health professions project at Table Rock campus.
- Fire Training Classrooms construction at the Medford Fire District #3 location. Project completion, February 2019.

Passage of the bond levy allows the College to make use of $14 million in matching capital project funds awarded by the State of Oregon, raising the total amount of funds available for capital projects to $37 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, 2018, the College's general obligation debt is 0.08% of Real Market Value. Based upon this, the College's legal debt limit is $580.3 million, which is significantly higher than the College's outstanding general obligation debt of $32.0 million. Additional information on the College's long-term debt can be found in Note 5.

Pension and OPEB Obligations

At the end of the current fiscal year, the Pension and OPEB liabilities totaled $31.71. Of this amount, $23.5 million is the pension liability and $2.9 million is the transition liability. In addition, $5.4 million is the College administered OPEB plan, while the Retirement Health Insurance Account administered by PERS has an asset of $41,200. More information on the pension and OPEB obligations can be found in Note 8 and 9, respectively

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 remaining 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 26, 2018 for fiscal year 2018-19. The budget was prepared within the context of the current economic conditions. The proposed General Fund budget for fiscal year 2018-19 is $44.8 million. This budget is based upon a State appropriation of $570 million. The proposed budget assumes 3.3% of the overall State appropriation, or $9.3 million, will be allocated to the College. This is a $105,000, or 1.1%, decline when compared to 2017-18. Property taxes are projected to increase 3.25%, or $433,000, over 2017-18 actuals. Tuition is expected to decrease 3% in accordance with the anticipated enrollment decline. The College's Board voted to increase tuition by $3 per credit for 2018-19. The General Fund budget also includes a transfer from the College Services Fund of $2.15 million. The beginning fund balance for 2018-19 is budgeted at $4.1 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, 2018

	College	Foundation (Component Unit)
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 49,565,156	$ 387,484
Receivables:		
Property taxes	1,108,772	0
Accounts, net	2,503,154	262,913
Inventory	921,079	0
Prepaid expenses	127,985	2,535
Total current assets	54,226,146	652,932
Non-current Assets:		
Endowment investments	0	10,253,844
Land investments	0	182,977
RHIA OPEB asset	85,966	0
Capital assets	55,956,885	40,352
Less: accumulated depreciation	(21,333,347)	(38,914)
Capital assets, net	34,623,538	1,438
Total non-current assets	34,709,504	10,438,259
TOTAL ASSETS	88,935,650	11,091,191
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	774,985	0
Deferred outflow on pension obligation	8,438,243	0
Deferred outflow on college administered OPEB obligation	398,068	0
Deferred outflow on RHIA OPEB obligation	96,679	0
TOTAL DEFERRED OUTFLOWS OF RESOURCES	9,707,975	0
LIABILITIES		
Current Liabilities:		
Accounts payable	1,082,951	19,411
Retainage payable	80,353	0
Accrued interest payable	50,940	0
Payroll liabilities	1,558,636	7,067
Unearned revenue	208,521	0
Scholarships payable	0	285,038
Current portion of compensated absences	92,925	0
Current portion of long-term obligations	3,243,847	0
Current portion of transition liability	171,427	0
Total current liabilities	6,489,600	311,516

See notes to basic financial statements.

Statement of Net Position
June 30, 2018 (continued)

	College	Foundation (Component Unit)
Non-current liabilities - long-term obligations		
Compensated absences	668,588	0
Less: current portion compensated absences	(92,925)	
Note payable	130,069	0
College administered OPEB liability	5,376,338	0
Pension liability	23,474,670	0
Pension transition liability	2,925,963	0
Less: current portion transition liability	(171,427)	0
Pension bonds payable	15,370,000	0
General obligation and refunding bonds payable, net of unamortized premium	35,975,524	0
Obligation under standard unitrust	0	116,221
Less: current portion of long-term obligations	(3,243,847)	0
Total non-current liabilities - long-term obligations	80,412,953	116,221
TOTAL LIABILITIES	86,902,553	427,737
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow on pension obligation	568,698	0
Deferred inflow on college administered OPEB obligation	228,333	0
Deferred inflow on RHIA OPEB obligation	41,257	0
TOTAL DEFERRED INFLOWS OF RESOURCES	838,288	0
NET POSITION		
Investment in capital assets	34,623,538	0
Less: related debt	(11,374,962)	0
Plus: deferred outflows attributable to capital assets	774,985	0
Net investment in capital assets	24,023,561	0
Restricted - non-expendable		
Restricted - permanent endowment	0	5,250,384
Restricted - expendable		
Restricted temporarily - endowment income and scholarships	0	4,115,755
Restricted - debt service	325,657	0
Restricted - contracts and grants	1,099,212	0
Restricted - RHIA OPEB plan asset	85,966	0
Total restricted net position	1,510,835	9,366,139
Unrestricted	(14,631,612)	1,297,315
TOTAL NET POSITION	$ 10,902,784	$ 10,663,454

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, 2018

	College	Foundation (Component Unit)
OPERATING REVENUES		
Student tuition and fees	$ 17,043,113	$ 0
Federal student financial aid grants	5,958,859	0
Federal grants and contracts	5,051,871	0
State and local grants and contracts	4,141,439	0
Auxiliary enterprises	1,942,526	0
Public support and revenue	0	1,762,948
Total operating revenues	34,137,808	1,762,948
OPERATING EXPENSES		
Instruction	18,350,270	0
Instructional support services	6,062,044	0
Student services	11,062,661	0
Community services	559,362	0
College support services	8,250,664	0
Plant operations and maintenance	3,752,575	0
Scholarships and grants	19,260,733	0
Foundation programs	0	984,966
Depreciation	1,324,245	0
Total operating expenses	68,622,554	984,966
Operating income (loss)	(34,484,746)	777,982
NON-OPERATING REVENUES (EXPENSES)		
State community college support	11,956,146	0
Federal financial aid	9,420,754	0
Property taxes	16,867,187	0
Investment income	898,649	619,416
Interest expense	(1,731,019)	0
Amortization of deferred charges	(110,712)	0
Loss on disposal of capital assets	(260,642)	0
Other non-operating revenues	2,659,829	0
Total non-operating revenues (expenses)	39,700,192	619,416
Change in net position	5,215,446	1,397,398
NET POSITION		
Net position, beginning of year, as restated	5,687,338	9,266,056
Net position, end of year	$ 10,902,784	$ 10,663,454

See notes to basic financial statements.

Statement of Cash Flows
For the year ended June 30, 2018

	College
CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	$ 17,021,224
Student financial aid grants	6,002,883
Federal, state and local government grants and contracts	8,604,124
Payments to suppliers for goods and services	(11,332,315)
Payments to employees	(32,260,598)
Payments for student financial aid and other scholarships	(19,260,733)
Auxiliary enterprises:	
Cash received from customers	2,042,711
Paid to suppliers for resale materials	(1,577,482)
Cash from other sources	2,659,829
Net cash used in operating activities	(28,100,357)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Cash received from property taxes	16,834,201
Cash received from state community college support fund	11,956,146
Federal financial aid	9,420,754
Principal paid on pension bonds	(905,000)
Interest paid on pension bonds	(780,502)
Net cash provided by non-capital financing activities	36,525,599
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	(3,110,381)
Proceeds from sale of capital assets	10,048
Principal paid on capital-related long-term debt	(2,047,852)
Interest paid on capital-related long-term debt	(1,256,793)
Net cash used by capital financing activities	(6,404,978)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income (loss)	898,649
NET INCREASE IN CASH	2,918,913
Cash and cash equivalents, beginning of year	46,646,243
Cash and cash equivalents, end of year	$ 49,565,156

See notes to basic financial statements.

Statement of Cash Flows
For the year ended June 30, 2018 (continued)

	College
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	$ (34,484,746)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	1,324,245
GASB 68 actuarial pension (revenue) expense	2,728,030
GASB 75 actuarial OPEB (revenue) expense	(70,431)
Other non-operating revenues	2,659,829
Changes in assets and liabilities:	
Decrease in accounts receivable	(470,154)
Increase in inventory	(200,274)
Decrease in prepaid expenses	(115,578)
Increase in accounts payable	541,697
Decrease in payroll liabilities and compensated absences	(16,263)
Increase in deferred revenue	3,288
Net cash used in operating activities	$ (28,100,357)
NON-CASH CAPITAL FINANCING AND INVESTING ACTIVITIES	
Premium on general obligation and refunding bonds	$ 303,823
Amortization of premium on general obligation and refunding bonds	(303,823)
Book value of capital assets disposed	260,642
Loss on disposal of capital assets	(260,642)
Net non-cash capital financing and investing activities	$ 0

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) 958-205-45, *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, 2018, the Foundation provided scholarships and awards of $341,309 and project grants of $38,121 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 not registered with the U.S. Securities and Exchange Commission as an investment company. 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.

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. The College has an investment policy that is more restrictive than the Oregon Revised Statutes. As of June 30, 2018, and for the year then ended, the College was in compliance with the aforementioned State of Oregon statutes and its own internal investment policies. 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.

1. Summary of Significant Accounting Policies (continued)

Receivables (continued)

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.

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 policy is to capitalize all assets when they have a life of more than one year and meet the canalization thresholds. 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 an asset's life is 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.

1. Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

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

Deferred Outflows/Inflows 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 three items that qualify for reporting in this category: the pension obligation, other post-employment benefit obligation (OPEB), and deferred charge on debt refunding. The pension obligation results from changes in assumptions, differences between expected and actual experience, net differences between projected and actual earnings on investments, changes in proportion, and contributions subsequent to the measurement date reported in the actuarial calculation of the College's net pension liability. The college has two OPEB obligations, the fist plan is a single employer plan, administered by the college. The second plan is a multi-employer Retirement Health Insurance Account (RHIA) administered by Oregon Public Employees Retirement System (PERS). The OBEP obligations results from contributions made subsequent to the measurement date for both plans. 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 two items that qualify for reporting in this category: the employer deferred pension obligation and the deferred OPEB 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. The deferred OPEB obligation results from changes in assumptions used in the actuarial calculation of the College's net OPEB asset/liability for the College administered plan and the differences between projected and actual earnings and changes in proportion used for the RHIA plan administered by PERS.

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

1. Summary of Significant Accounting Policies (continued)

Short-Term Obligations (continued)

percent (80%) of the amount of taxes and other revenues budgeted to be received in that fiscal year. As of June 30, 2018, 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 outflow of resources and deferred inflow 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.

Other Postemployment Benefits Other Than Pensions

The College administers a single employer OPEB plan. This OPEB plan utilized employee census data and benefits provided by the College for purposes of measuring the net OPEB liability, deferred outflow of resources and deferred inflow of resources related to OPEB, and OPEB expense. Benefit payments (including refunds of employee contributions) are financed in a pay-as-you-go basis. For the RHIA plan, the net OPEB liability, deferred outflow of resources and deferred inflow of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by PERS. Therefore, 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.

Pension Transition 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.

1. Summary of Significant Accounting Policies (continued)

Federal Financial Assistance Program

The College participates in various federally funded programs including Pell Grants, Federal Work-Study, Supplemental Educational Opportunity Grants (SEOG), Federal Work-Study, and Federal Direct Loans. Federal programs are audited in accordance with the Single Audit Act, 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).

Net Position

Net position is the difference between the College's total assets and deferred outflows and total liabilities and deferred inflows. Net position is subdivided into three categories: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets represents capital assets, less accumulated depreciation and outstanding principal and premiums of capital asset related debt, plus cash held for construction. Net position subject to restrictions by external parties is categorized as restricted. This category represents debt service, contracts and grants and bond proceeds. 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.

Adoption of New GASB Pronouncements

The College implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB).The effects of recording this liability is shown as a prior period adjustment in the financial statements for the year ending June 30, 2018. Additional information regarding Postemployment Benefits Other Than Pensions can be found in Note 9 of the financial statements.

The College implemented Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financials statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. Additional information regarding this Statement can be found in Note 5 of the financial statements.

2. Cash and Investments

The primary objectives of the college's investment activity include preservation of capital, liquidity, diversification and yield. The following schedule comprises the combined value of the college's cash and investment portfolio at June 30:

Cash and Cash Equivalents:		
Cash on hand	$	8,073
Cash with fiscal agent		188,653
Deposits with Financial Institutions		2,840,992
Oregon LGIP		46,527,438
Total Cash and Cash Equivalent	$	49,565,156

The Oregon Local Government Investment Pool (LGIP) is subject to regulatory oversight by the Oregon Short Term Fund Board and the Oregon Short Term Investment Council and does not receive credit quality ratings from nationally recognized statistical rating organizations. The State of Oregon Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the state that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. Participants' account balances in the pool are determined by the amount of participants' deposits, adjusted, for withdrawals and distributed interest. Interest is calculated and accrued daily on each participants' account based on the ending account balance and a variable interest rate determined periodically by the Oregon Short Term Fund.

Credit risk

In accordance with ORS Chapter 297 and the College's investment guidelines, investment in commercial paper must be rated by A1or better by Moody's, P1 or better by Standard and Poor's, F1 or better by Fitch, or an equivalent rating by any nationally recognized rating agency. Corporate securities, bonds and debentures must be rated at settlement date Aaa or better by Moody's, AA or better by Standard and Poor's, AA or better by Finch, or equivalent rating by any nationally recognized rating agency.

Concentration of credit risk

It is the policy of the College to diversify its investments. Where appropriate, exposures will be limited by security type, maturity, issuance and issuer. In accordance with GASB 40, the College is required to report all non-federal investments in any one issuer that exceed 5% of total invested funds. There are no investments that exceed this threshold as of June 30, 2018.

