Comprehensive Annual Financial Report

Rogue Community College

Grants Pass, Oregon

For the Year Ended June 30, 2010

Report prepared by the Budget and Financial Services Department

This page intentionally left blank

Table of Contents
Year Ended June 30, 2010

Table of Contents (continued)
Year Ended June 30, 2010

This page intentionally left blank

Rogue Community College

3345 Redwood Hwy
Grants Pass, OR 97527-9298

December 14, 2010

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, 2010, together with the audit opinion therein of our auditors as required by Oregon State Statutes. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the College. We believe the financial statements and related information are stated fairly in all material aspects in reflecting the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain maximum understanding of the College's financial affairs have been included.

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

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

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

1. The Introductory Section contains the letter of transmittal with an overview of the College that includes factors affecting the financial condition and other supplementary information, a listing of principal officials, and organization chart.

2. The Financial Section includes the independent auditor's report, the MD&A, basic financial statements, including notes to the financial statements, required supplementary information and other supplementary information.

3. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

4. The Audit Comments Section includes the independent auditor's comments required by the Minimum Standards for Audits of Oregon Municipal Corporations.

5. The Government Auditing Standards Section includes information related to the Single Audit Act and Government Auditing Standards, including the schedule of expenditures of federal awards and the various

independent auditors' reports. The College is required to have an annual single audit in conformity with the provisions of the Federal Single Audit Act of 1984 and United States Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

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

The annual budget serves as the foundation for Rogue Community College's financial planning and control. Rogue Community College is required by the State of Oregon to adopt an annual budget subject to the requirements of "Local Budget Law" as addressed in Oregon Revised Statutes 294.305 through 294.565. The budget is a plan for the financial operations to be conducted during the coming fiscal year and is adopted annually, prior to July 1.

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

It is the duty of the budget committee to analyze and approve the College's proposed operating budget and forward its recommendations to the Board for final consideration. As a part of the budget review and approval process, the budget committee holds public meetings at which citizens of the community are invited to give testimony on the budget before it is approved by the budget committee.

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

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

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

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

About the College

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

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

The College's full-time equivalent (FTE) number of students for 2009/10 was 5,855 and the unduplicated headcount for the same period was 19,596.

District Demographics

The Rogue Community College District covers a 4,453-square-mile area encompassing Josephine and Jackson counties. Total population for the two counties in 2009 is estimated at 290,675 which is a 13.1% increase since 2000.

The College's founding campus is located on an 88-acre wooded site five miles west of the city of Grants Pass. The campus was originally constructed in the late 1960's as a federal training facility known as the Fort Vannoy Jobs Corps Training Center. Remodeled in 1989, the spacious campus of wood-framed buildings creates an informal atmosphere with several more recently constructed buildings providing additional classrooms and modern laboratory space.

Upon annexation of Jackson County by the College district, the Riverside Campus was established in downtown Medford, where it plays a key role in the educational and cultural renaissance occurring in Medford. The Riverside Campus has grown to encompass six buildings totaling more than 140,406 square feet. The College now owns five of these buildings, including joint ownership in one.

The College, in conjunction with SOU, opened the Higher Educational Center located in downtown Medford in September of 2008. The jointly financed, designed and constructed center provides students a seamless transition from community college courses to university courses. The building is 68,700 square feet housing classrooms, science labs, computer labs, a Prometric Testing Center and a Business Center. In addition to being an example of cooperation and collaboration between the two institutions, the RCC/SOU Higher Education Center serves as a model of environmental stewardship. The design team worked with faculty, staff, students and community members to establish the green priorities for the project, which received a Platinum Leadership in Environmental Design (LEED) certification from the U.S. Green Building Council.

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

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

Economic Outlook

The Rogue Valley is experiencing a very slow economic recovery with the unemployment rate declining only 1.1% in the past year, causing the Valley to have the highest overall unemployment rate of any region in the state. In June 2010, Jackson County's seasonally adjusted unemployment rate was 12.0% and Josephine County's was 13.8%. The Rogue Valley experienced job losses in nearly all of its industry sectors, with construction being the hardest-hit losing over 600 jobs. Temporary improvement was evident in the public sector, while the education and health services sector showed continued strength. The mining and logging sector are experiencing slight improvement.

Overall, Oregon is also having one of the slowest economic recoveries on record. The seasonally-adjusted unemployment rate in June 2010 remains around 10.5%, where it has been for the last eight months. The job market is a mixed bag with losses and gains both within manufacturing and the service sectors. Depending on the outcome of additional Federal stimulus packages, state and local governments may have a reduction in force. In addition, the slowdown of stimulus spending and the winding down of manufacturing inventory cycles is negatively impacting Oregon's economy. Another downturn in Oregon's economy is not expected, however, with the slowdown in recovery the risk has increased.

One of the College's largest non-operating revenue sources is funding from the State of Oregon. The State appropriated $450.5 million for the Community College Support Fund for the 2009-11 biennium. However, due to state budget cuts, in May 2010 the funding level was reduced to $429.7 million for the Biennium. This reduction totaled $809,021 for the College for the biennium. The entire reduction will be realized in 2010-11.

Another major source of income is property tax revenue. Property taxes are used for general operations and for debt service payments. Property tax revenue has been a stable factor in the College's revenue increasing on average 6% a year for the past five years. The College received $12.5 million in property taxes for 2010. Of the total amount received, $1.75 million or 14.0% is restricted for debt service payment.

Tuition and Fee revenue accounts for approximately 23.5% of revenue. For 2010 the College collected $15.6 million in tuition and fees. The College experienced a 22.7% growth for 2009-10 and expects to see an additional 5% growth in 2010-11.

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

Long-Term Financial Planning

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

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

Accreditation

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

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

Internal Controls

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

Cash Management

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

Risk Management

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

The Safety Committee's goal is to increase safety and health awareness throughout the College. The committee meets monthly to discuss safety and health awareness, minimizing or eliminating workplace hazards and encourages communication and discussion of problems in the workplace that could result in injury, illness, or loss of property. To assist them in their goals, the Committee offers Bloodborne Pathogens and Hazards Communications training to all employees. In addition, the Committee maintains the College's Emergency Response Plan.

Major Initiatives

The College's major initiatives for 2009-10 included advancements in student learning, student access and success, distance learning, pathways, recruitment and marketing. These initiatives provided stronger connections to high school students, as well as helped retrain individuals hurt by the downturn in the economy. These efforts will continue in the following year and provide resources allowing the College to work toward its goal of improving access to students.

Other Information

- Independent Audit - The provisions of Oregon Revised Statutes, Section 297.405 to 297.555 require an independent audit of the fiscal affairs of the College. The firm of Kenneth Kuhns & Co., who were selected by the Board of Education, has completed their examination of the College's basic financial statements and accordingly, has included their report in the financial section of this CAFR.

- Single Audit – The Single Audit Act and OMB Circular A-133 require state and local governments that receive directly or indirectly certain amounts in federal assistance to have an audit conducted for that year. Included in this report are a Schedule of Expenditures of Federal awards, required reports on internal controls and compliance with laws and regulations, and a schedule of findings and questioned costs.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Rogue Community College for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This was the sixth consecutive year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and, 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 and Information Technology department for their efforts and contributions to this Comprehensive Annual Financial Report. We further extend our thanks to the staff of Kenneth Kuhns & Co. for their extra efforts during this audit. We would also like to thank the members of the Board of Education, faculty and staff for their continued support and dedication to the financial operations of the College.

Sincerely,

Peter Angstadt, President

Lynda Warren, Chief Financial Officer/Dean of College Services

ELECTED/APPOINTED OFFICIALS

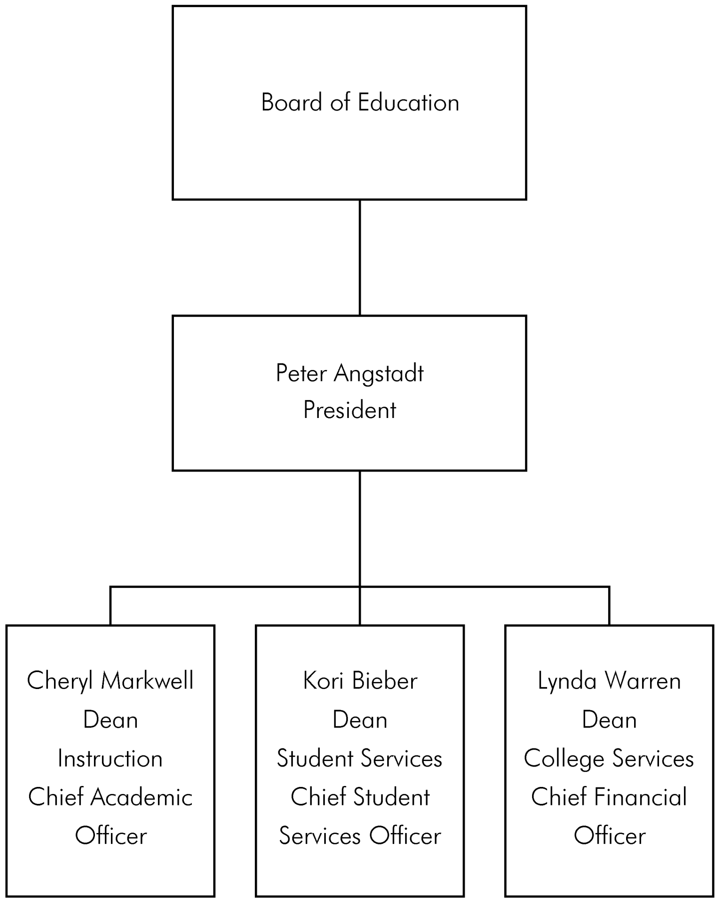
Mr. Joseph Zagorski, Ed.D. 521 Seclusion Loop Grants Pass, OR 97526	Chairperson
Ms. Patricia Ashley 3182 Rogue River Drive Eagle Point, OR 97524	Vice-chairperson
Joseph Davis, Esq. 823 Alder Creek Drive Medford, OR 97504	Member
Timothy Johnson 1467 China Gulch Road Jacksonville, OR 97530	Member
Mr. Kevin Talbert, Ph.D. 1291 N. Valley View Road Ashland, OR 97520	Member
Joseph Keith 1515 Scofield Street Central Point, OR 97502	Member
Mr. Dean Wendle P.O. Box 1988 Grants Pass, Oregon 97528	Member

ADMINISTRATION

3345 Redwood Highway
Grants Pass, Oregon 97527

Peter Angstadt	President
Lynda Warren	Budget Officer

Organizational Chart
Year Ended June 30, 2010



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, 2009

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

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director

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

INDEPENDENT AUDITOR'S REPORT

November 29, 2010

Board of Education
Rogue Community College
Grants Pass, Oregon

We have audited the statement of net assets of Rogue Community College as of June 30, 2010, and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Rogue Community College Foundation, a discretely presented component unit of Rogue Community College. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Rogue Community College Foundation, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Rogue Community College Foundation were not audited in accordance with *Government Auditing Standards.* An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit, and the report of the other auditors, provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of Rogue Community College as of June 30, 2010, and the changes in its financial position and, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2010 on our consideration of Rogue Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 11 through 18 and the schedule of funding progress on page 43 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The introductory section, other supplementary information, statistical section, and schedule of expenditures of federal awards required by OMB Circular A-133 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information and schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

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, 2010. 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.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Rogue Community College's basic financial statements, which are comprised of entity-wide financial statements prepared in accordance with the accrual basis of accounting and notes to the basic financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

The entity-wide financial statements are designed to provide readers with a broad overview of the College's finances, in a manner similar to a private-sector business. These statements focus on the financial condition of the College, the results of operations, and cash flows of the College as a whole. The entity-wide statements are comprised of the following:

- The *Statement of Net Assets* presents information on all of the College's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets are indicators of the improvement or erosion of the College's financial health when considered along with non-financial facts such as enrollment levels and the condition of the facilities.

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

- The *Statement of Cash Flows* presents information on cash flows from operating activities, non-capital financing activities, capital financing activities and investing activities. It provides the net increase or decrease in cash between the beginning and end of the fiscal year. This statement assists in evaluating financial viability and the College's ability to meet financial obligations as they become due.

- The *Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the data provided in the entity-wide financial statements.

Financial Highlights

The College's overall financial position has improved for the fiscal year ended June 30, 2010 as evidenced by:

- Student tuition and fees revenue increased 31.76% or $3.7 million from 2009. This increase is attributable to the 17.7% growth in student enrollment from the prior year. This increase in enrollment will have a positive impact on FTE reimbursement from the State in future years. Additional information regarding enrollments is located in the Statistical Section.

- The College's student financial aid grants increased $6.2 million from the prior year. This increase is also attributable to the 17.7% increase in students from the prior year. Additional information about student financial aid grants can be located in the revenue section of this analysis.

- FTE reimbursement from the State of Oregon increased 41.32% or $2.5 million. The increase was caused by the Oregon State Legislature deferring the eighth quarter payment in the biennium from April 2010 to July 2010. The deferral was approved in the 2003 legislature and will occur in the second year of each biennium. More information about FTE reimbursement is located in the revenue section of this analysis.

- State and Local Government grants and contracts revenue increased by 27.74% or $1.5 million. The majority of this increase was the $1.4 million increase in student scholarships from the Oregon Opportunity Grant. Additional information can be found in the revenue section of this analysis.

- As noted earlier, net assets may serve over time as an indicator of the College's financial position. This report shows that assets exceeded liabilities by $24 million at the close of the fiscal year.

One of the College's largest net assets ($13.1 million) reflects the amount invested in capital assets, (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The College uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Analysis of the Statement of Net Assets
As of June 30, 2010

The Statement of Net Assets includes all assets and liabilities of the College using the accrual basis of accounting, which is similar to the accounting presentation used by most private colleges. Net assets are the difference between assets and liabilities, and are one measure of the financial condition of the College.

	2010	2009	% Change
Assets			
Current assets	$ 17,874,718	$ 15,123,153	18.19%
Capital assets, net of depreciation	35,736,437	35,117,156	1.76%
Other non-current assets	17,247,592	16,665,312	3.49%
Total assets	$ 70,858,747	$ 66,905,621	5.91%
Liabilities			
Current liabilities	$ 4,036,819	$ 6,233,247	-35.24%
Long-term debt, non-current portion	42,750,316	44,039,958	-2.93%
Total liabilities	46,787,135	50,273,205	-6.93%
Net Assets			
Invested in capital assets, net of related debt	$ 13,176,167	$ 13,285,344	-0.82%
Restricted	746,133	628,693	18.68%
Unrestricted	10,149,312	2,718,379	273.36%
Total net assets	24,071,612	16,632,416	44.73%
Total Liabilities and Net assets	$ 70,858,747	$ 66,905,621	5.91%

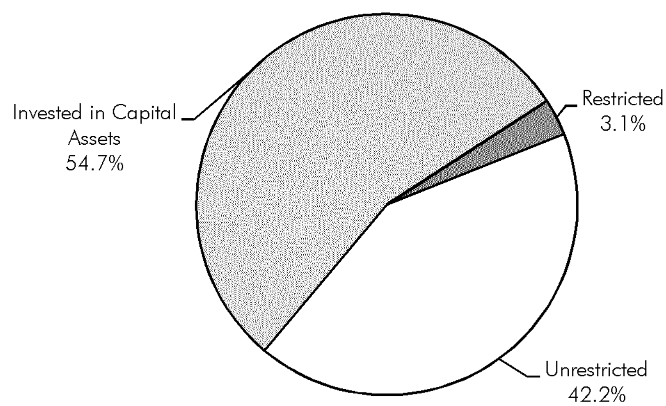
On June 30, 2010, the College's assets were approximately $70.8 million. The College's current assets of $17.8 million were sufficient to cover current liabilities of $4.0 million. This represents a current ratio of 4.43. Receivables consist of taxes, student accounts, interest and various operating receivables. The College's investment in capital assets is $35.7 million, net of accumulated depreciation.

