



UMPQUA COMMUNITY COLLEGE

Roseburg, Oregon

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019

Prepared by:
UMPQUA COMMUNITY COLLEGE
Accounting and Finance Department
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Roseburg, OR 97470

Natalya Brown
Chief Finance Officer



**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

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INTRODUCTORY SECTION





November 27, 2019

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, 2019 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, 2019 and for the year then ended.

The Annual Financial Report is organized in the following sections:

1. The Introductory Section contains the letter of transmittal with an overview of the College that includes factors affecting the financial condition and required supplementary information, the organization chart, and a listing of principal officials.
2. The Financial Section includes Management's Discussion and Analysis, the basic financial statements and accompanying notes as well as the report of independent auditors. A narrative introduction, overview and analysis are included in the Management's Discussion and Analysis in this section.
3. The Statistical section presents detailed and historical information as a context for understanding what the College financial statements, note disclosures, and required supplementary information say about its overall financial status.
4. The College is required to have an annual single audit in conformity with the provisions of the Single Audit Act and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to the single audit, and Governmental Auditing Standards, including the Schedule of Expenditures of Federal Awards and related independent auditors' reports, are included in the Compliance section of this financial report. The Compliance section also includes the auditor's comments required by the Minimum Standards for Audits of Oregon Municipal Corporations.

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 111,735 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 14,000 unique students a year with over 3,300 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

For years, Douglas County's economic base relied heavily on the lumber and wood products industry. With the decline of the wood products industry, Douglas County has made a concerted effort to bring industry to the area to diversify the local economy. Major industries in the region include trade, transportation, utilities, local government, education, health services, manufacturing, professional and business services, and leisure and hospitality.

The economic recovery from recession continues to lag behind throughout the county when compared to the US and Oregon economies. The local and state unemployment rates in June 2019 decreased by .2% compared to last year, with 5.1% reported in Douglas County and 4.0% in the State of Oregon, and both remained above the national unemployment rate of 3.8%, which decreased by .3% during the reporting period. According to the Oregon Economic Forecast, the state continues to see healthy rates of growth in employment, income and GDP, and expects to see continued growth in personal income per capita as it rises faster than the nation.

The state's revenue forecast indicates strong growth at the end of the biennium, suggesting the Federal Tax Cut and Jobs Act is having a direct impact on increasing revenues. The state's increase in unexpected revenue gains resulted in \$1.57 billion kicker refund, third largest on record, bolstering the General Fund balance by more than \$200 million. The forecast into FY20 projects a stable economic outlook with continued growth.

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. 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.

LONG-TERM FINANCIAL PLANNING

Umpqua Community College conducts financial planning with the goal of maintaining financial sustainability. 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, and legislative mandates.

Enrollment is expected to stabilize as the regional economy stabilizes, and the college tuition and fees remain at statewide average levels for student affordability. The recent completion of Tapscott Hall and the Bonnie J Ford Health, Nursing & Science Center have improved the student education experience and accessibility on campus. The Winter Storm of 2019 damaged equipment, real property, and the roof on the LaVerne Murphy Student Center and Hawk Shop (Bookstore) building. The majority of costs are covered by insurance and FEMA, however it is a reminder the college must be diligent and focus on capital asset and building replacement plans as assets begin to reach 50 years or more in 2019-2020. The College is pursuing funding for construction of the Industrial Arts building, and has already begun expanding options for student housing.

The college will once again face several major cost drivers this year as required increases in PERS contributions take effect, state minimum wage laws continue to increase, and costs of healthcare rise.

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, 2018. 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. This is the second year in a row the award has been given to the college. 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



