

UMPQUA COMMUNITY COLLEGE

Roseburg, Oregon



COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Fiscal Year Ended June 30, 2020

Prepared by:
UMPQUA COMMUNITY COLLEGE
Accounting and Finance Department
1140 Umpqua College Road
Roseburg, Oregon 97470

Natalya Brown
Chief Finance Officer





**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

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INTRODUCTORY SECTION





December 9, 2020

The Board of Education
Umpqua Community College
Roseburg, OR 97470

The Comprehensive Annual Financial Report of Umpqua Community College for the fiscal year ended June 30, 2020 is submitted in accordance with Oregon Revised Statutes (ORS) 297.405 to 297.555 and 297.990, known as Municipal Audit Law. This report was prepared by the College's accounting and finance department. The responsibility for the completeness and fairness of the data presented and all accompanying disclosures rest with the management of Umpqua Community College. We believe the report and its data are accurate and complete in all material aspects in disclosing the financial position and results of operations of Umpqua Community College as of June 30, 2020 and for the year then ended.

Generally accepted accounting principles (GAAP) require 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. Umpqua Community College's MD&A can be found immediately following the independent auditor's report in the Financial Section.

COLLEGE INFORMATION

Umpqua Community College is a comprehensive public community college located in Douglas County in southwestern Oregon. The College District was established in 1964 by a vote of its residents. The college offers transfer programs, career and technical training, community education, adult basic education, workforce development, and serves as a cultural and recreational center.

The Umpqua College District comprises 112,281 residents within the 5,071 square mile area of Douglas County. Douglas County is located in rural southwestern Oregon and is geographically considered to be an economically distressed area by Oregon law. The largest incorporated city near the college is Roseburg (pop. 24,820), followed by the city of Sutherlin (pop. 8,140) located 12 minutes north of campus, and the city of Winston (pop. 5,480) located 17 minutes south. The remaining residents in the district live throughout the county in towns with populations less than 4,000 or in rural unincorporated areas between the small towns.

The college serves nearly 11,000 unique students a year with over 3,100 students attending for credit. The main campus is comprised of 19 buildings located in a park-like setting on a portion of 100 acres of donated land overlooking the North Umpqua River. The H. Woolley Adult Basic Education Center is located at 1634 W Harvard Ave, Roseburg near the VA Hospital. The Small Business Development

Center is located at 522 SE Washington Ave, Roseburg near city center. The Commercial Truck Driving Center is located at 6482 Dole Rd, Myrtle Creek, and UCC South County campus is located at 560 Chadwick Lane, Myrtle Creek.

COLLEGE MISSION

Umpqua Community College transforms lives and enriches communities.

PROGRAMS

Umpqua Community College provides five major areas of study:

1. Career and Technical Education (CTE) programs provide knowledge and skills needed to find employment in a wide variety of occupations.
2. College Transfer courses are designed to meet the first two years of academic work at a college or university.
3. Developmental skill-building classes for people who want to earn their GED or learn basic reading, writing, math and study skills for success in academic programs.
4. Lifelong learning opportunities through both credit and non-credit courses and workshops.
5. Workforce training and small business development: In cooperation with district businesses and agencies, Umpqua offers job-related training customized to the organization's needs. In addition, Umpqua offers training and support for the areas small businesses.

ECONOMY

The U. S. economy continues to move through the Covid-19 pandemic and the deepest economic decline since the Great Depression. The state and local economies follow suit as unemployment rates skyrocketed at the end of the fiscal year due to the stay-at-home orders enacted by many states in attempts of preventing a spike in number of cases. Since March, the economic conditions improved some as indicated by the drop of unemployment rate from 10.8% in Douglas County to 7.9% as of September 2020. The infusion of \$14 billion by Cares Act into Oregon economy provided a much needed boost, but the recovery since stalled.

Many industries in the region like trade, transportation, utilities, local government, education, manufacturing were impacted with the leisure and hospitality having been hit particularly hard. The economists predict that recovery is not expected until the second half of 2023. The sobering forecast depends on two factors: the virus doesn't get worse and fiscal policy comes to the rescue. The outlook for both isn't great on either of those fronts. After weeks of declines, coronavirus cases are on the rise both in the State and the US, just ahead of colder weather and flu season. And lawmakers remain locked in a stalemate on another fiscal stimulus package.

The state's revenue forecast indicates an expectation of revenue shortfalls that in turn will impact state funding allocation for higher education starting the next biennium 2021-23. Addition of low enrollment levels adds significant strains on the financial health of the college.

The college set a number of financial policies in place that provide guidance for planning of resources and maintaining adequate reserve levels to aide with the revenue shortfalls or unforeseen expenditure needs.

We will continue building our budgets with sustainability in mind. Additional detail regarding next year's budget and economic factors is available in the MD&A in the Financial Section of this report.

GOVERNING BODIES

The members of the Board of Education of Umpqua Community College are duly elected representatives of the people, pursuant to the statutes of Oregon and consistent with the rules of the Oregon State Board of Education. The Umpqua Community College Board of Education has statutory charge and control of all activities, operations and programs of the college including its property, personnel, and finances. The college is not a component unit of any other entity. The college has one discretely presented component unit, Umpqua Community College Foundation, for which the college is considered to be financially accountable. The Board of Education comprises seven qualified members elected for four-year terms. Members are elected from established zones within the community college district.

HIGHER EDUCATION COORDINATING COMMISSION (HECC)

The Higher Education Coordinating Commission is the single state entity responsible for ensuring pathways to higher educational success for Oregonians statewide. HECC is the agency that provides state-level regulations for Oregon's community college system. It establishes state standards for educational programs and facilities, creates tools to develop faculty and staff knowledge and expertise, approves courses of study with academic credit, and more. In 1999, the Office of Community Colleges and Workforce Development (CCWD) was established, and in 2015, it was integrated into the HECC agency. CCWD serves as an administrative office for community college matters by providing coordination, leadership and resources to Oregon's 17 locally-governed community colleges.

COLLEGE MANAGEMENT

The President, appointed by the local Board of Education, is the Clerk of the Board. The President and senior leadership team of the college administer policies set by the Umpqua Community College Board of Education.

ACCREDITATION

Umpqua Community College is accredited by the Northwest Commission on Colleges and Universities (NWCCU-<http://www.nwccu.org>), and our accredited status was reaffirmed in July 2016. Since that time, several ad hoc reports, year-one evaluation and mid-cycle reports have been completed. Additionally, UCC's programs, certificates and courses are approved by the Oregon Office of Community Colleges and Workforce Development (CCWD) and the Oregon Higher Education Coordinating Commission (HECC).

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. Umpqua Community College selected the accounting firm of Moss Adams LLP, as its auditors. In addition to meeting the requirements set forth in Oregon statutes, the audit also was designed to meet the requirements of the federal Single Audit Amendment of 1996 and related Uniform Guidance.

As a recipient of state and federal assistance, Umpqua Community College is responsible for ensuring that adequate internal controls are established to comply with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management and outside auditors. As a part of Umpqua's single audit, tests are made to determine the adequacy of internal controls, including that portion related to federal financial assistance programs, as well as to determine that Umpqua has complied with Applicable laws and regulations. The results of Umpqua's single audit for the fiscal year ended June 30, 2020 provided no instances of material weaknesses in the internal controls or significant violations of applicable laws and regulations.

LONG-TERM FINANCIAL PLANNING

Umpqua Community College conducts long-range financial planning with the goal of maintaining financial sustainability. The forecast is frequently updated for changes in any of the primary revenue sources or operating expenses. Several significant challenges that will continue to impact UCC include the steady decline in enrollment since the peak of 2010-11, the aging of capital assets, a lack of adequate state funding, legislative mandates, and impacts of COVID-19 pandemic on our students, community, workforce, and budget. The college will face several major cost drivers as required increases in PERS contributions take effect, state minimum wage laws continue to increase, and costs of healthcare rise.

The college faces prolonged period of planning that will require thorough reassessment of changing needs, matching costs to revenue sources and contingency planning in light of the developing impacts of the pandemic. The college is committed to maintaining adequate level of reserves to help manage the volatility of General Fund revenues as well as continue strategic efforts in containing costs and raising new revenues.

INTERNAL CONTROLS AND FINANCIAL POLICIES

Umpqua Community College management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the college are protected from loss, theft, or misuse and to ensure adequate accounting information is available for the preparation of the financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

The college maintains a comprehensive set of financial policies, procedures and guidelines. They direct the development of the annual budget, and describe general financial planning and practices of the college. The college met the requirements set by the administrative procedures on Fiscal Responsibility Asset Protection by maintaining current ratio, cash reserves and ending fund balance not to drop below established limits.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Umpqua Community College for its comprehensive annual financial report for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized

comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

We wish to express our appreciation to the entire accounting and finance department staff for their efforts and contributions to our Comprehensive Annual Financial Report. We further extend our thanks to the staff of Moss Adams LLP for their efforts during the audit. We also thank the members of the Umpqua Community College Board of Education for their support and dedication to the financial operations of the college.

Sincerely,



Dr. Debra Thatcher
President



Natalya Brown
Chief Finance Officer

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

OFFICIALS AS OF JUNE 30, 2020

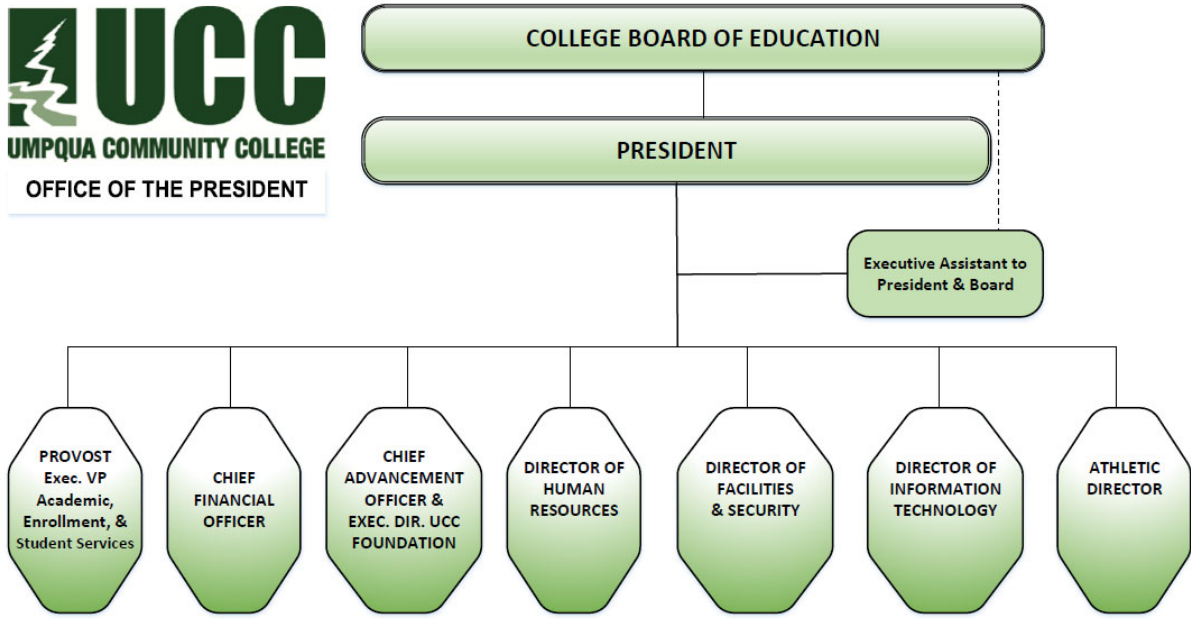
BOARD OF EDUCATION

<u>Official</u>	<u>Term Expires June 30</u>
Twila McDonald	2023
Doris Lathrop	2023
David Littlejohn	2023
Erica Mills	2021
Guy N. Kennerly	2021
Randy Richardson	2023
Steve Loosley (Board Chair)	2021

ADMINISTRATION

Dr. Debra Thatcher	President
Natalya Brown	CFO

MAILING ADDRESS
Umpqua Community College
1140 Umpqua College Rd
Roseburg, Oregon 97470-0226
Phone (541) 440-4632 – Fax (541) 440-7707



Mar. 2020



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Umpqua Community College
Oregon**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



Report of Independent Auditors

The Board of Education
Umpqua Community College
Roseburg, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Umpqua Community College (the College), and its discretely presented component unit, Umpqua Community College Foundation (the Foundation), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College and its discretely presented component unit, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 15, and the schedules of proportionate share of net pension liability – PERS, pension contributions – PERS, total OPEB liability, proportionate share of the net OPEB liability – RHIA, and OPEB contributions – RHIA on pages 50 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The budgetary information on pages 53 through 54, schedules of revenues, expenditures, and changes in fund balance – budget to actual on pages 55 through 64, schedule of property tax transactions on page 65, and the schedule of expenditures of federal awards and notes to schedule of expenditures of federal awards, on pages 89 through 90, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (collectively, the supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The introductory section and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2020 on our consideration of 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Other Reporting Required by *Minimum Standards for Audits of Oregon Municipal Corporations*

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 9, 2020, on our consideration of the College's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Moss Adams LLP

Portland, Oregon
December 9, 2020

UMPQUA COMMUNITY COLLEGE
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2020

This section of Umpqua Community College’s (“College”) Comprehensive Annual Financial Report (CAFR) presents an analysis of the financial activities of the College for the fiscal years ended June 30, 2020 and 2019. This discussion is prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with them. 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 and known facts, and any resulting changes.

Financial information for the College is presented in this annual report in two very different ways, as follows:

<u>Information</u>	<u>Measurement Focus</u>	<u>Basis of Accounting</u>	<u>Location in Report</u>
Basic financial statements	Economic resources	Full accrual	Financial Section
Schedules of budget and actual	Current financial resources	Modified accrual	Supplementary Information

The financial statements for the Umpqua Community College Foundation, a component unit are discretely presented as separate statements within the comprehensive annual financial report, and included in Notes 1 and 16. Unless otherwise noted, the information and financial data included in management’s discussion and analysis relate solely to the College.

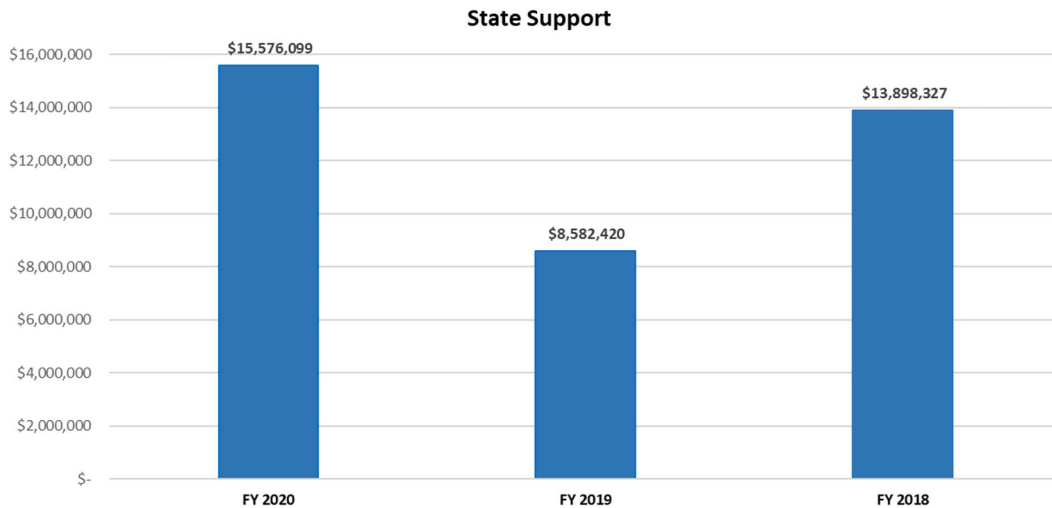
FINANCIAL HIGHLIGHTS

The significant events of the fiscal year ended June 30, 2020 that impacted the College’s financial statements are as follows:

- Full-time equivalent students (FTE) decreased by 206 from 2,696 in FY 2019 to 2,490 in FY 2020. More information is available in the Statistical Section of this CAFR.
- Noncurrent liabilities decreased by 18% compared to FY 2019 as the College refunded Full Faith and Credit Obligations 2014, Series A as explained in Note 14.
- The College’s financial position continues to be affected by the implementation of GASB Statement No. 68 and 71 related to financial reporting for pensions. Due to variable annual investment returns, the actuarially determined pension assets or liabilities can change enough to greatly influence net position on a year to year basis. The deferred inflows of resources increased by 52% in FY20 as a result of these fluctuations.
- State support, a non-operating revenue, increased by \$7 million in fiscal year 2019-20 or 81% when compared to last year. This fluctuation is due to the timing of the fourth payment received from the state, which on alternating years is not received until July 15th of the next year. The delayed payment strategy for state funds produces 5 of the 8 biennial payments in the first year of the biennium. The deferral was enacted in 2003 and is scheduled to occur on alternative years so that the State can balance its biennial budget.

The graph below illustrates the state payments received in fiscal years 2020, 2019 and 2018.

**UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2020**



OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to Umpqua Community College's basic financial statements, which includes entity-wide financial statements prepared in accordance with the accrual basis of accounting and notes to the basic financial statements. This report also contains the Required Supplementary Information and Other Supplementary Information sections, followed by the Statistical Section and the state and federal Compliance Section.

The *entity-wide financial statements* are designed to provide the reader 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 financial statements* consist of comparative statements including: *Statement of Net Position*, *Statement of Revenues, Expenses and Changes in Net Position*, and the *Statement of Cash Flows*. The *Notes to the Basic Financial Statements* provide additional information essential to a full understanding of the data provided in the entity-wide financial statements.

Analysis of Statement of Net Position as of June 30, 2020

The *Statement of Net Position* presents information on all of the College's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, using the accrual basis of accounting with the difference between the two reported as net position. The term "net position" refers to the difference between (a) combined assets and deferred outflows of resources and (b) combined liabilities and deferred inflows of resources, and is an indicator of the College's current financial condition. Over time, increases and decreases in net position can indicate the improvement or decline of the College's overall financial health when considered along with other non-financial facts such as enrollment levels and the condition of the facilities.