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

Within net assets, the "invested in capital assets, net of debt" amount is $13.1 million. In future years, the College's capital assets will continue to grow in relation to our capital expansion plan. This plan includes the purchase and construction of buildings on the Medford campus and Grants Pass campus. The unrestricted net assets consist of amounts for the continuing operation of the College.

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

Net Assets



Analysis of the Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2010

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

	2010	2009	% Change
Operating Revenues:			
Student tuition and fees	$ 15,611,574	$ 11,848,151	31.76%
Student financial aid grants	12,812,538	6,581,276	94.68%
Federal grants and contracts	2,586,851	2,560,624	1.02%
State and local government grants and contracts	6,977,045	5,461,820	27.74%
Auxiliary enterprises	3,227,307	2,726,353	18.37%
Total operating revenues	41,215,315	29,178,224	41.25%
Non-Operating Revenues:			
State community college support	8,803,430	6,229,361	41.32%
Property taxes	12,500,363	11,816,153	5.79%
Investment income	2,788,708	350,437	695.78%
Amortization of premium on general obligation and refunding bonds	97,431	97,430	0.00%
Other non-operating revenues	952,705	864,232	10.24%
Total non-operating revenues	25,142,637	19,357,613	29.89%
Operating and Non-Operating Expenses:			
Instruction	14,699,340	14,152,736	3.86%
Instructional support services	4,646,151	4,908,709	-5.35%
Student services	8,100,885	7,292,340	11.09%
Community services	521,995	619,193	-15.70%
College support services	5,866,887	5,648,526	3.87%
Plant operations and maintenance	4,825,340	4,820,046	0.11%
Scholarships and grants	16,945,400	9,265,555	82.89%
Depreciation	1,152,375	1,087,950	5.92%
Loss on pension asset	0	5,003,419	-100.00%
Interest expense	2,113,088	2,166,204	-2.45%
Amortization of deferred charges	47,295	47,293	0.00%
Total operating and non-operating expenses	58,918,756	55,011,971	7.10%
Income (loss) before contributions	7,439,196	-6,476,134	-214.87%
Change in net assets	7,439,196	-6,476,134	-214.87%
Net assets, beginning of year	16,632,416	23,108,550	-28.02%
Net assets, end of year	$ 24,071,612	$ 16,632,416	44.73%

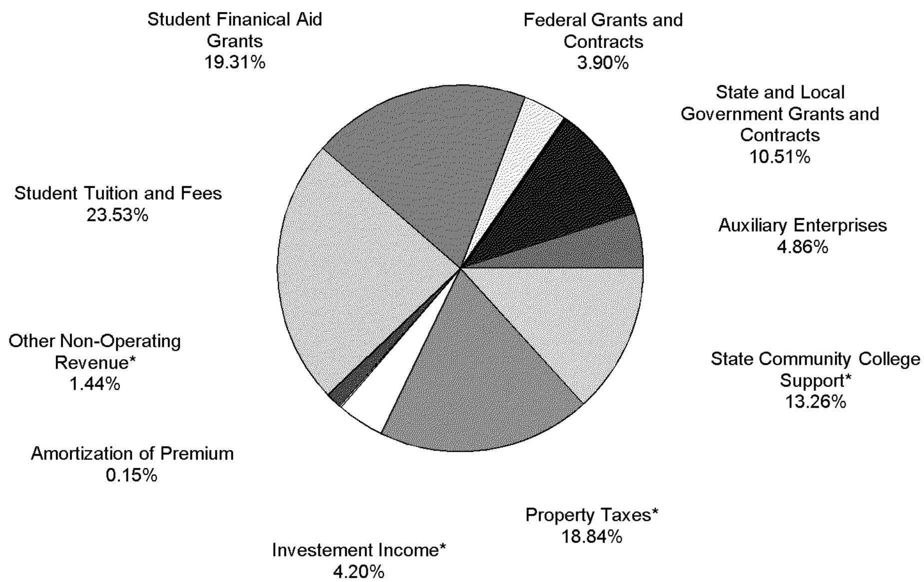
Revenues:

The most significant sources of operating revenue for the College are student tuition & fees, student financial aid, and state & local government grants and contracts. Tuition and fees include all amounts paid for educational purposes and totaled $15.6 million. Tuition and fees increased 31.76% or $3.7 million. There are many factors that have contributed to the Colleges growth; increased marketing and recruitment efforts, academic reputation, reasonable priced tuition and the unemployment rate.

Student financial grants include all grants and scholarships received by students. Student financial aid revenue increased $6.2 million or 94.68%. These increases are due to the 17.7% increase in FTE during 2010. State & local government grants & contracts include all grants and contracts received by the College from state and local agencies. State and local grants and contracts increased by 27.74% when compared to the prior year. This increase was due to an increase in students qualifying for and receiving the Oregon Opportunity Grant. This grant is awarded to Oregon residents that are enrolled in a participating colleges or universities and who meet the criteria for the grant.

The largest non-operating revenue is from property taxes. The College received $12.5 million from property taxes representing a 5.79% increase from the prior year. The second largest non-operating revenue is FTE Reimbursement from the State of Oregon. During 2009, the State of Oregon re-appropriated the Community College Support Fund for the 2009-11 biennium at $429 million. Due to the timing of the reduction, it will be fully realized in 2010-11.

Revenues



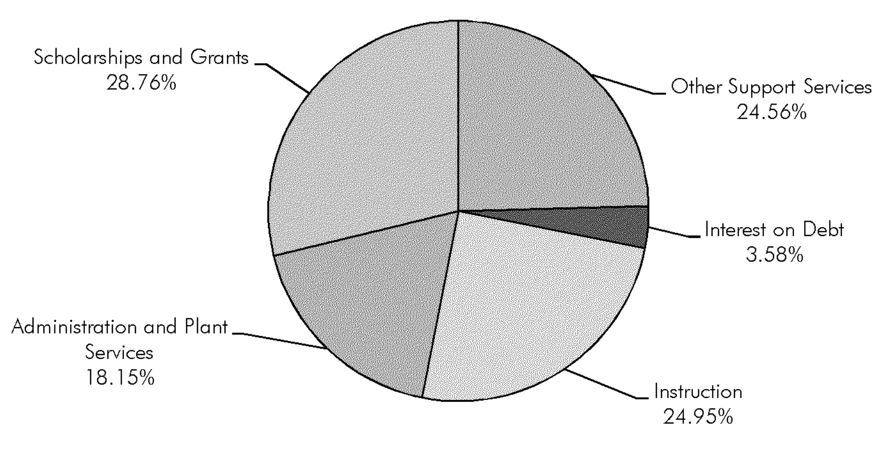
* indicates non-operating income

Expenses:

Operating expenses totaling $56.7 million include salaries and benefits, materials and supplies, utilities, operating leases, scholarships and depreciation. Instruction expenses represent a large percentage of total expenses at $14.6 million or 24.95% of total expenses. Support services, including auxiliary enterprises, contracted programs, and depreciation, represent $14.4 million or 24.56% of total expenses. Administration expenses, including plant services, represent $10.6 million or 18.15% of total expenses. Scholarship and grant expenses of $16.9 million represent 28.8% of total expenses.

The College's scholarship and grant expense increased 83% or $7.6 million over the prior year. This increase is due to the 17.7% enrollment increase and more students applying and qualifying for financial aid packages. The two financial aid grants accounting for the majority of this increase were Pell at $6.3 million and the Oregon Need Grant at $1.3 million. The most significant non-operating expense was interest expense of $2.1 million or 3.6% of total expense. Interest expense decreased 2.45% from the prior year.

Expenses



Analysis of the Statement of Cash Flows
For the Year Ended June 30, 2010

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

	2010	2009	% Change
Cash Provided By (Used In):			
Operating activities	$ (11,220,127)	$ (15,226,379)	-26.31%
Non-capital financing activities	18,036,180	16,416,098	9.87%
Capital financing activities	(3,685,773)	(3,734,065)	-1.29%
Investing activities	187,648	350,437	-46.45%
Net increase (decrease) in cash	3,317,928	(2,193,909)	251.23%
Cash, beginning of year	11,119,704	13,313,613	-16.48%
Cash, end of year	$ 14,437,632	$ 11,119,704	29.84%

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

State reimbursements and property taxes are the primary source of non-capital financing. Accounting standards require that we reflect these sources of revenue as non-operating even though the College's budget depends on these revenues to continue the current level of operations.

The primary financing activities are the purchase of F building on the Medford campus, deferred maintenance projects and payment of capital-related debt.

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

Budgetary Highlights

The College proactively managed its financial position and adopted budgetary guidelines and principles that addressed cost reductions and revenue enhancement. The development of the fiscal year 2009-10 budget adheres to the principles of maintaining access to educational programs and support for a diverse student population. On June 16, 2009, the College adopted a general fund budget of $33.8 million. This budget is based upon the $440 million Community College Support Fund.

In late June 2009, the State finally released its budget, appropriating $450.5 million for the Community College Support Fund. The State based this appropriation on the passage of two tax initiatives that passed on January 26, 2010.

In May 2010, the College received notification that the 2009-11 Community College Support Fund had been reduced by 4.68% or $20.8 million; resetting the Community College Support Fund to $429.7 million for the Biennium. The College's portion of this reduction was $809,021 and will be split between the payments received in 2010-11. During the budgeting cycle for 2010-11 the College took this reduction into account; however, it did have a significant impact on the service level provided to students.

The College received a $452,000 grant for the Community College Strategic Fund for 2010. This funding facilitated the College in providing learning opportunities for the students that meet the workforce needs of the community and state. To meet these needs the College developed targeted growth initiatives, increased district workforce development efforts and maximized the College's ability to grow and maintain its student enrollment through additional recruitment and retention efforts. These efforts will continue in the following year and provide resources allowing the College to work towards its goal of improving access to students.

Capital Assets and Debt Administration

Capital Assets

The College's investment in capital assets as of June 30, 2010, amounts to $35.7 million, net of accumulated depreciation. Investment in capital assets includes land, buildings, improvements, machinery and equipment, library collections and infrastructure. Additional information on the College's capital assets can be found in Note 3 of this report.

The College has expanded its footprint in Medford with the purchase of F building. This building will provide space for the Health, Personal Education and Recreation (HPER) department; as well as providing a large classroom and performance space for the Humanities department.

The College was awarded a $4 million grant from the State of Oregon for 13 capital improvement and deferred maintenance projects. The College had all projects started by April of 2009 and is expected to have the projects completed by June 2011. The projects include replacement of HVAC, concrete walks, flooring, windows, asphalt & lighting for parking lots, network infrastructure, roofing, replacements of decks and hand rails, electrical upgrades and upgrade of the interior of the Rogue Building.

Long-Term Obligations

At the end of the current fiscal year, the College had total outstanding debt of $44,039,957. Of this amount, $21.7 million is General Obligation and Refunding Bonds, $20.1 million is Limited Tax Pension Obligation Bonds, and $110,000 is Certificates of Participation (COP), all of which are backed by the full faith and credit of the College. In addition, $249,098 is a note with the US Department of Education backed by the property. The College's total debt decreased by $1.1 million in 2009-10.

State statutes limit the amount of general obligation debt the College may issue to 1.5% of Real Market Value of properties within the College district. The current legal debt limit is $563,232,086, which is significantly higher than the College's outstanding debt. The College's outstanding debt is about 3.8% of the legal debt limit. Additional information on the College's long-term debt can be found in Note 5.

Economic Factors and Next Year's Budget

The College adopted a balanced budget on June 15, 2010 for 2010-11. The assumptions for this budget included the Oregon Community College Support Fund at $429 million, property tax increase of 3% and a tuition increase of $2, while at the same time assuming an enrollment decline equal to one-third of the 2009-10 growth.

In September 2010, the College received notification that the 2009-11 Community College Support Fund was again being reduced, this time by $13.4 million; resetting the Community College Support Fund to $416.3 million for the biennium. This reduction of $418,874 for the College will be fully realized in 2010-11, along with the May 2010 reduction of $809,021. During the budget cycle for 2010-11, the College accounted for the May 2010 reduction and had anticipated an additional cut in state funding and planned accordingly.

In August 2010, the College received notification from Jackson County Assessor's Office that the typical 3% increase in property taxes, that has historically been realized, will be reduced to 2.63% for 2010-11. Measure 50, which was approved by voters in 1996, limits the increase in the assessed value of property to 3% per year. In addition, the measure requires that property taxes are calculated on the lesser of real market value or assessed value. Due to the downturn in the housing market, many properties' real market value are now less than assessed market value, decreasing property tax revenue. In future years, the College could begin to see a decrease in property tax revenue.

The good news is that enrollment levels appear to be growing, instead of declining, as originally anticipated. As of October 2010, the College is anticipating $1 million more in tuition revenue than originally projected.

However, the future of enrollment beyond 2011 is still uncertain. There are many uncontrollable factors that the College will be faced with in the coming months.

In April 2011, the College will receive access to proceeds from the sale of State of Oregon Lottery Bonds of $1.25 million. These funds have been approved for the renovation of instructional classroom and laboratory space. The renovations will begin in 2011 and are anticipated to be completed by June 2012.

The coming years will be challenging for the College even as the economy has begun a slow recovery.

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

This page intentionally left blank

Statement of Net Assets
June 30, 2010

	College	Foundation (Component Unit)
ASSETS		
Current Assets:		
Cash	$ 3,922,323	$ 357,053
Investments	10,515,309	0
Receivables:		
Property taxes	956,962	0
Accounts, net	1,785,842	405,200
Inventory	648,177	0
Prepaid expenses	46,105	0
Total current assets	17,874,718	762,253
Non-current Assets:		
Endowment investments	0	5,229,561
Land investments	0	182,977
Post employment benefit	29,508	0
Pension asset	16,544,987	0
Deferred charges, net of amortization	673,097	0
Capital assets	48,336,684	18,660
Less: accumulated depreciation	(12,600,247)	(6,898)
Capital assets, net	35,736,437	11,762
Total non-current assets	52,984,029	5,424,300
TOTAL ASSETS	70,858,747	6,186,553
LIABILITIES		
Current Liabilities:		
Accounts payable	1,003,728	55,708
Accrued interest payable	53,484	0
Payroll liabilities	898,750	2,367
Unearned revenue	235,408	0
Compensated absences	555,808	0
Tax and revenue anticipation note payable	0	0
Scholarships payable, net	0	584,430
Current portion of long-term obligations	1,289,641	13,652
Total current liabilities	4,036,819	656,157
Non-current liabilities - long-term obligations		
Pension bonds payable	20,125,000	0
General obligation and refunding bonds payable	21,735,000	0
Premium on general obligation and refunding bonds, net of amortization	1,420,859	0
Certificates of participation payable	510,000	0
Note payable	249,098	0
Obligation under Standard Unitrust	0	113,007
Less: Current portion of long-term obligations	(1,289,641)	(13,652)
Total non-current liabilities - long-term obligations	42,750,316	99,355
TOTAL LIABILITIES	46,787,135	755,512

See notes to basic financial statements.