2. Cash and Investments (continued)

Interest rate risk

In accordance with the objectives of the College's investment guidelines, interest rate risk is mitigated by structuring the investment portfolio to that securities mature to meet cash requirements for ongoing operations. As of June 30, 2018, the College was in compliance with this requirement.

Custodial credit risk - deposits

In the 2008 legislative session, new regulations were enacted for collateralizing public funds under ORS 295.004. The statute established a shared liability concept to protect public entities and eliminate personal liability of public officials for balance in excess of the collateral certificates. It also reduced over collateralization and defined qualified depository institutions and addressed collateralization of public funds over $250,000. Finally, it specified the types of instruments that are allowed as collateral and require qualified bank depositories to sign a pledge agreement approved by the board of directors or loan committee. Under ORS 295.004, governmental entities can maintain balance with such bank depositories in accordance with their investment policies. On June 30, 2018, the college's bank balances were $4.5 million, which includes CDs and bank accounts. Of these deposits, $500,000 on deposit with two banks was covered by FDIC and the remaining balance was covered by the procedures for collateralizing public funds.

Custodial credit risk – investments

The College has a Board approved investment policy which state that the President shall appoint an Investment Officer who will perform specific investment functions for the College. Should a counter-party fail, there is a risk that the College would not be able to recover the value of its investments that are held by an outside party. To minimize this risk, securities purchased through any of the authorized non-bank broker-dealers are held by an independent third-party safekeeping institution.

As of June 30, 2018, the College had $0 invested in various investment instruments including time deposits. The College has no custodial credit risk at this time.

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 2018. The Foundation's cash and cash equivalents were $387,484 at June 30, 2018.

2. Cash and Investments (continued)

Foundation Cash and Investments (continued)

The Foundation's investments totaling $10.25 million at June 30, 2018 are stated at fair value and consist of the following:

	Fair Value	(Level 1)	(Level 2)	(Level 3)
Equity funds	$ 6,057,172	$ 6,057,172	$ -	$ -
Fixed income funds	2,405,571	-	2,405,571	-
Mutual funds	1,279,297	1,279,297	-	-
Exchange Traded Funds	275,543	275,543	-	-
Other assets	236,261	-	236,261	-
Total Investments	$ 10,253,844	$ 7,612,012	$ 2,641,832	$ -

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 June 30, 2017	Increases	Decreases	Balance June 30. 2018
Capital assets not being depreciated:				
Land	$ 3,827,853	$ -	$ -	$ 3,827,853
Construction in progress	1,132,072	2,397,044	-	3,529,116
Total capital assets not being depreciated	4,959,925	2,397,044	-	7,356,969
Capital assets being depreciated:				
Buildings	40,645,537	-	-	40,645,537
Infrastructure	1,797,825	-	376,811	1,421,014
Furniture and equipment	4,239,470	666,879	63,528	4,842,821
Library collections	810,731	46,458	-	857,189
Software	946,812	-	113,457	833,355
Total capital assets being depreciated	48,440,375	713,337	553,796	48,599,916
Less accumulated depreciation for:				
Buildings	15,724,000	936,912	-	16,660,912
Infrastructure	563,802	22,084	170,876	415,010
Furniture and equipment	2,473,817	320,256	55,502	2,738,571
Library collections	647,259	38,240	-	685,499
Software	883,330	6,753	56,728	833,355
Total accumulated depreciation	20,292,208	1,324,245	283,106	21,333,347
Total capital assets being depreciated, net	28,148,167	(610,908)	270,690	27,266,569
Total capital assets, net	$ 33,108,092	$ 1,786,136	$ 270,690	$ 34,623,538

4. Accounts Receivable

The College's student and agency receivables are shown net of an allowance for uncollectible accounts. As of June 30, 2018, 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, 2018, they held a student loan receivable of $112,696. The Foundation also received pledges from donors in the fiscal year 2017-18 and the total remaining receivable at June 30, 2018 consisted of $118,332.

5. Changes in the Long-Term Obligations

Transactions for the fiscal year ended June 30, 2018 are as follows:

	Original Amount	July 1, 2017	Additions	Deletions	June 30, 2018	Due Within One Year
2005 Limited tax pension bonds, interest 4.643% to 4.831%, Maturity June 30, 2028	$ 21,035,000	$ 16,275,000	$ -	$ 905,000	$ 15,370,000	$ 1,015,000
2012 General obligation refunding bonds, interest 3.0% to 4.0%, Maturity June 15, 2025	$ 9,430,000	8,880,000	-	85,000	8,795,000	760,000
2016A General obligation refunding bonds, interest 3.0% to 4.0%, Maturity June 15, 2025	$ 7,040,000	5,755,000	-	1,350,000	4,405,000	780,000
2016B General obligation refunding bonds, interest 3.0% to 5.0%, Maturity June 15, 2034	$ 20,000,000	19,395,000	-	595,000	18,800,000	670,000
Premium on general obligation and refunding bonds	$ 6,563,654	4,279,347	-	303,823	3,975,524	-
Note payable, interest 5.5%, Maturity May 1, 2024	$ 376,176	147,921	-	17,852	130,069	18,847
Compensated Absences	$ -	672,746	851,115	855,273	668,588	92,925
Total	$ 64,444,830	$ 55,405,014	$ 851,115	$ 4,111,948	$ 52,144,181	$ 3,336,772

Debt service requirements on long-term debt at June 20, 2018, are as follows:

	Business-Type Activities					
	Bonds				Notes from Direct Borrowing and Direct Placements	
FISCAL YEAR	PENSION BONDS		GENERAL OBLIGATION AND REFUNDING BONDS		NOTE PAYABLE	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2018-19	$ 1,015,000	$ 738,483	$ 2,210,000	$ 1,193,950	$ 18,847	$ 6,898
2019-20	1,135,000	691,356	2,400,000	1,127,650	19,898	5,847
2020-21	1,260,000	638,658	2,580,000	1,055,650	21,008	4,738
2021-22	1,395,000	577,788	2,745,000	952,450	22,179	3,567
2022-23	1,540,000	510,395	2,995,000	848,350	23,416	2,330
2023-28	9,025,000	1,275,625	10,375,000	2,609,150	24,721	1,024
2028-33	-	-	7,815,000	1,145,800	-	-
2033-38	-	-	880,000	35,200	-	-
	$ 15,370,000	$ 4,432,305	$ 32,000,000	$ 8,968,200	$ 130,069	$ 24,404

5. Changes in the Long-Term Obligations (continued)

Bonds

Limited tax pension obligation bonds are direct obligations that pledge the full faith and credit of the College. The proceeds from this issuance were transferred to the State of Oregon Public Employees Retirement System to cover the College's portion of the system wide unfunded actuarial liability. The resulting asset is used to offset a portion of the College's annual required contribution on an annual basis through June 30, 2028.

General Obligation Bonds are direct obligations and pledge the full faith and credit of the College.

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, 2018, $8.5 million of the defeased bonds are outstanding.

In July 2016, the College issued $27.04 million in General Obligation and Refunding bonds to provide funds for (a) the acquisition and construction of major capital facilities in both Jackson and Josephine counties, and (b) to refund $7.64 million of the General Obligation Bond Series 2005. The College refunded these bonds to take advantage of current market yield which created a net economic gain of $1.1 million, based upon the total savings of $1.2 million over the remaining life of the refunded bonds. The defeased portion of the General Obligation Bond Series 2005, were paid in full as of June 30, 2017.

The Tax Reform Act of 1986 requires governmental entities issuing tax-exempt bonds to refund to the U.S. Treasury interest earnings on bond proceeds in excess of the yield on those bonds. Governmental entities must comply with arbitrage rebate requirements in order for their bonds to maintain tax-exempt status. Entities are required to remit arbitrage rebate payments for non-purpose interest to the federal government at least once every five-year period that the debt is outstanding and at maturity. Arbitrage liabilities are recorded as a reduction in investment earnings in the general fund. At June 30, 2018, the College had no arbitrage rebate liabilities.

Note Payable

In 1994, the College entered into a 30-year direct borrowing with the United States Department of Education for $376,176 for the renovation of classroom and office space. This borrowing contains a lien against the building containing the renovated classrooms and offices space. The note contains various provision and covenants with which the College must comply. The College is in compliance with all provisions and covenants as of June 30, 2018.

6. Operating Leases

The College leases building and office facilities and other equipment under non-cancelable operating leases. Payments under these leases totaled $234,487 in 2017-18.

The current and future minimum lease payments for all leases, including building and other equipment, are as follows:

Year Ending June 30,	Amount
2019	$ 236,856
2020	232,687
2021	119,137
2022	121,628
2023	124,164
2024-2025	44,922
Total	$ 879,394

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 2018 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 annual aggregate. Earth movement, flood or the occurrence of either has a loss limit of $20 million with a PACE Annual Aggregate Loss Limit of $400 million. Additionally, the total limit of indemnification for all members for property coverage (e.g. an Earthquake), is $400 million with a total limit of indemnification for any one member for property coverage at $100 million.

The College purchased workers' compensation insurance through the State Accident Insurance Fund Corporation (SAIF) for 2017-18. The coverage is limited to $2 million per occurrence for bodily injury by accident and disease inside of Oregon and $1 million per occurrence for bodily injury by accident and disease outside of Oregon. 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 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 the underlying global equity investments of that account. 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 OPSRP IAP 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

8. Pension Plans (continued)

Benefits Provided (continued)

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

Pension Benefits (continued)
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).

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, 2018 were $2,254,184, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2018 were 15.24% for Tier One/Tier Two General Service Members and 8.66% for OPSRP Pension Program General Service Members, net of 8.85% of side account rate relief.

Pension Liability, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pensions

At June 30, 2018, the College reported a liability of $23.5 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 and rolled forward to June 30, 2017. 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, 2017, the College's proportion was 0.174%, which was an increase from its proportion of .168% measured as of June 30, 2016.

For the year ended June 30, 2018, the College recognized a pension expense of $2.7 million. This is a reduction in expense of $23,947 from prior year, primarily due to the change in value of the College's liability and changes in deferred inflow and outflow associated with the pension. At June 30, 2018, the College reports deferred outflow

8. Pension Plans (continued)

Pension Liability, Pension Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to Pensions (continued)

of resources and deferred inflow of resources related to pensions from the following sources as shown on the following page:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 1,135,245	$ -
Changes of assumptions	4,279,014	-
Net difference between projected and actual earnings on investments	241,844	-
Changes in proportion	527,956	22,206
Differences between employer contributions and proportionate share of contributions	-	546,492
Total (prior to post-measurement date contributions)	6,184,059	568,698
Contributions subsequent to the measurement date	2,254,184	-
Total	$ 8,438,243	$ 568,698

There is $2.3 million reported as deferred outflow 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, 2019. Other amounts reported as deferred outflow of resources and deferred inflow of resources related to pensions will be recognized in pension expense as follows:

For the Fiscal Year Ending June 30,	Recognized Net Deferred Outflow (Inflow) of Resources
2019	$ 1,063,365
2020	2,970,054
2021	2,049,152
2022	(513,501)
2023	46,291
Total	$ 5,615,361

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.

8. Pension Plans (continued)

Actuarial Assumptions (continued)

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.

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

Valuation date	December 31, 2015
Measurement date	June 30, 2017
Experience Study	2014, published September 2015
Actuarial Assumptions:	
Inflation rate	2.5 percent
Long-term expected rate of return	7.5 percent
Discount rate	7.5 percent
Projected salary increase	3.5 percent
Cost of living adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with *Moro* decision; blend based on service
Mortality	**Healthy Retirees and beneficiaries:** RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. **Active members:** Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. **Disabled retirees:** Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

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.

8. Pension Plans (continued)

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.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
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%
Total	100.00%	
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

8. Pension Plans (continued)

Discount Rate (continued)

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 one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Proportionate share of Net Pension Liability (Asset)	$ 40,005,124	$ 23,474,670	$ 9,652,150

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 $2.9 million at June 30, 2018. The liability represents the College's allocated share of the pre-SLGRP pooled liability. The College is being assessed an employer contribution rate of 1.76% of covered payroll for the payment of this transition liability.

	Original Amount	July 1, 2017	Additions	Deletions	June 30, 2018	Due Within One Year
Transition Liability - Pre SLGRP	$ 3,426,185	$ 3,097,390	$ -	$ 171,427	$ 2,925,963	$ 171,427

9. Post-Employment Health Care Costs

The College implemented GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* beginning in the fiscal year ended June 30, 2018.

College Administered OPEB

Oregon Revised Statutes (ORS) 243.303 requires Local governments, including community colleges to provide retirees with group health care coverage comparable and within the same group as active employees. The governing body may prescribe reasonable terms and conditions of eligibility and coverage and set the maximum college paid premium contribution by collective bargaining agreement or other agreement.

9. Post-Employment Health Care Costs (continued)

Plan description

The College operates a single-employer retiree benefit plan OPEB (the Plan) that provides postemployment health, dental, and vision coverage benefits to eligible employees and their eligible dependents. The Plan's health care coverage is provided through the Oregon Educators Benefit Board (OEBB). The Plan is not a stand-alone plan and therefore does not issue its own financial statements. The "Plan" has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits and eligibility for faculty, academic professionals, and classified staff are established and amended through collective bargaining with the recognized barging unit for each classification. Benefits and eligibility for exempt staff

are established and amended by the Rogue Community College Board of Education. The maximum monthly employer paid premium contribution at June 30, 2017 is $2,093.17 and is based upon the active employee's coverage level in effect at the time of retirement.