Ina M Jackson
Dir. Accounting & Finance

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

OFFICIALS AS OF JUNE 30, 2019

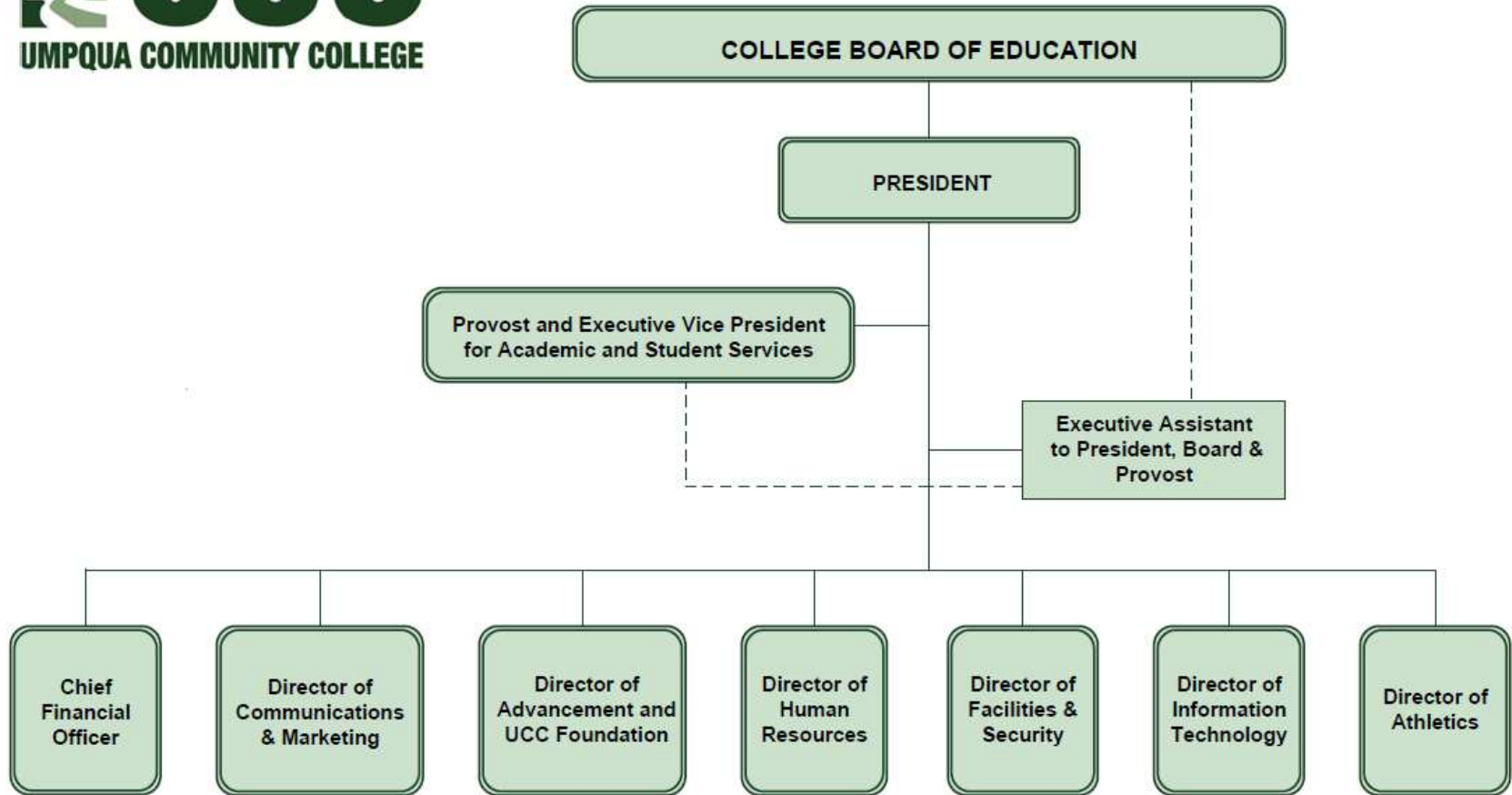
BOARD OF EDUCATION

<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



Effective
Sept. 1, 2018



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, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



Report of Independent Auditors

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, 2019, 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, 2019, 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 the management's discussion and analysis on pages 4 through 17, 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 52 through 54 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 55 through 56, schedules of revenues, expenditures, and changes in fund balance – budget to actual on pages 57 through 66, schedule of property tax transactions on page 67, and the schedule of expenditures of federal awards and notes to schedule of expenditures of federal awards, on pages 90 through 91, 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 5, 2019 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 5, 2019, 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 5, 2019

**UMPQUA COMMUNITY COLLEGE
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2019**

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, 2019 and 2018. 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