Statement of Net Assets
June 30, 2010 (continued)

	College	Foundation (Component Unit)
NET ASSETS		
Invested in capital assets	$ 35,736,437	$ 0
Less: related debt	(22,560,270)	0
Investment in capital assets, net	13,176,167	0
Restricted - non-expendable		
Restricted - permanent endowment	0	3,075,157
Restricted - expendable		
Restricted temporarily - endowment income and scholarships	0	1,342,379
Restricted - debt service	342,608	0
Restricted - contracts and grants	403,525	0
Total restricted net assets	746,133	4,417,536
Unrestricted	10,149,312	1,013,505
TOTAL NET ASSETS	$ 24,071,612	$ 5,431,041

See notes to basic financial statements.

This page intentionally left blank

Statement of Revenues, Expenses, and Changes in Net Assets
For the year ended June 30, 2010

	College	Foundation (Component Unit)
OPERATING REVENUES		
Student tuition and fees	$ 15,611,574	$ 0
Federal student financial aid grants	12,812,538	0
Federal grants and contracts	2,586,851	0
State and local grants and contracts	6,977,045	0
Auxiliary enterprises	3,227,307	0
Other operating revenues	0	755,052
Total operating revenues	41,215,315	755,052
OPERATING EXPENSES		
Instruction	14,699,340	0
Instructional support services	4,646,151	0
Student services	8,100,885	0
Community services	521,995	0
College support services	5,866,887	0
Plant operations and maintenance	4,825,340	0
Scholarships and grants	16,945,400	0
Foundation programs	0	866,213
Depreciation	1,152,375	0
Total operating expenses	56,758,373	866,213
Operating income (loss)	(15,543,058)	(111,161)
NON-OPERATING REVENUES (EXPENSES)		
State community college support	8,803,430	0
Property taxes	12,500,363	0
Investment income	2,788,708	563,314
Interest expense	(2,113,088)	0
Amortization of deferred charges	(47,295)	0
Amortization of premium on general obligation and refunding bonds	97,431	0
Other non-operating revenues	952,705	0
Total non-operating revenues (expenses)	22,982,254	563,314
Change in net assets	7,439,196	452,153
NET ASSETS		
Net assets, beginning of year	16,632,416	4,978,888
Net assets, end of year	$ 24,071,612	$ 5,431,041

See notes to basic financial statements.

Statement of Cash Flows
For the year ended June 30, 2010

	College
CASH FLOWS FROM OPERATING ACTIVITES	
Student tuition and fees	$ 15,838,099
Student financial aid grants	12,797,904
Federal, State and local government grants and contracts	9,897,983
Payments to suppliers for goods and services	(7,887,558)
Payments to employees	(26,913,789)
Payments for student financial aid and other scholarships	(16,947,000)
Auxiliary enterprises:	
Cash received from customers	3,227,619
Paid to suppliers for resale materials	(2,186,090)
Cash from other sources	952,705
Net cash used in operating activities	(11,220,127)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Cash received from property taxes	12,395,402
Cash received from State community college support	8,803,430
Payment of tax and revenue anticipation note	(1,890,735)
Interest paid on tax and revenue anticipation note	(40,588)
Principal paid on pension bonds	(260,000)
Interest paid on pension bonds	(971,329)
Net cash provided by non-capital financing activities	18,036,180
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	(1,771,656)
Principal paid on capital-related long-term debt	(806,566)
Interest paid on capital-related long-term debt	(1,107,551)
Net cash used in capital financing activities	(3,685,773)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	187,648
NET INCREASE IN CASH	3,317,928
Cash and cash equivalents, beginning of year	11,119,704
Cash and cash equivalents, end of year	$ 14,437,632

See notes to basic financial statements.

Statement of Cash Flows
For the year ended June 30, 2010 (continued)

	College
RECONCILIATION TO AMOUNTS SHOWN ON STATEMENT OF NET ASSETS	
Cash	$ 3,922,323
Investments	10,515,309
	$ 14,437,632
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	$ (15,543,058)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	1,152,375
Amortization of pension asset	1,986,055
Other non-operating revenues	952,705
Changes in assets and liabilities:	
Decrease in accounts receivable	876,383
Increase in inventory	(163,856)
Increase in prepaid expenses	(41,203)
Increase in accounts payable	139,422
Decrease in payroll liabilities and compensated absences	(234,287)
Decrease in deferred revenue	(330,093)
Decrease in post-employment benefit	(14,570)
Net cash used in operating activities	$ (11,220,127)
NON-CASH CAPITAL FINANCING AND INVESTING ACTIVITIES	
Other assets - deferred charges	$ 47,295
Amortization of deferred charges	(47,295)
Premium on general obligation and refunding bonds	(97,431)
Amortization of premium on general obligation and refunding bonds	97,431
Earnings (loss) from pension asset	2,601,060
Pension asset	(2,601,060)
Net non-cash financing and investing activities	$ 0

See notes to basic financial statements.

This page intentionally left blank

Rogue Community College
Grants Pass, Oregon

Notes to Basic Financial Statements

This page intentionally left blank

1. Summary of Significant Accounting Policies

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

Reporting Entity

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

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

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

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

The Foundation is a private nonprofit organization that reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations.* As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

During the year ended June 30, 2010, the Foundation provided scholarships and awards of $427,586 and project grants of $18,340 for the benefit of the College community. Complete financial statements for the Foundation can be obtained at: 3345 Redwood Highway, Building H, Grants Pass, Oregon 97527

Measurement Focus and Basis of Accounting

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

1. Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

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

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

Use of Estimates

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

Cash and Cash Equivalents

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

Investments

Oregon Revised Statutes authorize investment in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, repurchase agreements and bankers' acceptances. As of June 30, 2010 and for the year then ended, the College was in compliance with the aforementioned State of Oregon statutes. Investments are stated at fair value, which is based on the individual investments' quoted market prices at year-end.

Receivables

All accounts receivable; student accounts, agency accounts, and grants, are shown net of an allowance for uncollectible accounts.

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

1. Summary of Significant Accounting Policies (continued)

Receivables (continued)

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

Inventory

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

Capital Assets

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

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

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

Under GASB 34, governments are encouraged, but not required to capitalize and depreciate artwork and historical treasures if it meets all of the following conditions:

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

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

Compensated Absences

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

1. Summary of Significant Accounting Policies (continued)

Short-Term Obligations

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

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

Long-Term Obligations

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

Operating Revenues and Expenses

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

Federal Financial Assistance Program

The College participates in federally funded Pell Grants, Federal Work-Study, Supplemental Educational Opportunity Grant and Academic Competitiveness Grant. Federal programs are audited in accordance with the Single Audit Act, the U.S. Office of Management and Budget Circular A-133, Audit of States, Local Governments and Non-Profit Organizations, and the Compliance Supplement.

Net Assets

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

The unrestricted net assets balance is $10,149,312 at June 30, 2010.

Budgetary Information

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

2. Cash and Investments

The College's cash and investments are comprised of the following at June 30, 2010:

Cash on hand	$	8,172
Cash with fiscal agent		149,838
Deposits with Financial Institutions		3,764,313
Investments		10,515,309
Total	$	14,437,632

Deposits with Financial Institutions

Deposits with financial institutions include bank demand deposits. The total bank balance, as shown on the banks' records, was $4,117,907 at June 30, 2010. Of these deposits, the total covered by federal depository insurance was $250,000 at June 30, 2010.

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

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College does not have a policy for deposits custodial credit risk. Of the College's bank balance, $3,867,907 was exposed to custodial credit risk as of June 30, 2010, because deposits in excess of FDIC insurance were uncollateralized and/or were collateralized but not held by the third-party custodian bank in the College's name.

Investments

State statutes authorize the College to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon Municipalities, bank repurchase agreements, bankers' acceptances, commercial paper and the Oregon Local Government Investment Pool, among others. The College has no investment policy that would further limit its investment choices.

At June 30, 2010, the College's investments consisted of:

Investment in Oregon Local Government Investment Pool	$	10,514,528
Other		781
Total Investments	$	10,515,309

The Oregon Local Government Investment Pool is an open-ended, no-load diversified portfolio pool. The fair value of the College's position in the pool is substantially the same as the value of the College's participant balance. The College's investment in the Oregon Local Government Investment Pool is nearly 100% of total investments.

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

2. Cash and Investments (continued)

Investments (continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Oregon Short-Term Fund manages this risk by limiting the maturity of the investments held by the fund. Weighted average maturities of investments in the Oregon Short-Term Fund at June 30, 2010 were: 77% mature within 93 days, 7% mature from 94 days to one year, and 16% mature from one to three years.

Foundation Cash and Investments

Rogue Community College Foundation's cash of $357,053 at June 30, 2010 is on deposit at a single financial institution. The Foundation's investments totaling $5,229,561 at June 30, 2010 are stated at fair value and consist of the following:

Equity Funds	$	3,172,539
Fixed income funds		1,156,812
Mutual funds		397,346
Other assets		500,875
Interest in charitable gift annuity		1,989
Total Investments	$	5,229,561

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

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

3. Capital Assets

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

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
Capital assets not being depreciated:				
Land	$ 3,448,912	$ 378,941	$ 0	$ 3,827,853
Construction in progress	0	1,088,929	0	1,088,929
Total capital assets not being depreciated	3,448,912	1,467,870	0	4,916,782
Capital assets being depreciated:				
Buildings	37,503,316	0	0	37,503,316
Infrastructure	1,797,825	0	0	1,797,825
Furniture and equipment	2,500,125	275,197	14,996	2,760,326
Library collections	496,491	28,589	0	525,080
Software RogueNet	833,355	0	0	833,355
Total capital assets being depreciated	43,131,112	303,786	14,996	43,419,902
Less accumulated depreciation for:				
Buildings	8,456,257	843,082	0	9,299,339
Infrastructure	260,343	37,932	0	298,275
Furniture and equipment	1,592,594	233,702	14,996	1,811,300
Library collections	320,319	37,659	0	357,978
Software RogueNet	833,355	0	0	833,355
Total Accumulated depreciation	11,462,868	1,152,375	14,996	12,600,247
Total capital assets being depreciated, net	31,668,244	-848,589	0	30,819,655
Total capital assets, net	$ 35,117,156	$ 619,281	$ 0	$ 35,736,437

4. Short-Term Obligations

During the year ended June 30, 2009, the College obtained a tax and revenue anticipation note (TRAN) for $1,890,735 through U.S. Bank. The TRAN provided funding for temporary cash flow deficits that were anticipated to arise during the fiscal year. The $1,890,735 note plus interest of $40,588 was paid on the maturity date of May 3, 2010.

5. Long-Term Obligations

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

	July 1, 2009	Additions	Deletions	June 30, 2010	Due Within One Year	Interest Matured and Paid
Pension bonds payable	$ 20,385,000	$ 0	$ 260,000	$ 20,125,000	$ 325,000	$ 971,329
General obligation and Refunding bonds payable	22,420,000	0	685,000	21,735,000	735,000	1,068,212
Premium on general obligation and refunding bonds	1,518,290	0	97,431	1,420,859	97,430	0
Certificates of participation payable (COPs)	620,000	0	110,000	510,000	120,000	25,160
Note payable	260,664	0	11,566	249,098	12,211	14,179
Total	$ 45,203,954	$ 0	$ 1,163,997	$ 44,039,957	$ 1,289,641	$ 2,078,880

Bonds, COPs & Notes Payable

Wells Fargo Bank, Limited Tax Pension Obligation Bonds, Series 2005, original principal of $21,035,000 is payable in semi-annual interest and annual principal payments, interest at 4.643% to 4.831%, due June 30, 2028.	$ 20,125,000
US Bank, General Obligation and Refunding Bonds, Series 2005, original principal of $24,000,000 is payable in semi-annual interest and annual principal payments, interest at 3.25% to 5.0%, due June 15, 2025.	21,735,000
Wells Fargo Bank, Full Faith and Credit Obligations, Series 1998, original principal of $4,015,000 is payable in semi-annual interest payments and annual principal payments, interest at 4.35% to 4.5%, due September 1, 2013.	510,000
United States Department of Education, original principal of $376,176 is payable in semi-annual installments of $12,873, including interest at 5.5%, due May 1, 2024, lien against real property.	249,098
Total Bonds, COPs & Notes Payable	$ 42,619,098

Future maturities of principal and interest are as follows:

Fiscal	PENSION BONDS PAYABLE		GENERAL OBLIGATION AND REFUNDING BONDS		COP PAYABLE		NOTE PAYABLE		TOTAL	
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010-11	325,000	959,257	735,000	1,046,663	120,000	20,127	12,211	13,535	1,192,211	2,039,582
2011-12	390,000	944,168	800,000	1,022,775	125,000	14,706	12,892	12,854	1,327,892	1,994,503
2012-13	460,000	926,060	880,000	984,525	130,000	9,000	13,610	12,135	1,483,610	1,931,720
2013-14	540,000	904,702	960,000	953,725	135,000	3,038	14,369	11,376	1,649,369	1,872,841
2014-15	620,000	879,630	1,045,000	917,725	0	0	15,170	10,575	1,680,170	1,807,930
2015-20	4,570,000	3,879,062	6,890,000	3,697,650	0	0	89,523	39,205	11,549,523	7,615,917
2020-25	7,760,000	2,516,709	10,425,000	1,638,750	0	0	91,323	11,659	18,276,323	4,167,118
2025-30	5,460,000	485,757	0	0	0	0	0	0	5,460,000	485,757
TOTAL:	20,125,000	11,495,345	21,735,000	10,261,813	510,000	46,871	249,098	111,339	42,619,098	21,915,368

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

5. Long-Term Obligations (continued)

In February 2005 the College issued $24,000,000 of General Obligation and Refunding bonds to provide funds (a) which were used and are continuing to be used for the acquisition and construction of major capital facilities, and (b) which were used to advance refund $8,560,000 of Certificates of Participation (Series 1998 at 58% and Series 2000 and 2003 at 100%). A portion of the proceeds from the General Obligation and Refunding Bonds were deposited in an irrevocable trust to provide for all future debt service payments on the refunded Certificates of Participation. As a result, the refunded Certificates of Participation are considered defeased and the liability for those COPs has been removed from the College's basic financial statements. At June 30, 2010, $3,690,000 of Series 2000 and 2003 Certificates of Participation outstanding are considered defeased.