College contributions toward retiree healthcare are as shown below, subject to the additional requirements summarized below the table.

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		Retiree plus covered spouse and/or other dependents, if any
	On or after 6/20/2000, but before 10/1/2007	15	55		
	On or after 10/1/2007	15	55	The retiree pays for all subsequent increases in excess of the maximums in effect at the time of his or her retirement.	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

The following details and/or additional requirements apply to the College's contributions:

- Any subsidy paid by the College toward healthcare premiums ends when access to this coverage ends, i.e., at the earlier of age 65 or upon the retiree's eligibility for Medicare, except in certain very rare situations where coverage may extend to retirees eligible for Medicare prior to age 65
- Retirees who do not meet the minimum age and service requirements described on the above table are ineligible to participate in the College's healthcare plans
- Employees retiring on disability are subject to the same age and service eligibility requirements described above.
- Coverage and premiums discussed below are provided through the Oregon Educators Benefit Board (OEBB), and include medical, dental, and vision benefits.

9. Post-Employment Health Care Costs (continued)

Plan description (continued)

- Service requirements are based on years of College service while eligible for benefits. In general, part-time employees are not eligible for benefits. For part-time employees who later attain full-time faculty status, each two years of part-time (adjunct) faculty experience counts as an additional one year of benefit service.
- Retirees may choose (at the time of retirement only) to add dependents at their own cost if not already subsidized by the College as outlined in the above table.
- Benefit subsidies are not extended to dependents after the retiree's death, although a surviving spouse may continue coverage at their own expense after the retiree's death.
- Similarly, if the retiree reaches age 65 or becomes eligible for Medicare prior to his or her spouse, the College's subsidy, if any, ends. However, the spouse may continue coverage at his or her own expense until also attaining age 65 or becoming eligible for Medicare.
- There is one retiree not subject to the maximum subsidy.

Employees Covered by Benefit Terms

Benefits under this plan vary by employee group and date employed. The chart below summarizes the information:

Inactive employees or beneficiaries currently receiving benefit payments	27
Active Employees	294
	321

Funding Policy

The benefits from this program are fully paid by the College. Employee and retiree 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, 2018, benefit payments under the plan were $398,068.

Net OPEB Liability

The College's total OPEB liability was measured as of June 30, 2017 and the total liability of $5.38 million and was determined by an actuarial valuation dated January 1, 2017. This actuarial valuation covered a measurement period of June 30, 2016 to June 30, 2017.

9. Post-Employment Health Care Costs (continued)

Actuarial Assumptions

The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75% per year
Salary Increases	3.75%, average, including inflation
Discount Rates	3.56% as of 6/30/2017 2.92% as of 6/30/2016
Healthcare Cost Trend Rates	4.50% for 2017 and fluctuates to an ultimate increase rate of 4.40% for years 2094 and thereafter.

When the financing of OPEB liabilities is on a pay-as-you-go basis, as the College does, GASB 75 requires that the discount rate used for valuing liabilities be based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The discount rate was based on the Fidelity High Grade 20 Year General Obligation Municipal Bond Index.

The demographic actuarial assumptions used in this valuation are based on the December 31, 2015 report of the Oregon Public Employees Retirement System, except for a different basis used to project future mortality improvements.

Post-retirement mortality rates were based on the RP 2000 combined Healthy Table, blended 25% blue collar; 75% white collar, set back 12 months. Pre-retirement mortality rates were calculated using the post-retirement mortality rates with the following factors, 75% for males and 60% for females.

The increase in employer cost sharing is an assumed increase at the rate of 6% annual until the date of each employee's retirement. Any cost increases occurring after the date of retirement are paid by the retiree.

9. Post-Employment Health Care Costs (continued)

Changes in the Total OPEB Liability

	Increase(Decrease) OPEB Liability
Balance at Fiscal Year ending 6/30/2017	$ 5,549,758
Changes for the Year	
Service cost	$ 287,458
Interest	165,059
Benefit Payments	(368,991)
Assumption Changes	(256,946)
Net change	$ (173,420)
Balance at Fiscal Year Ending 6/30/2018	$ 5,376,338

Sensitivity of the Net OPEB Liabilities to Changes in the Discount Rate and Healthcare Cost Inflation

The following presents the net OPEB liability of the college, as well as what the College's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56%) or 1-percentage-point higher (4.56%) than the current discount rate:

	Discount Rate		
	1% Decrease (2.56%)	Discount Rate (3.56%)	1% Increase (4.56%)
Net OPEB Liability	$ 5,811,894	$ 5,376,338	$ 4,971,685

The following presents the net OPEB liability of the college, as well as what the College's net OPEB liability would be if it were calculated using a health-care cost trend rate that is 1-percentage-point lower (4.40%) or 1-percentage-point higher (6.40%) than the current discount rate:

	Healthcare Cost Inflation		
	1% Decrease (4.40%)	Healthcare Trend (5.40%)	1% Increase (6.40%)
Net OPEB Liability	$ 4,846,006	$ 5,376,338	$ 6,042,025

Deferred Outflow of Resources and Deferred Inflow of Resources Related to OPEB

For the year ended June 30, 2018 the college recognized OPEB expense of $423,904. At June 30, 2018, the college reported deferred outflow of resources and deferred inflow of resources related to OPEB from the following sources:

9. Post-Employment Health Care Costs (continued)

Deferred Outflow of Resources and Deferred Inflow of Resources Related to OPEB (continued)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes of Assumptions	$ -	$ 228,333
Total (prior to post-measurement date contributions)	-	228,333
Contributions made subsequent to the measurement date	398,068	-
Total	$ 398,068	$ 228,333

The College will recognize the Contributions Made Subsequent to the Measurement Date in the next fiscal year. In addition, future recognition of these deferred resources is shown below.

For the Fiscal Year Ending June 30,	Recognized Net Deferred Outflow (Inflow) of Resources
2019	$ (28,613)
2020	(28,613)
2021	(28,613)
2022	(28,613)
2023	(28,613)
Thereafter	(85,268)
Total	$ (228,333)

Retirement Health Insurance Account (RHIA)

Oregon Public Employees Retirement System (PERS or the System) administers the Retirement Health Insurance Account (RHIA) cost-sharing, multiple-employer defined benefit Other Postemployment Benefit (OPEB) plan (the Plan) for units of state government, political subdivisions, community colleges, and school districts, containing multiple actuarial pools. Plan assets may be used to pay the benefits of the employees of any employer that provides OPEB through the Plan. Contributions are mandatory for each employer that is a member of PERS. As of June 30, 2017, there were 796 participating employers. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Plan Description (RHIA)

Oregon Revised Statute 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to $60 from RHIA toward the monthly cost of health insurance for eligible PERS members. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium cost, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll

9. Post-Employment Health Care Costs (continued)

Plan Description (RHIA) (continued)

in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Funding Policy (RHIA)

Contributions of employers are recognized on the accrual basis of accounting. Employer contributions to PERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements. These are amounts normally included in the employer statements cut off as of the fifth of the following month.

For the year ended June 30, 2017, PERS employers contributed 0.08 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. PERS employers contributed 0.45 percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. These rates were based on the December 31, 2013 actuarial valuation.

Actuarial Methods and Assumptions related to RHIA

The actuarial valuation calculations are based on the benefits provided under the terms of the plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members as of the December 31, 2015 valuation rolled forward to June 30, 2017.

The methods and assumptions shown below are based on the 2014 Experience Study, which reviewed experience for the four-year period ended on December 31, 2014. Experience studies are performed as of December 31 of even numbered years.

9. Post-Employment Health Care Costs (continued)

Actuarial Methods and Assumptions related to RHIA (continued)

Key actuarial methods and assumptions used to measure the total OPEB asset are illustrated in the table below:

Inflation rate	2.50%
Long-term expected rate of return	7.50%
Discount rate	7.50%
Projected salary increases	3.50%
Retiree healthcare participation	Healthy retirees: 38%; Disabled retirees: 20%
Healthcare cost trend rate	Not applicable
Mortality	*Healthy retirees and beneficiaries*: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. *Active members*: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. *Disabled retirees:* Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

Discount Rate

The discount rate used to measure the total OPEB asset at June 30, 2016 and June 30, 2017 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB asset.

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. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an 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. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of turn for each major asset class, calculated using both arithmetic and geometric means; see PERS' audited financial statements at https://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx.

9. Post-Employment Health Care Costs (continued)

Depletion Rate Projection

GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB Asset (the Actuarial Accrued Asset calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 (paragraph 82) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.
- GASB 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience, which might impact the plan's funded position.

Based on these circumstances, it is our third-party actuary's opinion that the detailed depletion date projections outlined in GASB 75 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Proportionate Share Allocation Methodology

The basis for the employer's proportion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers.

Use of Estimates in the Preparation of the Schedules
The preparation of the Schedules in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

OPEB Asset, OPEB Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to OPEB

At June 30, 2018, the College reported an asset of $85,966 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2017 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2015. The College's proportion of the net OPEB asset was based on a projection of the College's long-term share of contributions to the OPEB plan relative to the

9. Post-Employment Health Care Costs (continued)

OPEB Asset, OPEB Expense, and Deferred Outflow of Resources and Deferred Inflow of Resources Related to OPEB (continued)

projected contributions of all participating employers, actuarially determined. At June 30, 2017, the College's proportion was 0.206 percent, which was a decrease of 0.007% from its proportion measured as of June 30, 2016.

At June 30, 2018, the College reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Net difference between projected and actual earnings on investments	-	$ 39,815
Changes in proportion	-	1,442
Total (prior to post-measurement date contributions)	-	41,257
Contributions subsequent to the measurement date	96,679	-
Total	$ 96,679	$ 41,257

Deferred outflow of resources related to OPEB resulting from the College's contributions subsequent to the measurement date of $96,679, will be recognized as an addition to the net OPEB asset in the year ended June 30, 2019.

There is $41,257 reported as deferred inflow of resources related to RHIA resulting from the net difference between projected and actual earnings on investments and changes in proportion. The amounts reported as deferred outflow of resources and deferred inflow of resources related to OPEB will be recognized in OPEB expense as follows:

For the Fiscal Year Ending June 30,	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
2019	$ (10,488)
2020	(10,488)
2021	(10,328)
2022	(9,953)
2023	-
Thereafter	-
Total	$ (41,257)

Sensitivity of RHIA Assets to Changes in the Discount Rate

The discount rate used for the fiscal year end 2018 is 7.50%. The impact of a 1% increase or decrease in these assumptions is shown in the chart below. The following table presents the College's proportionate share of the net OPEB asset of the RHIA OPEB asset calculated using the current healthcare trend rate, as well as what the net OPEB liability/asset would be if calculated using one percentage point lower or one percentage point higher than the current rate:

9. Post-Employment Health Care Costs (continued)

Sensitivity of RHIA Assets to Changes in the Discount Rate (continued)

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.5%)
Proportionate share of net RHIA Liability/(Asset)	$ 11,983	$ (85,966)	$ (169,278)

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.

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 $1.4 million for architectural services and 2) Adroit

Construction for $19,500 for preconstruction services. As of June 30, 2018, the Kistler Small & White Architects contract has a remaining commitment of $981,583 and the Adroit contract has a remaining commitment of $9,400.

In December 2017, the College entered into two contracts for the renovation of the High Tech Center, located on the Table Rock Campus; 1) Kistler Small & White Architects for $188,800 million for architectural services and 2) Adroit Construction for $2,610,450 for construction services. As of June 30, 2018, the Kistler Small & White Architects contract has a remaining commitment of $5,996 and the Adroit contract has a remaining commitment of $1,132,367.

In March 2018, the College entered into an inter-governmental agreement with the Jackson County Fire District #3 (JCFD3) for the proposed fire science educational building, located on the JCFD3's White City campus. As of June 30, 2018, there was $500,000 remaining as an outstanding commitment. JCFD3 broke ground on the billing in August 2018.

In May 2018, the College entered into a contract with ORW Architecture for the renovation of the D Building located on the Redwood campus. The contract is for a maximum of $90,000 and is for architecture services. As of June 30, 2018, the ORW contract has a remaining commitment of $90,000.

In May 2018, the College entered into a contract with Campus Management for the implementation of the enterprise resource planning system (Campus Nexus), consulting services and use and support of Campus Nexus for seven years. The contract is for a maximum of $6.8 million. As of June 30, 2018, there was a $6.8 million remaining outstanding commitment.