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2020

The College's two-year comparative *Statement of Net Position* is provided below:

	2020	2019	Total	
			Dollar Change	Percent Change
ASSETS				
Current assets	\$ 17,402,658	\$ 18,014,048	\$ (611,390)	-3%
Noncurrent Assets				
Other assets	191,629	120,238	71,391	59%
Capital assets, net of depreciation	32,307,469	33,430,845	(1,123,376)	-3%
Total Noncurrent Assets	32,499,098	33,551,083	(1,051,985)	-3%
TOTAL CURRENT AND NONCURRENT ASSETS	49,901,756	51,565,131	(1,663,375)	-3%
DEFERRED OUTFLOWS OF RESOURCES	4,920,843	5,531,114	(610,271)	-11%
LIABILITIES				
Current liabilities	5,404,695	5,865,978	(461,283)	-8%
Noncurrent liabilities	28,885,890	35,146,637	(6,260,747)	-18%
TOTAL LIABILITIES	34,290,585	41,012,615	(6,722,030)	-16%
DEFERRED INFLOWS OF RESOURCES	3,037,600	1,996,893	1,040,707	52%
NET POSITION				
Net investment in capital assets	27,204,124	22,367,900	4,836,224	22%
Restricted	493,817	5,458,420	(4,964,603)	-91%
Unrestricted	(10,203,527)	(13,739,583)	3,536,056	-26%
TOTAL NET POSITION	\$ 17,494,414	\$ 14,086,737	\$ 3,407,677	24%

Current Assets

On June 30, 2020 the College's current assets of \$17.4 million were sufficient to cover current liabilities of \$5.4 million. This represents a current ratio of 3.2. Current assets consist of cash and cash equivalents, investments, receivables, inventories and prepaid expenses. Receivables consist of property taxes, student accounts, grants and contracts, accounts receivable – due from foundation, and various operating receivables. During FY 2020 the Account receivables (net allowance for uncollectible) decreased by 60% as the College received \$4.2M in pledge collections from the UCC Foundation for the repayment of the Full Faith and Credit Obligations 2014, Series A. In addition, cash and cash equivalents increased by 49% as the College received 5 support payments from the state compared to the three in the year before as a result of a deferral.

Noncurrent Assets

The College's noncurrent assets consist of other postemployment benefits and investments in capital assets net of accumulated depreciation. Net OPEB Asset – RHIA increased by 59% as a result of actuarial analysis. Refer to Note 8 for additional information related to this variance. Capital assets valued at \$32.3 million are reported at net depreciation. The total noncurrent assets decreased by 3% for fiscal year 2020 as a result of equipment purchases and disposals during the year, and the annual accumulated depreciation impact from the full year capitalization of buildings like Tap'òyt'ha Hall and the Bonnie J Ford Health, Nursing & Science Building.

Current Liabilities

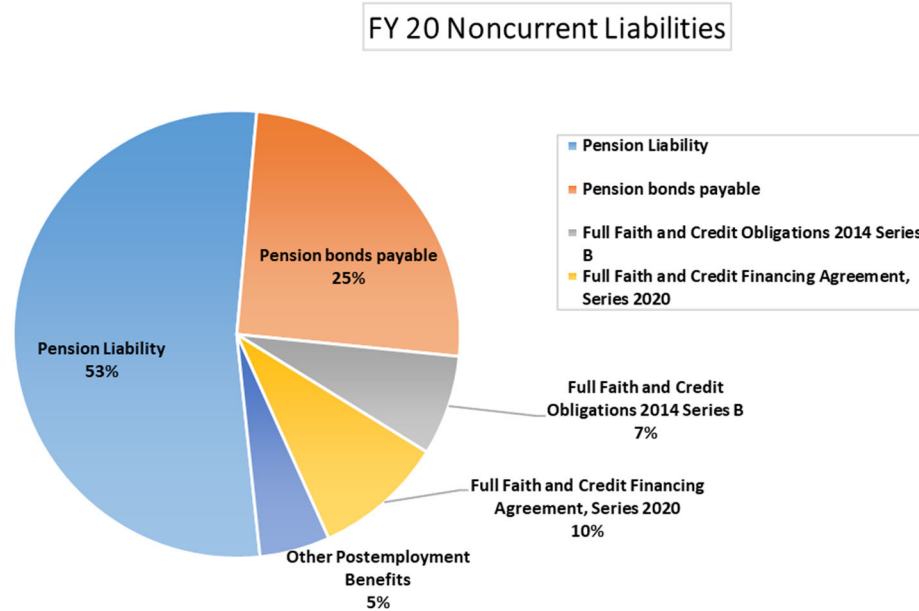
The College's current liabilities consist primarily of accrued payroll payables, various accounts payable for operations, unearned revenue, and the current portion of long-term debt. During FY 2020, the total current liabilities decreased by 8% over the prior year. The decrease is mainly attributable to the change in the accounts payable as the College decreased its purchasing activity due to COVID-19 at

**UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2020**

the end of the fiscal year.

Noncurrent Liabilities

The following graph illustrates types of noncurrent liabilities.



In FY 2020, the College's noncurrent liabilities were mainly from pension related debt commitments with 53% coming from the State of Oregon Public Employee Retirees (PERS) pension liabilities and 25% from the pension obligation bonds. In addition to PERS, the College held 10% in newly issued Full Faith and Credit Financing Agreement, Series 2020 which replaced Full Faith and Credit Obligations, Series 2010 to take advantage of lower interest rates as described in Note 14. The College refunded \$5.5M of Full Faith and Credit Obligations 2014, Series A that largely contributed to the reduction of the noncurrent liabilities by 18%. Other noncurrent liabilities include the liability for other postemployment benefits (OPEB) as required by GASB Statement No. 75.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows and inflows of resources are related to the implementation of GASB Statement No. 68, No. 71 for pension liability reporting, and GASB Statement No. 75 for accounting and financial reporting for postemployment benefits. Deferred outflows of resources represent a consumption of net position that applies to a future period. Deferred outflows decreased \$610,271, or 11% from the prior year. Deferred inflows of resources represent an acquisition of net position that applies to a future period. Deferred inflows of resources increased by 52% from prior year. Both deferred outflows and inflows related to pensions and other postemployment benefits represent a net amount attributable to the various components that impact pension changes, OPEB changes and can include investment changes, changes due to actuarial assumptions, and differences between expected and actual experience.

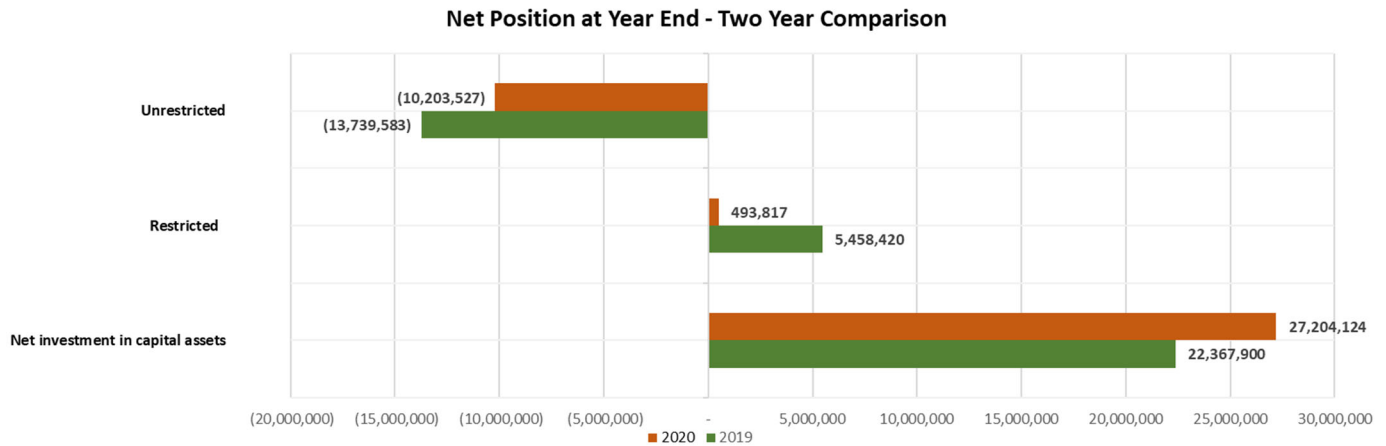
Net Position

- \$27,204,124 is the College's investment in capital assets, which represent its land, buildings, equipment, net of accumulated depreciation and related debt. The College uses these capital assets to provide educational services to students; consequently, these assets are not available for future spending. Net investment in capital assets increased by 22% as a result of

**UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2020**

debt repayment associated with the construction of the Bonnie J. Ford Health, Nursing and Science building.

- \$493,817 is available for the College's ongoing obligations related to programs with external restrictions. The restricted net position decreased 91% due to the debt service refunding during fiscal year 2020.
- -\$10,203,527 of unrestricted position improved by 26% as a result of cumulative changes mentioned above and the result of the impact of GASB Statement No. 68, 71 and 75. Unrestricted net position will fluctuate greatly from year to year based on the PERS system-wide investment returns and the associated changes in actuarial unfunded liability and OPEB actuarial valuation.



Analysis of Statement of Revenues, Expenses and Changes in Net Position for the Year Ended June 30, 2020

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

The *Statement of Revenues, Expenses and Changes in Net Position* presents the revenues earned and the expenses incurred during the year. All changes in net position are reported under the accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs, regardless of the timing 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 assets over the expected useful life. Revenues and expenses are reported as either operating or non-operating, with operating revenues primarily coming from tuition, grants, and contracts. State appropriations and property taxes are classified as non-operating revenues. The College is dependent on state aid and property tax revenue, and while this statement presents an operating loss, the overall net position remains positive.

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2020

The following shows a two-year comparison of the College's revenues, expenses and changes in net position.

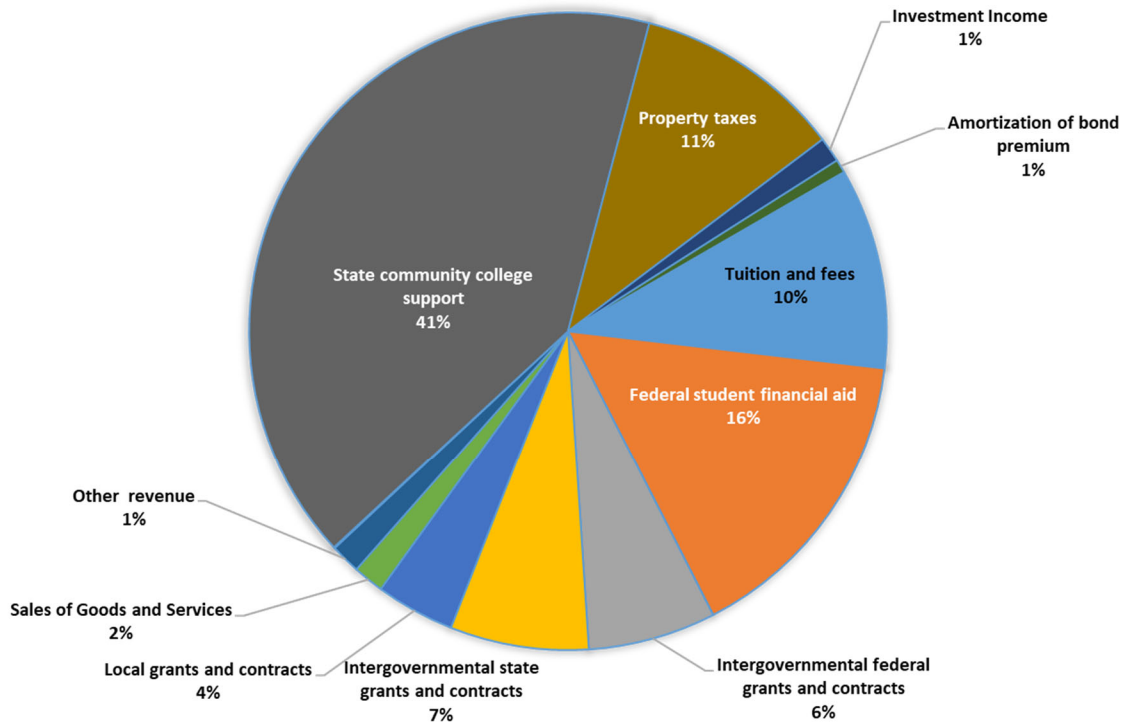
	2020	2019	Total	
			Dollar Change	Percent Change
OPERATING REVENUE				
Tuition and fees	\$ 3,873,122	\$ 4,435,243	\$ (562,121)	-13%
Federal student financial aid	5,932,548	6,744,217	(811,669)	-12%
Intergovernmental federal grants and contracts	2,463,602	1,947,460	516,142	27%
Intergovernmental state grants and contracts	2,672,130	2,752,809	(80,679)	-3%
Local grants and contracts	1,522,365	1,803,504	(281,139)	-16%
Bookstore sales	477,745	623,731	(145,986)	-23%
Food services sales	4,896	236,784	(231,888)	-98%
Special Events/Incubator Program	109,916	148,140	(38,224)	-26%
Other operating revenue	576,020	756,147	(180,127)	-24%
Total operating revenue	17,632,344	19,448,035	(1,815,691)	-9%
OPERATING EXPENSES				
Instruction	11,123,911	10,763,126	360,785	3%
Instructional support	2,666,939	2,383,761	283,178	12%
Student services	6,265,794	6,472,627	(206,833)	-3%
College support services	7,586,109	7,362,064	224,045	3%
Community services	694,250	905,730	(211,480)	-23%
Student financial aid	3,833,498	4,239,330	(405,832)	-10%
Facilities acquisition / construction	222,888	196,585	26,303	13%
Depreciation	1,328,775	1,659,967	(331,192)	-20%
Total operating expenses	33,722,165	33,983,190	(261,025)	-1%
Operating income (loss)	(16,089,821)	(14,535,155)	(1,554,666)	11%
NONOPERATING REVENUES (EXPENSES)				
State community college support	15,576,099	8,582,420	6,993,679	81%
Property taxes	4,029,540	3,859,541	169,999	4%
Investment Income	485,996	241,426	244,570	101%
Amortization of bond premium	255,400	58,940	196,460	333%
Interest expense	(808,635)	(981,961)	173,326	-18%
Bond issue costs	(61,400)	-	(61,400)	100%
Gain (Loss) on disposition of capital assets	-	(2,671)	2,671	-100%
Total nonoperating revenues (expenses)	19,476,999	11,757,695	7,719,304	66%
Gain (Loss) before capital contributions	3,387,178	(2,777,460)	6,164,638	-222%
Capital Gifts and Grants	20,500	192,186	(171,686)	-89%
Change in net position	3,407,678	(2,585,274)	5,992,952	-232%
Net position, beginning of year	14,086,737	16,672,011	(2,585,274)	-16%
Net position, end of year	\$ 17,494,414	\$ 14,086,737	\$ 3,407,677	24%

REVENUES

Total revenues received in FY2020 were \$37,999,879 and are depicted below without distinction as to whether they are classified as operating or non-operating on the *Statement of Revenues, Expenses and Changes in Net Position*.

**UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2020**

FY 2020 TOTAL REVENUES



Operating Revenues

The most significant sources of operating revenue for the College are federal, state and local grants and contracts, including student financial aid, student tuition and fees, and sales of goods and services. Tuition and fees include all amounts paid for education purposes throughout the year. During fiscal year 2019-20 the College's operating revenues decreased by 9% due to the impact of Covid-19 on enrollment and campus services like Bookstore and Special events as the campus closed its doors to the public in mid-March and rapidly shifted to virtual environment in response to national pandemic and the State of Oregon emergency declaration. The College closed Cafeteria before the fiscal year start by consolidating the services offered through the Bookstore. Tuition and Fees and student financial aid collectively decreased by \$1.4 million compared to the prior year. The federal grants and contracts increased by 27% as the College received \$560,927 in Cares Act funding for the emergency financial aid grants to students.

Non-operating revenues

The non-operating revenues increased by over \$7.7 million in 2019-20 when compared to the prior fiscal year mainly due to the timing difference in recognizing revenue received from the State of Oregon. During the last year of the biennium, the Oregon Legislature deferred the fourth quarter state reimbursement owed to the College until July 15, 2019. In accordance with accounting standards, the College recognized the deferred payment when it was received which resulted in the current year revenues reflecting five support payments whereas the previous year reflected three. The timing is the reason the state allocation increased by \$7 million and it is why the non-operating revenue increased by 66% in fiscal year 2019-20 compared to last year.

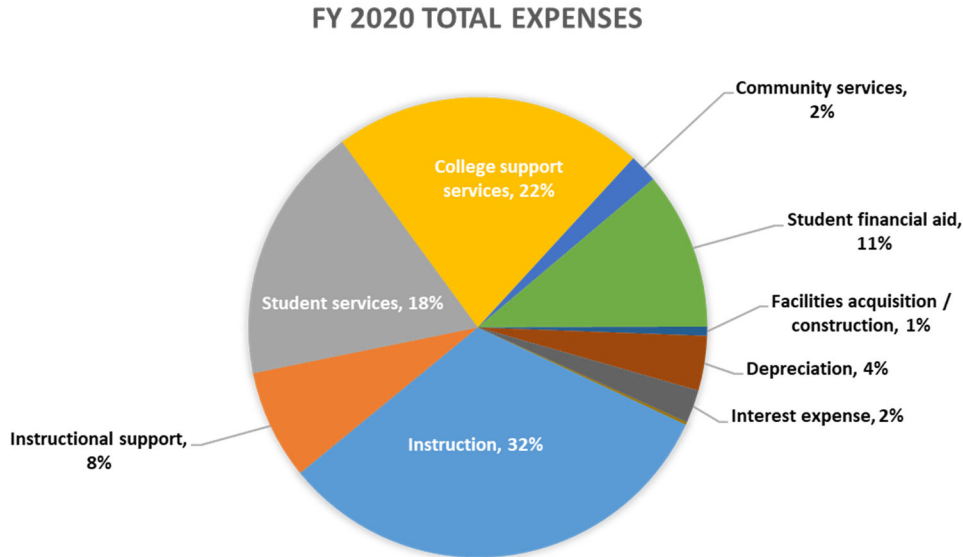
Capital Gifts and Grants

Capital Gifts and Grants represent the value of capital items donated to the College as well as grant resources and contributions restricted for capital purposes. The College saw a decrease of 89% in Capital gifts and grants from the previous year as the College's capital campaign with the local community was temporarily disrupted due to Covid-19.

**UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2020**

EXPENSES

Total Expenses for FY 2020 were \$34,592,200 and are illustrated in the chart below without distinction as to whether they are classified as operating or non-operating on the *Statement of Revenues, Expenses and Changes in Net Position*.



Operating expenses

Operating expenses for fiscal year 2019-20 totaling \$33,722,165 include costs of salaries and benefits, materials and services, utilities, grants and scholarships, and depreciation. Instruction, Student Services, College Support Services and Student Financial Aid (all in white text) represent 72% as a majority of entity-wide expenses for a total \$24,975,814.