6. Operating Leases

The College leases building and office facilities and other equipment under non-cancelable operating leases. Payments under these leases totaled $284,957 in 2009-10. The current and future minimum lease payments are as follows:

Year Ending June 30,	Amount
2011	$ 190,801
2012	187,514
2013	101,975
2014	87,698
2015	0
Total	$ 567,988

7. Risk Management

The College is exposed to various risks of loss related to general liability, property loss and workers' compensation. During the year 2009-10, the College purchased property and liability coverage through United Schools Insurance Program of Oregon (USIPO), which is an insurance pool. The pool has a self insured retention (SIR) of $50,000 and purchases excess insurance from St. Paul Fire and Marine Insurance Company. Hart Insurance is the college's agent of record. The pool limits for liability coverage have been increased to $10,000,000 per occurrence, $20,000,000 aggregate, with an annual pool aggregate of $100,000,000.

The College purchased workers' compensation insurance through SAIF Corporation for 2009-10. The coverage limits for workers compensation under coverage A is statutory limits and under coverage B is $2,000,000 per occurrence.

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

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

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

7. Risk Management (continued)

expenses are included in the liability for unpaid claims. The College has accrued a total liability of $212,957 which represents the maximum ultimate premium exposure for the year ended June 30, 2010.

8. Pension Plans

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

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

Members of PERS are required to contribute 6% of their salary covered under the plan. The College is required to contribute at an actuarially determined rate. The current rate at June 30, 2010 for member employees of the State and Local Government Rate Pool is 12.01% of salary covered under the plan. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

During 2003, PERS reformed legislation and created a new retirement plan for employees hired after the effective date of the legislation. These employees became members of the Oregon Public Service Retirement Plan (OPSRP). Members of OPSRP are required to contribute 6% of their salary covered under the plan. The College is required to contribute at an actuarially determined rate. The current rate at June 30, 2010 for member employees of the Oregon Public Service Retirement Plan is 12.65% of salary covered under the plan. The contribution requirements for plan members are established by ORS Chapter 238A and may be amended by an act of the Oregon Legislature.

The College's contributions to PERS, including contributions from the pension asset, for the three years ending June 30, 2010, 2009 and 2008, totaled $2,167,318, $2,684,651, and $2,485,135, respectively, equal to the required contributions.

The pension asset is the result of the transfer of the College's pension bond proceeds to PERS to cover the College's share of the cost sharing plans unfunded actuarial liability. This pension asset is being used to pay a portion of the College's annual required contribution and in turn reducing the College's contribution rate. During the 2009-10 fiscal year, changes in the pension asset were as follows:

Asset balance – July 1, 2009	$ 15,929,982
Investment income	2,601,060
Contributions to cost sharing pool	(1,986,055)
Asset Balance – June 30, 2010	$ 16,544,987

9. Post Employment Health Care Costs

Plan Description

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

9. Post Employment Health Care Costs (continued)

Funding Policy
Contribution requirements are established through College policy. In general, the College pays the premiums for eligible retirees and their eligible spouses up to the employer-paid maximum at the time of retirement with the retirees paying the balance of the premiums. Funding is on a pay-as-you-go basis. During 2009-10, the College contributed $259,466.

Annual OPEB Cost and Net OPEB Obligation

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

Annual Required Contribution	$ 245,065
Interest on net OPEB obligation	(1,195)
Adjustment to annual required contribution	1,026
Annual OPEB cost	244,896
Contributions made	259,466
Increase (decrease) in net OPEB obligation	(14,570)
Net OPEB obligation – beginning of year	(14,938)
Net OPEB obligation – end of year	$ (29,508)

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations for 2009-10 and 2008-09 were as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/2010	$ 245,065	112.0 %	$ (29,508)
06/30/2009	$ 380,301	103.9 %	$ (14,938)

Funded Status and Funding Progress

As of January 1, 2009, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $2,218,612 and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $2,218,612. The anticipated covered payroll (annual payroll of active employees covered by the plan) was $14,143,259, and the ratio of the UAAL to the anticipated covered payroll was 15.7%.

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

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

9. Post Employment Health Care Costs (continued)

Actuarial Methods and Assumptions

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

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

10. Contingencies

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

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

Rogue Community College
Grants Pass, Oregon

Required Supplementary Information

(Funding Progress for Retiree Health Plan)

This page intentionally left blank

Schedule of Funding Progress for Retiree Health Plan
For the year ended June 30, 2010

	Actuarial Valuation Date
	01/01/09
Actuarial value of assets (a)	$ 0
Actuarial accrued liability (b)	2,218,612
Unfunded actuarial accrued liability (b-a)	$ 2,218,612
Funded ratio (a/b)	0%
Covered payroll (c)	$ 14,143,259
Unfunded actuarial accrued liability as a percentage of covered payroll ((b-a)/c)	16%

This page intentionally left blank

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

Budgeted College funds are as follows:

<u>General Fund</u> - Accounts for all financial resources and expenditures of the College, except for those required to be accounted for in another fund. The principal sources of revenue include property taxes, tuition and state community college support.

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

<u>Debt Service Fund</u> - Accounts for the accumulation of resources for and payment of principal and interest on the College's long-term debt obligations. The principal revenues are transfers from the General Fund and property taxes approved for bond levies.

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

<u>Contract and Grant Fund</u> - Accounts for grants and contracts for Small Business Development Center, Title III, U. S. Department of Education (which includes TRIO), U.S. Department of Labor Construction Expansion, Rogue Community College Foundation Projects and other contracts and grants. Revenues are primarily provided by federal, state and local sources.

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

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

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

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

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

Technology and Equipment Fund - This fund is designated for the replacement of the College's equipment. The principal revenue is the $4 per credit and the $4 per non-credit class technology fee, the $25 per course distance education fee, host provider service fees and transfer in from the General Fund. The principal expenditure is upgrades/replacements for equipment.

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

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

Other Auxiliary Services Fund - Accounts for the operation ATM machines, Auto Artist, Black White and Blues, Diesel Technology, Facility Rentals, Friends of the Library, Gallery Projects, HPER, Humanities, Massage, Math, Pay Phones, RogueNet intergovernmental agreements, Testing Center and Welding.

This page intentionally left blank

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
(Non-GAAP Budgetary Basis) - Budget and Actual
For the year ended June 30, 2010

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
State sources	$ 6,329,106	$ 6,329,106	$ 7,175,209	$ 846,103
Local sources	10,338,267	10,338,267	10,790,733	452,466
Tuition and fees	9,547,355	9,547,355	12,195,280	2,647,925
Other revenue sources	200,000	275,000	262,039	(12,961)
Total revenues	26,414,728	26,489,728	30,423,261	3,933,533
Expenditures:				
Instruction	11,820,864	12,765,241	12,888,569	(123,328)
Instructional support services	3,080,882	2,991,408	2,975,769	15,639
Student services	3,892,765	4,211,641	4,009,983	201,658
Community services	217,624	221,302	216,856	4,446
College support services	5,630,920	5,716,805	5,107,285	609,520
Plant operations and maintenance	2,495,502	2,562,744	2,529,274	33,470
Reserves	1,749,295	197,552	0	197,552
Total expenditures	28,887,852	28,666,693	27,727,736	938,957
Revenues over (under) expenditures	(2,473,124)	(2,176,965)	2,695,525	4,872,490
Other financing sources (uses):				
Transfers in	110,000	35,000	25,316	(9,684)
Transfers out	(745,157)	(966,316)	(912,248)	54,068
Total other financing sources (uses)	(635,157)	(931,316)	(886,932)	44,384
Revenues and other sources over (under) expenditures and other uses	(3,108,281)	(3,108,281)	1,808,593	4,916,874
Fund balance, beginning of year	3,108,281	3,108,281	2,807,059	(301,222)
Fund balance, end of year	$ 0	$ 0	$ 4,615,652	$ 4,615,652

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, 2010

	Budgeted Amounts			Variance - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Other revenue sources	$ 500,000	$ 248,614	$ 9,197	$ (239,417)
Expenditures:				
Plant operations and maintenance	516,423	575,957	104,443	471,514
Plant additions	500,478	390,697	3,130	387,567
Reserves	180,823	231,070	0	231,070
Total expenditures	1,197,724	1,197,724	107,573	1,090,151
Revenues over (under) expenditures	(697,724)	(949,110)	(98,376)	850,734
Other financing sources (uses):				
Transfers in	156,000	366,000	256,000	(110,000)
Revenues and other sources over (under) expenditures and other uses	(541,724)	(583,110)	157,624	740,734
Fund balance, beginning of year	541,724	583,110	583,108 *	(2)
Fund balance, end of year	$ 0	$ 0	$ 740,732	$ 740,732

* Begining fund balance has been increased by $8,010 for revenue posted to the Contract and Grant fund which was a reimbursement of expenditures posted in the Capital Improvement - Maintenance Fund.

Capital Improvement Fund - COPs & Bonds
Schedule of Revenues, Expenditures and Changes in Fund Balance
(Non-GAAP Budgetary Basis) - Budget and Actual
For the year ended June 30, 2010

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Other revenue sources	$ 200,000	$ 200,000	$ 9,266	$ (190,734)
Expenditures:				
Plant additions	3,200,000	3,200,000	1,641,721	1,558,279
Revenues over (under) expenditures	(3,000,000)	(3,000,000)	(1,632,455)	1,367,545
Fund balance, beginning of year	3,000,000	3,000,000	2,987,142	(12,858)
Fund balance, end of year	$ 0	$ 0	$ 1,354,687	$ 1,354,687

Capital Improvement Fund - State Funds
Schedule of Revenues, Expenditures and Changes in Fund Balance
(Non-GAAP Budgetary Basis) - Budget and Actual
For the year ended June 30, 2010

	Budgeted Amounts			Variance - Positive
	Original	Final	Actual	(Negative)
Revenues:				
State sources	$ 4,000,000	$ 4,000,000	$ 1,631,354	$ (2,368,646)
Expenditures:				
Plant operations and maintenance	4,000,000	4,000,000	1,631,354	2,368,646
Plant Additions	0	0	0	0
Total expenditures	4,000,000	4,000,000	1,631,354	2,368,646
Revenues over (under) expenditures	0	0	0	0
Fund balance, beginning of year	0	0	0	0
Fund balance, end of year	$ 0	$ 0	$ 0	$ 0

Rogue Community College

Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
(Non-GAAP Budgetary Basis) - Budget and Actual
For the year ended June 30, 2010

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Local sources	$ 1,676,558	$ 1,676,558	$ 1,756,244	$ 79,686
Other revenue sources	117,156	117,156	21,986	(95,170)
Total revenues	1,793,714	1,793,714	1,778,230	(15,484)
Expenditures:				
Debt service	3,210,599	3,210,599	3,186,034	24,565
Reserves	306,632	306,632	0	306,632
Total expenditures	3,517,231	3,517,231	3,186,034	331,197
Revenues over (under) expenditures	(1,723,517)	(1,723,517)	(1,407,804)	315,713
Other financing sources (uses):				
Transfers in	1,457,236	1,457,236	1,432,801	(24,435)
Revenues and other sources over (under) expenditures and other uses	(266,281)	(266,281)	24,997	291,278
Fund balance, beginning of year	266,281	266,281	232,800	(33,481)
Fund balance, end of year	$ 0	$ 0	$ 257,797	$ 257,797

	Original	Final	Actual	Variance
Summary of expenditures by appropriation:				
College support services	$ 1,457,386	$ 1,457,386	$ 1,432,821	$ 24,565
Plant additions	1,753,213	1,753,213	1,753,213	0
Contingency	306,632	306,632	0	306,632
Total expenditures	$ 3,517,231	$ 3,517,231	$ 3,186,034	$ 331,197

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, 2010

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Tuition and fees	$ 400,000	$ 400,000	$ 1,007,146	$ 607,146
Other revenue sources	50,000	50,000	120	(49,880)
Total revenues	450,000	450,000	1,007,266	557,266
Expenditures:				
Plant operations and maintenance	180,790	145,790	20,632	125,158
Reserves	176,280	101,280	0	101,280
Total expenditures	357,070	247,070	20,632	226,438
Revenues over (under) expenditures	92,930	202,930	986,634	783,704
Other financing sources (uses):				
Transfers out	(160,906)	(270,906)	(160,884)	110,022
Revenues and other sources over (under) expenditures and other uses	(67,976)	(67,976)	825,750	893,726
Fund balance, beginning of year	67,976	67,976	75,869	7,893
Fund balance, end of year	$ 0	$ 0	$ 901,619	$ 901,619

Rogue Community College

Contract and Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
(Non-GAAP Budgetary Basis) - Budget and Actual
For the year ended June 30, 2010

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Federal sources	$ 2,551,349	$ 3,521,718	$ 2,586,851	$ (934,867)
State sources	1,676,444	1,690,817	722,621	(968,196)
Local sources	227,567	200,725	219,393	18,668
Tuition and fees	139,000	139,000	79,488	(59,512)
Other revenue sources	1,377,920	291,787	137,195	(154,592)
Total revenues	5,972,280	5,844,047	3,745,548	(2,098,499)
Expenditures:				
Instruction	2,320,777	2,387,924	1,368,889	1,019,035
Instructional support services	1,438,463	1,335,024	970,678	364,346
Student services	1,656,041	1,710,263	1,103,612	606,651
Community services	24,618	44,756	34,625	10,131
College support services	483,630	384,119	227,165	156,954
Plant operations and maintenance	50,520	50,520	669	49,851
Reserves	233,530	294,973	0	294,973
Total expenditures	6,207,579	6,207,579	3,705,638	2,501,941
Revenues over (under) expenditures	(235,299)	(363,532)	39,910	403,442
Other Financing sources (uses):				
Transfers in	0	26,531	26,621	90
Revenues and other sources over (under) expenditures and other uses	(235,299)	(337,001)	66,531	403,532
Fund balance, beginning of year	235,299	337,001	336,994 *	(7)
Fund balance, end of year	$ 0	$ 0	$ 403,525	$ 403,525

* Begining fund balance has been decreased by $8,010 for revenue posted to the Contract and Grant fund which was a reimbursement of expenditures posted in the Capital Improvement - Maintenance Fund.