11. Restatement for Postemployment Benefits Other Than Pensions (OPEB)

As of July 1, 2017, the College adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The implementation of this standard requires governments to calculate and report the cost and obligations associated with postemployment benefits other than pensions (other postemployment benefits or OPEB) in their financial statements, including additional note disclosures and required supplementary information.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

Beginning net position was restated to retroactively report the OPEB liability as follows:

Removal of College Administered OPEB asset (recorded under GASB 45)	$ (32,655)
Addition of College Administered OPEB Liability (recorded under GASB 75)	(5,549,758)
Record prior year College Administered OPEB deferred Outflows - Contributions	368,991
Addition of RHIA OPEB Liability (recorded under GASB 75)	(57,914)
Record prior year RHIA OPEB deferred Outflows - Contributions	103,035
Net impact to Equity	(5,168,301)
Net position as June 30, 2017, as previously reported	10,855,639
Net Position as July 1, 2017, as restated	$ 5,687,338

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Rogue Community College
Grants Pass, Oregon

Required Supplementary Information

Schedule of Changes in Total College Administered OPEB Liability and Related Ratios
Last Ten Fiscal Years *

	2017-18
Total College administered OPEB liability	
Service cost	$ 287,458
Interest	165,059
Changes of assumptions or other inputs	(256,946)
Benefit payments	(368,991)
Net change in total OPEB liability	(173,420)
Total OPEB liability - beginning	5,549,758
Total OPEB liability - ending	$ 5,376,338
Covered-employee payroll	$ 17,559,003
Total OPEB liability as a percentage of covered-employee payroll	30.62%
Discount rate	3.56%

Notes to Schedule:
* GASB Statement No. 75 requires presentation of information for 10 years. However, until a full 10-year trend is compiled, only those years in which information is available will be presented.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. See above for the discount rates used in each period. Detail regarding the College's OPEB Liability can be found in Note 9 to the finanical statements.

No assets were accumulated in a trust.

Schedule of Employer's Proportionate Share of Net RHIA OPEB 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
2018	0.20598489%	$ (85,966)	$ 20,525,876	0.42%	108.9%

Note: See the accompanying Notes to Financial Statements for the plan description, funding policy, annual RHIA cost, net RHIA obligation, funded status and funding progress. The Plan 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.

** 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.

Schedule of RHIA OPEB Employer Contributions
Oregon Public Employees Retirement System (OPERS) RHIA OPEB
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
2018	$ 102,551	$ (102,551)	$ 0	$ 20,525,876	0.50%

Note: See the accompanying Notes to Financial Statements for the plan description, funding policy, annual RHIA cost, net RHIA obligation, funded status and funding progress. The Plan 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.

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
2018	0.17414395%	$ 23,474,670	$ 19,296,046	121.66%	83.1%
2017	0.16813948%	$ 25,241,640	$ 19,521,681	129.30%	80.5%
2016	0.16520408%	$ 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 Plan 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
2018	$ 2,254,184	$ (2,254,184)	$ 0	$ 19,794,872	11.39%
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 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 property taxes are accounted for on a cash basis.

The level of control established by the College's appropriation resolution is by function: Instruction; Instructional Support; Student Services; Community Services; College Support Services; Plant Operations and Maintenance; Financial Aid; Facilities Acquisition & Construction; Transfers Out; and Contingency.

Budgeted College funds are as follows:

General Fund – Covers 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 – Account 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, donations, and investment earnings.

Debt Service Funds – Account 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 other funds, as well as 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 installment fees. The principal expenditures include facility lease, transportation costs, and transfers to other funds. The principal revenue is fees remitted by students.

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), institutional scholarships (RCC Foundation), state scholarships administered by the Oregon Student Access Commission, third party scholarships, federal work-study student employment, federal direct loans to students (subsidized and unsubsidized) and private student loans.

Higher Education Center Fund – Accounts for the day-to-day operations of the Higher Education Center Building at the Riverside Campus, jointly owed with Southern Oregon University (SOU). The principal expenditures include security, utilities, custodial services, copiers, maintenance services, and technology support necessary to run the Higher Education Center building. The principal revenue includes transfers from the General Fund for the College's portion, other revenue for SOU's portion, as well as room rental and vending receipts.

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 from other funds.

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 – 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 expenditures are upgrades/replacements for equipment, software maintenance, and distance delivery services. 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.

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. The principal revenue 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 Ensembles, RogueNet intergovernmental agreements, Testing Center, Theater, and Welding. The principal revenue is fees charged for services provided.

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General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
(Non-GAAP Budgetary Basis) - Budget and Actual
For the year ended June 30, 2018

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
State sources	$ 8,585,736	$ 8,585,736	$ 9,622,996	$ 1,037,260
Local sources	13,159,371	13,159,371	13,478,147	318,776
Tuition and fees	13,079,141	13,079,141	12,217,735	(861,406)
Other revenue sources	376,000	376,000	500,943	124,943
Total revenues	35,200,248	35,200,248	35,819,821	619,573
Expenditures:				
Instruction	15,432,376	15,458,832	15,062,384	396,448
Instructional support services	3,654,710	3,657,698	3,625,533	32,165
Student services	5,717,248	5,772,657	5,021,828	750,829
Community services	195,403	195,403	137,947	57,456
College support services	7,932,864	7,849,259	6,798,925	1,050,334
Plant operations and maintenance	3,182,805	3,181,557	2,590,363	591,194
Contingency	2,010,770	2,001,576	0	2,001,576
Total expenditures	38,126,176	38,116,982	33,236,980	4,880,002
Revenues over (under) expenditures	(2,925,928)	(2,916,734)	2,582,841	5,499,575
Other financing sources (uses):				
Transfers in	2,427,322	2,427,322	750,000	(1,677,322)
Transfers out	(2,567,380)	(2,576,574)	(2,077,445)	499,129
Total other financing sources (uses)	(140,058)	(149,252)	(1,327,445)	(1,178,193)
Revenues and other sources over (under) expenditures and other uses	(3,065,986)	(3,065,986)	1,255,396	4,321,382
Fund balance, beginning of year	3,065,986	3,065,986	3,411,897	345,911
Fund balance, end of year	$ 0	$ 0	$ 4,667,293	$ 4,667,293

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, 2018

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Other revenue sources	$ 0	$ 0	$ 396,674	$ 396,674
Expenditures:				
Plant additions	15,000,000	15,000,000	1,598,100	13,401,900
Contingency	8,071,988	8,071,988	0	8,071,988
Total expenditures	23,071,988	23,071,988	1,598,100	21,473,888
Revenues over (under) expenditures	(23,071,988)	(23,071,988)	(1,201,426)	21,870,562
Fund balance, beginning of year	23,071,988	23,071,988	22,897,422	(174,566)
Fund balance, end of year	$ 0	$ 0	$ 21,695,996	$ 21,695,996

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, 2018

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Other revenue sources	$ 15,000	$ 15,000	$ 66,086	$ 51,086
Expenditures:				
Plant operations and maintenance	2,195,224	2,274,217	564,918	1,709,299
Plant additions	1,078,290	1,078,290	138,820	939,470
Contingency	211,001	132,008	0	132,008
Total expenditures	3,484,515	3,484,515	703,738	2,780,777
Revenues over (under) expenditures	(3,469,515)	(3,469,515)	(637,652)	2,831,863
Other financing sources (uses):				
Transfers in	725,944	725,944	660,778	(65,166)
Revenues and other sources over (under) expenditures and other uses	(2,743,571)	(2,743,571)	23,126	2,766,697
Fund balance, beginning of year	2,743,571	2,743,571	2,775,817	32,246
Fund balance, end of year	$ 0	$ 0	$ 2,798,943	$ 2,798,943

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, 2018

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
State sources	$ 14,000,000	$ 13,246,105	$ 0	$ (13,246,105)
Local sources	19,100	787,964	0	(787,964)
Total revenues	14,019,100	14,034,069	0	(14,034,069)
Expenditures:				
Plant additions	14,247,100	14,247,100	945	14,246,155
Total expenditures	14,247,100	14,247,100	945	14,246,155
Revenues over (under) expenditures	(228,000)	(213,031)	(945)	212,086
Fund balance, beginning of year	228,000	213,031	213,031	0
Fund balance, end of year	$ 0	$ 0	$ 212,086	$ 212,086

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, 2018

	Budgeted Amounts			Variance - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Local sources	$ 3,274,463	$ 3,274,463	$ 3,356,054	$ 81,591
Other revenue sources	30,619	30,619	43,023	12,404
Total revenues	3,305,082	3,305,082	3,399,077	93,995
Expenditures:				
Debt service	3,278,900	3,278,900	3,278,900	0
Unappropriated ending fund balance	406,544	406,544	0	406,544
Total expenditures	3,685,444	3,685,444	3,278,900	406,544
Revenues over (under) expenditures	(380,362)	(380,362)	120,177	500,539
Fund balance, beginning of year	380,362	380,362	410,635	30,273
Fund balance, end of year	$ 0	$ 0	$ 530,812	$ 530,812

	Original	Final	Actual	Variance - Positive (Negative)
Summary of expenditures by appropriation:				
College support services	$ 3,278,900	$ 3,278,900	$ 3,278,900	$ 0
Unappropriated ending fund balance	406,544	406,544	0	406,544
Total expenditures	$ 3,685,444	$ 3,685,444	$ 3,278,900	$ 406,544

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, 2018

	Budgeted Amounts			Variance - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Other revenue sources	$ 0	$ 0	$ 17	$ 17
Expenditures:				
Debt service	1,711,248	1,711,248	1,711,247	1
Contingency	34,240	34,240	0	34,240
Total expenditures	1,745,488	1,745,488	1,711,247	34,241
Revenues over (under) expenditures	(1,745,488)	(1,745,488)	(1,711,230)	34,258
Other financing sources (uses):				
Transfers in	1,711,248	1,711,248	1,711,231	(17)
Revenues and other sources over (under) expenditures and other uses	(34,240)	(34,240)	1	34,241
Fund balance, beginning of year	34,240	34,240	34,245	5
Fund balance, end of year	$ 0	$ 0	$ 34,246	$ 34,246

Summary of expenditures by appropriation:				
College support services	$ 1,711,248	$ 1,711,248	$ 1,711,247	$ 1
Contingency	34,240	34,240	0	34,240
Total expenditures	$ 1,745,488	$ 1,745,488	$ 1,711,247	$ 34,241

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, 2018

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Tuition and fees	$ 1,410,135	$ 1,410,135	$ 1,310,048	$ (100,087)
Expenditures:				
College support services	246,629	248,213	64,360	183,853
Plant operations and maintenance	141,986	151,986	142,555	9,431
Contingency	250,000	238,416	0	238,416
Reserved for future expenditures	3,530,082	3,530,082	0	3,530,082
Total expenditures	4,168,697	4,168,697	206,915	3,961,782
Revenues over (under) expenditures	(2,758,562)	(2,758,562)	1,103,133	3,861,695
Other financing sources (uses):				
Transfers in	0	0	260,000	260,000
Transfers out	(2,345,068)	(2,345,068)	(705,329)	1,639,739
Total other financing sources (uses)	(2,345,068)	(2,345,068)	(445,329)	1,899,739
Revenues and other sources over (under) expenditures and other uses	(5,103,630)	(5,103,630)	657,804	5,761,434
Fund balance, beginning of year	5,103,630	5,103,630	5,072,711	(30,919)
Fund balance, end of year	$ 0	$ 0	$ 5,730,515	$ 5,730,515

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, 2018

	Budgeted Amounts			Variance - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Federal sources	$ 7,973,684	$ 7,534,419	$ 5,051,871	$ (2,482,548)
State sources	322,304	322,304	170,581	(151,723)
Local sources	15,000	53,000	70,213	17,213
Tuition and fees	227,431	227,431	304,290	76,859
Other revenue sources	409,241	351,450	530,103	178,653
Total revenues	8,947,660	8,488,604	6,127,058	(2,361,546)
Expenditures:				
Instruction	1,409,918	1,400,390	985,011	415,379
Instructional support services	2,380,505	2,336,923	1,175,900	1,161,023
Student services	3,783,259	3,810,043	3,077,798	732,245
Community services	5,000	5,000	0	5,000
College support services	89,358	89,358	81,383	7,975
Plant operations and maintenance	5,000	12,400	7,738	4,662
Plant additions	1,246,870	1,246,870	717,646	529,224
Contingency	586,325	605,251	0	605,251
Total expenditures	9,506,235	9,506,235	6,045,476	3,460,759
Revenues over (under) expenditures	(558,575)	(1,017,631)	81,582	1,099,213
Fund balance, beginning of year	558,575	1,017,631	1,017,630	(1)
Fund balance, end of year	$ 0	$ 0	$ 1,099,212	$ 1,099,212

Entrepreneurial Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
(Non-GAAP Budgetary Basis) - Budget and Actual
For the year ended June 30, 2018

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Tuition and fees	$ 1,083,636	$ 1,083,636	$ 1,010,396	$ (73,240)
Expenditures:				
Instruction	771,977	771,977	568,051	203,926
Instructional support	438,958	438,958	156,293	282,665
Student services	117,500	137,912	59,725	78,187
Community services	100,000	76,088	0	76,088
College support services	218,558	222,058	154,235	67,823
Facilities Acquisition & Construction	25,000	25,000	0	25,000
Contingency	290,309	290,309	0	290,309
Total expenditures	1,962,302	1,962,302	938,304	1,023,998
Revenues over (under) expenditures	(878,666)	(878,666)	72,092	950,758
Other financing sources (uses):				
Transfers in	250,000	250,000	250,000	0
Transfers out	(83,250)	(83,250)	(83,250)	0
Total other financing sourcs (uses)	166,750	166,750	166,750	0
Revenues and other sources over (under) expenditures and other uses	(711,916)	(711,916)	238,842	950,758
Fund balance, beginning of year	711,916	711,916	730,059	18,143
Fund balance, end of year	$ 0	$ 0	$ 968,901	$ 968,901

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, 2018

	Budgeted Amounts			Variance - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Federal sources	$ 27,310,304	$ 27,310,304	$ 15,379,613	$ (11,930,691)
State sources	5,100,000	5,100,000	3,432,933	(1,667,067)
Local sources	400,000	400,000	341,308	(58,692)
Total revenues	32,810,304	32,810,304	19,153,854	(13,656,450)
Expenditures:				
Student financial aid	32,772,704	32,772,704	19,153,854	13,618,850
Total expenditures	32,772,704	32,772,704	19,153,854	13,618,850
Revenues over (under) expenditures	37,600	37,600	0	(37,600)
Other financing sources (uses):				
Transfers out	(37,600)	(37,600)	0	37,600
Total other financing sources (uses)	(37,600)	(37,600)	0	37,600
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