Total reported operating expenses during the year decreased by \$261,025 or 1% overall. The College continues to make a concerted effort to improve student accessibility and strengthen program resources.

Non-operating expenses

Non-operating expenses consist of interest expense incurred for debt service and bond issue costs associated with the new Full Faith and Credit Financing Agreement 2020 explained in the Note 14. Interest expense, the College's most significant non-operating expense, represents \$808,635, or 2% of total expenses.

Analysis of Statement of Cash Flows for the Year Ended June 30, 2020

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

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2020

The following shows a two-year comparison of the College's cash flow:

	2020	2019	Total	
			Dollar Change	Percent Change
Cash Provided by (Used in):				
Operating activities	\$ (12,781,594)	\$ (12,031,787)	\$ (749,807)	6%
Noncapital financing activities	18,464,165	11,352,238	7,111,927	63%
Capital financing activities	(1,988,618)	(1,150,019)	(838,599)	73%
Investing activities	485,996	241,426	244,570	101%
Net increase in cash and cash equivalents	4,179,949	(1,588,142)	5,768,091	-363%
Cash and cash equivalents - beginning of year	8,483,171	10,071,313	(1,588,142)	-16%
Cash and cash equivalents - end of year	\$ 12,663,120	\$ 8,483,171	\$ 4,179,949	49%

Operating activities

The major sources of cash in operating activities include student tuition and fees, federal financial aid, grants and contracts, and auxiliary enterprises (Bookstore and Cafeteria). Major uses of cash were payments to employees, vendors, and students for financial aid and scholarships. The net change in cash flow from operating activities for FY 2020 was a 6% reduction in operating activities decreasing by \$749,807 from the previous year.

Non-capital financing activities

State reimbursements and property taxes are the primary sources of non-capital financing activities. The property taxes are assessed to property owners within the College's tax base. The current accounting standards require that we reflect these sources of revenue as non-operating even though the College's budget depends on these revenues for operations. The increase of \$7.1 million or of 63% in non-capital financing activities was due in large part to the increase in number of state community college support payments received in the first year of the biennium as explained earlier.

Capital financing activities

The other significant change is reflected in cash provided for capital and related financing activities. The 73% increase in cash used in capital financing activities of \$838,599 is due to the early refunding of the Full Faith and Credit Obligations 2014, Series A.

Investing activities

The primary source of investing activities is interest income. The cash provided by investing activities increased by \$244,570 from the increase in interest earned on unspent capital contributions.

Capital Assets and Debt Administration

Capital Assets

The College's investment in capital assets as of June 30, 2020 amounts to \$32,307,469 net of accumulated depreciation of \$24.4 million. Investment in capital assets includes land, art collection, musical instrument collection, construction in process, buildings and improvements, land improvements, infrastructure, equipment, vineyard development and intangible assets. Details of these assets are shown below:

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2020

Capital Assets, Net, at Year-End

<u>Capital Assets</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Land and Collections	\$ 291,053	\$ 291,053
Construction in Progress	14,978	183,280
Depreciable Capital Assets, net	<u>32,001,438</u>	<u>32,956,512</u>
Total	\$ 32,307,469	\$ 33,430,845

Major capital changes during the fiscal year included completion of the roof replacement on the LaVerne Murphy Student Center due to damages it received during the winter snow storm in late February 2019, installation of the new Charlie's Place vineyard, purchase of a vehicle for the Driver's Education department, and upgrades or replacements of machinery and equipment during FY 2020. The seismic rehabilitation work began on the Whipple Fine Arts building. More detailed information about the College's capital assets is included in Note 5 to the financial statements.

Long-term Debt

At June 30, 2020 and 2019, the College had approximately \$12.1 million and \$18.8 million in long-term debt outstanding, respectively. The table below summarizes long-term debt service requirements at fiscal year-end.

<u>Long Term Debt</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
2004 Limited Tax Pension Bonds	\$ 7,265,000	\$ 7,995,000
2010 Full Faith and Credit Obligations	-	2,835,000
2014 Full Faith and Credit Obligations Series A	-	5,745,575
2014 Full Faith and Credit Obligations Series B	2,092,545	2,217,370
2020 Full Faith and Credit Financing Agreement	<u>2,725,447</u>	<u>-</u>
Total	<u>\$ 12,082,992</u>	<u>\$ 18,792,945</u>

The College current refunded Full Faith and Credit Obligations, Series 2010, issued Full Faith and Credit Financing Agreement 2020 to take advantage of low interest rates and retired Full Faith and Credit Obligations, Series A 2014. The College made all scheduled obligations payments. At the end of the current fiscal year, the College had total debt outstanding of \$13,098,345 as follows:

<u>Debt</u>	<u>Amount</u>	<u>Repayment Source</u>
2004 Limited Tax Pension Bonds	\$ 7,995,000	General College Operations
2014 Full Faith and Credit Obligations Series B	2,207,545	General College Operations (Legacy Fee)
2020 Full Faith and Credit Financing Agreement	<u>2,895,800</u>	General College Operations
	<u>\$ 13,098,345</u>	

**UMPQUA COMMUNITY COLLEGE
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2020**

Additional information regarding the College’s long-term debt structure is located in Note 14 of these financial statements.

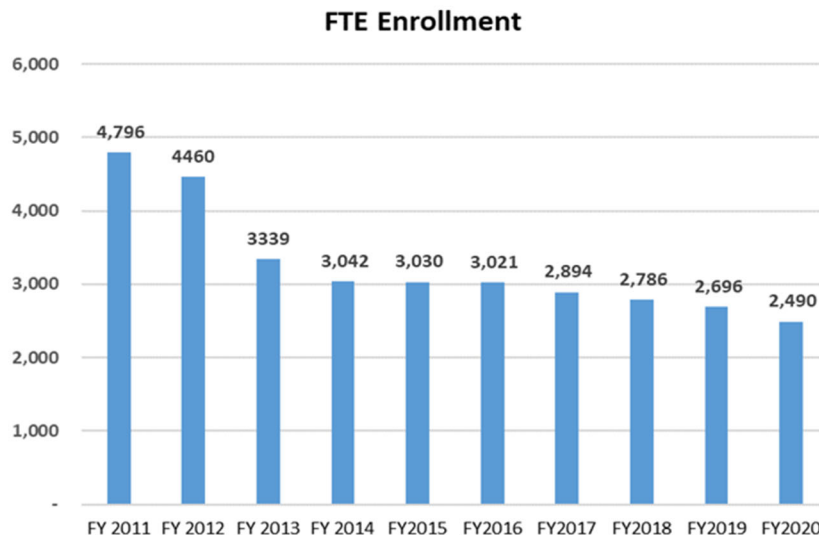
Economic Factors and Next Year’s Budget

Economic Outlook

Funding for the major activities of the College comes from a variety of sources, including tuition and fees, financial aid programs, state appropriations, local property taxes, grants, private and government contracts, donor gifts, and investment earnings. The economic and financial condition of the State, and its appropriation for community colleges, Douglas County’s economy and enrollment levels are significant factors that could impact these revenue sources and the financial position of the College. The Covid-19 outbreak has further injected a great deal of uncertainty into the economic outlook and its impact is still greatly unknown.

According to the Oregon Office of Economic Analysis, Oregon’s economy has experienced a Great Recession-sized hole due to the COVID-19 pandemic. The return to health is not expected until mid-2023. With the economic outlook remaining unstable, uncertainty about the economic performance and shortfalls in state revenues can significantly impact the funding in higher education starting with the next biennium 2021-23. With the state community college support funding comprising 41% of total resources and 54% of the General fund budget, the cuts in funding decision by the state for the next biennium will be hard felt as the College will be forced to identify substantial cost reductions to actively avoid deficit spending.

Douglas County’s economy typically lags behind the State’s. The unemployment rate rose from 5.1% in the fiscal year 2019 to 10.9% in June, 2020 and improved to 7.3% in September. The enrollment levels continued to remain low in relationship with the unemployment rates, perhaps due to federal funding provided to those impacted. The graph below illustrates the College’s FTE enrollment starting FY 2011 to present.



The College will continue to work collaboratively with other community colleges, lawmakers, and the Higher Education Coordinating Commission (HECC) to advocate for additional funding for community colleges.

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2020

Next Year's Budget

The fiscal year 2020-21 budget has been developed pre-COVID-19 with a focused commitment to balancing resources and requirements without depleting current reserves as directed by the Board of Education. Over several months and with considerable college-wide participation, the College took into consideration the long-term effect of the current economic challenges when it adopted budgetary principles that address its core themes (Learning, Access, and Enrichment), strategic plan, and the future financial health.

The College continues to focus its efforts on student retention, recruitment and fiscal sustainability. Over the past several years, the College has worked hard to become lean and efficient as possible while trying to recover from more than two decades of underinvestment in Oregon public higher education. With a \$3 inflationary tuition rate increase from \$101 to \$104 per credit approved by the Board of Education for FY 2020-21, the College tuition rate continues to remain at the state average for community colleges in Oregon. Additionally, the College raised the Student global fee \$1 per credit from \$13.50 to \$14.50 and the Instructional fee from \$6 to \$7 per credit in an effort to support Student services and resources.

In preparation for the many developing implications of the global pandemic, the College developed a plan for budget reductions that addresses personnel (reduction in force, furloughs, restructuring, vacancy freezes) and non-personnel reductions measures (utility reductions, capital projects delays, travel ban, materials and services reductions). The College remains committed to meeting the challenges ahead, ensuring the institution's long-term financial health, and carrying out its core mission of transforming lives and enriching communities.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of Umpqua Community College's finances, and to demonstrate the College's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Accounting & Finance Department
Umpqua Community College
PO Box 967
Roseburg, OR 97470

The College's Comprehensive Annual Financial Report publications can also be found on the College's website at: <https://www.umpqua.edu/financial-audit>



BASIC FINANCIAL STATEMENTS

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Statement of Net Position
JUNE 30, 2020**

ASSETS

Current assets:

Cash and Cash Equivalents	\$ 12,663,120
Receivables, net of allowance for uncollectibles	3,457,038
Inventories	196,523
Prepaid expenses	1,085,977
Total current assets	17,402,658

Noncurrent assets:

Net OPEB asset - RHIA	191,629
Capital assets - non-depreciable	306,031
Capital assets - depreciable, net	32,001,438
Total noncurrent assets	32,499,098
Total assets	49,901,756

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources - pension amounts	4,606,317
Deferred Outflows of Resources - OPEB	303,640
Deferred Outflows of Resources - OPEB RHIA amounts	10,886
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,920,843

LIABILITIES

Current liabilities:

Accounts payable	397,177
Payroll liabilities	1,901,979
Compensated absences	536,530
Unearned revenue	1,553,656
Current maturities of bonds payable	1,015,353
Total current liabilities	5,404,695

Noncurrent liabilities:

Bonds payable	12,082,992
Total OPEB liability	1,466,962
Net pension liability	15,335,936
Total noncurrent liabilities	28,885,890
Total liabilities	34,290,585

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources - pension amounts	2,856,357
Deferred Inflows of Resources - OPEB	143,766
Deferred Inflows of Resources - OPEB RHIA amounts	37,477
TOTAL DEFERRED INFLOWS OF RESOURCES	3,037,600

NET POSITION

Net investment in capital assets	27,204,124
Restricted for:	
Debt service	466,705
Grants and contracts	27,112
Unrestricted	(10,203,527)
TOTAL NET POSITION	\$ 17,494,414

The accompanying notes are an integral part of the financial statements

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

Statement of Revenues, Expenses, and Changes in Net Position
YEAR END JUNE 30, 2020

OPERATING REVENUE	
Tuition and fees	\$ 3,873,122
Federal student financial aid grants	5,932,548
Intergovernmental federal grants and contracts	2,463,602
Intergovernmental state grants and contracts	2,672,130
Local grants and contracts	1,522,365
Bookstore sales	477,745
Food service sales	4,896
Special Events/Incubator program	109,916
Other operating revenue	576,020
Total operating revenue	<u>17,632,344</u>
OPERATING EXPENSES	
Instruction	11,123,911
Instructional support	2,666,939
Student services	6,265,794
College support services	7,586,109
Community services	694,250
Student financial aid	3,833,498
Facilities acquisition /construction	222,888
Depreciation	1,328,775
Total operating expenses	<u>33,722,165</u>
Operating income (loss)	<u>(16,089,821)</u>
NONOPERATING REVENUE (EXPENSES)	
State community college support	15,576,099
Property taxes	4,029,540
Investment income	485,996
Amortization of bond premium	255,400
Interest expense	(808,635)
Bond issue costs	(61,400)
Net nonoperating revenue (expenses)	<u>19,476,999</u>
Income before contributions	3,387,178
CAPITAL CONTRIBUTIONS	
Capital gifts and grants	<u>20,500</u>
Total capital contributions	<u>20,500</u>
Change in net position	3,407,678
NET POSITION	
Net position - beginning of year	<u>14,086,737</u>
Net position - end of year	<u>\$ 17,494,414</u>

The accompanying notes are an integral part of the financial statements

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

Statement of Cash Flows
YEAR END JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 4,035,374
Federal student financial aid grants	6,071,929
Intergovernmental grants and contracts	5,560,202
Nongovernmental grants and contracts	1,489,525
Bookstore sales	516,339
Food service sales	13,255
Special Events /Incubator Program	88,583
Other cash receipts	609,205
Payments to employees for services	(20,498,687)
Payments to suppliers for goods and services	(6,122,767)
Payments for student financial aid	<u>(4,544,552)</u>
Net cash used in operating activities	<u>(12,781,594)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash received from State community college support	15,576,099
Cash received from property taxes	4,013,786
Principal paid on pension bonds	(650,000)
Interest paid on pension bonds	<u>(475,719)</u>
Net cash provided by noncapital financing activities	<u>18,464,165</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Cash received from capital contributions	4,294,797
Proceeds from Full Faith and Credit Financing Agreement 2020	2,895,800
Purchase of capital assets	(184,899)
Principal paid on full faith and credit obligations 2010	(2,985,000)
Principal paid on full faith and credit obligations 2014	(5,615,000)
Interest paid on full faith and credit obligations	(332,916)
Full Faith and Credit Financing Agreement 2020 Issue costs	<u>(61,400)</u>
Net cash provided by capital and related financing activities	<u>(1,988,618)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income	<u>485,996</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS

	4,179,950
Cash and cash equivalents - beginning of year	<u>8,483,171</u>
Cash and cash equivalents - end of year	<u>\$ 12,663,120</u>

**RECONCILIATION TO AMOUNTS SHOWN ON
STATEMENTS OF NET POSITION**

Cash and investments	<u>\$ 12,663,120</u>
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The accompanying notes are an integral part of the financial statements

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Statement of Cash Flows (Continued)
YEAR END JUNE 30, 2020**

RECONCILIATION OF OPERATING LOSS TO NET CASH
USED IN OPERATING ACTIVITIES

Operating Loss	\$ (16,089,821)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	1,328,775
Change in net pension asset/liability	417,995
(Increases) decreases in current assets used in operations:	
Accounts Receivable	897,279
Inventory	22,760
Prepaid expenses	(407,743)
Other postemployment benefits	(71,391)
Deferred outflows of resources	610,271
Increases (decreases) in current liabilities used in operations:	
Accounts payable	(461,889)
Payroll liabilities	(21,888)
Compensated absences	67,352
Deferred inflows of resources	1,040,707
Total OPEB liability	31,211
Unearned Revenue	(145,211)
Total adjustments	<u>3,308,228</u>
Net cash used in operating activities	<u>\$ (12,781,594)</u>

NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Unamortized bond issue costs	\$ 255,400
Amortization of bond issue costs	(255,400)
Capital contributions	20,500
Acquisition of capital assets	<u>(20,500)</u>
Total non-cash investing, capital, and financing activities	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

**UMPQUA COMMUNITY COLLEGE FOUNDATION
ROSEBURG, OREGON
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2020
With Comparative Totals for 2019**

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 391,629	\$ 138,848
Cash Held in Investment Accounts	348,723	232,809
Total Cash and Cash Equivalents	740,352	371,657
Pledges Receivable, Current Portion	667	6,501
Other Receivables - UCC Foundation Holding Company, Inc.	43,075	21,055
Other Receivables	-	3,751
Accrued Interest - HNS Investments	-	10,083
Treasury Bonds - HNS Investments	-	4,164,481
Total Current Assets	784,094	4,577,528
OTHER ASSETS		
Investments, at Fair Value	10,881,349	11,480,813
Accrued Interest - Investments	10,178	11,089
Investment in UCC Foundation Holding Co., Inc.	880,754	883,299
Inventory - Donated Autos	30,965	25,065
Permanent Art Collection	-	6,350
Total Other Assets	11,803,246	12,406,616
TOTAL ASSETS	\$ 12,587,340	\$ 16,984,144
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 8,555	\$ 10,017
Accounts Payable - Due to UCC	55,842	41,538
Scholarships Payable - Due to UCC	121,522	117,023
Current Portion - Due to UCC - HNS Pledges Payable	50,748	4,289,044
Total Current Liabilities	236,667	4,457,622
LONG-TERM LIABILITIES		
Due to UCC - HNS Pledges Payable, net of Current Portion	200,000	256,501
Total Long-Term Liabilities	200,000	256,501
TOTAL LIABILITIES	436,667	4,714,123
NET ASSETS		
Without Donor Restrictions	401,028	296,358
With Donor Restrictions	11,749,645	11,973,663
TOTAL NET ASSETS	12,150,673	12,270,021
TOTAL LIABILITIES AND NET ASSETS	\$ 12,587,340	\$ 16,984,144

The accompanying notes are an integral part of the financial statements.