Rogue Community College

Financial Aid Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
(Non-GAAP Budgetary Basis) - Budget and Actual
For the year ended June 30, 2010

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Federal sources	$ 10,491,938	$ 15,991,938	$ 12,812,538	$ (3,179,400)
State sources	3,100,000	5,600,000	3,732,191	(1,867,809)
Local sources	700,000	700,000	427,587	(272,413)
Other revenue sources	1,000,000	1,000,000	0	(1,000,000)
Total revenues	15,291,938	23,291,938	16,972,316	(6,319,622)
Expenditures:				
Student financial aid	15,256,938	23,256,938	16,947,000	6,309,938
Reserves	0	0	0	0
Total expenditures	15,256,938	23,256,938	16,947,000	6,309,938
Revenues over (under) expenditures	35,000	35,000	25,316	(9,684)
Other financing sources (uses):				
Transfers out	(35,000)	(35,000)	(25,316)	9,684
Revenues and other sources over (under) expenditures and other uses	0	0	0	0
Fund balance, beginning of year	0	0	0	0
Fund balance, end of year	$ 0	$ 0	$ 0	$ 0

Rogue Community College

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, 2010

	Budgeted Amounts			Variance - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Other revenue sources	$ 364,461	$ 373,259	$ 256,119	$ (117,140)
Expenditures:				
Instructional support	12,478	33,784	18,830	14,954
College support services	192,689	183,949	137,812	46,137
Plant operations and maintenance	420,231	389,654	344,129	45,525
Reserves	53,986	71,997	0	71,997
Total expenditures	679,384	679,384	500,771	178,613
Revenues over (under) expenditures	(314,923)	(306,125)	(244,652)	61,473
Other financing sources (uses):				
Transfers in	314,923	306,125	244,941	(61,184)
Revenues and other sources over (under) expenditures and other uses	0	0	289	289
Fund balance, beginning of year	0	0	0	0
Fund balance, end of year	$ 0	$ 0	$ 289	$ 289

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, 2010

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Tuition and fees	$ 98,200	$ 103,950	$ 116,508	$ 12,558
Other revenue sources	415,200	350,488	100,598	(249,890)
Total revenues	513,400	454,438	217,106	(237,332)
Expenditures:				
Instructional support	181,009	181,009	47,930	133,079
Student services	223,420	225,159	91,761	133,398
College support services	264,663	276,588	74,116	202,472
Reserves	170,250	150,286	0	150,286
Total expenditures	839,342	833,042	213,807	619,235
Revenues over (under) expenditures	(325,942)	(378,604)	3,299	381,903
Other financing sources (uses):				
Transfers in	136,034	142,334	94,233	(48,101)
Transfers out	(1,800)	(8,100)	0	8,100
Total other financing sources (uses)	134,234	134,234	94,233	(40,001)
Revenues and other sources over (under) expenditures and other uses	(191,708)	(244,370)	97,532	341,902
Fund balance, beginning of year	191,708	244,370	275,489	31,119
Fund balance, end of year	$ 0	$ 0	$ 373,021	$ 373,021

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, 2010

	Budgeted Amounts			Variance - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Other revenue sources	$ 1,415,477	$ 1,315,477	$ 2,144,900	$ 829,423
Expenditures:				
College support services	75,000	75,000	15,126	59,874
Reserves	879,408	879,408	0	879,408
Total expenditures	954,408	954,408	15,126	939,282
Revenues over (under) expenditures	461,069	361,069	2,129,774	1,768,705
Other financing sources (uses):				
Transfers in	0	100,000	161,439	61,439
Transfers out	(1,231,330)	(1,231,330)	(1,231,329)	1
Total other financing sources (uses)	(1,231,330)	(1,131,330)	(1,069,890)	61,440
Revenues and other sources over (under) expenditures and other uses	(770,261)	(770,261)	1,059,884	1,830,145
Fund balance, beginning of year	770,261	770,261	1,256,748	486,487
Fund balance, end of year	$ 0	$ 0	$ 2,316,632	$ 2,316,632

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, 2010

	Budgeted Amounts			Variance - Positive
	Original	Final	Actual	(Negative)
Revenues:				
State sources	$ 105,000	$ 105,000	$ 87,780	$ (17,220)
Local sources	0	0	4,430	4,430
Tuition and fees	2,177,037	2,181,007	1,276,272	(904,735)
Other revenue sources	520,581	513,185	28,103	(485,082)
Total revenues	2,802,618	2,799,192	1,396,585	(1,402,607)
Expenditures:				
Instruction	1,770,406	1,777,802	774,657	1,003,145
Instructional support services	619,351	611,955	534,204	77,751
Student services	38,000	38,000	16,250	21,750
Community service	0	0	0	0
Reserves	374,861	374,861	0	374,861
Total expenditures	2,802,618	2,802,618	1,325,111	1,477,507
Revenues over (under) expenditures	0	(3,426)	71,474	74,900
Other financing sources (uses):				
Transfers in	0	3,426	3,426	0
Revenues and other sources over (under) expenditures and other uses	0	0	74,900	74,900
Fund balance, beginning of year	0	0	160,682	160,682
Fund balance, end of year	$ 0	$ 0	$ 235,582	$ 235,582

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, 2010

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
State sources	$ 3,000	$ 3,000	$ 114	$ (2,886)
Tuition and fees	685,333	827,000	936,880	109,880
Other revenue sources	100,000	0	0	0
Total revenues	788,333	830,000	936,994	106,994
Expenditures:				
Instructional support services	549,505	437,073	247,520	189,553
College support services	555,000	672,501	416,730	255,771
Plant operations and maintenance	22,083	22,083	6,300	15,783
Reserves	98,476	93,407	0	93,407
Total expenditures	1,225,064	1,225,064	670,550	554,514
Revenues over (under) expenditures	(436,731)	(395,064)	266,444	661,508
Other financing sources (uses):				
Transfers in	35,000	35,000	35,000	0
Revenues and other sources over (under) expenditures and other uses	(401,731)	(360,064)	301,444	661,508
Fund balance, beginning of year	421,731	380,064	449,056	68,992
Fund balance, end of year	$ 20,000	$ 20,000	$ 750,500	$ 730,500

Rogue Community College

Unemployment Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
(Non-GAAP Budgetary Basis) - Budget and Actual
For the year ended June 30, 2010

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Other revenue sources	$ 100,000	$ 100,000	$ 11,059	$ (88,941)
Expenditures:				
College support services	300,000	300,000	114,837	185,163
Reserves	350,000	350,000	0	350,000
Total expenditures	650,000	650,000	114,837	535,163
Revenues over (under) expenditures	(550,000)	(550,000)	(103,778)	446,222
Other financing sources (uses):				
Transfers in	50,000	50,000	50,000	0
Revenues and other sources over (under) expenditures and other uses	(500,000)	(500,000)	(53,778)	446,222
Fund balance, beginning of year	500,000	500,000	479,149	(20,851)
Fund balance, end of year	$ 0	$ 0	$ 425,371	$ 425,371

Rogue Community College

Auxiliary Services Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
(Non-GAAP Budgetary Basis) - Budget and Actual
For the year ended June 30, 2010

	Budgeted Amounts			Variance -
	Original	Final	Actual	Positive (Negative)
Revenues:				
Sales	$ 2,978,500	$ 2,978,500	$ 3,268,776	$ 290,276
Other income	5,600	5,600	12,567	6,967
Total revenues	2,984,100	2,984,100	3,281,343	297,243
Expenditures:				
Personnel services	256,026	289,566	302,038	(12,472)
Other payroll expense	109,664	115,405	117,713	(2,308)
Materials and services	91,186	280,802	92,822	187,980
Materials for resale	2,305,925	2,661,765	2,441,421	220,344
Capital equipment	75,000	74,544	0	74,544
Reserves	516,299	7,018	0	7,018
Total expenditures	3,354,100	3,429,100	2,953,994	475,106
Revenues over (under) expenditures	(370,000)	(445,000)	327,349	772,349
Other financing sources (uses):				
Transfers out	(85,000)	(10,000)	0	10,000
Revenues and other sources over (under) expenditures and other uses	(455,000)	(455,000)	327,349	782,349
Fund balance, beginning of year	455,000	455,000	840,605	385,605
Fund balance, end of year	$ 0	$ 0	$ 1,167,954	$ 1,167,954

	Original	Final	Actual	Variance
Summary of expenditures by appropriation:				
Student Services	$ 2,837,801	$ 3,422,082	$ 2,953,994	$ 468,088
Contingencies	516,299	7,018	0	7,018
Total Expenditures	3,354,100	3,429,100	2,953,994	475,106
Transfers out	85,000	10,000	0	10,000
	$ 3,439,100	$ 3,439,100	$ 2,953,994	$ 485,106

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, 2010

	Budgeted Amounts			Variance - Positive
	Original	Final	Actual	(Negative)
Revenues:				
Other income	$ 790,750	$ 789,504	$ 428,421	$ (361,083)
Expenditures:				
Personnel services	161,040	161,040	119,292	41,748
Other payroll expense	79,390	79,390	56,511	22,879
Materials and services	532,545	520,645	150,110	370,535
Materials for resale	4,500	10,400	8,936	1,464
Capital equipment	2,500	2,500	0	2,500
Reserves	302,994	308,994	0	308,994
Total expenditures	1,082,969	1,082,969	334,849	748,120
Revenues over (under) expenditures	(292,219)	(293,465)	93,572	387,037
Other financing sources (uses):				
Transfers in	0	0	0	0
Revenues and other sources over (under) expenditures and other uses	(292,219)	(293,465)	93,572	387,037
Fund balance, beginning of year	292,219	293,465	405,285	111,820
Fund balance, end of year	$ 0	$ 0	$ 498,857	$ 498,857

Summary of expenditures by appropriation:				
Student services	$ 62,000	$ 62,000	$ 15,231	$ 46,769
Community servcies	572,455	572,455	274,946	297,509
College support services	89,554	83,554	7,475	76,079
Plant operations and maintenance	55,966	55,966	37,197	18,769
Contingencies	302,994	308,994	0	308,994
Total expenditures	$ 1,082,969	$ 1,082,969	$ 334,849	$ 748,120

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, 2010

Fiscal Year Ended	Uncollected Balances July 1, 2009	Current Year's Levy	Adjustments and Discounts	Collections	Uncollected Balances June 30, 2010
2010	$	$ 11,034,251	$ (366,837)	$ 10,194,500	$ 472,914
2009	451,944		58,291	304,121	206,114
2008	169,009		6,537	80,343	95,203
2007	67,455		(293)	41,163	25,999
2006	19,011		(145)	11,590	7,276
2005	4,982		(65)	1,128	3,789
2004	4,412		(4)	711	3,697
Prior Years	12,644		57	1,438	11,263
Total	$ 729,457	$ 11,034,251	$ (302,459)	$ 10,634,994	$ 826,255

Schedule of Property Tax Transactions - Debt Service Fund
For the year ended June 30, 2010

Fiscal Year Ended	Uncollected Balances July 1, 2009	Current Year's Levy	Adjustments and Discounts	Collections	Uncollected Balances June 30, 2010
2010	$	$ 1,833,643	$ (66,436)	$ 1,690,821	$ 76,386
2009	75,850		871	43,233	33,488
2008	30,651		78	14,662	16,067
2007	12,387		(94)	7,528	4,765
2006	3,656		(3,656)	0	0
Total	$ 122,544	$ 1,833,643	$ (69,237)	$ 1,756,244	$ 130,706

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	2009-10	2008-09	2007-08	2006-07
Invested in capital assets, net of related debt	$ 13,176,167	$ 13,285,344	$ 13,337,179	$ 9,269,103
Restricted - expendable	746,133	628,693	2,563,399	4,299,121
Unrestricted	10,149,312	2,718,379	6,576,208	3,214,987
Total net assets	$ 24,071,612	$ 16,632,416	$ 22,476,786	$ 16,783,211

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2003-2010 are presented.

Source: Rogue Community College Budget and Financial Services.

2005-06	2004-05	2003-04	2002-03
$ 8,246,031	$ 6,089,802	$ 5,672,900	$ 6,488,461
2,427,171	1,140,596	374,327	8,281
4,539,508	2,463,479	4,008,081	480,900
$ 15,212,710	$ 9,693,877	$ 10,055,308	$ 6,977,642

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

	2009-10	2008-09	2007-08	2006-07
Operating Revenues				
Student tuition and fees	$ 15,611,574	$ 11,848,151	$ 10,010,734	$ 9,810,790
Federal student financial aid grants	12,812,538	6,581,276	4,748,199	4,662,528
Federal grants and contracts	2,586,851	2,560,624	2,197,465	2,142,110
State and local grants and contracts	6,977,045	5,461,820	6,666,795	2,691,544
Auxiliary enterprises	3,227,307	2,726,353	2,148,596	2,142,221
Other operating revenues	0	0	0	58,296
Total operating revenues	$ 41,215,315	$ 29,178,224	$ 25,771,789	$ 21,507,489
Expenses:				
Instruction	$ 14,699,340	$ 14,152,736	$ 13,191,336	$ 12,204,951
Community services	521,995	619,193	420,116	409,272
Instructional support services	4,646,151	4,908,709	4,689,741	3,418,615
Student services	8,100,885	7,292,340	4,191,697	4,562,729
College support services	5,866,887	5,648,526	7,453,270	10,590,384
Plant operations and maintenance	4,825,340	4,820,046	3,113,041	1,868,474
Scholarships and grants	16,945,400	9,265,555	6,612,883	6,421,174
Depreciation	1,152,375	1,087,950	883,083	909,319
Total Expenses	$ 56,758,373	$ 47,795,055	$ 40,555,167	$ 40,384,918
Operating Income(loss)	$ (15,543,058)	$ (18,616,831)	$ (14,783,378)	$ (18,877,429)
Non-operating Revenues and Expenses:				
State community college support	$ 8,803,430	$ 6,229,361	$ 10,700,936	$ 5,919,914
Property taxes	12,500,363	11,816,153	11,287,714	10,689,177
Investment income	2,788,708	350,437	72,451	4,123,253
Other non-operating revenue	1,050,136	961,662	686,860	838,942
Gain (Loss) on disposal of capital assets	0	0	2,382	184,580
Gain (Loss) on pension asset	0	(5,003,419)	0	0
Interest expense	(2,113,088)	(2,166,204)	(2,236,097)	(2,280,643)
Amortization of deferred charges	(47,295)	(47,293)	(47,293)	(47,293)
Total non-operating revenue and expenses	$ 22,982,254	$ 12,140,697	$ 20,466,953	$ 19,427,930
Income (loss) before contributions	7,439,196	(6,476,134)	5,683,575	550,501
Capital contribution - donated assets	0	0	10,000	1,020,000
Change in net assets	$ 7,439,196	$ (6,476,134)	$ 5,693,575	$ 1,570,501

Note: Due to reporting format and definition changes prescribed by GASB Statement 34, only fiscal years 2003-2010 are presented.