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, 2018

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Other revenue sources	$ 435,415	$ 435,415	$ 197,023	$ (238,392)
Expenditures:				
Instructional support	38,268	38,268	28,191	10,077
College support services	270,153	270,153	237,917	32,236
Plant operations and maintenance	499,889	499,889	308,226	191,663
Contingency	120,643	120,643	0	120,643
Total expenditures	928,953	928,953	574,334	354,619
Revenues over (under) expenditures	(493,538)	(493,538)	(377,311)	116,227
Other financing sources (uses):				
Transfers in	523,538	523,538	408,566	(114,972)
Transfers out	(30,000)	(30,000)	(30,000)	0
Revenues and other sources over (under) expenditures and other uses	0	0	1,255	1,255
Fund balance, beginning of year	0	0	0	0
Fund balance, end of year	$ 0	$ 0	$ 1,255	$ 1,255

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, 2018

	Budgeted Amounts			Variance - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Tuition and fees	$ 403,231	$ 395,731	$ 394,422	$ (1,309)
Other revenue sources	32,000	31,304	7,295	(24,009)
Total revenues	435,231	427,035	401,717	(25,318)
Expenditures:				
Instructional support	165,629	165,629	55,840	109,789
Student services	444,147	439,703	336,113	103,590
College support services	95,202	99,646	61,587	38,059
Contingency	724	724	0	724
Total expenditures	705,702	705,702	453,540	252,162
Revenues over (under) expenditures	(270,471)	(278,667)	(51,823)	226,844
Other financing sources (uses):				
Transfers in	159,542	168,736	163,236	(5,500)
Transfers out	(5,500)	(5,500)	0	5,500
Total other financing sources (uses)	154,042	163,236	163,236	0
Revenues and other sources over (under) expenditures and other uses	(116,429)	(115,431)	111,413	226,844
Fund balance, beginning of year	116,429	115,431	166,541	51,110
Fund balance, end of year	$ 0	$ 0	$ 277,954	$ 277,954

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, 2018

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Other revenue sources	$ 1,303,967	$ 1,303,967	$ 1,507,775	$ 203,808
Expenditures:				
College support services	50,000	125,000	0	125,000
Contingencies	100,000	25,000	0	25,000
Reserved for future expenditures	5,292,015	5,292,015	0	5,292,015
Total expenditures	5,442,015	5,442,015	0	5,442,015
Revenues over (under) expenditures	(4,138,048)	(4,138,048)	1,507,775	5,645,823
Other financing sources (uses):				
Transfers out	(1,685,502)	(1,685,502)	(1,685,502)	0
Total other financing sources (uses)	(1,685,502)	(1,685,502)	(1,685,502)	0
Revenues and other sources over (under) expenditures and other uses	(5,823,550)	(5,823,550)	(177,727)	5,645,823
Fund balance, beginning of year	5,823,550	5,823,550	5,790,076	(33,474)
Fund balance, end of year	$ 0	$ 0	$ 5,612,349	$ 5,612,349

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, 2018

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
State sources	$ 164,640	$ 164,640	$ 126,404	$ (38,236)
Tuition and fees	703,579	753,579	749,471	(4,108)
Other revenue sources	100,000	50,000	843	(49,157)
Total revenues	968,219	968,219	876,718	(91,501)
Expenditures:				
Instruction	566,760	603,760	570,477	33,283
Instructional support services	697,920	697,920	578,446	119,474
Contingencies	159,645	109,645	0	109,645
Total expenditures	1,424,325	1,411,325	1,148,923	262,402
Revenues over (under) expenditures	(456,106)	(443,106)	(272,205)	170,901
Other financing sources (uses):				
Transfers in	366,106	366,106	364,378	(1,728)
Transfers out	(25,000)	(38,000)	(35,728)	2,272
Total other financing sources (uses)	341,106	328,106	328,650	544
Revenues and other sources over (under) expenditures and other uses	(115,000)	(115,000)	56,445	171,445
Fund balance, beginning of year	115,000	115,000	108,024	(6,976)
Fund balance, end of year	$ 0	$ 0	$ 164,469	$ 164,469

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, 2018

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Other revenue sources	$ 0	$ 0	$ 0	$ 0
Expenditures:				
Reserved for future expenditures	3,411,052	3,411,052	0	3,411,052
Total expenditures	3,411,052	3,411,052	0	3,411,052
Revenues over (under) expenditures	(3,411,052)	(3,411,052)	0	3,411,052
Other financing sources (uses):				
Transfers in	500,000	500,000	500,000	0
Transfers out	(750,000)	(750,000)	(750,000)	0
Total other financing sources (uses)	(250,000)	(250,000)	(250,000)	0
Revenues and other sources over (under) expenditures and other uses	(3,661,052)	(3,661,052)	(250,000)	3,411,052
Fund balance, beginning of year	3,661,052	3,661,052	3,661,052	0
Fund balance, end of year	$ 0	$ 0	$ 3,411,052	$ 3,411,052

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, 2018

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Tuition and fees	$ 1,096,521	$ 1,028,363	$ 1,056,751	$ 28,388
Other revenue sources	50,000	0	1,310	1,310
Total revenues	1,146,521	1,028,363	1,058,061	29,698
Expenditures:				
Instruction	579,644	457,345	306,052	151,293
Instructional support services	509,141	551,299	452,521	98,778
Student services	8,080	6,702	0	6,702
College support services	1,271,064	1,371,959	593,163	778,796
Plant operations and maintenance	30,415	30,415	9,500	20,915
Contingency	185,042	165,666	0	165,666
Total expenditures	2,583,386	2,583,386	1,361,236	1,222,150
Revenues over (under) expenditures	(1,436,865)	(1,555,023)	(303,175)	1,251,848
Other financing sources (uses):				
Transfers in	850,588	850,588	214,800	(635,788)
Total other financing sources (uses)	850,588	850,588	214,800	(635,788)
Revenues and other sources over (under) expenditures and other uses	(586,277)	(704,435)	(88,375)	616,060
Fund balance, beginning of year	586,277	704,435	717,067	12,632
Fund balance, end of year	$ 0	$ 0	$ 628,692	$ 628,692

Unemployment Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
(Non-GAAP Budgetary Basis) - Budget and Actual
For the year ended June 30, 2018

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Other revenue sources	$ 123,094	$ 123,094	$ 77,472	$ (45,622)
Expenditures:				
College support services	262,665	262,665	64,169	198,496
Contingencies	46,352	46,352	0	46,352
Total expenditures	309,017	309,017	64,169	244,848
Revenues over (under) expenditures	(185,923)	(185,923)	13,303	199,226
Fund balance, beginning of year	185,923	185,923	194,038	8,115
Fund balance, end of year	$ 0	$ 0	$ 207,341	$ 207,341

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, 2018

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Sales	$ 2,269,561	$ 2,269,561	$ 2,004,346	$ (265,215)
Other income	9,250	9,250	12,889	3,639
Total revenues	2,278,811	2,278,811	2,017,235	(261,576)
Expenditures:				
Personnel services	308,924	308,924	289,186	19,738
Other payroll expense	179,865	179,865	173,154	6,711
Materials and services	132,925	204,963	142,740	62,223
Materials for resale	1,790,171	1,790,171	1,548,193	241,978
Capital equipment	10,000	1,533	0	1,533
Contingency	189,501	125,930	0	125,930
Total expenditures	2,611,386	2,611,386	2,153,273	458,113
Revenues over (under) expenditures	(332,575)	(332,575)	(136,038)	196,537
Other financing sources (uses):				
Transfers in	0	0	63,571	(63,571)
Transfers out	(14,550)	(14,550)	(14,550)	0
Total other financing sources (uses)	(14,550)	(14,550)	49,021	(63,571)
Revenues and other sources over (under) expenditures and other uses	(347,125)	(347,125)	(87,017)	(63,571)
Fund balance, beginning of year	347,125	347,125	764,296	417,171
Fund balance, end of year	$ 0	$ 0	$ 677,279	$ 353,600

	Original	Final	Actual	Variance
Summary of expenditures by appropriation:				
Student services	$ 2,421,885	$ 2,485,456	$ 2,153,273	$ 332,183
Contingency	189,501	125,930	0	125,930
Total expenditures	2,611,386	2,611,386	2,153,273	458,113

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, 2018

	Budgeted Amounts			Variance - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Other income	$ 689,141	$ 689,141	$ 648,588	$ (40,553)
Expenditures:				
Personnel services	362,942	362,742	204,792	157,950
Other payroll expense	208,217	208,217	112,802	95,415
Materials and services	558,217	564,318	134,645	429,673
Materials for resale	34,376	34,376	12,047	22,329
Capital equipment	81,925	76,024	0	76,024
Contingency	162,763	162,763	0	162,763
Total expenditures	1,408,440	1,408,440	464,286	944,154
Revenues over (under) expenditures	(719,299)	(719,299)	184,302	903,601
Other financing sources (uses):				
Transfers in	94,927	94,927	97,285	2,358
Transfers out	(65,365)	(65,365)	(62,042)	3,323
Total other financing sources (uses)	29,562	29,562	35,243	5,681
Revenues and other sources over (under) expenditures and other uses	(689,737)	(689,737)	219,545	909,282
Fund balance, beginning of year	689,737	689,737	710,737	21,000
Fund balance, end of year	$ 0	$ 0	$ 930,282	$ 930,282

Summary of expenditures by appropriation:				
Student services	$ 78,182	$ 78,182	$ 15,244	$ 62,938
Community services	882,861	882,861	392,076	490,785
Plant operations and maintenance	284,634	284,634	56,966	227,668
Contingency	162,763	162,763	0	162,763
Total expenditures	$ 1,408,440	$ 1,408,440	$ 464,286	$ 944,154

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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, 2018

Fiscal Year Ended	Uncollected Balances July 1, 2017	Current Year's Levy	Adjustments and Discounts	Collections	Uncollected Balances June 30, 2018
2018	$ 0	$ 13,932,571	$ (434,204)	$ 13,166,418	$ 331,949
2017	360,325	0	(674)	163,866	195,785
2016	208,647	0	(1,894)	63,693	143,060
2015	139,079	0	(1,309)	53,375	84,395
2014	75,197	0	(830)	20,599	53,768
2013	42,193	0	(995)	2,247	38,951
2012	38,468	0	(835)	1,410	36,223
Prior Years	43,902	0	(4,577)	(496)	39,821
Total	$ 907,811	$ 13,932,571	$ (445,318)	$ 13,471,112	$ 923,952

Schedule of Property Tax Transactions - Debt Service Fund
For the year ended June 30, 2018

Fiscal Year Ended	Uncollected Balances July 1, 2017	Current Year's Levy	Adjustments and Discounts	Collections	Uncollected Balances June 30, 2018
2018	$ 0	$ 3,477,816	$ (103,750)	$ 3,295,110	$ 78,956
2017	89,246	0	5,668	46,554	48,360
2016	29,827	0	(240)	9,077	20,510
2015	19,952	0	(160)	7,077	12,715
2014	11,951	0	(140)	3,236	8,575
2013	6,369	0	(110)	386	5,873
2012	5,912	0	(86)	261	5,565
Prior Years	4,718	0	(171)	281	4,266
Total	$ 167,975	$ 3,477,816	$ (98,989)	$ 3,361,982	$ 184,820

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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. The College implemented GASB Statement No. 75 in fiscal 2018; schedules containing information for years prior to fiscal year 2018 have not been restated in accordance with GASB No. 75, unless otherwise stated.

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

	2017-18	2016-17	2015-16	2014-15
Net investment in capital assets	$ 24,023,561	$ 17,721,477	$ 16,913,135	$ 14,283,970
Restricted - expendable	1,510,835	4,727,814	927,191	881,954
Unrestricted	(14,631,612)	(11,593,652)	(3,060,806)	1,607,452
Total net position	$ 10,902,784	$ 10,855,639	$ 14,779,520	$ 16,773,376

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. The College implemented GASB Statement No. 75 in fiscal 2018; schedules containing information for years prior to fiscal year 2018 have not been restated in accordance with GASB No. 75, unless otherwise stated.

Source: Rogue Community College Budget and Financial Services Department.