**UMPQUA COMMUNITY COLLEGE FOUNDATION
ROSEBURG, OREGON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020
With Comparative Totals for 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Totals</u>	<u>2019 Totals</u>
SUPPORT AND REVENUE:				
Donations & Pledges	\$ 30,548	\$ 669,548	\$ 700,096	\$ 518,562
Investment Return, Net of Expense	1,501	178,795	180,296	630,384
Investment Income (Loss) from Affiliates	(2,545)	42,875	40,330	37,337
Other Income	3,664	4,914	8,578	1,255
Fundraising Income	32,325	315	32,640	32,988
Sponsorships	61,500	7,275	68,775	62,500
In-Kind Support from UCC	201,452	-	201,452	193,527
	<u>328,445</u>	<u>903,722</u>	<u>1,232,167</u>	<u>1,476,553</u>
Net Assets Released from Restrictions	<u>1,127,740</u>	<u>(1,127,740)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>1,456,185</u>	<u>(224,018)</u>	<u>1,232,167</u>	<u>1,476,553</u>
EXPENSES AND OTHER LOSSES:				
Scholarships & Student Support	392,298	-	392,298	401,489
Program Support	576,235	-	576,235	476,755
Management & General	244,194	-	244,194	244,248
Fundraising & Special Events	138,788	-	138,788	102,099
TOTAL EXPENSES	<u>1,351,515</u>	<u>-</u>	<u>1,351,515</u>	<u>1,224,591</u>
TOTAL EXPENSES AND OTHER LOSSES	<u>1,351,515</u>	<u>-</u>	<u>1,351,515</u>	<u>1,224,591</u>
CHANGE IN NET ASSETS	104,670	(224,018)	(119,348)	251,962
NET ASSETS, BEGINNING OF YEAR	<u>296,358</u>	<u>11,973,663</u>	<u>12,270,021</u>	<u>12,018,059</u>
NET ASSETS, END OF YEAR	<u>\$ 401,028</u>	<u>\$ 11,749,645</u>	<u>\$ 12,150,673</u>	<u>\$ 12,270,021</u>

The accompanying notes are an integral part of the financial statements.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

Umpqua Community College (the College) was established in 1964 under ORS Chapter 341. The College is a public institution under the general supervision of Higher Education Coordinating Commission (HECC) through the Office of Community Colleges and Workforce Development. The College is governed by a seven-member Board of Education whose members are elected independently.

The financial statements of the College present the College and its component unit, Umpqua Community College Foundation (the Foundation).

The Foundation is a legally separate, tax-exempt entity and acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. The Foundation is governed by a board of directors composed of up to 40 volunteers selected by the Foundation board from communities served by the College. 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 reports as a not-for-profit organization under Financial Accounting Standards Board (FASB) standards. As a result, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

Significant accounting policies used in the preparation of the basic financial statements are described below:

Basis of presentation

The financial statements have prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis of Public College and Universities*, issued in June and November, 1999. The College follows the "business-type activities" reporting requirements of GASB Statement No. 35 that provides a comprehensive one-column look at the College's financial activities. Business-type activities are financed in whole or in part by fees charged to external parties.

Basis of Accounting

The basic financial statements are accounted for on the flow of economic resources measurement focus and are prepared on the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in the *Statement of Net Position*. The *Statement of Revenues, Expenses and Changes in Net Position* present increases (e.g. revenues) and decreases (e.g. expenses) in total net position. The College maintains ten individual funds for state legal compliance that are combined and reported as a unitary enterprise similar to a commercial entity organized for profit for financial reporting.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 basic financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The 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 Oregon Local Government Investment Pool (LGIP) is administered by the Oregon State Treasury, and is not registered with the U.S. Securities and Exchange Commission as an investment company. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the State, who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. The Oregon Short-Term Fund Board, established by the Oregon Legislature, advises the Oregon State Treasury in the management and investment of the LGIP.

The College maintains depository insurance under Federal depository insurance funds and state and financial institution collateral pools for its cash deposits and investments, except the Local Government Investment Pool, which is exempt from statutes requiring such insurance.

For purposes of the *Statement of Cash Flows*, cash and cash equivalents include all cash and investments held by the College, since it has the general characteristics of a demand deposit (i.e. deposits of additional cash may be made at any time and cash may be withdrawn at any time without prior notice or penalty).

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. The College has an investment policy that is in compliance with the Oregon Revised Statutes (ORS) Chapter 294. As of June 30, 2020, and for the year then ended, the College was in compliance with the aforementioned State of Oregon statutes and its own internal investment policies. Investments are stated at fair value, which is based on the individual investment's quoted market price as of June 30, 2020.

Receivables

All receivables are shown net of an allowance for uncollectible accounts.

Property taxes - Uncollected real and personal property taxes are reflected on the *Statement of Net Position* as receivables. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens. All property taxes receivable are due from property owners within the County. Property taxes are recognized as non-operating revenue in the years for which they are levied.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when disbursements occur weekly.

Grants - Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the *Statement of Net Position*. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the grantor have been met.

Inventories

Inventories held for resale, primarily books and supplies, are valued at the lower of cost (first-in/first-out method) or market, and are charged to expense as sold or used. Inventories of supplies are reported at cost.

Capital Assets

Capital assets include land and land improvements, buildings and building improvements, construction in process, infrastructure (includes utility systems), library collections, art, and furniture and equipment. The College's capitalization threshold is \$5,000 for all capital assets with a life of one year or more. Donated assets are recorded at their acquisition value on the date donated. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. The cost of normal maintenance and repairs that do not significantly extend the useful life of an asset are not capitalized, but are expensed as incurred. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Improvements other than buildings	10-15 years
Equipment	5-20 years
Land Improvements	50 years
Infrastructure	50 years
Vineyard Development	7 years
Intangible Assets	3 years

Intangible assets include purchased and internally developed software and easements of a stipulated life (non-permanent). These assets are stated at cost, less accumulated amortization. Amortization is provided using the straight-line method over the life.

Compensated absences

Employees of the College are permitted to accumulate earned but unused compensated absences: sick leave and up to two years of unused vacation pay. Unused vacation pay is recorded as a liability and an expense when earned. A liability does not exist for unpaid accumulated sick leave, since the College policy does not allow payment upon separation of service. The College recognizes all compensated absences as current liabilities.

Balance at June 30, 2019	Earned	Used	Balance at June 30, 2020	Amount due within a year
\$ 469,178	\$ 394,131	\$ 326,779	\$ 536,530	\$ 536,530

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Bonds

During the 1996-1997 fiscal year, the State legislature passed HB 2610 that allows community colleges to incur bonded indebtedness. Bond premiums and discounts are amortized over the life of the associated bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized fully and expensed in the period which they were incurred.

Leases

Leases which meet certain criteria in GAAP are classified as capital leases. Leases which do not meet criteria of a capital lease are classified as operating leases.

Use of Restricted Resources

The College receives resources restricted to specific uses by debt covenants, grants, contracts, laws and regulations, and enabling legislation. Unrestricted resources are available for any College purpose.

Deferred Outflows / Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

Retirement Plan

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

Other Post-Employment Benefits ("OPEB")

The College offers a voluntary early retirement health care and life insurance program to employees who were hired prior to July 1, 2007 and meet certain service criteria. The College pays the employee's and their spouse's premium amount equal to that of active members under the current benefit plan. Such premium payments for the retiree continues for the life of the retiree or until the retiree becomes Medicare eligible, whichever comes first. Such benefits/premium payments for the retiree's spouse/domestic partner continues for six months beyond the life of the retiree or until the spouse/domestic partner becomes Medicare eligible, whichever comes first. The College's total OPEB liability is recognized as a long-term liability in the financial statements, the amount of which is actuarially determined.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net position

Net position comprises the various net earnings from operating and nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three components:

Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Debt related to unspent proceeds or other restricted cash and investment is excluded from the determination.

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – consists of all other assets that are not included in the other categories previously mentioned.

The College's policy is to consider restricted net position to be depleted before using any components of unrestricted net position.

Operating and Nonoperating Revenues and Expenses

Operating revenues and expenses are distinguished from nonoperating 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 bookstore sales. Operating expenses include the cost of faculty, administration and support expenses, bookstore operations, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Contributions represent capital gifts and grants contributions by governments and donors.

Adoption of new GASB Pronouncements

During the fiscal year ended June 30, 2020, the College implemented the following GASB pronouncements: GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, Issued May 2020. This Statement postpones the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods after June 15, 2018 and later.

Future Adoption of new GASB Pronouncements

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2020: GASB Statement No. 84, *Fiduciary Activities*, Issued January 2017, and effective fiscal year 2021. GASB Statement No. 90, *Majority Equity Interests*, Issued August 2018, and effective fiscal year 2021. GASB Statement No. 93, *Replacement of interbank offered rates*, Issued March 2020, and effective fiscal year 2021.

GASB Statement No. 87, *Leases*, Issued June 2017, and effective fiscal year 2022.
GASB Statement No. 92, *Omnibus 2020*, Issued January 2020, and effective fiscal year 2022.
GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, Issued June 2020, and effective fiscal year 2022.

GASB Statement No. 91, *Conduit Debt Obligations*, Issued May 2019, and effective fiscal year 2023.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, Issues March 2020, and effective fiscal year 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, Issued May 2020, and effective fiscal year 2023.

The College will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The College is currently evaluating if the above listed new GASB pronouncements will have a significant financial impact to the College or in issuing its financial statements.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by the Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles, except the property taxes received after year-end are not considered budgetary resources in the funds, depreciation on capital assets is not an expenditure of the funds, amortization of long-term assets is not an expenditure of the funds, inventory is not capitalized in the funds, and principal on debt services is an expenditure of the funds.

The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are generally published in spring with a public hearing being held approximately two weeks later. The Board of Education may amend the budget prior to adoption. However, budgeted expenditures for each fund may not be increased by more than ten percent without re-publication. The budget is then adopted, appropriations are made, and the tax levy declared no later than June 30th.

Expenditure budgets are appropriated at the following levels for each fund:

LEVEL OF CONTROL

Instruction	Instructional Support
Community Services	Student Services
College Support Services	Financial Aid
Other Uses – Debt Service and Interfund Transfers	Facilities Acquisition & Construction
Debt Service	Operating Contingency

Budget amounts shown in the basic financial statements reflect the original budgeted appropriation amounts and final budgeted amounts including any changes that occurred during the year. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2020. Expenditures cannot legally exceed the above appropriation levels. Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need which exists which was not determined at the time the budget was adopted.

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

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

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

	Year Ended June 30, 2020
Cash and Cash Equivalents:	
Cash on hand	\$ 5,400
Demand Deposits	2,189,660
Oregon Local Government Investment Pool (LGIP)	10,468,060
Total cash and cash equivalents	\$ 12,663,120

The College is restricted by State of Oregon statutes in the types of investments in which it may invest. Authorized investments include general obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, certain corporate indebtedness, bank repurchase agreements, and the State Treasurer's Local Government Investment Pool. As of June 30, 2020, and for the year then ended, the College was in compliance with the aforementioned State of Oregon statutes.

Deposits

At year end the carrying amount of the College's demand for deposits with financial institutions was \$2,189,660 and the bank balance was \$2,732,302. As required by ORS, deposits in excess of federal depository insurance were held at qualified depositories for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the office of the State Treasurer.

Investments

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The Oregon Short-Term Fund does not receive credit quality ratings from nationally recognized statistical rating organizations. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2020. The LGIP seeks to exchange shares at \$1.00 per share; and investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments of \$1.00 per share, it is possible to lose money by investing in the pool. The College measures these investments at book value, as the LGIP's fair value approximates its amortized cost basis.

Fair value hierarchy

Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

- Level 1 - unadjusted price quotations in active markets/exchanges for identical assets or liabilities, that each Fund has the ability to access.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Level 2 - other observable inputs including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs.

Level 3 - unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each fund's own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The categorization of a value determined for investments is based on the pricing transparency of the investments and is not necessarily an indication of the risks associated with investing in those securities.

The College has the following recurring fair value measurements as of June 30, 2020:

Investment Type	Totals as of 06/30/2020	Fair Value Measurements Using			Not measured at Fair Value	Cost Measurement Using Amortized Cost
		Quoted Prices in Active Markets for Identical Assets Level One	Significant Other Observable Inputs Level Two	Significant Unobservable Inputs Level Three		
LGIP	\$ 10,468,060	\$ -	\$ -	\$ -	\$ 10,468,060	
Total Investments	\$ 10,468,060	\$ -	\$ -	\$ -	\$ 10,468,060	

Interest Rate Risk

ORS require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. The College does not have an interest rate risk policy. With all College investments held with Oregon LGIP as of June 30, 2020, the College is in compliance with these ORS statutes.

Credit Risk

ORS limit the types of investments the College may have to limit exposure to credit risk. The College does not have credit risk policy. With all College investments held with Oregon LGIP as of June 30, 2020, the College is in compliance with these ORS statutes.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk on deposits is the risk that in the event of a bank failure, the College's deposits may not be returned. In order to minimize this risk, state statutes require banks holding public funds be member of the Public Funds Collateralization Program (PFCP), a multiple financial institution collateral pool created and administered by the Office of the State Treasurer. To qualify, participating banks must pledge collateral against any public fund deposit in excess of deposit insurance. The amount of collateral is set by the PFCP between 10% and 110% of each bank's public fund deposits. The required pledge percentage is based in part on an individual bank's net worth and level of capitalization.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the government will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The College does not have an investment policy for custodial credit risk. As of June 30, 2020, all of the College deposits are insured or collateralized or covered under the Oregon collateral program as mentioned above, and therefore, are not subject to custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College does not have an investment policy for concentration of credit risk. As of June 30, 2020, all College investments were held with Oregon LGIP.

4. RECEIVABLES

Receivable balances are presented net of estimated allowance for doubtful accounts in the accompanying *Statement of Net Position*. Receivable balances are comprised of student accounts receivable from student tuition and fees, property taxes, claims for reimbursement of costs under various federal, state and local grant programs, and amounts outstanding from the Foundation for pledges raised to fund the Bonnie J. Ford Health, Nursing, and Science Building. Management has estimated an allowance for uncollectible accounts receivable from students in the amount of \$851,628. Management expects to collect all grants receivable.

Receivables consisted of the following as of June 30, 2020:

Due from Foundation	\$ 428,112
Grant receivables	956,886
Tuition and fees	2,561,529
Property tax receivable	362,138
	<hr/> 4,308,666
Allowance for uncollectible receivables	(851,628)
	<hr/> \$ 3,457,038

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Additions	Disposals	Transfers	Balance June 30, 2020
Capital assets not being depreciated					
Land	\$ 156,353	\$ -	\$ -	\$ -	\$ 156,353
Construction in progress	183,280	14,978	-	(183,280)	14,978
Musical instrument collection	49,200	-	-	-	49,200
Art	85,500	-	-	-	85,500
Total capital assets not being depreciated	<u>474,333</u>	<u>14,978</u>	<u>-</u>	<u>(183,280)</u>	<u>306,031</u>
Capital assets being depreciated					
Land improvement	761,080	-	-	-	761,080
Infrastructure	1,893,548	-	-	-	1,893,548
Vineyard development	18,424	17,478	-	-	35,902
Buildings and improvements	47,858,003	6,096	-	183,280	48,047,379
Intangible assets	419,056	-	-	-	419,056
Equipment	5,191,813	166,847	(162,785)	-	5,195,875
Total capital assets being depreciated	<u>56,141,924</u>	<u>190,421</u>	<u>(162,785)</u>	<u>183,280</u>	<u>56,352,840</u>
Less accumulated depreciation					
Land improvement	146,070	15,221	-	-	161,291
Infrastructure	378,710	37,871	-	-	416,581
Vineyard development	15,353	3,256	-	-	18,609
Buildings and improvements	17,909,278	958,078	-	-	18,867,356
Intangible assets	394,809	10,392	-	-	405,201
Equipment	4,341,192	303,957	(162,785)	-	4,482,364
Total accumulated depreciation	<u>23,185,412</u>	<u>1,328,775</u>	<u>(162,785)</u>	<u>-</u>	<u>24,351,402</u>
Total capital assets being depreciated, net	<u>34,189,437</u>	<u>(1,138,354)</u>	<u>-</u>	<u>183,280</u>	<u>32,001,438</u>
Total capital assets, net	<u>\$ 33,430,845</u>	<u>\$ (1,123,376)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,307,469</u>

Depreciation expense for the year ended June 30, 2020 was \$1,328,775.

6. UNEARNED REVENUE

Unearned revenue consisted of the following as of June 30, 2020:

Grants received in advance of meeting eligibility requirements	\$ 766,564
Tuition and fees received in advance of providing instruction	<u>787,092</u>
	<u>\$ 1,553,656</u>

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

7. RETIREMENT PLAN

A. DEFINED BENEFIT PENSION PLAN

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

Both PERS plans provide retirement and disability benefits, postemployment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, Chapter 238A, and Internal Revenue Code Section 401 (a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board as a governing body of PERS. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at: <http://www.oregon.gov/pers/pages/index.aspx> (If link expires contact Oregon PERS for update)

Benefits provided

Tier One/Tier Two PERS Pension (Chapter 238). The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a particular employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

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

- member was employed by PERS employer at the time of death,
- member died within 120 days after termination of PERS covered employment,
- member died as a result of injury sustained while employed in a PERS-covered job, or
- member was on an official leave of absence from a PERS-covered job at the time of death.

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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

7. RETIREMENT PLAN (CONTINUED)

- iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- iv. **Benefit Changes After Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

OPSRP Pension Program (OPSRP DB). The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

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

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv. **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes (COLA). The cap on the COLA will vary based on the amount of the annual benefit.

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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

7. RETIREMENT PLAN (CONTINUED)

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: The date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the OPSRP IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 401 (a). Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits

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

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates based on percentage of payroll first became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2020 were \$1,648,076, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2020 were 17.15 percent for Tier One/Tier Two General Service Members and 11.06 percent for OPSRP Pension Program General Service Members. An additional 6 percent contribution is required for the OPSRP Individual Account Program.

Pension plan CAFR – Both the PERS and OPSRP plans are administered by the Oregon Public Employees Retirement Board (OPERB), which issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Portland, Oregon 97281-3700, by calling 1-888-320-7377, or by accessing the PERS web site at <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Actuarial valuation – The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

7. RETIREMENT PLAN (CONTINUED)

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

Actuarial methods and assumptions:

Valuation date	12/31/2017
Measurement date	06/30/2019
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Mortality :	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with Moro Decision; blend based on service. <i>Healthy retirees and beneficiaries:</i> RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <i>Active members:</i> RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <i>Disabled retirees:</i> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

Discount rate – The discount rate used to measure the total pension liability was 7.2 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore,

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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

7. RETIREMENT PLAN (CONTINUED)

the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College’s proportionate share of the net pension liability to changes in the discount rate – The following presents the College’s proportionate share of the net pension liability calculated using the discount rate of 7.2 percent, as well as what the College’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current rate.

The College’s proportionate share of the collective net pension liability of the plan is as follows:

	(6.20%)	(7.20%)	(8.20%)
College's proportionate share of the net pension liability	\$ 24,559,140	\$ 15,335,936	\$ 7,617,384

Determination of the College’s proportionate share – The College’s actuarially determined proportionate share of the plan amount was 0.0886593 percent for the fiscal year ended June 30, 2019 (measurement date). The College’s proportions are determined by rolling forward the total net pension liability (actuarially determined at December 31, 2017) to the measurement date of June 30, 2019 and subtracting the plan’s net position as of June 30, 2018.