Source: Rogue Community College Budget and Financial Services

2005-06	2004-05	2003-04	2002-03
$ 9,783,177	$ 9,846,121	$ 9,898,750	$ 8,393,173
4,920,645	5,638,000	6,137,770	6,045,880
2,105,626	2,635,301	1,957,758	1,793,059
2,523,472	2,720,192	1,725,630	1,075,370
2,275,656	2,302,389	2,292,442	2,346,452
83,745	55,825	69,107	106,038
$ 21,692,321	$ 23,197,828	$ 22,081,457	$ 19,759,972
$ 12,633,646	$ 11,300,840	$ 11,168,605	$ 9,818,628
445,083	435,517	490,353	490,899
3,568,539	3,126,831	4,558,976	5,253,235
4,564,064	4,178,159	4,622,926	3,798,292
11,002,128	10,630,067	7,390,772	8,870,484
2,620,063	1,673,169	1,438,608	1,285,587
6,646,918	6,830,239	7,278,436	6,553,282
833,359	833,881	786,340	795,128
$ 42,313,800	$ 39,008,703	$ 37,735,016	$ 36,865,535
$ (20,621,479)	$ (15,810,875)	$ (15,653,559)	$ (17,105,563)
$ 11,282,157	$ 7,078,497	$ 11,803,307	$ 6,798,771
10,093,371	8,033,238	7,640,754	7,340,571
4,628,356	334,262	184,097	130,996
647,498	400,324	217,089	817,326
(340,649)	(150)	(48,043)	0
0	0	0	0
(2,273,793)	(702,002)	(503,926)	(344,841)
(47,296)	(23,725)	(11,097)	(8,004)
$ 23,989,644	$ 15,120,444	$ 19,282,181	$ 14,734,819
3,368,165	(690,431)	3,628,622	(2,370,744)
2,150,668	329,000	0	0
$ 5,518,833	$ (361,431)	$ 3,628,622	$ (2,370,744)

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

Fiscal Year	Assessed Valuation (1)	True Valuation	Assessed Value To True Value	Total Direct Tax Rate (2)
Jackson County:				
2009-10	$ 15,910,326,957	$ 28,365,971,987	56.1%	0.6278
2008-09	15,406,295,412	31,152,790,422	49.5%	0.6256
2007-08	14,701,107,721	31,687,848,811	46.4%	0.6323
2006-07	13,839,721,598	28,839,149,411	48.0%	0.6365
2005-06	13,026,545,466	23,570,940,813	55.3%	0.6378
2004-05	12,332,932,674	20,018,503,911	61.6%	0.5128
2003-04	11,677,455,461	17,054,270,266	68.5%	0.5128
2002-03	11,115,316,018	16,894,805,231	65.8%	0.5128
2001-02	10,561,017,484	15,325,492,855	68.9%	0.5128
2000-01	9,937,607,741	14,162,590,771	70.2%	0.5128
Josephine County:				
2009-10	$ 5,908,491,176	$ 9,182,833,828	64.3%	0.5128
2008-09	5,655,223,569	10,271,803,111	55.1%	0.5128
2007-08	5,383,788,015	10,626,563,720	50.7%	0.5128
2006-07	5,077,308,770	9,900,996,388	51.3%	0.5128
2005-06	4,762,774,263	8,017,637,670	59.4%	0.5128
2004-05	4,481,076,323	6,502,753,771	68.9%	0.5128
2003-04	4,234,049,236	5,478,748,706	77.3%	0.5128
2002-03	3,676,140,375	4,449,477,643	82.6%	0.5128
2001-02	3,828,997,720	4,436,423,374	86.3%	0.5128
2000-01	3,636,317,991	4,126,923,983	88.1%	0.5128

(1) Beginning in 1997-98 the assessed value of property in Oregon is determined by statute under Measure 50.
(2) Tax rates are per $1,000 of assessed valuation.

Source: County Assessor's Office

This page intentionally left blank

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

	2009-10	2008-09	2007-08	2006-07
Jackson County:				
Jackson County	2.3674	2.3433	2.2534	2.2426
Jackson ESD	0.3524	0.3524	0.3524	0.3524
Rogue Community College	0.6278	0.6256	0.6323	0.6365
Rogue Valley Transit District	0.1772	0.1772	0.1772	0.1772
Vector Control	0.0429	0.0429	0.0429	0.0429
White City Enhanced LED	2.0211	2.0211	2.0211	2.0211
White City Lighting District	0.4700	0.4700	0.4700	0.4700
White City Soil and Water Conservation	0.0500	0.0500	0.0500	0.0000
Cities and Towns:				
Ashland	4.3964	4.2886	4.1425	4.1826
Butte Falls	7.2494	7.2494	7.2494	7.2494
Central Point	4.4700	4.4700	4.4470	4.4699
Eagle Point	2.7172	2.7328	2.7509	2.7854
Gold Hill	2.4179	2.4637	2.4174	2.4745
Jacksonville	2.5487	2.5745	2.6478	2.6852
Medford	5.3695	5.3709	5.3751	5.3713
Phoenix	3.6463	3.6463	3.6463	3.6463
Rogue River	3.6302	3.6477	3.5900	3.6302
Shady Cove	0.9202	0.9283	0.9488	0.9493
Talent	3.4205	3.4185	3.4654	3.2316
Fire Districts:				
Applegate #9	1.6787	1.6787	1.6787	1.6787
Central Point #3	3.1194	3.1194	3.1194	3.1194
Colestine RFPD	1.9455	1.9455	1.9455	1.9455
Evans Valley #6	1.2905	1.2905	1.2905	1.2905
Lake Creek RFPD	1.4740	1.4740	1.4740	1.4740
Medford #2	2.4938	2.4938	2.4920	2.4680
Prospect	0.9902	0.9902	0.9902	0.9902
Rogue River #1	2.2159	2.2116	2.2018	2.2478
Shady Cove/Trail #4	2.0181	2.0181	2.0181	2.0181
Talent #5	3.1976	3.1976	3.1976	3.1976
School Districts:				
Applegate #40	4.2764	4.2875	4.3035	4.3373
Ashland #5	6.1627	6.0470	5.9395	5.4059
Butte Falls #91	4.5749	4.5749	4.5749	4.5749
Central Point #6	5.5661	5.7278	5.7252	5.7592
Eagle Point #9	6.3233	6.5937	6.6287	6.5861
Medford #549C	6.4882	6.5550	6.2424	5.0551
Phoenix #4	5.1358	5.0918	5.0617	5.6875
Pinehurst #94	4.8235	4.8235	4.8235	4.8235
Prospect #59	4.3628	4.3628	4.3628	4.3628
Rogue River #35	5.0304	4.9901	5.0307	5.0383
Special Levies:				
Jackson Cty Urban Renewal	0.0000	0.0000	0.2726	0.2456

2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
2.2692	2.4725	2.5049	2.3789	2.3930	2.2798
0.3524	0.3524	0.3524	0.3524	0.3524	0.3524
0.6378	0.5128	0.5128	0.5128	0.5128	0.5128
0.1772	0.1772	0.1772	0.1772	0.1772	0.1772
0.0429	0.0429	0.0429	0.0429	0.0429	0.0429
2.0211	2.0211	2.0211	2.0211	2.0211	2.0211
0.4700	0.0000	0.0000	0.0000	0.0000	0.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
3.8691	3.8768	3.9599	3.9799	3.9973	4.1031
7.2494	7.2494	7.2494	7.2494	7.2494	7.2494
4.4699	4.4699	4.4699	4.4699	4.4699	5.8328
2.8283	2.8949	3.1920	3.3187	3.4675	3.3011
2.4879	2.4983	2.5133	2.6270	2.6026	2.6754
2.7591	2.8297	2.9245	2.9804	3.0799	3.3953
5.2953	5.2953	5.3883	5.3927	5.3972	5.3990
3.6463	3.6463	3.6463	4.2275	4.2664	4.3118
3.6658	3.6906	3.7372	3.7588	3.7559	3.7923
0.9290	1.0558	1.0794	1.0847	1.1102	1.1371
3.2316	3.2316	3.2316	3.2316	3.2316	3.2316
1.6787	1.6787	1.6787	1.6787	1.6787	1.6787
3.1194	3.1194	3.1194	2.9900	2.6900	3.1194
1.9455	1.9455	1.9455	1.9455	1.9455	1.9455
1.2905	1.2905	1.2905	1.2905	1.2905	1.2905
1.4740	1.4740	1.4740	1.4740	1.4740	1.4740
2.4884	2.2967	2.1810	2.4630	2.4938	2.4938
0.9902	0.9902	0.9902	0.9902	0.9902	0.9902
2.2509	2.2609	2.2700	2.2747	2.2886	2.3115
2.0181	2.0181	2.0181	2.0181	2.0181	2.0181
3.1976	3.1976	3.1976	3.1976	3.1976	3.1976
4.3634	4.4285	4.4927	4.4584	4.4661	3.8994
5.3125	5.4425	5.4899	5.5266	5.8263	5.9977
4.5749	4.5749	4.5749	4.5749	4.5749	4.5749
5.7436	5.8144	6.0497	5.9145	6.1331	6.0806
6.6800	7.1679	7.1936	7.0862	7.3775	4.7170
5.0043	5.0060	4.9855	5.0784	5.1449	5.1769
5.9467	6.1590	6.2346	6.3245	6.3034	5.3764
4.8235	4.8235	4.8235	4.8235	4.8235	4.8235
4.3628	4.3628	4.3628	4.3628	4.3628	4.3628
5.0723	5.0926	5.1048	5.0549	5.0515	4.1386
0.2469	0.2509	0.2551	0.2880	0.2642	0.2752

Continues

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

	2009-10	2008-09	2007-08	2006-07
Medford Urban Renewal	0.3855	0.4131	0.3938	0.4129
Talent Urban Renewal	1.2189	1.2392	1.2556	1.1241
Local Option Levies:				
Applegate Fire District #9	0.8500	0.8500	0.8500	0.8500
Ashland School Dist #5	1.2900	1.2900	0.0000	0.0000
City of Ashland	.1900	0.1300	1.5800	1.3800
City of Gold Hill	0.0000	0.0000	0.0000	0.9642
City of Jacksonville	0.0000	0.0000	0.0000	1.0600
City of Phoenix	0.0000	0.0000	2.8500	2.8500
City of Shady Cove	0.0000	0.0000	0.0000	0.0000
Evans Valley Fire District #6	0.3600	0.3600	0.3600	0.3600
Rogue River Fire District #1	0.5000	0.5000	0.5000	0.5000
Josephine County:				
4-H Extension	0.0459	0.0459	0.0459	0.0459
Southern Oregon ESD	0.3524	0.3524	0.3524	0.3524
Josephine County	0.7728	0.7873	0.8039	0.8104
Rogue Community College	0.5128	0.5128	0.5128	0.5128
Cities:				
Grants Pass	4.5325	4.6338	4.6432	4.1335
Cave Junction	1.8959	1.8959	1.8959	1.8959
Fire Districts:				
Applegate RFPD #9	1.6787	1.6787	1.6787	1.6787
Illinois Valley RFPD #1	2.2319	2.2615	2.3074	2.3462
Williams RFPD	1.0552	1.0552	1.0552	1.0552
Wolf Creek RFPD	2.1865	2.1865	2.1865	2.1865
School Districts:				
Grants Pass #7	6.4285	6.2061	6.4129	6.4794
Three Rivers	4.2764	4.2875	4.3035	4.3373
Local Option Levy:				
Applegate RFPD #9	0.8500	0.8500	0.8500	0.8500
City of Grants Pass	1.7900	1.4900	1.4900	1.4900
Josephine County	0.0000	0.0000	0.0000	0.0000
Williams RFPD	0.5300	0.5300	0.5300	0.0000
Wolf Creek RFPD	0.6900	0.7900	0.7900	0.7900

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

Source: County Tax Assessor's Office

2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
0.4439	0.4835	0.4575	0.4876	0.4726	0.4767
1.0770	0.8767	0.7164	0.6736	0.7218	0.8017
0.8500	0.8500	1.0000	1.0000	1.0000	1.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
1.3800	1.3800	1.3800	1.3800	1.3800	1.3800
1.0156	1.0414	1.0906	1.1127	0.0000	0.0000
1.0600	0.0000	0.0000	0.0000	0.0000	0.0000
2.8500	2.8500	1.7200	1.7200	1.7200	1.7200
0.0000	0.0000	0.4131	0.4384	0.4591	0.4805
0.3600	0.0000	0.0000	0.0000	0.0000	0.0000
0.5000	0.5000	0.5000	0.5000	0.5000	0.0000
0.0459	0.0459	0.0459	0.0459	0.0459	0.0459
0.3524	0.3524	0.3524	0.3524	0.3524	0.3524
0.8281	0.8478	0.8799	0.7954	0.8266	0.7345
0.5128	0.5128	0.5128	0.5128	0.5128	0.5128
4.1335	4.1335	4.1335	4.1335	4.1335	4.1335
1.8959	2.0374	2.0426	2.0487	2.0483	2.0354
1.6787	1.6787	1.6787	1.6787	1.6787	1.6787
2.3759	2.4093	2.4353	1.8701	1.8701	1.8701
1.0552	1.0552	1.0552	1.0552	1.0552	1.0552
2.1865	2.1865	2.1865	2.1865	2.1865	2.1865
6.6664	6.7555	6.4262	7.0575	7.1400	7.2314
4.3634	4.4285	4.4927	4.4584	4.4661	3.7262
0.8500	0.8500	0.0000	1.0000	1.0000	1.0000
1.4900	0.8900	0.8900	0.8500	0.8500	0.8500
0.0000	0.0000	0.0000	0.1300	0.1300	0.7867
0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
0.7900	0.0000	0.0000	0.0000	0.0000	0.0000

Principal Taxpayers of Jackson County
Current Year and Nine Years Ago

Taxpayer	June 30, 2010 Taxable Assessed Value	Rank	Percent of District's Total Taxable Value	June 30, 2001 Taxable Assessed Value	Rank	Percent of District's Total Taxable Value
Jackson County:						
Pacificorp (PP&L)	$ 205,559,000	1	1.29%	$ 174,253,600	1	1.75%
Carestream Health Inc.	102,426,780	2	0.64%			
Harry & David Operations Inc	86,095,773	3	0.54%			
Rogue Valley Manor	66,376,920	4	0.42%	43,677,440	4	0.44%
Avista Corp. DBA Avista Utilities	63,941,600	5	0.4%	44,903,590	6	0.45%
Qwest Corp	54,570,400	6	0.34%			
Rogue Valley Mall, LLC	51,329,920	7	0.32%			
Boise Building Solutions	47,882,781	8	0.3%			
Charter Communications	42,299,700	9	0.27%			
Biomass One Ltd Partnership	39,983,500	10	0.25%			
Eastman Kodak Company				72,432,780	2	0.73%
US West Communications, Inc				73,237,370	3	0.74%
Fund A Rogue Valley, Inc				39,060,790	5	0.39%
Boise Cascade Corp				48,464,220	7	0.49%
Bear Creek Operations, Inc.				47,767,300	8	0.48%
Haagen Alexander Properties				22,075,700	9	0.22%
BOC Group, Inc				27,689,120	10	0.28%
Total - principal tax payers	760,466,374		4.77%	593,561,910		5.97%
Other	$ 15,149,860,583		95.23%	$ 9,344,045,831		94.03%
Total - all taxpayers	$ 15,910,326,957		100%	$ 9,937,607,741		100%