2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
$ 14,057,119	$ 13,608,528	$ 13,153,067	$ 13,752,101	$ 13,176,167	$ 13,285,344
993,992	592,876	607,081	747,302	746,133	628,693
22,310,498	16,945,296	16,428,065	12,038,388	10,149,312	2,718,379
$ 37,361,609	$ 31,146,700	$ 30,188,213	$ 26,537,791	$ 24,071,612	$ 16,632,416

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

	2017-18	2016-17	2015-16	2014-15
Operating revenues:				
Student tuition and fees	$ 17,043,113	$ 17,346,411	$ 16,962,306	$ 17,160,540
Federal student financial aid grants	5,958,859	7,796,047	20,626,247	24,250,395
Federal grants and contracts	5,051,871	3,948,966	3,028,295	2,370,058
State and local grants and contracts	4,141,439	5,023,057	3,929,186	3,283,212
Auxiliary enterprises	1,942,526	2,292,794	2,290,647	2,600,729
Total operating revenues	$ 34,137,808	$ 36,407,275	$ 46,836,681	$ 49,664,934
Operating Expenses:				
Instruction	$ 18,350,270	$ 18,643,414	$ 21,071,960	$ 14,706,052
Instructional support services	6,062,044	6,612,951	7,096,620	5,232,455
Student services	11,062,661	10,963,620	10,312,279	7,802,365
Community services	559,362	918,368	802,943	655,848
College support services	8,250,664	8,163,765	8,273,480	6,643,253
Plant operations and maintenance	3,752,575	3,978,409	4,197,801	3,531,257
Scholarships and grants	19,260,733	21,331,237	23,478,895	26,639,338
Depreciation	1,324,245	1,356,198	1,318,294	1,383,795
Total operating expenses	$ 68,622,554	$ 71,967,962	$ 76,552,272	$ 66,594,363
Operating income (loss)	$ (34,484,746)	$ (35,560,687)	$ (29,715,591)	$ (16,929,429)
Non-operating revenues (expenses):				
State community college support fund	$ 11,956,146	$ 7,125,402	$ 11,792,670	$ 6,419,845
Federal financial aid	9,420,754	9,743,242	0	0
Property taxes	16,867,187	16,255,532	14,273,517	13,893,310
Investment income	898,649	330,789	230,823	196,146
Interest expense	(1,731,019)	(1,453,237)	(1,481,265)	(1,665,064)
Amortization of deferred charges	(110,712)	(166,864)	(118,835)	(21,313)
Gain (Loss) on disposal of capital assets	(260,642)	(50,008)	(20,080)	(5,602)
Gain (Loss) on pension asset	0	0	0	0
Other non-operating revenue	2,659,829	3,094,731	3,033,080	3,186,377
Total non-operating revenue (expenses)	$ 39,700,192	$ 34,879,587	$ 27,709,910	$ 22,003,699
Income (loss) before contributions	5,215,446	(681,100)	(2,005,681)	5,074,270
Capital contribution - donated assets	0	35,613	11,825	20,700
Change in net position	$ 5,215,446	$ (645,487)	$ (1,993,856)	$ 5,094,970

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. The College implemented GASB Statement No. 75 in fiscal 2018; schedules containing information for years prior to fiscal year 2018 have not been restated in accordance with GASB No. 75, unless otherwise stated.

Source: Rogue Community College Budget and Financial Services Department.

2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
$ 19,189,090	$ 18,951,762	$ 19,980,687	$ 17,396,805	$ 15,611,574	$ 11,848,151
28,357,361	29,282,493	31,128,994	29,517,520	12,812,538	6,581,276
2,407,971	2,070,948	2,306,020	2,627,174	2,586,851	2,560,624
3,039,372	3,382,815	3,315,112	3,832,881	6,977,045	5,461,820
2,886,688	3,012,341	3,263,140	3,446,288	3,227,307	2,726,353
$ 55,880,482	$ 56,700,359	$ 59,993,953	$ 56,820,668	$ 41,215,315	$ 29,178,224
$ 16,944,686	$ 16,959,707	$ 17,602,427	$ 17,036,563	$ 14,699,340	$ 14,152,736
5,270,080	8,457,690	4,763,229	4,621,373	4,646,151	4,908,709
8,713,370	637,728	8,757,710	8,821,596	8,100,885	7,292,340
690,447	4,770,501	696,173	635,513	521,995	619,193
6,540,975	6,522,004	6,578,074	5,917,232	5,866,887	5,648,526
3,775,239	3,485,631	3,864,283	4,915,125	4,825,340	4,820,046
30,818,208	31,995,666	33,719,682	30,816,983	16,945,400	9,265,555
1,249,414	1,232,604	1,177,785	1,137,160	1,152,375	1,087,950
$ 74,002,419	$ 74,061,531	$ 77,159,363	$ 73,901,545	$ 56,758,373	$ 47,795,055
$ (18,121,937)	$ (17,361,172)	$ (17,165,410)	$ (17,080,877)	$ (15,543,058)	$ (18,616,831)
$ 8,812,032	$ 3,902,363	$ 7,690,282	$ 4,099,976	$ 8,803,430	$ 6,229,361
0	0	0	0	0	0
13,363,178	12,779,883	12,708,580	12,816,782	12,500,363	11,816,153
3,050,295	2,327,212	674,452	3,637,636	2,788,708	350,437
(1,730,889)	(1,791,596)	(1,818,453)	(2,036,715)	(2,113,088)	(2,166,204)
(121,865)	(151,950)	(148,952)	(47,295)	(47,295)	(47,293)
(14,745)	(1,040)	(5,323)	(3,688)	0	0
0	0	0	0	0	(5,003,419)
1,318,307	1,237,287	1,715,246	1,080,360	1,050,136	961,662
$ 24,676,313	$ 18,302,159	$ 20,815,832	$ 19,547,056	$ 22,982,254	$ 12,140,697
6,554,376	940,987	3,650,422	2,466,179	7,439,196	(6,476,134)
40,500	17,500	0	0	0	0
$ 6,594,876	$ 958,487	$ 3,650,422	$ 2,466,179	$ 7,439,196	$ (6,476,134)

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 Property	Manufactured Structures	Personal Property	Utilities	Other	Total	Real Market Value (3)	Assessed Value as a Percent of Real Market Value
Jackson County:									
2017-18	0.6652	$18,390,158	$ 155,710	$ 495,702	$ 764,059	$ 244,970	$ 20,050,599	$ 28,643,175	70.00%
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%
Josephine County:									
2017-18	0.5683	$ 7,113,052	$ 66,849	$ 120,441	$ 226,932	$ 0	$ 7,527,274	$ 10,052,724	74.9%
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%

(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)

	2017-18	2016-17	2015-16	2014-15
Jackson County:				
Rogue Community College Permanent Rate	0.5128	0.5128	0.5128	0.5128
Rogue Community College Bond Rate	0.1524	0.1563	0.1069	0.1088
Total Rogue Community College Rate - Jackson County	0.6652	0.6691	0.6197	0.6216
Josephine County:				
Rogue Community College Permanent Rate	0.5128	0.5128	0.5128	0.5128
Rogue Community College Bond Rate	0.0555	0.0567	0.0000	0.0000
Total Rogue Community College Rate - Josephine County	0.5683	0.5695	0.5128	0.5128
Jackson County:				
Jackson County	2.1579	2.1755	2.1805	2.1883
4-H Ag Extension District	0.0410	0.0410	0.0388	0.0500
Southern Oregon ESD	0.3524	0.3524	0.3524	0.3524
Jackson County Library District	0.5200	0.5200	0.5200	0.5200
Jackson County Soil & Water Conservation	0.0500	0.0500	0.0500	0.0500
Rogue Valley Transit District	0.3072	0.3072	0.1772	0.1772
Vector Control	0.0429	0.0429	0.0429	0.0429
White City Enhanced Law Enforcement	2.0211	2.0211	2.0211	2.0211
White City Lighting District	0.3000	0.3500	0.3500	0.4000
Cities and Towns:				
Ashland	4.4378	4.4002	4.4070	4.4169
Butte Falls	7.2494	7.2494	7.2494	7.2494
Central Point	4.4700	4.4700	4.4700	4.4700
Eagle Point	2.5489	2.6667	2.6854	2.6991
Gold Hill	2.2496	2.2469	2.3053	2.3032
Jacksonville	2.3783	2.4413	2.4450	2.4474
Medford	5.3566	5.3525	5.3658	5.3688
Phoenix	3.6463	3.6463	3.6463	3.6463
Rogue River	3.7180	3.7444	3.7916	3.7994
Shady Cove	0.8036	0.8081	0.8706	0.8598
Talent	3.4639	3.4502	3.4548	3.4429
Fire Districts:				
Applegate RFPD #9	2.5987	2.5987	2.5987	2.5987
Colestine RFPD	1.9455	1.9455	1.9455	1.9455
Evans Valley #6	1.6505	1.6505	1.6505	1.6505
Jackson County RFPD #3 (Central Point)	3.1194	3.1194	3.1194	3.1194
Jackson County RFPD #5 (Talent)	3.1976	3.1976	3.1976	3.1976
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	2.6813
Shady Cove/Trail #4	3.0081	2.0181	2.0181	2.0181

2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
0.5128	0.5128	0.5128	0.5128	0.5128	0.5128
0.1124	0.1103	0.1065	0.1191	0.1150	0.1128
0.6252	0.6231	0.6193	0.6319	0.6278	0.6256
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
2.1988	2.2040	2.2056	2.3276	2.3674	2.3433
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.3524	0.3524	0.0352	0.3524	0.3524	0.3524
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
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
0.4000	0.4700	0.4700	0.4700	0.4700	0.4700
4.6175	4.6252	4.7608	4.6036	4.5864	4.4186
7.2494	7.2494	7.2494	7.2494	7.2494	7.2494
4.4700	4.4700	4.4700	4.4700	4.4700	4.4700
2.7063	2.7076	2.7123	2.7168	2.7172	2.7328
2.3348	2.4378	2.4169	2.3744	2.4179	2.4637
2.4625	2.4673	2.4447	2.4653	2.5487	2.5745
5.3733	5.3760	5.3753	5.3814	5.3695	5.3709
3.6463	3.6463	3.6463	3.6463	3.6463	3.6463
3.8477	3.5216	3.6422	3.6425	3.6302	3.6477
0.8989	0.9224	0.9044	0.9145	0.9202	0.9283
3.4310	3.4270	3.4346	3.4056	3.4205	3.4185
2.5287	2.5287	2.5287	2.5287	2.5287	2.5287
1.9455	1.9455	1.9455	1.9455	1.9455	1.9455
1.6505	1.6505	1.6505	1.6505	1.6505	1.6505
3.1194	3.1194	3.1194	3.1194	3.1194	3.1194
3.1976	3.1976	3.1976	3.1976	3.1976	3.1976
1.4740	1.4740	1.4740	1.4740	1.4740	1.4740
2.4938	2.4938	2.4938	2.4938	2.4938	2.4938
0.9902	0.9902	0.9902	0.9902	0.9902	0.9902
2.6901	2.6887	2.6849	2.7261	2.7159	2.7116
2.0181	2.0181	2.0181	2.0181	2.0181	2.0181

Continues

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

	2017-18	2016-17	2015-16	2014-15
School Districts:				
Ashland #5	7.3603	7.4266	7.4383	7.3543
Butte Falls #91	4.5749	4.5749	4.5749	4.5749
Central Point #6	5.5595	5.5567	5.5043	5.5491
Eagle Point #9	6.3221	6.3405	6.3080	6.2823
Medford #549C	5.9814	6.0981	6.0959	6.2713
Phoenix/Talent #4	5.1822	5.1950	5.2051	5.0440
Pinehurst #94	4.8235	4.8235	4.8235	4.8235
Prospect #59	4.3628	4.3628	4.3628	4.3628
Rogue River #35	4.7969	4.8113	4.8275	4.7523
Three Rivers #40	4.2514	4.2618	4.2677	4.2739
Special Levies:				
Medford Urban Renewal	0.0000	0.4350	0.4396	0.4291
Talent Urban Renewal	1.3975	1.3495	1.3190	1.2845
Josephine County:				
Josephine County	1.7372	0.8054	0.8135	0.8247
4-H Extension	0.0459	0.0459	0.0459	0.0459
Josephine Community Library	0.3900	0.0000	0.0000	0.0000
Southern Oregon ESD	0.3524	0.3524	0.3524	0.3524
Kerby Water District	1.8281	1.9284	2.7439	2.8605
Cities:				
Grants Pass	6.3062	6.3101	6.3135	6.3232
Cave Junction	1.8959	1.8959	1.8959	1.8959
Fire Districts:				
Applegate RFPD #9	2.5987	2.5987	2.5987	2.5987
Illinois Valley RFPD #1	2.5957	2.4172	2.4705	2.5352
Williams RFPD	1.7052	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	4.2514	4.2618	4.2677	4.2739

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

2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
7.3576	7.4270	7.4172	7.4508	7.4527	7.3370
4.5749	4.5749	4.5749	4.5749	4.5749	4.5749
5.5921	5.6479	5.6745	5.5963	5.5661	5.7278
6.3143	6.2575	6.2443	6.3475	6.3233	6.5937
6.3651	6.3127	6.4663	6.4746	6.4882	6.5550
5.1095	5.0473	5.0777	5.1057	5.1358	5.0918
4.8235	4.8235	4.8235	4.8235	4.8235	4.8235
4.3628	4.3628	4.3628	4.3628	4.3628	4.3628
4.9170	4.6933	5.0023	5.0290	5.0304	4.9901
4.2838	4.2861	4.2460	4.2919	4.2764	4.2875
0.4400	0.4070	0.3806	0.3828	0.3855	0.4131
1.3183	1.2504	1.2298	1.2231	1.2189	1.2392
0.7464	0.7542	0.7532	0.7583	0.7728	0.7873
0.0459	0.0459	0.0459	0.0459	0.0459	0.0459
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.3524	0.3524	0.3524	0.3524	0.3524	0.3524
3.0247	2.9764	3.1356	3.4055	3.3493	1.9045
6.3092	6.3250	6.3288	6.3301	6.3225	6.1238
1.8959	1.8959	1.8959	1.8959	1.8959	1.8959
2.5287	2.5287	2.5287	2.5287	2.5287	2.5287
2.4498	2.4272	2.1685	2.2220	2.2319	2.2615
1.5852	1.5852	1.5852	1.5852	1.5852	1.5852
2.7765	2.8765	2.8765	2.8765	2.8765	2.9765
4.5248	5.8968	5.9661	5.9206	6.4285	6.2061
4.2838	4.2861	4.2460	4.2919	4.2764	4.2875