The basis for the College’s proportion is actuarially determined by comparing the College’s projected long-term contribution effort to the plan with the total projected long-term contribution effort for all employers. The rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate. The preparation of these amounts in conformity with GAAP requires management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

Pension plan’s fiduciary net position – Detailed information about the pension plan’s assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position can be found in the separately issued CAFR for the plan which is available as noted above.

Payables to the pension plan – At June 30, 2020, the College reported a payable of \$119,593 for the outstanding amount of legally required pension contributions to the pension plan for the fiscal year ended June 30, 2020.

Pension Expense, Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended June 30, 2020, the College recognized a net pension liability of \$15,335,936 and a pension expense of approximately \$3,921,943. At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

7. RETIREMENT PLAN (CONTINUED)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 845,732	\$ -
Changes in assumptions	2,080,495	-
Net difference between projected and actual earnings on pension plan investments	-	(434,758)
Net changes in proportionate share	53,402	(1,527,123)
Differences between College contributions and proportionate share of contributions	-	(894,476)
	2,979,629	(2,856,357)
College contributions subsequent to measurement date	1,626,688	-
Net deferred outflow (inflow) of resources	\$ 4,606,317	\$ (2,856,357)

Pension related amounts will be recognized in future periods as follows: deferred outflows of resources will be recognized as a component of net pension liability and deferred inflows of resources will be recognized in pension expense:

Year Ending June 30,			
2021	\$	807,627	
2022		(494,506)	
2023		(119,913)	
2024		(25,599)	
2025		(44,338)	
Thereafter		-	
	\$	123,272	

B. DEFINED CONTRIBUTION PENSION PLAN

OPSRP Individual Account Program (OPSRP IAP)

The defined contribution pension plan (called the Individual Account Program or IAP) is provided to all members or their beneficiaries who are PERS or OPSRP eligible. State statutes require covered employees to contribute 6 percent of their annual covered salary to the IAP plan effective January 1, 2004. The College has elected to pay all of the employees' required IAP contributions. Although PERS members retain their existing PERS accounts, all current member contributions are deposited into the member's IAP. The College contributed \$735,111 to the IAP on behalf of employees in fiscal year 2020.

8. OTHER POST-EMPLOYMENT BENEFITS

The other postemployment benefits (OPEB) for the College combines two separate plans. The College provides an implicit rate subsidy for retiree medical insurance and life insurance premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined health insurance benefit plan. The total OPEB liability is aggregated in the *Statement of Net Position*.

Financial Statement Presentation - The College's two OPEB plans are presented in the aggregate on the *Statement of Net Position*. The amounts on the financial statements relate to the plans as follows:

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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

	Single Employer Plan	RHIA Cost Sharing Plan
OPEB Asset/(Liability)	\$ (1,466,962)	\$ 191,629
Deferred Outflows of Resources		
Differences between expected and actual experience	30,832	-
Changes in assumptions	272,808	-
Changes in proportionate share		5,210
Contributions after the measurement date	-	5,676
Deferred Inflows of Resources		
Differences between expected and actual experience	(143,766)	(25,270)
Change in assumptions		(199)
Net difference between projected and actual earnings on investments	-	(11,828)
Change in proportionate share	-	(180)
OPEB expense/(credit)	103,397	(22,544)

COLLEGE RETIREE HEALTHCARE PLAN

Plan description - The College maintains a single-employer defined benefit postemployment health care benefits plan. The plan provides group health care and life insurance benefits for retired employees and their spouse/domestic partner. Eligibility for plan benefits require the employee to have been hired prior to July 1, 2007 and either be 58 years of age and have completed a minimum of fifteen years of full-time equivalent service for the College, or the employee have completed a minimum of thirty years of full-time equivalent service for the College. The College contributes the premium amount equal to that of active members under the current benefit plan. Such premium payments for the retiree will continue for the life of the retiree or until the retiree becomes Medicare eligible, whichever comes first. For eligible classified employees, benefits/premium payments for the retiree's spouse/domestic partner will continue for six months beyond the life of the retiree or until the spouse/domestic partner becomes Medicare eligible, whichever comes first. For eligible faculty, benefits/premiums for the retired faculty member's spouse will continue for the life of the faculty member's spouse or until the retired faculty member's spouse becomes Medicare eligible. For eligible administrative staff, benefit/premium payments for spouse/domestic partner will continue for the life of employee or until the retiree reaches Medicare eligibility, whichever comes first. The plan was established under collective bargaining agreements with the faculty and classified staff and contract negotiations with management. The College Board of Education authorizes the plan and may change benefits, in conjunction with collective bargaining. The College doesn't issue a stand-alone report for this plan.

The Plan also allows early retirees not eligible for a direct employer benefit to continue their health care coverage on a 100% self-pay basis in accordance with ORS 243.303.

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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Benefits provided - Under the Plan, retirees eligible for a direct College subsidy pay the same amount for coverage as an active employee with the same coverage. This amount is the difference between the composite monthly premium and the College's monthly contribution. The College pays for the excess, if any, of the tiered premium for selected coverages over the retiree's payment. College contributions towards health care continue until the retiree is eligible for Medicare or deceased, whichever is earlier. The College also pays the life insurance premium for eligible retirees until the retiree is eligible for Medicare.

The College is also subject to ORS 243.303, which requires that early retirees (those not covered by Medicare) be allowed to stay on the College's health plan on a self-pay basis. The statutory requirement under ORS 243.303 can result in an "implicit subsidy" (the difference between expected early retiree claim costs and the premium paid for the retiree) requiring additional cost and liability recognition under GASB 75. The College participates in the Oregon Educators Benefit Board (OEBB), a statewide cost-sharing multiple-employer plan, as defined in GASB 75. In OEBB, the individual employer health plans are rated collectively, rather than individually by employer, and the same blended premium rate is charged to all active employees and non-Medicare-eligible retirees.

Contributions - Benefits for retirees are determined in part by the College's monthly contribution for an active employee's health insurance. For 2019-20 the College's monthly contribution is \$1,330. This contribution is negotiated as part of the 2017-2021 Collective Bargaining Agreement between the College and Association of Employees of Umpqua Community College.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2020, the College reported a total OPEB liability of \$1,466,962. The total OPEB liability was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date. For the year ended June 30, 2020, the College recognized OPEB expense of \$103,397. At June 30, 2020, the College reported deferred outflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 30,832	\$ 143,766
Changes in assumptions	272,808	-
	\$ 303,640	\$ 143,766

These amounts are reported as deferred outflows of resources related to OPEB will be expensed as follows:

Year Ending June 30,

2021	\$	23,411
2022		23,411
2023		23,411
2024		23,411
2025		23,411
Thereafter		42,819
	\$	159,874

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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions - The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Interest discount** The 2.21% discount rate assumption is the June 30, 2020 rate in the 20-Year General Obligation Municipal Bond Index published by Bond Buyer. This is the most recent rate published by Bond Buyer when the calculations were performed. This rate was decreased from 3.78% in the 2018 valuation to reflect the requirements of GASB 75.
- Inflation Rate** An assumed general inflation rate of 2.5% is used for all future years.
- Salary Scale** Annual salary increases for employees are assumed to be 3% in all future years.
- Health Care Premiums** Future health premiums for current employees are based on blended rates for current plans with the assumption that their election patterns will follow those of current retirees. Future premiums are projected assuming annual increases due to health care benefit cost inflation at the medical trend rates described later in this section.

Year	Medical	Dental	Vision
2021	6.50%	3.00%	3.00%
2022	6.00%	3.00%	3.00%
2023	5.50%	3.00%	3.00%
2024+	5.00%	3.00%	3.00%

The Entry Age Normal Level Percent of Pay Cost Method is used to determine the Total OPEB Liability and the Service Cost.

Sensitivity of the College's proportionate share of the total OPEB liability to changes in the discount rate - The following presents the College's total OPEB liability if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 1,550,001	\$ 1,466,962	\$ 1,387,424

Sensitivity of the College's proportionate share of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the College's total OPEB liability if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

**UMPQUA COMMUNITY COLLEGE
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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

	<u>1% Decrease</u>	<u>Current Health Care Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,445,727	\$ 1,466,962	\$ 1,492,746

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEMS' (PERS) RETIREE HEALTH INSURANCE ACCOUNT (RHIA)

Plan Description - The College contributes to the Oregon Public Employees Retirement Systems' (PERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Public Employees Retirement Board (PERB). The authority to establish and amend the benefit provisions of the plan rests with the Oregon Legislature. The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible PERS retirees. RHIA post-employment benefits are set by state statute. A comprehensive annual financial report of the funds administered by the PERB may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, by calling (888) 320-7377, or by accessing the PERS website at <http://oregon.gov/PERS/>.

Funding Policy and Contributions - Participating employers are contractually required to contribute at a rate assessed bi-annually by the PERB, currently 0.53 percent of annual covered payroll for PERS Plan members, and 0.45 percent for OPSRP Plan members. The PERB sets the employer contribution rate based on an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any actuarial liabilities of the plan over a period not to exceed five years.

The College's contributions to PERS' RHIA for the past three years were as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Contribution</u>
2017	\$ 56,599
2018	52,156
2019	49,150
2020	5,676

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the employer cost-sharing plan, the OPEB (asset)/liability was based on the employer's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2020, the College's proportion was 0.099%, which was a decrease from its proportion of 0.108% at the prior measurement date.

For the year ended June 30, 2020, the College recognized deferred outflows of resources and deferred inflows of resources in the amount of \$10,886 and \$37,477. For the year ended June 30, 2020, the College recognized a negative OPEB expense of (\$22,544) for this plan.

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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

	Deferred Outflow of Resources	Deferred Inflow or Resources
Differences between expected and actual experience	\$ -	\$ (25,270)
Changes of assumptions	-	(199)
Net difference between projected and actual earnings	-	(11,828)
Changes in proportionate share	5,210	(180)
Total (prior to post-MD contributions)	5,210	(37,477)
Contributions subsequent to measurement date	5,676	-
Net deferred outflow (inflow) of resources	\$ 10,886	\$ (37,477)

Other amounts reported as deferred inflows related to the Oregon's PERS cost-sharing plan will be recognized in OPEB expense as follows:

Year ended June 30,	
2021	\$ (16,716)
2022	(14,802)
2023	(1,967)
2024	1,218
2025	-
Thereafter	-
Total	\$ (32,267)

Discount Rate - The discount rate used to measure the net OPEB liability for the RHIA Plan was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments. Therefore, the long term expected rate of return on pension plan investments for the RHIA Plan was applied to all periods of projected benefit payments to determine the net OPEB Liability.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following presents the College's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.20%, as well as what the College's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Net OPEB Liability (Asset)	\$ (148,562)	\$ (191,629)	\$ 228,325

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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions - The net OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study	2016, published July 26, 2017
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Retiree healthcare participation	Healthy retirees: 38%; disabled retirees: 20%
Healthcare cost trend rate	Not applicable
Mortality	<u>Healthy retirees and beneficiaries:</u> RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set backs as described in the valuation. <u>Active members:</u> RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <u>Disabled retirees:</u> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

All actuarial methods and assumptions are consistent with those disclosed for the OPERS Pension Plan.

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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

9. OPERATING LEASES

The College as lessee leases building and office facilities and other equipment under non-cancelable operating leases. The future minimum lease payments are as follows:

Fiscal Year Ending June 30,

2021	\$ 341,489
2022	228,490
2023	87,734
2024	<u>63,897</u>
Total Minimum Future Rentals	<u>\$ 721,610</u>

The expense for operating leases for the year ended June 30, 2020 was \$455,532.

10. PROPERTY TAX LIMITATIONS

The voters of the State of Oregon approved ballot Measure 5, a constitutional limit on property taxes for schools and non-school government operations, in November 1990. School operations include community colleges, local school Colleges and education service Colleges. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this initiative has been that Colleges have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue. The voters of the State of Oregon passed ballot Measure 50 in May, 1997 to further reduce property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit.

Measure 50 reduced the amount of operating property tax revenues available to the College for its 1997-98 fiscal year, and thereafter. This reduction is accomplished by rolling assessed property values back to their 1995-96 values less 10%, and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Measure also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State of Oregon to minimize the impact of the tax cuts to school Colleges. The State of Oregon, in its 2001 legislative session, provided additional State revenues for the 2002-2003 biennium to help alleviate the impact on school operations. The ultimate impact to the College as a result of this measure is not determinable at this time.

11. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College is covered through PACE and Umpqua Insurance Agency. The Commercial insurance is also carried for other risks of loss including workers' compensation coverage. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

12. COMMITMENTS AND CONTINGENCIES

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

Management is not aware of any contingent liabilities that would require disclosure under Statements of Financial Accounting Standards Number 5, which include among other things: notes or accounts receivable which have been discounted; pending suits, proceedings, hearings, or negotiations possibly involving retroactive judgments or claims; taxes in dispute; endorsements or guarantees; and options given.

13. INTERFUND BALANCES AND TRANSFERS

The composition of interfund transfers as of June 30, 2020 is as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 2,667,179
Administratively Restricted Fund	531,584	5,895
Insurance Fund	295,000	-
Enterprise Fund	60,428	-
Debt Service Fund	1,388,465	-
Capital Projects Fund	364,506	-
Agency Fund	33,091	-
	<u>\$ 2,673,074</u>	<u>\$ 2,673,074</u>

Transfers are used to fund operations between funds.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

14. LONG TERM DEBT

Changes in Total Bonds Payable for the year ended June 30, 2020 are as follows:

	Interest Rates	Original Amount	Outstanding July 1, 2019	Additions	Deletions	Outstanding June 30, 2020
Limited Tax Pension Bonds 2004	3.35% - 5.53%	\$ 11,910,000	\$ 8,645,000	\$ -	\$ 650,000	\$ 7,995,000
Full Faith and Credit Obligations 2010	1.02% - 5.80%	4,250,000	2,985,000	-	2,985,000	-
Full Faith and Credit Obligations 2014, Series A	4%	5,500,000	5,500,000	-	5,500,000	-
Full Faith and Credit Obligations 2014, Series B	2% - 4%	2,405,000	2,185,000	-	115,000	2,070,000
Full Faith and Credit Financing Agreement, Series 2	1.78%	2,895,800	-	2,895,800	-	2,895,800
		<u>\$ 26,960,800</u>	<u>\$ 19,315,000</u>	<u>\$ 2,895,800</u>	<u>\$ 9,250,000</u>	<u>\$ 12,960,800</u>
Premium - FFCO 2014, Series A			245,575	-	245,575	-
Premium - FFCO 2014, Series B			147,370	-	9,825	137,545
Total Outstanding June 30, 2020			<u>19,707,945</u>	<u>2,895,800</u>	<u>9,505,400</u>	<u>13,098,345</u>
Due Within One Year						<u>1,015,353</u>
Total Bonds Payable						<u>\$ 12,082,992</u>

Pension Obligation Bonds

In February 2004, \$11,910,000 of limited Tax Pension Obligation Bonds were issued and transferred to the State of Oregon Public Employees Retirement System to cover a portion of 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 annual required contribution. Principal payments are due annually in June through June 30, 2028 and interest payable in December and June of each year with rates ranging from 3.35% to 5.53%.

Future bonded debt requirements for the pension bond issue are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 730,000	\$ 439,905	\$ 1,169,905
2022	820,000	400,193	1,220,193
2023	915,000	355,585	1,270,585
2024	1,020,000	305,809	1,325,809
2025	1,135,000	249,403	1,384,403
2026-2030	3,375,000	344,519	3,719,519
	<u>\$ 7,995,000</u>	<u>\$ 2,095,414</u>	<u>\$ 10,090,414</u>

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

14. LONG TERM DEBT (CONTINUED)

Extinguished Debt - Full Faith and Credit Obligations, Series 2010

On June 1, 2020, the College issued \$2,895,800 of Full Faith and Credit Financing Agreement 2020 inclusive of bond issuance costs to extinguish the remaining \$2,835,000 of Full Faith and Credit Obligations Series 2010. The series 2010 were issued to finance construction of Danny Lang Teaching, Learning and Event Center. The College current refunded the Series 2010 debt to take advantage of lower interest rates. The Series 2020 debt issue bears interest rate of 1.78% and the final maturity is on June 30, 2035. Principal payments for debt service are due annually in June starting with June of 2021 through June 30, 2035 and interest payable in December and June of each year. Series 2020 debt has a prepayment option on or after June 30, 2030.

Future Full Faith and Credit Financial Agreement 2020 requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 170,353	\$ 55,698	\$ 226,051
2022	172,903	48,513	221,416
2023	176,347	45,435	221,782
2024	179,702	42,296	221,998
2025	182,967	39,098	222,065
2026-2030	964,984	145,538	1,110,522
2031-2035	1,048,544	56,703	1,105,247
	<u>\$ 2,895,800</u>	<u>\$ 433,280</u>	<u>\$ 3,329,080</u>

Full Faith and Credit Obligations, Series 2014

In December 2014, \$5,500,000 of Full Faith and Credit Obligations, Series 2014A and \$2,405,000 of Full Faith and Credit Obligations, Series 2014B were issued to finance real and personal property including the construction, equipping and furnishing of Bonnie J Ford Health, Nursing and Science Building. On December 1, 2019, the College exercised a call option to pay single principal payment of \$5,500,000 due on June 1st, 2024.

Principal payments for Series 2014B are due annually in June starting with June of 2018 through June 1, 2034 and interest payable in December and June of each year with rates ranging from 2% to 4%. Series 2014B have a ten year call option.

Future maturities for the Full Faith and Credit Obligations, Series 2014B are as follows:

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

14. LONG TERM DEBT (CONTINUED)

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 115,000	\$ 78,050	\$ 193,050
2022	120,000	75,750	195,750
2023	125,000	72,150	197,150
2024	125,000	68,400	193,400
2025	130,000	63,400	193,400
2026-2030	745,000	233,800	978,800
2031-2035	710,000	72,600	782,600
	<u>\$ 2,070,000</u>	<u>\$ 664,150</u>	<u>\$ 2,734,150</u>

15. RECONCILIATION OF BUDGETARY FUND BALANCES TO NET POSITION

Total Budgetary Fund Balances as of June 30, 2020

General	\$ 6,888,547
Administratively Restricted	1,839,175
Special Projects - Grants and Contracts	27,112
Insurance	189,914
Debt Service	2,752,559
Capital Projects	479,985
Internal Service	854,854
Enterprise	113,057
Agency	42,506
	<u>\$ 13,187,708</u>

Reconciliation of Budgetary Fund Balances to Net Position

Budgetary Fund Balance	\$ 13,187,708
Noncurrent Assets, net	32,499,098
Deferred Outflows	4,920,843
Long-term Liabilities, net	(29,901,243)
Deferred Revenue of Property Taxes	362,138
Compensated Absences	(536,530)
Deferred Inflows	(3,037,600)
	<u>\$ 17,494,414</u>

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2020**

16. COLLEGE FOUNDATION

The Foundation was formed to encourage, receive and administer gifts and bequests for the support of the College and its students. The Foundation is a legally separate, tax-exempt entity with an independent governing board. The majority of resources, or income thereon, which the Foundation holds and invests are restricted to the activities of the College by donors and not controlled directly by the College. 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 financial statements.