Source: Jackson County Assessor's Office

Principal Taxpayers of Josephine County
Current Year and Nine Years Ago

	June 30, 2010			June 30, 2001		
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)	$ 67,464,640	1	1.14%	$ 59,117,100	1	1.63%
Masterbrand Cabinets, Inc.	19,811,910	2	0.34%			
Auerbach Grants Pass LLC & Freeman Grants Pass LLC	16,578,300	3	0.28%			
Qwest Corporation	20,453,310	4	0.35%			
Spring Village LLC & Spring Village Retirement LLC	15,231,279	5	0.26%			
Nunn, Ronald C & Marcia K	17,008,080	6	0.29%	12,270,780	5	0.34%
Charter Communications	14,094,610	7	0.24%			
Lynn-Ann Development LLC	13,214,898	8	0.22%			
Grants Pass FMS LLC	12,956,850	9	0.22%			
Wal-Mart Stores, Inc	11,022,197	10	0.19%			
U.S. West Comm.				32,226,980	2	0.89%
Grants Kent Partners LLP				10,672,350	3	0.29%
Grants Pass Associates - 1981				10,332,070	4	0.28%
Johnson, Carl				8,355,590	6	0.23%
Jensen, Robert A & Shirley Y				6,992,253	7	0.19%
Avista Corp				8,551,014	8	0.24%
Hillebrand Children Riverwood Apts.				6,123,773	9	0.17%
Marquis Suites				5,622,452	10	0.15%
Total - principal taxpayers	207,836,074		3.53%	160,264,362		4.41%
Other	5,700,655,102		96.47%	3,476,053,629		95.59%
Total - all taxpayers	$ 5,908,491,176		100%	$ 3,636,317,991		100%

Source: Josephine County Assessor's Office

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

	2009-10	2008-09	2007-08	2006-07
General Fund				
Levy extended by assessor	$ 11,034,251	$ 10,419,011	$ 9,879,788	$ 9,358,508
Reduction of taxes receivable:				
Current year	10,194,500	9,675,014	9,210,075	8,734,514
Percentage of levy	92.39%	92.86%	93.22%	93.33%
Tax roll adjustments and discounts	(366,837)	(292,053)	(300,622)	(306,867)
Beginning taxes receivable:				
Prior year	729,457	574,037	493,004	414,255
Reduction of taxes receivable:				
Prior year	440,494	297,111	285,952	212,408
Tax roll adjustments and discounts	64,378	587	(2,106)	(25,970)
Interest	66,005	52,366	54,088	55,264
Total taxes receivable end of year	826,255	729,457	574,037	493,004
Land sales severance tax and other revenues	4,166	345	2,706	5,222
Total received by College	$ 10,705,164	$ 10,024,836	$ 9,552,821	$ 9,007,408
Tax levy rate (per $1,000 assessed value)	$ 0.5128	$ 0.5128	$ 0.5128	$ 0.5128
Total tax collections in subsequent years	$ N/A	$ 537,883	$ 574,510	$ 597,994
Total collections to date	$ 10,561,337	$ 10,212,897	$ 9,784,585	$ 9,332,508
Percentage of levy collected	95.71%	98.02%	99.04%	99.72%

Source: Rogue Community College Budget and Financial Services

2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
$ 8,770,235	$ 8,277,703	$ 7,850,939	$ 7,473,551	$ 7,055,316	$ 6,661,566
8,290,870	7,727,728	7,362,446	6,955,038	6,563,476	6,169,246
94.53%	93.36%	93.78%	93.06%	93.03%	92.61%
(243,579)	(263,684)	(209,635)	(190,121)	(184,747)	(183,977)
506,751	502,616	565,308	535,039	541,545	509,332
301,404	288,375	333,915	323,472	331,125	288,010
(26,878)	6,219	(7,635)	25,349	17,526	11,880
69,497	17,923	20,018	20,935	21,788	31,774
414,255	506,751	502,616	565,308	535,039	541,545
3,486	13,000	7,086	31,792	57,611	69,225
$ 8,665,257	$ 8,047,026	$ 7,723,465	$ 7,331,237	$ 6,974,000	$ 6,558,255
$ 0.5128	$ 0.5128	$ 0.5128	$ 0.5128	$ 0.5128	$ 0.5128
$ 472,088	$ 546,185	$ 484,797	$ 508,001	$ 491,678	$ 492,192
$ 8,762,958	$ 8,273,913	$ 7,847,243	$ 7,463,039	$ 7,055,154	$ 6,661,438
99.92%	99.95%	99.95%	99.86%	100.00%	100.00%

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

	2009-10	2008-09	2007-08	2006-07
Debt Service Fund				
Levy extended by assessor	$ 1,833,643	$ 1,742,972	$ 1,764,076	$ 1,722,600
Reduction of taxes receivable:				
Current year	1,690,821	1,613,969	1,639,308	1,601,632
Percentage of levy	92.21%	92.60%	92.93%	92.98%
Tax roll adjustments and discounts	(66,436)	(53,153)	(57,194)	(61,885)
Beginning taxes receivable:				
Prior year	122,544	99,485	77,066	44,601
Reduction of taxes receivable:				
Prior year	65,423	51,235	46,221	25,374
Tax roll adjustments and discounts	(2,801)	(1,556)	1,066	(1,244)
Interest	11,316	8,073	7,006	5,880
Total taxes receivable end of year	130,706	122,544	99,485	77,066
Land sales severance tax and other revenues	0	0	0	0
Total received by College	$ 1,767,560	$ 1,673,277	$ 1,692,535	$ 1,632,886
Tax levy rate (per $1,000 assessed value)	$ 0.1150	$ 0.1128	$ 0.1195	$ 0.1237
Total collections in subsequent years	$ N/A	$ 95,515	$ 108,700	$ 116,203
Total collections to date	$ 1,757,256	$ 1,709,484	$ 1,748,008	$ 1,717,835
Percentage of levy collected	95.83%	98.08%	99.09%	99.72%

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

Source: Rogue Community College Budget and Financial Services

2005-06
$ 1,634,536
1,545,507
94.55%
(44,428)
0
0
0
2,698
44,601
0
$ 1,548,205
$ 0.1251
$ 89,029
$ 1,634,536
100.00%

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

	2009-10	2008-09	2007-08	2006-07
General obligation and refunding bonds	$ 21,735,000	$ 22,420,000	$ 23,025,000	$ 23,540,000
General bonded debt	21,735,000	22,420,000	23,025,000	23,540,000
Limited tax pension obligation bonds	$ 20,125,000	$ 20,385,000	$ 20,590,000	$ 20,740,000
Certificates of participation	510,000	620,000	730,000	835,000
Note payable	249,098	260,664	271,619	281,996
Capital leases	0	0	0	0
Other debt to be repaid by general government resources	20,884,098	21,265,664	21,591,619	21,856,996
Total outstanding debt	$ 42,619,098	$ 43,685,664	$ 44,616,619	$ 45,396,996
General Bonded Debt Ratios				
Per capita	$ 74.77	$ 77.69	$ 80.87	$ 84.15
Per FTE	$ 3,712	$ 4,506	$ 5,383	$ 5,328
As a percentage of taxable assessed value	0.10%	.11%	.11%	.12%
Total Outstanding Debt Ratios				
Per capita	$ 146.81	$ 151.38	$ 156.71	$ 162.28
Per FTE	$ 7,287	$ 8,781	$ 10,431	$ 10,276
As a percentage of taxable assessed value	0.20%	.21%	.22%	.24%

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

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

2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
$ 24,000,000	$ 24,000,000	$ 0	$ 0	$ 0	$ 0
24,000,000	24,000,000	0	0	0	0
$ 20,950,000	$ 21,035,000	$ 0	$ 0	$ 0	$ 0
935,000	1,030,000	10,040,000	10,570,000	5,480,000	5,875,000
291,824	301,133	309,951	318,303	326,215	335,564
0	0	1,100	5,110	6,379	43,128
22,176,824	22,366,133	10,351,051	10,893,413	5,812,594	6,253,692
$ 46,176,824	$ 70,366,133	$ 10,351,051	$ 10,893,413	$ 5,812,594	$ 6,253,692
$ 87.54	$ 88.95	$ 0	$ 0	$ 0	$ 0
$ 5,994	$ 6,062	$ 0	$ 0	$ 0	$ 0
.13%	.14%	0%	0%	0%	0%
$ 168.43	$ 171.85	$ 38.7	$ 41.07	$ 22.22	$ 24.33
$ 11,532	$ 11,712	$ 2,517	$ 2,452	$ 1,172	$ 1,327
.26%	.28%	.07%	.07%	.04%	.05%

Direct and Overlapping Governmental Activities Debt
As of June 30, 2010 - (unaudited)

	Gross Property-tax Backed Debt	Net Property-tax Backed Debt	Percent Overlap
Direct Debt			
Rogue Community College	$ 41,860,000	$ 21,735,000	
Total Direct Debt	$ 41,860,000	$ 21,735,000	
Overlapping Debt			
Jackson County	26,925,000	26,925,000	100.0%
Cities:			
Ashland	17,212,825	2,695,000	100.0%
Butte Falls	86,269	86,269	100.0%
Central Point	3,663,042	1,100,000	100.0%
Eagle Point	1,133,492	1,133,492	100.0%
Gold Hill	360,786	360,786	100.0%
Jacksonville	2,860,183	2,860,183	100.0%
Medford	53,975,000	3,660,000	100.0%
Rogue River	225,000	225,000	100.0%
Shady Cove	646,960	646,960	100.0%
Talent	915,000	915,000	100.0%
Fire Districts and other:			
Rogue River #1	655,000	655,000	100.0%
Jackson County Housing Authority	3,930,202	0	0.0%
School Districts:			
Ashland #5	39,710,000	39,710,000	100.0%
Central Point #6	22,600,000	22,600,000	100.0%
Eagle Point #9	26,140,000	26,140,000	100.0%
Medford #549C	228,660,000	228,660,000	100.0%
Phoenix #4	27,445,000	12,635,000	100.0%
Rogue River #35	3,415,000	3,415,000	100.0%

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

	Gross Property-tax Backed Debt	Net Property-tax Backed Debt	Percent Overlap
Overlapping Debt (continued)			
Josephine County	17,758,288	7,150,000	100.0%
Cities:			
Grants Pass	16,050,000	7,930,000	100.0%
Fire Districts and other:			
Illinois Valley RFPD #1	1,845,000	1,845,000	100.0%
Williams RFPD	135,000	135,000	100.0%
School Districts:			
Grants Pass #7	10,795,000	10,795,000	100.0%
Three Rivers	45,105,000	18,630,000	100.0%
Total Overlapping Debt	$ 552,247,047	$ 420,907,690	
Total Direct and Overlapping Debt	$ 594,107,047	$ 442,642,690	

Source: Oregon State Treasury

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

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

Fiscal Year	True Cash Value of Taxable Property	Legal Debt Limitation (1)	Bonded Indebtedness	Bonded Debt Margin	Bonded Indebtedness As a Percentage of Legal Debt Limit
2009-10					
Jackson County	$ 28,365,971,987	$ 425,489,579	$ 21,735,000	$ 403,754,579	5.11%
Josephine County	9,182,833,828	137,742,507	0	137,742,507	0
2008-09					
Jackson County	31,152,790,422	467,291,856	22,420,000	444,871,856	4.80%
Josephine County	10,271,803,111	154,077,047	0	154,077,047	0
2007-08					
Jackson County	31,687,848,811	475,317,732	23,025,000	452,292,732	4.84%
Josephine County	10,626,563,720	159,398,456	0	159,398,456	0
2006-07					
Jackson County	28,839,149,411	432,587,241	23,540,000	409,047,241	5.44%
Josephine County	9,900,996,388	148,514,945	0	148,514,945	0
2005-06					
Jackson County	23,570,940,813	353,564,112	24,000,000	329,564,112	6.79%
Josephine County	8,017,637,670	120,264,565	0	120,264,565	0
2004-05					
Jackson County	20,018,503,911	300,277,559	24,000,000	276,277,559	7.99%
Josephine County	6,502,753,771	97,541,307	0	97,541,307	0
2003-04					
Jackson County	17,054,270,266	255,814,054	0	255,814,054	0
Josephine County	5,478,748,706	82,181,231	0	82,181,231	0
2002-03					
Jackson County	16,894,805,231	253,422,078	0	253,422,078	0
Josephine County	4,449,477,643	66,742,165	0	66,742,165	0
2001-02					
Jackson County	15,325,492,855	229,882,393	0	229,882,393	0
Josephine County	4,436,423,374	66,546,351	0	66,546,351	0
2000-01					
Jackson County	14,162,590,771	212,438,862	0	212,438,862	0
Josephine County	4,126,923,983	61,903,860	0	61,903,860	0

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

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

Source: Rogue Community College Budget and Financial Services.

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

Year Ended	Estimated Population	Total Personal Income	Per Capita Income	Median Age (1)	Percent of Population With A Bachelors Degree or Higher (1)	Unemployment Rate
2009-10						
Jackson	207,010	$ N/A	$ 23,933	42.0	21.5	12.0
Josephine	83,665	N/A	19,644	47.2	16.0	13.8
2008-09						
Jackson	205,304	6,911,440	24,001	40.7	24.5	13.0
Josephine	83,288	2,377,327	20,257	44.6	13.4	14.9
2007-08						
Jackson	202,310	6,669,870	23,460	40.6	22.8	7.3
Josephine	82,390	2,247,384	22,389	44.6	17.3	8.0
2006-07						
Jackson	198,615	6,255,659	22,546	40.4	25.1	5.5
Josephine	81,125	2,119,741	20,495	43.8	15.6	6.9
2005-06						
Jackson	194,515	5,901,191	22,412	39.7	23.7	5.6
Josephine	79,645	2,032,614	20,003	43.4	16.1	6.4
2004-05						
Jackson	191,200	5,599,137	28,531			6.2
Josephine	78,600	1,929,716	23,367			7.3
2003-04						
Jackson	189,100	5,214,284	27,089			7.2
Josephine	78,350	1,784,905	22,273			8.4
2002-03						
Jackson	187,600	4,939,787	26,398			8.3
Josephine	77,650	1,743,838	22,425			9.5
2001-02						
Jackson	184,700	4,780,747	25,968			7.4
Josephine	76,850	1,703,796	22,272			8.8
2000-01						
Jackson	181,269	4,530,926	24,914			6.3
Josephine	75,726	1,626,462	21,438			8.2

(1) Information only available in these years

Source: Rogue Community College Budget and Financial Services.

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

Fiscal Year	Management	Classified	Part-Time Classified	Faculty	Part-Time Faculty	Students	Total
2009-10	45	158	15	106	161	120	605
2008-09	43	148	12	91	141	123	558
2007-08	41	147	9	84	130	142	553
2006-07	44	151	12	88	130	141	566
2005-06	47	165	13	95	140	166	626
2004-05	48	161	17	92	120	176	614
2003-04	49	149	20	91	93	164	566
2002-03	49	150	21	95	87	163	565
2001-02	51	150	23	98	109	171	602

Note: Due to reporting format changes only fiscal years 2002-2010 are presented.