Principal Taxpayers of Jackson County
Current Year and Nine Years Ago

	June 30, 2018			June 30, 2009		
Taxpayer	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)	$ 269,593,000	1	1.35%	$ 188,859,000	1	1.23%
Avista Corp. DBA Avista Utilities	138,752,900	2	0.69%	67,978,200	4	0.44%
Charter Communications	104,531,900	3	0.52%			
Rogue Valley Manor	108,534,453	4	0.54%	65,054,970	5	0.42%
Boise Cascade Wood Products LLC	65,094,939	5	0.32%			
Centurylink	61,965,600	6	0.31%			
Brixton Rogue LLC	51,318,500	7	0.26%			
Carestream Health	51,367,370	8	0.26%	114,918,490	2	0.75%
Harry & David Operations Inc	61,840,178	9	0.31%	76,798,479	3	0.50%
Amy's Kitchen	48,523,170	10	0.24%			
Qwest Corporation				63,136,700	6	0.41%
Boise Building Solutions				54,568,285	7	0.35%
Rogue Valley Mall LLC				49,834,890	8	0.32%
Certainteed Corporation				38,233,890	9	0.24%
Lithia Real Estate Inc				35,798,910	10	0.23%
Total - principal taxpayers	961,522,010		4.80%	755,181,814		4.90%
Other taxpayers	19,072,034,940		95.20%	14,651,113,598		95.10%
Total - all taxpayers	$ 20,033,556,950		100.00%	$ 15,406,295,412		100.00%

Source: Jackson County Assessor's Office

Principal Taxpayers of Josephine County
Current Year and Nine Years Ago

	June 30, 2018			June 30, 2009		
Taxpayer	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)	$ 89,058,180	1	1.18%	$ 54,723,320	1	0.97%
Charter Communications	31,579,700	2	0.42%			
S-H Forty-Nine Properties	25,364,950	3	0.34%			
Masterbrand Cabinets, Inc.	24,290,320	4	0.32%	22,362,260	3	0.40%
Avista Corp dba Avista Utilities	27,245,200	5	0.36%	13,640,000	8	0.24%
Auerbach Grants Pass LLC & Freeman Grants Pass LLC	21,826,570	6	0.29%	15,745,640	5	0.28%
Johnson Trust, Carl D	17,963,760	7	0.24%			
Fred Meyer Stores, Inc.	14,411,420	8	0.19%			
Frontier Communications	20,039,000	9	0.27%			
Lynn-Ann Development LLC	13,409,379	10	0.18%	12,845,625	9	0.23%
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%
Grants Pass FMS LLC				12,579,470	10	0.22%
Total - principal taxpayers	285,188,479		3.79%	204,462,809		3.62%
Other taxpayers	7,251,358,812		96.21%	5,453,842,300		96.38%
Total - all taxpayers	$ 7,536,547,291		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)

	2017-18	2016-17	2015-16	2014-15
General Fund				
Levy extended by assessor	$ 13,932,571	$ 13,283,281	$ 12,773,306	$ 12,288,116
Property taxes receivable:				
Current year collections	13,166,418	12,564,911	12,052,892	11,556,905
Percentage of levy	94.50%	94.59%	94.36%	94.05%
Tax roll adjustments and discounts	(434,204)	(358,045)	(350,113)	(294,827)
Tax receivable - initial year of levy	331,949	360,325	370,301	436,384
Total taxes receivable beginning of year	907,811	888,574	948,699	867,967
Reduction of (increase in) taxes receivable:				
Prior year receivable collections	304,694	335,201	358,262	360,359
Tax roll adjustments and discounts	(11,114)	(5,887)	(72,164)	(4,707)
Total taxes receivable end of year	923,952	907,811	888,574	948,699
Interest	68,606	79,407	85,891	91,638
Other payments received in lieu of taxes	7,035	8,818	1,472	0
Total received by College	$ 13,546,753	$ 12,988,337	$ 12,498,517	$ 12,008,902
Tax levy rate (per $1,000 assessed value)	$ 0.5128	$ 0.5128	$ 0.5128	$ 0.5128
Total tax collections in subsequent years	$ N/A	$ 164,540	$ 227,241	$ 351,989
Total collections to date	$ 13,166,418	$ 12,729,451	$ 12,280,133	$ 11,908,894
Percentage of levy collected	94.50%	95.83%	96.14%	96.91%

Source: Rogue Community College Budget and Financial Services Department.

2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
$ 11,685,242	$ 11,308,025	$ 11,355,208	$ 11,267,815	$ 11,034,251	$ 10,419,011
10,963,892	10,538,024	10,559,245	10,468,814	10,194,500	9,675,014
93.83%	93.19%	93.00%	92.91%	92.39%	92.86%
(316,620)	(339,368)	(336,588)	(311,637)	(366,837)	(292,053)
404,730	430,633	459,375	487,364	472,914	451,944
909,858	921,323	903,928	826,255	729,457	574,037
553,084	505,121	433,201	386,760	440,494	297,111
(106,463)	(63,023)	8,779	22,931	(64,378)	(587)
867,967	909,858	921,323	903,928	826,255	729,457
99,755	97,330	91,119	72,938	66,005	52,366
0	0	0	0	4,165	345
$ 11,616,731	$ 11,140,475	$ 11,083,565	$ 10,928,512	$ 10,705,164	$ 10,024,836
$ 0.5128	$ 0.5128	$ 0.5128	$ 0.5128	$ 0.5128	$ 0.5128
$ 350,961	$ 391,682	$ 423,152	$ 447,544	$ 472,913	$ 451,944
$ 11,314,853	$ 10,929,706	$ 10,982,397	$ 10,916,358	$ 10,667,413	$ 10,126,958
96.83%	96.65%	96.72%	96.88%	96.68%	97.20%

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

	2017-18	2016-17	2015-16	2014-15
Debt Service Fund				
Levy extended by assessor	$ 3,477,816	$ 3,418,548	$ 1,981,762	$ 1,935,996
Property taxes receivable:				
Current year collections	3,295,110	3,236,665	1,875,062	1,815,528
Percentage of levy	94.75%	94.68%	94.62%	93.78%
Tax roll adjustments and discounts	(103,750)	(92,637)	(54,103)	(53,490)
Tax receivable - initial year of levy	78,956	89,246	52,597	66,978
Total taxes receivable beginning of year	167,975	126,691	139,333	125,112
Reduction of (increase in) taxes receivable:				
Prior year receivable collections	66,872	47,129	48,991	63,243
Tax roll adjustments and discounts	(4,761)	(833)	16,248	(10,486)
Total taxes receivable end of year	184,820	167,975	126,691	139,333
Interest	12,593	10,734	12,207	14,260
Other payments received in lieu of taxes	760	2,126	0	0
Total received by College	$ 3,375,335	$ 3,296,654	$ 1,936,260	$ 1,893,031
Tax levy rate (per $1,000 assessed value)	$ 0.2079	$ 0.2130	$ 0.1069	$ 0.1088
Total collections in subsequent years	$ N/A	$ 40,886	$ 32,087	$ 54,263
Total collections to date	$ 3,295,110	$ 3,277,551	$ 1,907,149	$ 1,869,791
Percentage of levy collected	94.75%	95.88%	96.24%	96.58%

Source: Rogue Community College Budget and Financial Services Department.

2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
$ 1,910,095	$ 1,807,962	$ 1,753,567	$ 1,938,022	$ 1,833,643	$ 1,742,972
1,784,301	1,685,217	1,631,852	1,800,335	1,690,821	1,613,969
93.41%	93.21%	93.06%	92.90%	92.21%	92.60%
(63,387)	(56,672)	(53,529)	(54,704)	(66,435)	(53,154)
62,407	66,073	68,186	82,983	76,387	75,849
137,289	139,254	151,401	130,706	122,544	99,485
91,300	64,951	79,034	62,508	65,423	51,235
(16,716)	3,087	1,299	(220)	2,802	1,555
125,112	137,289	139,254	151,401	130,706	122,544
16,990	14,975	15,608	11,688	11,316	8,073
0	0	0	0	0	0
$ 1,892,591	$ 1,765,143	$ 1,726,494	$ 1,874,531	$ 1,767,560	$ 1,673,277
$ 0.1124	$ 0.1103	$ 0.1065	$ 0.1191	$ 0.1150	$ 0.1128
$ 53,832	$ 60,200	$ 62,621	$ 78,717	$ 76,387	$ 75,849
$ 1,838,133	$ 1,745,417	$ 1,694,473	$ 1,879,052	$ 1,767,208	$ 1,689,818
96.23%	96.54%	96.63%	96.96%	96.38%	96.95%

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

	2017-18	2016-17	2015-16	2014-15
General obligation and refunding bonds, net (1)	$ 35,975,524	$ 38,309,347	$ 17,498,606	$ 18,827,897
General bonded debt	35,975,524	38,309,347	17,498,606	18,827,897
Limited tax pension obligation bonds	$ 15,370,000	$ 16,275,000	$ 17,080,000	$ 17,790,000
Certificates of participation	0	0	0	0
Note payable	130,069	147,921	164,830	180,846
Other debt to be repaid by general government resources	15,500,069	16,422,921	17,244,830	17,970,846
Total outstanding debt	$ 51,475,593	$ 54,732,268	$ 34,743,436	$ 36,798,743
General Bonded Debt Ratios				
Per capita	$ 118.41	$ 126.67	$ 58.86	$ 64.07
Per full-time student equivalent (FTSE)	$ 8,087	$ 8,290	$ 3,759	$ 3,768
As a percentage of taxable assessed value	0.13%	0.14%	0.07%	0.08%
Total Outstanding Debt Ratios				
Per capita	$ 169.42	$ 180.97	$ 116.86	$ 125.21
Per full-time student equivalent (FTSE)	$ 11,571	$ 11,844	$ 7,464	$ 7,365
As a percentage of taxable assessed value	0.19%	0.21%	0.14%	0.15%

(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 finanical statements.

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

2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
$ 20,052,184	$ 21,186,474	$ 23,025,763	$ 22,893,181	$ 23,058,429	$ 23,840,859
20,052,184	21,186,474	23,025,763	22,893,181	23,058,429	23,840,859
$ 18,410,000	$ 18,950,000	$ 19,410,000	$ 19,800,000	$ 20,125,000	$ 20,385,000
0	135,000	265,000	390,000	510,000	620,000
196,016	210,385	223,996	236,887	249,098	260,664
18,606,016	19,295,385	19,898,996	20,426,887	20,884,098	21,265,664
$ 38,658,200	$ 40,481,859	$ 42,924,759	$ 43,320,068	$ 43,942,527	$ 45,106,523
$ 69.35	$ 73.72	$ 80.29	$ 78.58	$ 79.33	$ 82.61
$ 3,714	$ 3,808	$ 3,947	$ 3,626	$ 3,862	$ 4,688
0.09%	0.09%	0.10%	0.10%	0.11%	0.11%
$ 133.71	$ 140.85	$ 149.68	$ 148.69	$ 151.17	$ 156.30
$ 7,160	$ 7,276	$ 7,358	$ 6,861	$ 7,361	$ 8,870
0.17%	0.18%	0.19%	0.20%	0.20%	0.21%

Direct and Overlapping Governmental Activities Debt
As of June 30, 2018 - (unaudited)

	Gross Property-tax Backed Debt	Net Property-tax Backed Debt	Percent Overlap
Direct Debt			
Rogue Community College	$ 47,500,069	$ 32,000,000	
Premium on general obligation and refunding bonds	3,975,524	3,975,524	
Total Direct Debt	$ 51,475,593	$ 35,975,524	
Overlapping Debt			
Jackson County	5,794,324	5,794,324	100.0%
Cities:			
Ashland	25,683,882	4,174,908	100.0%
Central Point	10,804,171	10,804,171	100.0%
Eagle Point	50,000	50,000	100.0%
Gold Hill	222,986	222,986	100.0%
Jacksonville	2,170,000	420,000	100.0%
Medford	65,755,035	47,434,035	100.0%
Phoenix	6,033,090	1,518,090	100.0%
Rogue River	3,752,215	2,097,215	100.0%
Shady Cove	2,515,363	441,363	100.0%
Talent	5,408,738	2,353,738	100.0%
Fire Districts and other:			
Jackson County RFPD 3	872,914	872,914	100.0%
Jackson County RFPD 5	1,936,868	1,936,868	100.0%
Jackson County Housing Authority	5,430,719	1,249,754	100.0%
Rogue Valley Transit District	569,040	569,040	100.0%
School Districts:			
Ashland #5	5,950,000	5,950,000	100.0%
Central Point #6	8,685,290	8,685,290	100.0%
Eagle Point #9	10,277,176	10,277,176	100.0%
Medford #549C	170,370,000	170,370,000	100.0%
Phoenix #4	83,544,046	83,544,046	100.0%
Rogue River #35	2,846,233	2,846,233	100.0%

Direct and Overlapping Governmental Activities Debt
As of June 30, 2018 - (unaudited) (continued)