The financial activity of the Foundation is reported for the year ended June 30, 2020. During the fiscal year 2020, \$4,292,771 was transferred from the Foundation to the College in satisfaction of pledges on the Bonnie J. Ford Health, Nursing and Science building. An additional \$248,792 was transferred to the College representing earnings on the investments held for the capital building campaign. Total pledges due to the College at June 30 were \$250,748. Other obligations due to the College at June 30 totaled \$177,364. The Foundation is audited annually and received an unmodified audit opinion for fiscal year ending 2020. Please see the financial statements of the Foundation on pages 20 and 21 of this report. Complete financial statements of the Foundation may be obtained by writing the following: Umpqua Community College, 1140 Umpqua College Road, Roseburg, Oregon 97470-0226.



**REQUIRED
SUPPLEMENTARY
INFORMATION**

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
YEAR END JUNE 30, 2020**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - PERS

Year Ended June 30,	(a) Employer's proportion of the net pension liability	(b) Employer's proportionate share of the net pension liability (asset)	(c) College's covered payroll	(b/c) Net pension liability (asset) as percentage a of covered payroll	Plan fiduciary net position as a percentage of the total net pension liability
2020	0.09 %	\$ 15,335,936	\$ 13,651,484	112.34 %	80.23 %
2019	0.10	14,917,941	13,448,904	110.92	82.07
2018	0.11	14,158,603	14,073,898	100.60	83.12
2017	0.11	16,513,216	13,440,067	122.87	80.50
2016	0.11	6,130,902	14,584,958	42.04	91.90
2015	0.11	(2,404,791)	13,918,358	(17.28)	103.60

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

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

SCHEDULE OF PENSION CONTRIBUTIONS - PERS

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2020	\$ 1,626,688	\$ 1,626,688	\$ -	\$ 14,036,652	11.59 %
2019	1,307,138	1,307,138	-	13,651,484	9.58
2018	1,187,153	1,187,153	-	13,448,904	8.83
2017	1,057,418	1,057,418	-	14,073,898	7.51
2016	1,024,630	1,024,630	-	13,440,067	7.62
2015	1,213,382	1,213,382	-	14,584,958	8.32

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

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

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
YEAR END JUNE 30, 2020**

Schedule of Total OPEB Liability

Last Four Fiscal Years*

For the Fiscal Year Ended June 30, 2020

Single Employer Plan	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability:				
Benefit payments	\$ (130,372)	\$ (303,981)	\$ (280,037)	\$ -
Service cost	49,697	44,090	42,806	-
Interest on total OPEB liability	30,289	56,225	58,464	-
Change in assumptions	242,080	-	84,784	-
Experience (Gain)/Loss	(160,483)	-	46,726	-
Net changes in OPEB liability	<u>31,211</u>	<u>(203,666)</u>	<u>(47,257)</u>	<u>-</u>
Net OPEB liability - beginning	1,435,751	1,639,417	1,686,674	-
Net OPEB liability - ending	<u>\$ 1,466,962</u>	<u>\$ 1,435,751</u>	<u>\$ 1,639,417</u>	<u>\$ 1,686,674</u>
College's covered payroll	\$10,084,124	\$ 9,561,379	\$ 9,282,892	\$ 9,012,517
College's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	14.55%	15.02%	17.66%	18.71%

**The schedule is required to show information for 10 years. However, until a full 10-year trend is compiled, the information presented is for those years for which information is available.*

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
YEAR END JUNE 30, 2020**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB (ASSET) LIABILITY - RHIA

Year Ended June 30,	(a) Employer's proportion of the net pension liability	(b) Employer's proportionate share of the net pension liability (asset)	(c) College's covered payroll	(b/c) Net pension liability (asset) as percentage a of covered payroll	Plan fiduciary net position as a percentage of the total net pension liability
2020	0.10 %	\$ (191,629)	\$ 13,651,484	(1.40) %	144.38 %
2019	0.11	(120,238)	13,448,904	(0.89)	123.99
2018	0.11	(47,446)	14,073,898	(0.34)	108.90
2017	0.11	31,824	13,440,067	0.24	94.20

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

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

SCHEDULE OF OPEB CONTRIBUTIONS - RHIA

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2020	\$ 5,676	\$ 5,676	\$ -	\$ 14,036,652	0.04 %
2019	49,150	49,150	-	13,651,484	0.36
2018	52,156	52,156	-	13,448,904	0.39
2017	56,599	56,599	-	14,073,898	0.40

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

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

**OTHER
SUPPLEMENTARY
INFORMATION**

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

BUDGETARY INFORMATION
YEAR END JUNE 30, 2020

Oregon Administrative Rules require an individual Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, be prepared for each fund which the College is legally required to budget.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The College focuses on changes in current financial resources in the preparation, adoption and execution of annual budgets for the College's funds. The modified accrual basis of accounting is used to account for transactions or events that have increased or decreased the resources available for spending in the near future. The budget schedules include all transactions or events that affect the fund's current financial resources, even though these transactions may not affect net position. Such transactions include the issuance of debt, the payment of debt service principal payments, and the payment of capital outlay expenditures.

Revenues are recognized when they are susceptible to accrual. To be susceptible to accrual, the revenue must be both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The College deems revenues received within 60 days of the end of the fiscal year to be available and subject to accrual. Expenditures are recorded when the related fund liability is incurred, except for un-matured interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recorded only when expected to be liquidated with available expendable financial resources. State support is recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grant revenue is recognized when the qualifying expenditures have been incurred and all other grant requirements have been met. Other receipts, including property taxes, become measurable and available when cash is received by the College and recognized as revenue at that time.

DESCRIPTION OF FUNDS

The College has the following funds:

The *General Fund* accounts for the financial operations of the College not accounted for in any other fund. Principal sources of revenue are state support, tuition and fees, and property taxes. Expenditures are made for instruction, instructional support, student services, community services, college support services, debt service, operation and maintenance of plant facilities and financial aid.

The *Financial Aid Fund* accounts for revenues and expenditures for various programs providing grants, loans, or wages for students from federal, state or private funds.

The *Special Revenue Fund – Administratively Restricted* is a special revenue fund used to account for specific programs where monies are administratively restricted. Activities recorded in this fund generate revenue primarily through specifically assessed tuition and fees, or through other revenue-generating activities.

The *Special Revenue Fund – Grants & Contracts* is for financial operations of the various programs of the College funded primarily by federal, state, and local agencies. Funds are restricted to the purpose designated by grantee.

The *Insurance Fund* accounts for payments to the Oregon Employment Division for unemployment benefits paid to terminated employees. Payments are also made to early retirees for medical insurance premiums from this fund. Principal revenues are transfers from the General Fund and investment earnings.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**BUDGETARY INFORMATION (Continued)
YEAR END JUNE 30, 2020**

DESCRIPTION OF FUNDS (Continued)

The *Debt Service Fund* provides for the payment of principal and interest on limited tax pension obligation bonds and full faith and credit obligation bonds. Principal revenue sources are charges to other funds.

The *Capital Projects Fund* accounts for resources from state appropriations and debt proceeds used for the acquisition of land, new construction, major remodeling projects, and major equipment purchases.

The *Enterprise Fund* includes activities that furnish goods or services to students, staff, or the public, for which charges or fees are assessed that are directly related to the cost of the good or service provided.

The *Internal Service Fund* includes functions that exist primarily to provide goods or services to other instructional or administrative units of the college, and resources come from internal College charges.

The *Agency Fund* is used to budget and account for the activities of the Associated Students of Umpqua Community College (ASUCC) student government, student clubs and outside agencies for which the College is acting as a fiscal agent. Each of the funds is accounted for separately.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
GENERAL FUND
FOR YEAR ENDING JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Property taxes	\$ 3,892,627	\$ 3,892,627	\$ 4,013,786	\$ 121,159
Tuition and fees	7,105,244	7,135,244	6,137,741	(997,503)
State appropriation	11,996,982	12,702,701	12,764,098	61,397
Interest income	156,000	156,000	208,270	52,270
Other	210,000	180,000	321,033	141,033
TOTAL REVENUES	23,360,853	24,066,572	23,444,928	(621,644)
EXPENDITURES				
Instruction	9,066,334	9,066,334 (1)	8,362,853	703,481
Instructional Support	1,440,234	1,530,845 (1)	1,494,623	36,222
Student Services	2,891,061	2,909,496 (1)	2,735,165	174,331
College Support Services	6,909,364	6,954,364 (1)	6,045,340	909,024
Financial Aid	861,183	861,183 (1)	647,989	213,194
Contingency and Reserves	4,316,083	4,867,756 (1)	-	4,867,756
TOTAL EXPENDITURES	25,484,259	26,189,978	19,285,971	6,904,007
Revenues over-(under) expenditures	(2,123,406)	(2,123,406)	4,158,957	6,282,363
OTHER FINANCING SOURCES - (USES)				
Transfers in	-	-	-	-
Transfer out	(2,408,776)	(2,683,776) (1)	(2,667,179)	16,597
TOTAL OTHER FINANCING SOURCES - (USES)	(2,408,776)	(2,683,776)	(2,667,179)	16,597
NET CHANGE IN FUND BALANCE	(4,532,182)	(4,807,182)	1,491,778	6,298,960
Fund Balance - July 1, 2019	4,532,182	4,807,182	5,396,770	589,588
Fund Balance - June 30, 2020	\$ -	\$ -	\$ 6,888,547	\$ 6,888,547

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
FINANCIAL AID FUND
FOR YEAR ENDING JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Intergovernmental - federal	\$ 8,388,118	\$ 8,388,118	\$ 6,493,475	\$ (1,894,643)
Intergovernmental - state	2,171,500	2,171,500	1,470,564	(700,936)
Local & Private Grants	2,000,000	2,000,000	632,413	(1,367,587)
TOTAL REVENUES	12,559,618	12,559,618	8,596,453	(3,963,165)
EXPENDITURES				
Student Loans and Financial Aid	12,559,618	12,559,618 (1)	8,596,453	3,963,165
Revenues over-(under) expenditures	-	-	-	-
Fund Balance - July 1, 2019	-	-	-	-
Fund Balance - June 30, 2020	\$ -	\$ -	\$ -	\$ -

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
SPECIAL REVENUE FUND - ADMINISTRATIVELY RESTRICTED
FOR YEAR ENDING JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Tuition and fees	\$ 2,617,112	\$ 2,762,362	\$ 2,422,058	\$ (340,304)
Intergovernmental - state and federal	1,800	1,800	19,317	17,517
Local/Private Grants & Contracts	103,455	103,455	107,852	4,397
Other	1,038,433	992,314	348,735	(643,580)
TOTAL REVENUES	3,760,800	3,859,931	2,897,962	(961,970)
EXPENDITURES				
Instruction	2,483,752	2,483,752 (1)	1,347,481	1,136,271
Instruction Support	859,409	859,409 (1)	607,759	251,650
Community Services	122,000	122,000 (1)	65,152	56,848
Student Services	1,197,938	1,601,188 (1)	631,926	969,262
College Support Services	549,618	546,618 (1)	391,893	154,725
Contingency and Reserves	25,000	25,000 (1)	-	25,000
TOTAL EXPENDITURES	5,237,717	5,637,967	3,044,211	2,593,756
Revenues over-(under) expenditures	(1,476,917)	(1,778,036)	(146,250)	1,631,786
OTHER FINANCING SOURCES - (USES)				
Transfers in	261,613	533,613	531,584	(2,029)
Transfers out	(18,195)	(18,195) (1)	(5,895)	-
TOTAL OTHER FINANCING SOURCES - (USES)	243,418	515,418	525,689	10,271
NET CHANGE IN FUND BALANCE	(1,233,499)	(1,262,618)	379,439	1,642,057
Fund Balance - July 1, 2019	1,233,499	1,262,618	1,459,736	197,118
Fund Balance - June 30, 2020	\$ -	\$ -	\$ 1,839,175	\$ 1,839,175

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
SPECIAL REVENUE FUND – GRANTS & CONTRACTS
FOR YEAR ENDING JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Intergovernmental-federal	\$ 2,277,726	\$ 2,974,969	\$ 1,782,464	\$ (1,192,505)
Intergovernmental-state	1,682,367	3,913,239	1,199,159	(2,714,080)
Nongovernmental grants and contracts	1,073,629	1,156,647	721,167	(435,480)
TOTAL REVENUES	5,033,722	8,044,855	3,708,915	(4,335,940)
EXPENDITURES				
Instruction	1,117,139	1,117,139 (1)	671,011	446,128
Instructional Support	886,053	1,012,324 (1)	515,927	496,397
Student Services	1,965,983	2,119,766 (1)	1,678,744	441,022
Community Services	826,641	1,129,063 (1)	556,903	572,160
College Support Services	237,906	2,473,333 (1)	285,988	2,187,345
Contingency and Reserves	-	193,230 (1)	-	193,230
TOTAL EXPENDITURES	5,033,722	8,044,855	3,708,572	4,336,283
Revenues over-(under) expenditures	-	-	343	343
NET CHANGE IN FUND BALANCE	-	-	343	343
Fund Balance - July 1, 2019	-	-	26,769	26,769
Fund Balance - June 30, 2020	\$ -	\$ -	\$ 27,112	\$ 27,112

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
INSURANCE FUND
FOR YEAR ENDING JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
EXPENDITURES				
College Support Services	\$ 370,000	\$ 370,000 (1)	\$ 283,896	\$ 86,104
Contingency	82,633	82,633 (1)	-	82,633
TOTAL EXPENDITURES	452,633	452,633	283,896	168,737
Revenues over-(under) expenditures	(452,633)	(452,633)	(283,896)	168,737
OTHER FINANCING SOURCES - (USES)				
Transfers in	295,000	295,000	295,000	-
NET CHANGE IN FUND BALANCE	(157,633)	(157,633)	11,104	168,737
Fund Balance - July 1, 2019	157,633	157,633	178,810	21,177
Fund Balance - June 30, 2020	\$ -	\$ -	\$ 189,914	\$ 189,914

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
DEBT SERVICE FUND
FOR YEAR ENDING JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Intergovernmental-federal	\$ 70,890	\$ 70,890	\$ 101,061	\$ 30,171
Tuition and Fees	493,891	493,891	426,361	(67,530)
Interest income	9,000	9,000	266,668	257,668
TOTAL REVENUES	<u>573,781</u>	<u>573,781</u>	<u>794,090</u>	<u>220,309</u>
EXPENDITURES				
Debt service:				
Principal	6,415,000	9,250,000	9,250,000	-
Interest	960,564	1,038,634	870,035	168,599
TOTAL EXPENDITURES	<u>7,375,564</u>	<u>10,288,634 (1)</u>	<u>10,120,035</u>	<u>168,599</u>
Revenues over-(under) expenditures	<u>(6,801,783)</u>	<u>(9,714,853)</u>	<u>(9,325,945)</u>	<u>388,908</u>
OTHER FINANCING SOURCES - (USES)				
Transfers in	1,388,465	1,388,465	1,388,465	-
Debt Service Proceeds	-	2,913,070	2,895,800	(17,270)
TOTAL OTHER FINANCING SOURCES	<u>1,388,465</u>	<u>4,301,535</u>	<u>4,284,265</u>	<u>(17,270)</u>
NET CHANGE IN FUND BALANCE	<u>(5,413,318)</u>	<u>(5,413,318)</u>	<u>(5,041,680)</u>	<u>371,638</u>
Fund Balance - July 1, 2019	<u>7,705,986</u>	<u>7,705,986</u>	<u>7,794,239</u>	<u>88,253</u>
Fund Balance - June 30, 2020	<u>\$ 2,292,668</u>	<u>\$ 2,292,668</u>	<u>\$ 2,752,559</u>	<u>\$ 459,891</u>

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
CAPITAL PROJECTS FUND
FOR YEAR ENDING JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Intergovernmental-federal	\$ -	\$ -	\$ 19,150	\$ 19,150
Local & Private Grants	-	-	58,298	58,298
Other	-	-	6,028	6,028
TOTAL REVENUES	-	-	83,476	83,476
EXPENDITURES				
Facilities acquisition / construction	506,133	581,403 (1)	227,144	354,259
Contingency and Reserves	145,270	70,000	-	70,000
TOTAL EXPENDITURES	651,403	651,403	227,144	424,259
Revenues over-(under) expenditures	(651,403)	(651,403)	(143,669)	507,734
OTHER FINANCING SOURCES - (USES)				
Transfers in	371,270	371,270	364,506	(6,764)
TOTAL OTHER FINANCING SOURCES - (USES)	371,270	371,270	364,506	(6,764)
NET CHANGE IN FUND BALANCE	(280,133)	(280,133)	220,837	500,970
Fund Balance - July 1, 2019	280,133	280,133	259,148	(20,985)
Fund Balance - June 30, 2020	\$ -	\$ -	\$ 479,985	\$ 479,985

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
INTERNAL SERVICE FUND
FOR YEAR ENDING JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Tuition and Fees	\$ -	\$ -	\$ 139	\$ 139
Interest income	-	-	11,058	11,058
Other	181,875	181,875	319,759	137,884
TOTAL REVENUES	181,875	181,875	330,956	149,081
EXPENDITURES				
College Support Services	189,375	189,375 (1)	138,636	50,739
Revenues over-(under) expenditures	(7,500)	(7,500)	192,320	199,820
NET CHANGE IN FUND BALANCE	(7,500)	(7,500)	192,320	199,820
Fund Balance - July 1, 2019	587,500	587,500	662,534	75,034
Fund Balance - June 30, 2020	\$ 580,000	\$ 580,000	\$ 854,854	\$ 274,854

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
ENTERPRISE FUND
FOR YEAR ENDING JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Sales	\$ 2,259,836	\$ 1,762,074	\$ 926,788	\$ (835,286)
TOTAL REVENUES	<u>1,762,074</u>	<u>1,762,074</u>	<u>926,788</u>	<u>(835,286)</u>
EXPENDITURES				
Instructional Support	120,000	120,000 (1)	21,935	98,065
Student Services	1,705,074	1,705,074 (1)	954,083	750,991
Community Services	226,161	226,161 (1)	75,012	151,149
Contingency	157,767	157,767 (1)	-	157,767
TOTAL EXPENDITURES	<u>2,209,002</u>	<u>2,209,002</u>	<u>1,051,030</u>	<u>1,157,972</u>
Revenues over-(under) expenditures	<u>(446,928)</u>	<u>(446,928)</u>	<u>(124,242)</u>	<u>322,686</u>
OTHER FINANCING SOURCES - (USES)				
Transfer in	63,428	63,428 (1)	60,428	(3,000)
NET CHANGE IN FUND BALANCE	<u>(383,500)</u>	<u>(383,500)</u>	<u>(63,814)</u>	<u>319,686</u>
Fund Balance - July 1, 2019	<u>383,500</u>	<u>383,500</u>	<u>176,871</u>	<u>(206,629)</u>
Fund Balance - June 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,057</u>	<u>\$ 113,057</u>

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
AGENCY FUND
FOR YEAR ENDING JUNE 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Other	\$ 27,000	\$ 27,000	\$ 4,411	\$ (22,589)
TOTAL REVENUES	27,000	27,000	4,411	(22,589)
EXPENDITURES				
Student Services	103,879	103,879 (1)	21,075	82,804
TOTAL EXPENDITURES	103,879	103,879	21,075	82,804
Revenues over-(under) expenditures	(76,879)	(76,879)	(16,664)	60,215
OTHER FINANCING SOURCES - (USES)				
Transfers in	50,195	50,195	33,091	(17,104)
NET CHANGE IN FUND BALANCE	(26,684)	(26,684)	16,427	43,111
Fund Balance - July 1, 2019	26,684	26,684	26,079	(605)
Fund Balance - June 30, 2020	\$ -	\$ -	\$ 42,506	\$ 42,506

(1) Appropriation level



OTHER FINANCIAL SCHEDULE

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR END JUNE 30, 2020**

Tax Year	Uncollected June 30, 2019	Levy as Extended by Assessor	Discounts	Adjustments	Collections	Uncollected June 30, 2020
2019-20	\$ -	\$ 4,107,024	\$ (105,550)	\$ (10,711)	\$ (3,839,527)	\$ 151,236
2018-19	147,165	-	-	(16,952)	(75,273)	54,940
2017-18	55,145	-	-	26,770	(27,980)	53,934
2016-17	48,029	-	-	392	(19,815)	28,606
2015-16	32,841	-	-	(5,957)	(18,653)	8,231
and Prior	63,204	-	-	6,189	(4,203)	65,190
Total	346,384	4,107,024	(105,550)	(269)	(3,985,451)	362,138

STATISTICAL SECTION

STATISTICAL SECTION

This part of Umpqua Community College's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the College's overall financial health.