Source: Rogue Community College Budget and Financial Services

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

Fiscal Year	Tuition Rate Per Credit Hour In-District	Tuition Rate Per Credit Hour Out-Of-State	Total FTE	Total Reimbursable FTE	Unduplicated Headcount
2009-10	$ 73	$ 89 *	5,855.87	5,762.64	19,596
2008-09	68	83	4,975.21	5,012.23	19,061
2007-08	66	80	4,277.13	4,297.69	17,782
2006-07	64	77	4,417.78	4,144.85	19,737
2005-06	59	71	4,115.82	4,105.18	16,560
2004-05	59	71	4,088.41	4,053.10	14,591
2003-04	59	71	4,211.74	4,212.09	14,247
2002-03	49	59	4,513.24	4,537.70	14,942
2001-02	47	57	5,027.26	4,976.75	16,895
2000-01	45	55	4,789.46	4,624.53	18,270

* Residents of Washington, Idaho, California, and Nevada pay an in-state tuition rate of $73.
International students tuition is $244.

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

Source: Rogue Community College Budget and Financial Services.

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

	2009-10	2008-09	2007-08	2006-07
Lower Division Transfer Courses	2,895.78	2,301.77	1,958.1	1,922.45
Professional Technical Preparatory	1,022.92	919.29	782.2	757.88
Professional Technical Supplemental	158.69	122.74	92.64	105.43
Professional Technical Apprentice	40.93	59.51	71.06	68.58
English as a Second Language	171.5	169.88	183.14	175.71
Adult Basic Education	284.21	293.93	246.53	210.83
General Equivalency Diploma	116.86	85.47	99.71	75.89
Post Secondary Remedial	953.85	828.56	585.78	563.2
Self Improvement	141.1	118.5	184.53	170.49
Total Reimbursable FTE *	5,785.84	4,899.65	4,203.69	4,050.46
Non-reimbursable	70.03	75.56	73.44	367.32
Total FTE	5,855.87	4,975.21	4,277.13	4,417.78
State Appropriation	$ 7,175,209	$ 7,857,286	$ 9,227,167	$ 7,393,684
State Appropriation per Reimbursable FTE	$ 1,240.1326	$ 1,603.6423	$ 2,195.016	$ 1,825.3937

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

Source: Rogue Community College Budget and Financial Services

2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
1,882.18	1,839.96	1,861.89	1,872.87	1,994.61	1,847.41
677.4	717.56	734.98	778.61	894.34	828.39
115.36	106.47	93.71	85.37	84.26	104.17
68.89	57.82	53.31	54.64	65.37	69.28
163.44	168.11	157.63	149.81	201.8	199.77
177.36	162.48	174.8	201.69	241.4	202.45
76.5	68.2	85.09	85.75	129.45	175.73
657.36	632.67	710	936.98	1,008.13	925.05
185.8	205.63	240.24	277.26	340.05	361.28
4,004.29	3,958.9	4,111.65	4,442.98	4,959.41	4,713.53
111.53	129.51	100.09	70.26	67.85	75.93
4,115.82	4,088.41	4,211.74	4,513.24	5,027.26	4,789.46
$ 9,513,750	$ 8,847,878	$ 9,537,052	$ 9,065,029	$ 10,680,700	$ 9,367,297
$ 2,375.8894	$ 2,234.9334	$ 2,316.5194	$ 2,040.3038	$ 2,153.6231	$ 1,987.321

Capital Assets Activity
Last Ten Fiscal Years - (unaudited)

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
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	11,462,867	1,152,376	14,996	12,600,247
Total	$ 35,117,157	$ 619,280	$ 0	$ 35,736,437
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
2007-08				
Land	$ 2,908,177	$ 0	$ 0	$ 2,908,177
Buildings	28,052,018	86,735	0	28,138,753
Equipment	1,994,432	131,292	22,287	2,103,437
Construction in progress	2,266,834	6,868,257	0	9,135,091
Infrastructure	1,797,825	0	0	1,797,825
Library Collections	386,865	58,112	0	444,977
Software	833,355	0	0	833,355
Total capital and other assets	38,239,506	7,144,396	22,287	45,361,615
Less accumulated depreciation	9,560,523	883,083	17,994	10,425,612
Total	$ 28,678,983	$ 6,261,313	$ 4,293	$ 34,936,003
2006-07				
Land	$ 2,908,177	$ 0	$ 0	$ 2,908,177
Buildings	26,889,816	1,389,969	227,767	28,052,018
Equipment	1,818,907	182,415	6,890	1,994,432
Construction in progress	470,320	2,426,117	629,603	2,266,834
Infrastructure	1,538,191	259,634	0	1,797,825
Library collections	369,051	17,814	0	386,865
Software	833,355	0	0	833,355
Total capital and other assets	34,827,817	4,275,949	864,260	38,239,506
Less accumulated depreciation	8,795,441	909,319	144,237	9,560,523
Total	$ 26,032,376	$ 3,366,630	$ 720,023	$ 28,678,983

Continues

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

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
2005-06				
Land	$ 1,928,642	$ 994,535	$ 15,000	$ 2,908,177
Buildings	15,550,054	11,339,762	0	26,889,816
Equipment	1,452,779	366,128	0	1,818,907
Construction in progress	5,162,799	1,627,232	6,319,711	470,320
Leasehold improvements	2,000,597	0	2,000,597	0
Infrastructure	1,336,918	201,273	0	1,538,191
Library collections	351,665	17,386	0	369,051
Software	833,355	0	0	833,355
Total capital and other assets	28,616,809	14,546,316	8,335,308	34,827,817
Less accumulated depreciation	9,615,964	833,359	1,653,882	8,795,441
Total	$ 19,000,845	$ 13,712,957	$ 6,681,426	$ 26,032,376
2004-05				
Land	$ 1,928,642	$ 0	$ 0	$ 1,928,642
Buildings	15,550,054	0	0	15,550,054
Equipment	942,037	521,942	11,200	1,452,779
Construction in progress	0	5,162,799	0	5,162,799
Leasehold improvements	2,000,597	0	0	2,000,597
Infrastructure	1,336,918	0	0	1,336,918
Library collections	334,232	17,433	0	351,665
Software	833,355	0	0	833,355
Total capital and other assets	22,925,835	5,702,174	11,200	28,616,809
Less accumulated depreciation	8,793,133	833,881	11,050	9,615,964
Total	$ 14,132,702	$ 4,868,293	$ 150	$ 19,000,845
2003-04				
Land	$ 1,312,322	$ 616,320	$ 0	$ 1,928,642
Buildings	12,569,706	2,980,348	0	15,550,054
Equipment	1,139,911	127,274	325,148	942,037
Construction in progress	967,363	0	967,363	0
Leasehold improvements	2,000,597	0	0	2,000,597
Infrastructure	518,674	818,244	0	1,336,918
Library collections	290,888	43,344	0	334,232
Software	833,355	0	0	833,355
Total capital and other assets	19,632,816	4,585,530	1,292,511	22,925,835
Less accumulated depreciation	8,283,898	786,340	277,105	8,793,133
Total	$ 11,348,918	$ 3,799,190	$ 1,015,406	$ 14,132,702

Continues

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

Fiscal Year	Beginning Balance	Additions	Deletions	Ending Balance
2002-03				
Land	$ 1,312,322	$ 0	$ 0	$ 1,312,322
Buildings	12,569,706	0	0	12,569,706
Equipment	1,388,768	52,563	301,420	1,139,911
Construction in progress	816,350	151,013	0	967,363
Leasehold improvements	2,000,597	0	0	2,000,597
Infrastructure	518,674	0	0	518,674
Library collections	244,715	46,173	0	290,888
Software	833,355	0	0	833,355
Total capital and other assets	19,684,487	249,749	301,420	19,632,816
Less accumulated depreciation	7,795,929	789,389	301,420	8,283,898
Total	$ 11,888,558	$ (539,640)	$ 0	$ 11,348,918
2001-02				
Land	$ 1,312,322	$ 0	$ 0	$ 1,312,322
Buildings	13,335,440	415,341	2,850	13,747,931
Equipment	4,886,471	108,942	3,634,389	1,361,024
Construction in progress	1,251,148	112,214	547,012	816,350
Leasehold improvements	1,868,926	131,671	0	2,000,597
Total	$ 22,654,307	$ 768,168	$ 4,184,251	$ 19,238,224
2000-01				
Land	$ 1,176,802	$ 135,520	$ 0	$ 1,312,322
Buildings	10,608,855	2,737,685	11,100	13,335,440
Equipment	4,594,019	543,280	250,828	4,886,471
Construction in progress	901,030	615,194	265,076	1,251,148
Leasehold improvements	1,799,718	131,391	62,183	1,868,926
Total	$ 19,080,424	$ 4,163,070	$ 589,187	$ 22,654,307

Note:
During the conversion in 2003 to GASB 34 the College restated its capital assets and established appropriate costs in accordance with generally accepted accounting principles.
An adjustment was made to reflect the application of accounting principles related to the reporting of capital assets. The effect of the adjustment on capital assets is as follows:

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

Source: Rogue Community College Budget and Financial Services

Audit Comments - Disclosures and Comments Required by State Regulations

Oregon Administrative Rules 162-010-0050 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required financial statements and schedules are set forth in preceding sections of this report. Required comments and disclosures related to the audit of such statements and schedules are set forth following.

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

INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY OREGON STATE REGULATIONS

November 29, 2010

Board of Education
Rogue Community College
Grants Pass, Oregon

We have audited the financial statements of Rogue Community College as of and for the year ended June 30, 2010, and have issued our report thereon dated November 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control

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

Compliance

As part of obtaining reasonable assurance about whether Rogue Community College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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 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.

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 Rogue Community College was not in substantial compliance with certain provisions of laws, regulations, contracts and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

- The College overexpended the Instruction appropriation in the General Fund during the year by $123,328. ORS 294.435(4) provides that no greater amount be expended than appropriated except as specifically provided by law.

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

This page intentionally left blank

Rogue Community College
Grants Pass, Oregon

Government Audit Standards and A-133 Reports

This page intentionally left blank

Rogue Community College
Grants Pass, Oregon

Government Audit Standards Report

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

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

November 29, 2010

Board of Education
Rogue Community College
Grants Pass, Oregon

We have audited the financial statements of Rogue Community College as of and for the year ended June 30, 2010, and have issued our report thereon dated November 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

Rogue Community College
Grants Pass, Oregon

A-133 (Single Audit) Report

KENNETH KUHNS & CO.
CERTIFIED PUBLIC ACCOUNTANTS
570 LIBERTY STREET S.E., SUITE 210
SALEM OREGON 97301-3594

TELEPHONE (503) 585-2550

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON THE INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

November 29, 2010

Board of Education
Rogue Community College
Grants Pass, Oregon

Compliance

We have audited Rogue Community College's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Rogue Community College's major federal programs for the year ended June 30, 2010. Rogue Community College's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Rogue Community College's management. Our responsibility is to express an opinion on Rogue Community College's compliance based on our audit.

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

In our opinion, Rogue Community College complied, in all material respects, with the 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, 2010.

Internal Control Over Compliance

Management of Rogue Community College is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Rogue Community College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Rogue Community College's internal control over compliance.

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

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 over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

This page intentionally left blank

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010

A - SUMMARY OF AUDIT RESULTS:

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

Program Name	CFDA Number
Student Financial Aid Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Stafford Loan Program	84.032
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063
Federal Academic Competitiveness Grant	84.375
Trio Cluster:	
Student Support Services	84.042
Educational Opportunity Center	84.066
Talent Search	84.044

8. The threshold for distinguishing Type A programs from Type B programs was $462,000.
9. Rogue Community College was determined to be a low-risk auditee.

B - FINDINGS, FINANCIAL STATEMENTS AUDIT:

None.

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

None.

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Education			
Direct Grants:			
Pell Grant Program	84.063 (1)(2)		$ 12,581,184
Federal Work-Study Program	84.033 (1)(2)		111,976
Stafford Loan Program	84.032 (1)(2)		9,900,831 *
Supplemental Educational Opportunity Grants Program	84.007 (1)(2)		95,096
Academic Competitiveness Grants Program	84.375 (1)(2)		24,282
TRIO - Student Support Services	84.042A (1)(2)	P42A050725	280,265
TRIO - Educational Opportunity Center	84.066A (1)(2)	P66A070065	223,418
TRIO - Talent Search	84.044A (1)(2)	P44A060310	254,451
Title III	84.031A	P31A050061	404,019
Passed through Oregon Department of Education:			
Perkins Vocational Education	84.048A	15353	321,995
Perkins Vocational Education	84.243	12350/1535	78,189
Passed through Oregon Department of Community Colleges and Workforce Development:			
Adult Basic Education Program	84.002	91018	313,050
Adult Basic Education Program - Learning Standards Pilot	84.002	IGRA0286	4,098
OCCURS - Oregon Community College Unified Reporting System	84.048	IGA0266	58,367
Passed through Oregon Health & Science University:			
Nursing - Clinical Education Redesign & Evaluation	84.116B	ASONO	12,786
Passed through Oregon University System:			
GEAR UP - Gaining Early Awareness and Readiness for Undergraduate Programs	84.334S	SG-2010-01	4,368
Passed through Southern Oregon Education Service District:			
Perkins Vocational Education	84.048		25,220
Total U.S. Department of Education			$ 24,693,595

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number		Expenditures
U.S. Department of Agriculture				
Direct Grant:				
Rural Business Enterprise Grant - Illinois Valley Business Development	10.769		$	18,000
U.S. Small Business Administration				
Passed through Oregon Small Business Development Center Network:				
Small Business Assistance	59.037	09/10-153		36,847
Portable Assistance	59.037	09-2-153		23,630
Total U.S. Small Business Administration			$	60,477
National Science Foundation				
Direct Grant:				
Contextualizing CTE in Math: A Community College and High School Project	47.076	DUE-100282	$	111
U.S. Department of Labor				
Direct Grant:				
Construction Technology - Community Based Job Training	17.269	CD-17296-0		251,400
Passed through The Job Council:				
Employer Workforce Training Fund - Power Up	17.260			46,483
Youthbuild Program	17.274			65,852
Passed through Oregon Department of Community Colleges and Workforce Development:				
Adult Basic Education Program - Learning Standards Pilot	17.259	IGRA0286		7,397
Employer Workforce Training Fund - RCC Sustainability High School Career Pathways Project	17.260	IGA0125		28,335
Total U.S. Department of Labor			$	399,467

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Housing and Urban Development			
Passed through the City of Grants Pass:			
Community Development Block Grant - Josephine County Microenterprise Assistance Program	14.225		$ 88,933
U.S. Department of Defense			
Direct Grant:			
Army Corps of Engineers - Water Quality Monitoring	12.xxx(3)	W9127N-09	25,088
Passed through Organization for Economic Initiatives, Inc.:			
GCAP - Government Contract Assistance Program	12.002		9,368
Total U.S. Department of Defense			$ 34,456
U.S. Department of Health and Human Services			
Passed through Oregon Health & Science University			
Nursing - Comprehensive Geriatric Education Program	93.265	ASONO	$ 5,183
			$ 25,300,222
*Less Stafford Loans which are not expenditures of the College but are a federal loan guarantee program			9,900,831
			$ 15,399,391

(1) Major Program as identified by OMB Circular A-133.
(2) Federal programs that share common compliance requirements are called a cluster. This cluster was tested as a major program as identified by OMB Circular A-133.
(3) This funding is from the Department's operating budget and, therefore, does not have a CFDA number.