	Gross Property-tax Backed Debt	Net Property-tax Backed Debt	Percent Overlap
Josephine County	7,870,000	7,870,000	100.0%
Cities:			
Grants Pass	5,620,000	770,000	100.0%
Fire Districts and other:			
Illinois Valley RFPD #1	877,055	877,055	100.0%
Williams RFPD	15,715	15,715	100.0%
School Districts:			
Grants Pass #7	4,500,000	4,500,000	100.0%
Three Rivers	30,165,005	30,165,005	100.0%
Total Overlapping Debt	$ 467,719,865	$ 405,809,926	
Overlapping Debt (continued)			
Total Direct and Overlapping Debt	$ 519,195,458	$ 441,785,450	

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
2017-18					
Jackson County	$ 28,643,175,645	$ 429,647,634	$ 26,868,595	$ 402,779,040	6.25%
Josephine County	10,052,724,360	150,790,865	5,131,405	145,659,460	3.40%
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

(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
2017-18						
Jackson County	217,479	$ N/A	$ 25,612	42.0	N/A	4.5
Josephine County	86,352	N/A	23,004	47.0	N/A	5.2
2016-17						
Jackson County	216,527	9,062,145	24,605	42.0	26.1	4.4
Josephine County	85,904	3,187,774	22,470	47.0	17.3	5.1
2015-16						
Jackson County	212,567	8,650,946	24,460	42.0	25.6	6.2
Josephine County	84,745	3,051,963	22,412	47.0	16.7	6.9
2014-15						
Jackson County	210,287	7,914,576	24,378	42.0	25.1	7.0
Josephine County	83,599	2,806,979	21,791	47.0	17.3	7.9
2013-14						
Jackson County	206,412	7,687,191	24,449	42.0	24.8	8.5
Josephine County	82,930	2,654,901	21,028	47.0	17.0	9.6
2012-13						
Jackson County	203,206	7,490,481	24,263	42.0	24.4	9.5
Josephine County	82,713	2,600,748	21,535	47.0	16.4	11.2
2011-12						
Jackson County	203,950	7,087,194	24,410	42.1	23.7	10.8
Josephine County	82,820	2,498,196	21,539	47.3	16.8	11.7
2010-11						
Jackson County	207,745	6,951,654	24,182	42.1	24.4	11.4
Josephine County	83,600	2,450,499	21,256	47.3	16.5	12.5
2009-10						
Jackson County	207,010	6,907,021	23,933	42.0	24.5	12.7
Josephine County	83,665	2,429,273	19,644	47.2	16.2	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

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)

	June 30, 2018			June 30, 2009		
Industry	Rank	Total Employees	Percentage of Total Regional Employment	Rank	Total Employees	Percentage of Total Regional Employment
Education & Health Services	1	31,200	26.4%	1	25,050	25.0%
Trade, Transportation, & Utilities	2	24,540	20.8%	2	22,110	22.0%
Leisure & Hospitality	3	16,140	13.7%	3	12,040	12.0%
Manufacturing	4	11,030	9.3%	4	8,620	8.6%
Professional & Business Services	5	9,870	8.4%	5	8,590	8.6%
Government	6	7,330	6.2%	6	8,310	8.3%
Construction	7	6,230	5.3%	8	4,280	4.3%
Financial Activities	8	5,660	4.8%	7	5,520	5.5%
Other Services	9	3,950	3.3%	9	3,530	3.5%
Information	10	1,480	1.3%	10	1,910	1.9%
Natural Resources & Mining	11	710	0.6%	11	430	0.4%
Total		118,140	100.0%		100,390	100.0%

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
2017-18	43	153	9	93	151	128	577
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

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 In-District	Out-Of-State	Total FTE	Total Reimbursable FTE	Unduplicated Headcount
2017-18	$ 104	$ 127 *	4,448.67	4,338.64	15,040
2016-17	99	121	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

* 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)

	2017-18	2016-17	2015-16	2014-15
Adult basic education	84.65	121.12	181.77	196.86
Self improvement	42.83	40.29	34.53	28.57
Career and technical education - preparatory	866.53	911.35	867.44	965.29
Career and technical education - apprenticeship	75.32	63.42	56.96	50.69
Career and technical education - stand alone preparatory	9.43	4.68	14.38	19.14
Career and technical education - supplemental	57.49	48.16	55.91	74.46
English as a second language	60.95	81.62	90.21	84.68
General educational development	77.93	88.86	102.70	129.88
Lower division collegiate	2,466.73	2,549.02	2,551.25	2,688.64
Post secondary remedial	65.72	76.80	67.51	80.64
Post secondary remedial - math	305.94	324.77	338.57	371.43
Post secondary remedial - electives	225.12	192.33	185.29	193.72
Total reimbursable FTSE *	4,338.64	4,502.42	4,546.52	4,884.00
Non-reimbursable	110.03	118.83	108.59	112.67
Total FTSE	4,448.67	4,621.25	4,655.11	4,996.67
State appropriation	$ 9,622,996	$ 9,457,105	$ 9,780,930	$ 8,428,906
State appropriation per reimbursable FTSE	$ 2,217.98	$ 2,100.45	$ 2,151.30	$ 1,725.82

* 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.

2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
210.41	278.60	254.47	320.60	291.05	300.08
45.57	58.11	70.28	104.18	144.52	121.49
1,021.62	954.69	1,031.18	1,067.64	1,042.92	937.60
42.79	34.29	34.85	37.47	42.42	61.44
19.97	20.64	0.00	0.00	0.00	0.00
46.57	59.53	78.62	127.35	162.38	125.68
92.71	106.38	117.96	169.64	174.85	174.32
101.46	106.48	106.95	134.24	119.89	87.46
2,948.83	3,024.24	3,148.54	3,199.12	2,939.88	2,344.47
117.25	146.40	386.85	511.40	424.49	405.77
453.95	482.05	534.38	560.45	547.48	441.18
232.04	223.76	0.00	0.00	0.00	0.00
5,333.17	5,495.17	5,764.08	6,232.09	5,889.88	4,999.49
66.39	68.82	70.06	81.94	79.94	85.79
5,399.56	5,563.99	5,834.14	6,314.03	5,969.82	5,085.28
$ 7,433,388	$ 5,278,969	$ 5,967,177	$ 5,821,722	$ 7,175,209	$ 7,857,286
$ 1,393.80	$ 960.66	$ 1,035.23	$ 934.15	$ 1,218.23	$ 1,571.62

Capital Assets Activity
Last Ten Fiscal Years - (unaudited)

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
2017-18				
Land	$ 3,827,853	$ 0	$ 0	$ 3,827,853
Buildings	40,645,537	0	0	40,645,537
Equipment	4,239,470	666,879	63,528	4,842,821
Construction in progress	1,132,072	2,397,044	0	3,529,116
Infrastructure	1,797,825	0	376,811	1,421,014
Library collections	810,731	46,458	0	857,189
Software	946,812	0	113,457	833,355
Total capital and other assets	53,400,300	3,110,381	553,796	55,956,885
Less accumulated depreciation	20,292,208	1,324,245	283,106	21,333,347
Total	$ 33,108,092	$ 1,786,136	$ 270,690	$ 34,623,538
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	$ 33,524,010	$ (330,353)	$ 85,565	$ 33,108,092
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	$ 33,292,712	$ 253,077	$ 21,779	$ 33,524,010

Source: Rogue Community College Budget and Financial Services Department.

Continues

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

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
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	$ 34,305,318	$ (1,000,505)	$ 12,101	$ 33,292,712
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	$ 35,135,602	$ (815,538)	$ 14,746	$ 34,305,318
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	$ 35,825,708	$ (409,748)	$ 280,358	$ 35,135,602

Continues

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

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
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	$ 35,856,553	$ 2,612,979	$ 2,643,824	$ 35,825,708
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	$ 35,736,437	$ 475,506	$ 355,390	$ 35,856,553
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	$ 35,117,156	$ 619,281	$ 0	$ 35,736,437

Continues

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

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

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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, 2018, and have issued our report thereon dated December 6, 2018. 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 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

This report is intended solely for the information and use of the Board of Education and management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

For Eide Bailly, LLP
Boise, Idaho
December 6, 2018

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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, 2018, 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 6, 2018. 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.

Eide Bailly LLP

Boise, Idaho
December 6, 2018

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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, 2018. 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, 2018.

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.

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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002 that we consider to be significant deficiencies.

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.

Eide Bailly LLP

Boise, Idaho
December 6, 2018

Section I – Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

Name of Federal Program	CFDA Number
U. S. Department of Education Direct Programs	
Student Financial Aid Cluster	
Pell Grant Program	84.063
Federal Work-Study Program	84.033
Direct Loan Program	84.268
Supplemental Educational Opportunity Grants Program	84.007
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?	No

Section II – Financial Statement Findings

None Reported

Section III – Federal Award Findings and Questioned Costs
2018-001
Direct Programs – Department of Education
CFDA# 84.063, 84.007, 84.268, 84.033
Student Financial Aid Cluster
Special Test 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 over student withdrawals and return of Title IV fund (R2T4) calculations, there were 2 instances out of 60 R2T4 calculations tested in which the withdrawal date reported to NSLDS did not agree with the student's last date of attendance used in the calculation for the return of Title IV funds.

Cause:
The College's existing control procedures for reporting student withdrawal dates to the National Student Clearinghouse (NSC) in a timely and accurate manner were not sufficiently designed to identify all inaccuracies.

Effect:
The College reported the incorrect withdrawal date to NSLDS as required by the NSLDS Reporting Guide and the Student Financial Aid Handbook.

Questioned Costs:
None reported

Context/Sampling:
A nonstatistical sampling was used. Sample size was 60 students out of 452 total student withdrawals/R2T4 calculations.

Repeat Finding from Prior Year:
Yes

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

View of Responsible Officials:
Management agrees with the finding.

2018-002
Direct Programs – Department of Education
CFDA# 84.063, 84.007, 84.268, 84.033
Student Financial Aid Cluster
Reporting
Significant Deficiency in Internal Control Over Compliance

Criteria:
34 CFR Section 685.309 states that an Institution shall ensure that all information is reported to the Secretary accurately within the required time frame. An Institution must report all loan disbursements and Pell disbursements within 15 days after the school makes a payment or becomes aware of the need to make an adjustment to a previously reported student payment data or expected student payment data.

Condition:
During our testing of students that were disbursed financial aid in fiscal year 2018, there were 4 instances out of 60 in which the College did not submit the disbursement records within 15 days of the disbursement.

Cause:
The College's existing control procedures for reporting student information to COD in the required timeframe was not strong enough to identify all inaccuracies.

Effect:
COD was not updated to reflect disbursements within the 15 day required timeframe.

Questioned Costs:
None reported

Context/Sampling:
A nonstatistical sampling was used. Sample size was 60 students out of 3,158 students receiving federal financial aid in fiscal year 2018.

Repeat Finding from Prior Year:
No

Recommendation:
The College should implement a control process in which the disbursement information is reported accurately to COD within the 15 day requirement. The College should also periodically monitor this process to ensure that it is working effectively and the 15 day requirement is being met.

Management's Response:
Management agrees with the finding.

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Schedule of Expenditures of Federal Awards
Year ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
Direct Grants:			
Financial Aid Cluster:			
Pell Grant Program	84.063 (*)		$ 9,438,989
Federal Work-Study Program	84.033 (*)		143,920
Direct Loan Program	84.268 (*)		5,637,839
Supplemental Educational Opportunity Grants Program	84.007 (*)		158,865
Total Financial Aid Cluster			15,379,613
TRIO Cluster:			
TRIO - Student Support Services	84.042A		524,163
TRIO - Educational Opportunity Center	84.066A		221,822
TRIO - Talent Search	84.044A		308,355
Total Trio Cluster			1,054,340
Passed through Oregon Department of Education:			
Perkins Vocational Education	84.048	44297	332,484
Perkins Vocational Education	84.048	40324	38,412
Passed through Southern Oregon Education Service District:			
Perkins Vocational Education	84.048	None	7,946
Total Perkins			378,842
Passed through Oregon Higher Education Coordinating Commission:			
Adult Basic Education Program - Title II	84.002A	16-366N	286,107
Total Title II			286,107
Total U.S. Department of Education			$ 17,098,902
U.S. Department of Health and Human Services			
Direct Grants:			
Southern Oregon Health Occupations Poverty Elimination Project (SOHOPE)	93.093 (*)		2,459,137
Total U.S. Department of Health and Human Services			$ 2,459,137

See notes to schedule of expenditures of federal awards.

Schedule of Expenditures of Federal Awards
Year ended June 30, 2018 (continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Small Business Administration			
Passed through Oregon Small Business Development Center Network:			
Small Business Assistance	59.037	18-153	16,500
Small Business Assistance	59.037	16-153	17,875
Total U.S. Small Business Administration			$ 34,375
National Science Foundation			
Direct Grant:			
Contextualizing CTE in Math	47.076		48,843
Total National Science Foundation			$ 48,843
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	11,441
Total U.S. Department of Housing and Urban Development			$ 11,441
U.S. Department of Transportation			
Direct Grant:			
Commercial Motor Vehicle Operator Safety Training	20.235		57,882
Total U.S. Department of Transportation			$ 57,882
U.S. Department of Commerce - Economic Development Administration			
Direct Grant			
High Technology Center	11.300		717,646
Total U.S. Department of Commerce - Economic Development Administration			$ 717,646
Total federal funds			$ 20,428,226

(*) 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 (Schedule) includes the federal grant activity of the College under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

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 reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. For more information see the Summary of Significant Accounting Policies presented in Note 1 in the College's basic financial statements.

The College has elected not to use the 10% de minimis cost rate as allowed under the Uniform Guidance.

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.