Financial Trends – These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.

Net Position – page 67

Changes in Net Position – page 68-69

Revenue Capacity – These schedules contain information to help the reader assess the College's most significant revenue sources, tuition and property tax.

Property Tax Rates, Assessed Valuation, and Real Market Value – page 70

Direct and Overlapping Property Tax Rates - page 71-72

Principal Property Taxpayers - page 73

Property Tax Levies and Collection - page 74

Debt Capacity – These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.

Ratio of General Bonded Debt and Legal Debt Margin - page 75-76

Ratio of Outstanding Debt by Types - page 77

Demographic and Economic Information – These schedules offer demographic and economic indicator to help the reader understand the environment within which the College's financial activities take place.

Demographic and Economic Statistics - page 78

Principal Employers for Douglas County – page 79

Operating Information – These schedules contain services and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.

Employee Headcount – page 80

Building Construction and Acquisition – page 81

Tuition Rates and Enrollment Statistics – page 82

FINANCIAL TRENDS

**UMPQUA COMMUNITY COLLEGE
NET POSITION**

Last Ten Fiscal Years

Fiscal Year	Net Investment in Capital Assets	Restricted - Expendable	Unrestricted	Total
2019-20	\$ 27,204,124	\$ 493,817	\$ (10,203,527)	\$ 17,494,414
2018-19	22,367,900	5,458,420	(13,739,583)	14,086,737
2017-18	23,103,605	5,376,903	(11,808,497)	16,672,011
2016-17	20,648,163	5,299,344	(12,701,015)	13,246,492
2015-16	18,602,016	5,186,894	(9,080,930)	14,707,980
2014-15	14,267,531	5,025,025	(5,745,650)	13,546,907
2013-14	15,079,003	2,578,730	9,407,600	27,065,333
2012-13	15,045,989	2,174,436	6,693,754	23,914,179
2011-12	15,645,562	1,967,846	9,072,255	26,685,663
2010-11	13,581,888	1,655,258	5,558,653	20,795,799

Source: Umpqua Community College Comprehensive Annual Financial Report

Note: in FY 2015 net position decreased due to implementation of GASB 68

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UMPQUA COMMUNITY COLLEGE CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	2019-20	2018-19	2017-18
OPERATING REVENUE			
Tuition and fees	\$ 3,873,122	\$ 4,435,244	\$ 4,012,308
Federal student financial aid grants	5,932,548	6,744,217	6,530,677
Federal grants and contracts	2,463,602	1,947,460	1,943,363
State grants and contracts	2,672,130	2,752,809	2,496,218
Local grants and contracts	1,522,365	1,803,504	1,628,169
Bookstore sales	477,745	623,731	604,038
Food service sales	4,896	236,784	298,053
Special Events & Incubator Program	109,916	148,140	106,162
Other operating revenue	576,020	756,147	624,617
Total operating revenues	17,632,344	19,448,035	18,243,605
OPERATING EXPENSES			
Instruction	11,123,911	10,763,126	10,765,057
Instructional support	2,666,939	2,383,761	2,578,936
Student services	6,265,795	6,472,627	5,581,338
College support services	7,586,109	7,362,064	7,670,881
Auxilliary	-	-	-
Community services	694,250	905,730	605,705
Student financial aid	3,833,498	4,239,330	4,411,914
Plant Operations and maintenance	-	-	-
Facilities acquisition /construction	222,888	196,585	330,337
Depreciation	1,328,775	1,659,967	1,671,396
Total operating expenses	33,722,165	33,983,190	33,615,564
Operating income (loss)	(16,089,821)	(14,535,155)	(15,371,959)
NONOPERATING REVENUES (EXPENSES)			
State community college support	15,576,099	8,582,420	13,898,327
Property taxes	4,029,540	3,859,541	3,671,295
Investment Income	485,996	241,426	161,723
Investment gain (loss) on pension asset	-	-	-
Amortization of bond premium	255,400	58,940	58,940
Interest expense	(808,635)	(981,961)	(1,019,351)
Bond issue costs	(61,400)	-	-
Gain (loss) on disposition of capital assets	-	(2,671)	(11,690)
Net nonoperating revenue (expenses)	19,476,999	11,757,695	16,759,244
Income (loss) before capital contributions	3,387,178	(2,777,460)	1,387,285
CAPITAL CONTRIBUTIONS			
Capital state grant	-	-	3,765,164
Capital gifts and grants	20,500	192,186	55,677
Total capital contributions	20,500	192,186	3,820,841
Change in net position	3,407,678	(2,585,274)	5,208,126
NET POSITION			
Net position - beginning of year	14,086,737	16,672,011	13,246,492
Less restatement	-	-	(1,782,608)
Restated Net Position - beginning of year	14,086,737	16,672,011	11,463,884
Net position -end of year	\$ 17,494,414	\$ 14,086,737	\$ 16,672,011

Source: Umpqua Community College Comprehensive Annual Financial Report

NOTES:

Fiscal Year 2014-15 is the first year GASB68 was implemented.

Fiscal year 2017-18 is the first year GASB75 was implemented.

**UMPQUA COMMUNITY COLLEGE
CHANGES IN NET POSITION**

LAST TEN FISCAL YEARS (Continued)

2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
\$ 3,654,238	\$ 3,777,276	\$ 3,283,655	\$ 3,029,056	\$ 3,185,431	\$ 3,633,640	\$ 3,822,222
6,605,012	7,114,195	8,216,554	10,194,591	12,722,284	22,789,049	27,324,559
2,260,259	1,836,885	2,070,006	2,525,597	1,724,991	2,074,883	2,696,243
3,898,445	2,101,096	1,922,419	1,410,982	1,359,814	987,834	590,317
1,651,502	1,510,603	1,186,228	1,063,498	1,366,900	1,423,090	1,478,418
625,534	705,203	673,607	634,156	757,287	874,948	1,084,675
202,242	142,878	300,309	253,794	268,815	306,632	268,137
48,200	26,579	5,184	-	-	-	-
1,257,960	713,292	747,840	949,192	748,506	3,387,858	1,071,643
20,203,392	17,928,007	18,405,802	20,060,865	22,134,028	35,477,934	38,336,215
10,713,067	12,175,334	9,431,652	10,800,579	11,144,812	11,515,990	11,172,957
2,824,309	2,799,416	2,369,864	2,522,726	2,430,765	2,436,179	2,461,725
5,996,114	6,705,058	5,871,695	5,711,761	5,512,453	3,767,328	4,613,949
9,137,904	9,398,533	6,887,428	7,467,329	5,027,971	5,103,824	4,599,956
-	-	-	-	-	2,389,968	2,554,719
169,090	165,217	114,784	80,441	63,093	108,606	148,410
4,391,631	4,552,489	5,315,418	6,442,330	8,524,800	16,599,663	20,466,550
-	-	-	-	2,224,890	2,214,448	2,738,090
914,180	429,924	512,951	520,361	-	-	-
1,610,052	1,325,298	1,408,349	1,274,135	1,289,021	1,245,277	985,167
35,756,347	37,551,270	31,912,141	34,819,663	36,217,805	45,381,283	49,741,522
(15,552,955)	(19,623,263)	(13,506,339)	(14,758,799)	(14,083,777)	(9,903,349)	(11,405,307)
7,882,956	12,823,475	8,073,162	13,753,048	7,575,009	13,349,213	7,527,455
3,564,231	3,479,236	3,384,933	3,253,946	3,224,160	3,126,992	3,026,591
78,704	61,825	56,008	53,067	52,819	62,868	61,847
-	-	-	1,811,950	1,275,370	87,173	2,071,698
58,940	58,940	58,940	-	-	-	-
(1,043,576)	(1,067,013)	(944,922)	(796,513)	(808,708)	(820,436)	(781,814)
-	-	(89,630)	-	(9,598)	(9,598)	(9,598)
(75,018)	(3,803)	955	-	3,244	(3,000)	-
10,466,238	15,352,659	10,539,446	18,075,498	11,312,296	15,793,212	11,896,178
(5,086,717)	(4,270,604)	(2,966,893)	3,316,699	(2,771,481)	5,889,863	490,871
3,600,229	5,384,607	-	-	-	-	-
25,000	47,070	5,150,471	-	-	-	-
3,625,229	5,431,677	5,150,471	-	-	-	-
(1,461,488)	1,161,073	2,183,578	3,316,699	(2,771,481)	5,889,863	490,871
14,707,980	13,546,907	27,065,333	23,914,179	26,685,662	20,795,799	20,304,928
-	-	(15,702,004)	(165,546)	-	-	-
-	13,546,907	11,363,329	23,748,633	26,685,662	20,795,799	20,304,928
\$ 13,246,492	\$ 14,707,980	\$ 13,546,907	\$ 27,065,332	\$ 23,914,181	\$ 26,685,662	\$ 20,795,799



REVENUE CAPACITY

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Property Tax Rates, Assessed Value, and Real Market Value
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Permanent Rate</u>	<u>Assessed Value</u>	<u>Measure 5 Real Market Value</u>	<u>Ratio of Taxable Assessed Value to Real Market Value</u>
2019-20	0.04551 %	\$ 9,173,535,550	\$ 11,301,500,008	81%
2018-19	0.04551	8,724,826,187	11,067,888,202	79%
2017-18	0.04551	8,395,179,267	10,190,024,441	82%
2016-17	0.04551	8,174,378,170	9,795,781,514	83%
2015-16	0.04551	7,864,047,304	9,389,809,781	84%
2014-15	0.04551	7,693,230,203	9,325,455,608	82%
2013-14	0.04551	7,465,190,487	9,132,582,748	82%
2012-13	0.04551	7,266,499,519	9,037,090,627	80%
2011-12	0.04551	7,074,596,298	9,381,751,607	75%
2010-11	0.04551	6,891,082,239	9,820,250,596	70%

Source: Douglas County Department of Assessment and Taxation

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**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Direct and Overlapping Property Tax Rates
(Rate per \$1,000 of assessed value)
LAST TEN FISCAL YEARS**

Taxing Entity	Fiscal Year Taxes are Payable		
	2019-20	2018-19	2017-18
County Direct Rate			
Douglas County	1.11	1.11	1.11
Umpqua Community College	0.46	0.46	0.46
Lane Community College	0.62	0.62	0.85
SW Oregon Community College	0.70	0.70	0.70
<u>Cities</u>			
Canyonville	3.23	3.23	3.23
Drain	1.52	1.52	1.52
Elkton	2.33	2.33	2.33
Glendale	4.71	4.71	4.71
Myrtle Creek	6.51	6.51	6.51
Oakland	6.41	6.41	6.41
Reedsport	6.19	6.19	6.19
Riddle	6.49	6.49	6.49
Roseburg	25.43	25.43	25.43
Sutherlin	5.63	5.63	5.75
Winston	4.27	4.27	4.27
Yoncalla	1.46	1.46	1.46
<u>Schools</u>			
Camas Valley	4.70	4.70	4.70
Days Creek	4.84	4.84	4.84
Elkton	4.36	4.36	5.33
Fern Ridge	4.82	4.82	4.82
Glendale	4.74	4.74	5.22
Glide	4.50	4.50	5.46
North Douglas	4.78	4.78	5.11
Oakland	4.64	4.64	5.02
Reedsport	4.38	4.38	5.66
Riddle	4.66	4.66	4.66
Roseburg	4.03	4.03	4.57
Siuslaw	3.89	3.89	5.54
South Lane	4.75	4.75	6.61
South Umpqua	4.71	4.71	4.71
Southerlin	4.08	4.08	4.71
Winston Dillard	4.40	4.40	5.79
Yoncalla	4.69	4.69	4.69
Education Service District Rates	0.22-0.53	0.22-0.53	0.22-0.53
Fire District Rates	0.49-4.65	0.49-4.65	0.49-4.65
Water District Rates	-	-	-
Sanitary District Rates	0.00-1.42	0.00-1.42	0.00-1.42
Other Special District Rates	0.00-3.97	0.00-3.97	0.00-3.97

Source: Douglas County Department of Assessment and Taxation

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Direct and Overlapping Tax Rates (Continued)
(Rate per \$1,000 of assessed value)
LAST TEN FISCAL YEARS**

2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
1.11	1.11	1.11	1.11	1.11	1.11	1.11
0.46	0.46	0.46	0.46	0.46	0.46	0.46
0.84	0.82	0.86	0.86	0.86	0.88	0.86
0.70	0.70	0.70	0.70	0.70	0.70	0.70
3.36	3.48	3.49	3.49	3.46	3.50	3.48
1.52	1.52	1.52	1.52	1.52	1.52	1.52
2.33	2.33	2.33	2.33	2.33	2.33	2.33
4.71	4.71	5.47	5.83	5.73	5.71	5.70
6.51	6.51	6.51	6.51	6.51	6.51	6.51
6.41	6.41	6.41	6.41	6.41	6.41	6.41
6.19	6.19	6.19	6.19	6.19	6.19	6.19
6.49	6.49	6.49	6.49	6.49	6.49	6.49
25.43	24.58	24.58	23.74	22.89	22.04	21.19
5.74	5.75	5.75	5.75	5.78	5.78	5.81
4.27	4.27	4.27	4.27	4.27	4.27	4.27
1.46	1.46	1.46	1.46	1.46	1.46	1.46
4.70	4.70	4.70	4.70	4.70	4.70	4.70
4.84	4.84	4.84	4.84	4.84	4.84	4.84
5.33	5.31	5.28	5.28	5.30	5.29	5.30
6.07	6.07	6.89	7.01	6.92	6.97	6.92
5.22	5.22	5.22	5.27	5.28	5.27	5.23
5.46	5.49	5.48	5.48	5.45	5.58	5.60
5.10	5.09	5.16	5.11	5.11	5.22	5.17
5.01	5.01	5.00	5.00	5.02	5.06	5.03
5.68	5.83	5.71	5.72	5.70	5.73	5.78
4.66	4.66	4.66	4.66	4.66	4.66	4.66
4.50	4.62	4.64	4.63	4.65	4.65	4.66
5.55	5.53	5.53	5.53	5.54	5.55	5.76
6.89	6.19	6.29	6.50	6.35	6.39	6.45
4.71	4.71	4.71	4.71	4.71	4.71	4.71
4.15	4.74	4.73	4.75	4.73	4.76	4.75
5.83	5.91	6.03	6.03	6.01	5.91	5.94
4.69	4.69	4.69	4.69	4.69	4.69	4.69
0.22-0.53	0.22-0.53	0.22-0.53	0.22-0.53	0.22-0.53	0.22-0.53	0.22-0.53
0.49-4.65	0.49-4.65	0.49-4.65	0.49-4.65	0.49-4.65	0.49-4.65	0.49-4.65
-	-	-	-	-	-	-
0.00-1.42	0.00-1.42	0.00-1.42	0.00-2.42	0.00-2.42	0.00-2.42	0.00-2.42
0.00-3.97	0.00-3.97	0.00-3.97	0.00-3.97	0.00-3.97	0.00-3.97	0.00-3.97

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Principal Property Taxpayers – Douglas County
CURRENT YEAR END AND NINE YEARS AGO**

Taxpayer	Nature of Business	Total Assessed Value	Percentage Of Total Assessed Value	Taxes
2019-20:				
Pacificcorp	Utility	\$ 367,483,000	3.25%	\$ 2,856,690
Roseburg Forest Products Co	Wood Products	154,108,246	1.36%	1,522,885
Roseburg Resources Co	Wood Products	86,667,946	0.77%	673,369
Weyerhaeuser Company	Wood Products	75,155,861	0.67%	553,369
Avista Corp	Utility	55,804,000	0.49%	667,838
Centurylink	Telecommunications	53,540,000	0.47%	587,339
Seneca Jones Timber Co	Wood Products	46,195,133	0.41%	349,844
Charter Communications	Telecommunications	44,529,300	0.39%	579,573
Central Oregon & Pacific RR Co.	Freight Service	28,501,700	0.25%	213,710
Verizon Communications	Telecommunications	21,496,000	0.19%	185,138
Subtotal - ten of the largest taxpayers		933,481,186	8.26%	
All other taxpayers in Douglas County		10,368,018,822	91.74%	
Toal Douglas County Taxpayers		\$ 11,301,500,008	100.00%	
2010-11:				
Pacificcorp (PP&L)	Utility	\$ 272,362,000	2.77%	\$ 2,189,703
Roseburg Resources Co	Wood Products	70,325,594	0.72%	546,583
Roseburg Forest Products Co	Wood Products	60,782,124	0.62%	626,186
Weyerhaeuser Company	Wood Products	49,361,235	0.50%	372,370
Seneca Jones Timber Company	Wood Products	35,597,975	0.36%	269,718
Qwest Corporation	Telecommunications	23,409,500	0.24%	319,791
Avista Corp	Utility	22,059,000	0.22%	266,320
Swanson Group MFG LLC	Manufacturing	20,669,455	0.21%	182,098
RLC Industries Co	Wood Products	16,500,000	0.17%	203,838
Verizon Communications	Telecommunications	16,337,600	0.17%	143,605
Subtotal - ten of the largest taxpayers		587,404,483	5.98%	
All other taxpayers in Douglas County		9,232,846,113	94.02%	
Toal Douglas County Taxpayers		\$ 9,820,250,596	100.00%	

Source: Douglas County Department of Assessment and Taxation, Report 2019 Top 20 Certified Taxpayers for CC Umpqua, Issued October 13 2010 and October 14, 2019

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Property Tax Levies and Collections
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy	Tax Collections In First Year	Percent of Levy Collected In First Year	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
2019-20	\$ 4,107,024	\$ 3,839,527	93.49%	\$ -	\$ 3,839,527	93.49%
2018-19	3,908,712	3,649,539	93.37	75,273	3,724,812	95.30
2017-18	3,751,195	3,495,358	93.18	106,856	3,602,214	96.03
2016-17	3,639,440	3,350,059	92.05	122,126	3,472,185	95.40
2015-16	3,503,678	3,254,852	92.90	138,464	3,393,316	96.85
2014-15	3,436,000	3,176,370	92.44	141,924	3,318,294	96.57
2013-14	3,336,412	3,077,856	92.25	152,501	3,230,357	96.82
2012-13	3,264,197	2,995,633	91.77	157,222	3,152,855	96.59
2011-12	3,176,997	2,895,357	91.14	180,260	3,075,617	96.81
2010-11	3,106,804	2,821,099	90.80	190,086	3,011,185	96.92

Source: Umpqua Community College Accounting and Finance. Annual audit report reconciled in conjunction with Douglas County *Summary of Property Tax Collections for Fiscal Year Ending June 30, 20XX* each year.



DEBT CAPACITY

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Ratio of General Bonded Debt and Legal Debt Margin
LAST TEN FISCAL YEARS**

	2019-20	2018-19	2017-18	2016-17
Total Real Market Value of Taxable Property ¹	\$ 11,301,500,008	\$ 11,067,888,202	\$ 10,190,024,441	\$ 9,795,781,514
Debt Limitation (1.5% of Real Market Value)	169,522,500	166,018,323	152,850,367	146,936,723
Debt Subject to Limitation ²	-	-	-	-
Legal Debt Margin	169,522,500	166,018,323	152,850,367	146,936,723

Source: ¹Douglas County Tax Rate and Valuation Summary

Note: ²Umpqua Community College has not issued General Obligation Bonds

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Ratio of General Bonded Debt and Legal Debt Margin (Continued)
LAST TEN FISCAL YEARS**

<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
\$ 9,389,809,781	\$ 9,325,455,608	\$ 9,132,582,748	\$ 9,037,090,627	\$ 9,381,751,607	\$ 9,820,250,596
140,847,147	139,881,834	136,988,741	135,556,359	140,726,274	147,303,759
-	-	-	-	-	-
140,847,147	139,881,834	136,988,741	135,556,359	140,726,274	147,303,759

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Ratio of Outstanding Debt by Types
LAST TEN FISCAL YEARS**

Fiscal Year	Other Governmental Non Tax Bonded Debt ¹					Total Outstanding Debt	Total Outstanding Debt as a % of Personal Income ³	Total Outstanding Debt per Capita ⁴
	Full Faith & Credit Financing Agreement	Full Faith & Credit Obligations	Full Faith & Credit Obligations	Pension Bonds	Total			
	2020	Series 2014 ²	Series 2010	Payable	Outstanding Debt			
2019-20	\$ 2,895,800	\$ 2,207,545	\$ -	\$ 7,995,000	\$13,098,345	not available	117	
2018-19		8,077,945	2,985,000	8,645,000	19,707,945	0.44%	176	
2017-18		8,246,885	3,130,000	9,215,000	20,591,885	0.49%	185	
2016-17		8,415,825	3,275,000	9,715,000	21,405,825	0.52%	194	
2015-16		8,474,765	3,415,000	10,150,000	22,039,765	0.55%	201	
2014-15		8,533,705	3,555,000	10,525,000	22,613,705	0.58%	207	
2013-14			3,690,000	10,850,000	14,540,000	0.40%	134	
2012-13			3,825,000	11,125,000	14,950,000	0.43%	138	
2011-12			3,960,000	11,350,000	15,310,000	0.44%	142	
2010-11			4,090,000	11,535,000	15,625,000	0.46%	145	

Source :

¹Umpqua Community College Annual Financial Report-Note 14. Long Term Debt

²Includes bond premium

³Bureau of Economic Analysis, U. S. Department of Commerce

⁴Portland State University - Center for Population Research and Census

DEMOGRAPHIC AND ECONOMIC INFORMATION

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Demographic and Economic Statistics
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population¹</u>	<u>Personal Income²</u>	<u>Per Capita Personal Income³</u>	<u>Unemployment Rate⁴</u>
2019-20	112,250	not available	not available	10.9%
2018-19	111,735	\$ 4,514,987	40,408	5.1%
2017-18	111,180	4,239,667	38,133	5.1%
2016-17	110,395	4,077,525	37,720	5.0%
2015-16	109,910	4,021,216	37,077	6.7%
2014-15	109,385	3,871,714	36,008	7.5%
2013-14	108,850	3,676,864	34,370	8.9%
2012-13	108,195	3,478,193	32,541	10.5%
2011-12	107,795	3,471,856	32,409	12.1%
2010-11	107,690	3,379,239	31,501	12.7%

Source:

¹Portland State University Population Research Center. Estimates are for July 1 of the fiscal year.
These statistics are for Douglas County.

²Bureau of Economic Analysis, U. S. Department of Commerce
Data is for Douglas County, in thousands of dollars.

³Bureau of Economic Analysis, U. S. Department of Commerce
Data is for Douglas County

⁴Bureau of Labor Statistics, U. S. Department of Labor
Rates are as of June , not seasonally adjusted

Note: The College district includes majority of Douglas County.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Principal Employers for Douglas County
June 30, 2019 and Nine Years Ago**

Employer ¹	2019*			2011 ³		
	Number of Employees ¹	Rank	Percentage of County Employment ²	Number of Employees	Rank	Percentage of County Employment
Roseburg Forest Products Co	1831	1	4.79%	1936	1	5.63%
Roseburg VA Health Care System	1175	2	3.08%	739	4	2.15%
CHI Mercy Healthcare, Inc	1120	3	2.93%	1065	2	3.10%
Roseburg School District	800	4	2.09%	660	6	1.92%
Seven Feathers Hotel, Gaming Center & UIDC	787	5	2.06%			
Swanson Group, Inc	714	6	1.87%	292	7	0.85%
Douglas County	538	7	1.41%	710	5	2.06%
First Call Resolution	433	8	1.13%			
Orenco Systems	370	9	0.97%			
Cow Creek Bank of Umpqua Indians				779	3	2.26%
Umpqua Bank				286	8	0.83%
Wal-Mart	301	10	0.79%	263	9	0.76%
DCIPA				251	10	0.73%
	<u>8069</u>		<u>21.12%</u>	<u>6981</u>		<u>20.29%</u>

Source:

*2020 information is not available due to COVID-19

¹ The Partnership Umpqua Economic Development

² State of Oregon Employment Department, 1st quarter information

³ Douglas County CAFR 2011



OPERATING INFORMATION

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**EMPLOYEE HEADCOUNT
LAST TEN FISCAL YEARS**

Fiscal Year	Employee Headcount ¹					
	Administrative Full-time	Administrative Part-time	Faculty Full-time	Faculty Part-time	Classified Full-time	Classified Part-time
2019-20	37	3	64	83	100	40
2018-19	41	3	61	155	106	52
2017-18	39	0	60	158	98	61
2016-17	39	2	60	157	116	63
2015-16	42	3	59	159	113	52
2014-15	48	2	61	162	118	83
2013-14	42	0	64	170	114	67
2012-13	43	0	68	185	113	58
2011-12	41	0	66	202	108	73
2010-11	47	1	67	211	118	71

¹ Umpqua Community College Human Resources
Counts are provided as of March 31st for each year

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

BUILDING CONSTRUCTION AND ACQUISITION

Year	Building Name	Square Footage	Cumulative Square Footage
1967	Del Blanchard Welcome Center & Administration	8,060	8,060
1967	Library	18,394	26,454
1967	Science	14,838	41,292
1969	Life Sciences Laboratory	1,740	43,032
1969	Lockwood Hall and Finance Office	20,468	63,500
1969	Wayne Crooch Hall	19,824	83,324
1970	Warehouse	6,360	89,684
1970	LaVerne Murphy Student Center	31,975	121,659
1970	Jackson Hall	11,750	133,409
1970	PE Complex & Tom Keel Fitness Center	50,697	184,106
1970	Jacoby Auditorium	29,360	213,466
1979	Whipple Fine Arts Center	23,322	236,788
1982	Educational Skills Building	13,415	250,203
1984	Wooley Center	4,200	254,403
1996	Ford Family Enrichment Center	6,395	260,798
2001	Technology Center	10,432	271,230
2008	Swanson Amphitheatre	2,086	273,316
2011	Tower Building	2,453	275,769
2011	699 Cummins Building	2,494	278,263
2012	Danny Lang Teaching, Learning and Event Center	21,889	300,152
2016	Bonnie J Ford Health Nursing and Science Building	34,842	334,994
2018	Tap ^h òyt ^h a Hall	9,476	344,470

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Tuition Rates and Enrollment Statistics
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Tuition Rate Per Credit Hour</u>	<u>Total FTE¹</u>	<u>Unduplicated Headcount¹</u>
2019-20	\$ 101.00	2490	10,991
2018-19	97.00	2696	13,968
2017-18	93.00	2786	13,512
2016-17	88.00	2894	13,701
2015-16	87.00	3021	14,556
2014-15	85.00	3030	14,555
2013-14	85.00	3042	13,604
2012-13	75.00	3339	14,757
2011-12	72.00	4460	16,516
2010-11	66.00	4796	16,383

Source:

¹ Umpqua Community College Institutional Research and Planning

COMPLIANCE SECTION

Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Oregon Minimum Audit Standards*

The Board of Education
Umpqua Community College
Roseburg, Oregon

We have audited the basic financial statements of Umpqua Community College (the College), and the discretely presented component unit, as of and for the year ended June 30, 2020, and have issued our report thereon dated December 9, 2020. We conducted our audit 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 of the United States, and the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The financial statements of Umpqua Community College Foundation, the College's discretely presented component unit, were not audited in accordance with *Government Auditing Standards* or provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

Compliance

As part of obtaining reasonable assurance about whether the College's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules (OAR) 162-10-0000 to 162-10-0330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The use of approved depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal year 2020 and 2021.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The requirements relating to insurance and fidelity bond coverage.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

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 that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Oregon Secretary of State.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the College's internal control over financial reporting (internal control) 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. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

Purpose of this Report

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



for Moss Adams LLP
Portland, Oregon
December 9, 2020

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

The Board of Education
Umpqua Community College
Roseburg, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Umpqua Community College (the College) and Umpqua Community College Foundation (the Foundation), its discretely presented component unit, as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 9, 2020. 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. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Moss Adams LLP

Portland, Oregon
December 9, 2020

Report of Independent Auditors on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Education
Umpqua Community College
Roseburg, Oregon

Report on Compliance for Each Major Federal Program

We have audited Umpqua Community College's (the College) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2020. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the College complied, in all material respects, with the types of 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, 2020.

Report on Internal Control Over Compliance

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

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

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

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

Moss Adams LLP

Portland, Oregon
December 9, 2020

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Expenditures of Federal Awards
June 30, 2020**

	Grant Period	Federal CFDA Number	Program or Award Amount	2019-20 Revenue	2019-20 Expenditures	Pass through Agency Identifying Number	2019-20 Expenditures to Subrecipients
<u>US DEPARTMENT OF EDUCATION</u>							
STUDENT FINANCIAL ASSISTANCE CLUSTER:							
Federal Pell Grant Program	2019-2020	84.063	4,939,073	3,661,954	3,661,954	N/A	-
Federal Direct Loan Program	2019-2020	84.268	2,700,000	2,080,937	2,080,937	N/A	-
Federal Work-Study Program	2019-2020	84.033	107,047	106,553	106,553	N/A	-
Federal Supplemental Educational Opportunity Grant	2019-2020	84.007	77,276	77,276	77,276	N/A	-
Iraq and Afghanistan Service	2019-2020	84.408	5,829	5,829	5,829	N/A	-
Total SFA Cluster U.S. Department of Education			<u>7,829,225</u>	<u>5,932,548</u>	<u>5,932,548</u>		-
TRIO - CLUSTER:							
TRIO - Student Support Services	2018-2019	84.042A	296,602	50,838	50,838	N/A	-
TRIO - Student Support Services	2019-2020	84.042A	309,949	265,240	265,240	N/A	-
TRIO - Talent Search	2018-2019	84.044A	303,643	48,992	48,992	N/A	-
TRIO - Talent Search	2019-2020	84.044A	317,307	250,428	250,428	N/A	-
TRIO - Upward Bound	2018-2019	84.047A	288,912	79,477	79,477	N/A	-
TRIO - Upward Bound	2019-2020	84.047A	301,913	192,187	192,187	N/A	-
Total TRIO Cluster U.S. Department of Education			<u>1,818,326</u>	<u>887,162</u>	<u>887,162</u>		-
Passed through Higher Education Coordinating Commission:							
Adult Education State Administered	2019-2020	84.002	184,696	178,106	178,106	V002A190038	-
Adult Education - Basic Grants to States	2019-2020	84.002	15,000	13,251	13,251	V002A170038	-
Total Adult Education			<u>199,696</u>	<u>191,357</u>	<u>191,357</u>		-
Passed through Oregon Department of Education							
Career and Technical Education - Basic Grants to States	2018-2019	84.048	160,461	28,515	28,515	48917	-
Career and Technical Education - Basic Grants to States	2019-2020	84.048	190,969	159,660	159,660	52512	-
Total Career and Technical Education			<u>351,430</u>	<u>188,175</u>	<u>188,175</u>		-
Education Stabilization Fund							
COVID-19 - Umpqua CARES 2.2020	2019-2020	84.425F	560,926	98,107	98,107	N/A	-
COVID-19 - Umpqua CARES 2020	2019-2020	84.425E	560,927	560,927	560,927	N/A	-
Total Umpqua CARES			<u>1,121,853</u>	<u>659,034</u>	<u>659,034</u>		-
Total Non SFA Cluster U.S. Department of Education			<u>3,491,305</u>	<u>1,925,728</u>	<u>1,925,728</u>		-
<u>U. S. Department of Justice:</u>							
Passed through State of Oregon							
Victims of Crime Act 2018-2020 VOCA	2019-2020	16.575	108,130	39,389	39,389	VOCA-FI-2018 UCC-00092	39,389
Total U.S. Department of Justice			<u>108,130</u>	<u>39,389</u>	<u>39,389</u>		<u>39,389</u>
<u>U. S. Department of Health and Human Services:</u>							
CCDF Cluster Passed through State of Oregon, Department of Education:							
Child Care and Development Block Grant (CCDF)	2019-2020	93.575	328,389	278,691	278,691	52419	-
Child Care Mandatory and Matching Fund of the Child Care and Development Fund	2019-2020	93.596	50,691	50,530	50,530	53715	-
Total CCDF Cluster Department of Health and Human Services			<u>379,080</u>	<u>329,221</u>	<u>329,221</u>		-
<u>Small Business Administration:</u>							
Passed through Lane Community College:							
Small Business Development Center	2018-2019	59.037	33,000	27,851	27,851	SBA-2019-159	-
Small Business Development Center	2019-2020	59.037	33,000	14,780	14,780	SBA-2020-159	-
Total Small Business Administration			<u>66,000</u>	<u>42,631</u>	<u>42,631</u>		-
<u>U. S. Department of Treasury</u>							
Recovery Zone Economic Development Bonds Subsidy							
Full Faith and Credit Obligations	2019-2020	21.U01	72,968	101,061	101,061	N/A	-
Total U. S. Department of Treasury			<u>72,968</u>	<u>101,061</u>	<u>101,061</u>		-
<u>US Congress</u>							
Open World Program Global Connections							
FHI Development 360	2019-2020	93.U01	7,600	6,422	6,422	N/A	-
Total US Congress			<u>7,600</u>	<u>6,422</u>	<u>6,422</u>		-
<u>U. S. Department of Homeland Security</u>							
Distaster Grants - Public Assistance - DR-4432-0							
	2019-2020	97.036	19,150	19,150	19,150	N/A	-
Total U. S. Department of Homeland Security			<u>19,150</u>	<u>19,150</u>	<u>19,150</u>		-
TOTAL			<u>\$ 11,973,458</u>	<u>\$ 8,396,151</u>	<u>\$ 8,396,151</u>		<u>\$ 39,389</u>

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Notes to the Schedule of Expenditures of Federal Awards
June 30, 2020**

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes federal grant activity of the College and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where applicable.

3. Election of De Minimis Indirect Rate

During the current year end, June 30, 2020, the College did not elect to use the 10 percent de minimis indirect cost rate.

**UMPQUA COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported
- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of Major Federal Programs and Type of Auditor’s Report Issued on Compliance for Major Federal Programs:

<i>CFDA Numbers</i>	<i>Name of Federal Programs or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for Major Federal Programs</i>
Various	Student Financial Assistance Cluster	<i>Unmodified</i>
Various	TRIO Cluster	<i>Unmodified</i>

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

None reported.

**UMPQUA COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2020**

Section III – Federal Award Findings and Questioned Costs

None reported.

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