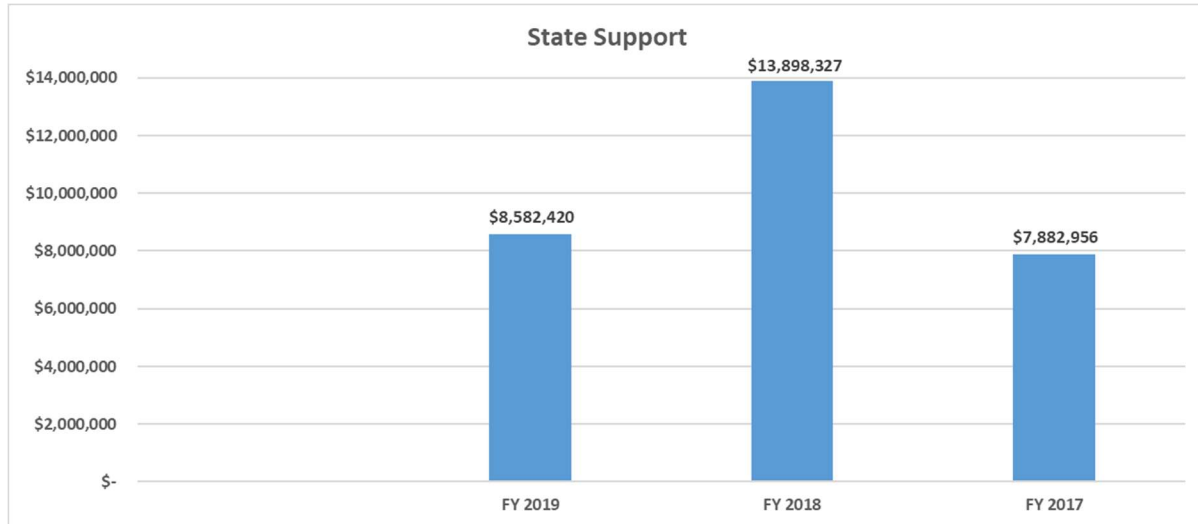
The financial statements for the Umpqua Community College Foundation, a component unit are discretely presented as separate statements within the comprehensive annual financial report, and included in Notes 1 and 16. Unless otherwise noted, the information and financial data included in management’s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

FINANCIAL HIGHLIGHTS

The significant events of the fiscal year ended June 30, 2019 that impacted the College’s financial statements are as follows:

- Full-time equivalent students (FTE) decreased by 90 from 2,786 in FY 2018 to 2,696 in FY 2019. More information is available in the Statistical Section of this CAFR.
- Capital contributions decreased from \$3.8 million in 2018 to \$192,186 in 2019 as the state grant funding ended for the construction project.
- 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 asset or liability can change enough to greatly influence net position on a year to year basis. The College booked a pension liability this year of \$14.9 million. More information can be found in Note 7 – Retirement Plan.
- State support, a non-operating revenue, decreased by \$5.3 million in fiscal year 2018-19 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 3 of the 8 biennial payments in the last year of the biennium making year to year comparisons very difficult.

**UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2019**



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, 2019

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, 2019

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

	2019	2018	Total	
			Dollar Change	Percent Change
ASSETS				
Current assets	\$ 18,014,048	\$ 18,297,544	\$ (283,496)	-2%
Noncurrent Assets				
Other assets	120,238	47,446	72,792	153%
Capital assets, net of depreciation	33,430,845	34,480,490	(1,049,645)	-3%
Total Noncurrent Assets	33,551,083	34,527,936	(976,853)	-3%
TOTAL CURRENT AND NONCURRENT ASSETS	51,565,131	52,825,480	(1,260,349)	-2%
DEFERRED OUTFLOWS OF RESOURCES	5,531,114	4,906,646	624,468	13%
LIABILITIES				
Current liabilities	5,865,978	4,751,583	1,114,395	23%
Noncurrent liabilities	35,146,637	35,564,905	(418,268)	-1%
TOTAL LIABILITIES	41,012,615	40,316,488	696,127	2%
DEFERRED INFLOWS OF RESOURCES	1,996,893	743,627	1,253,266	169%
NET POSITION				
Net investment in capital assets	22,367,900	23,103,605	(735,705)	-3%
Restricted	5,458,420	5,376,903	81,517	2%
Unrestricted	(13,739,583)	(11,808,497)	(1,931,086)	16%
TOTAL NET POSITION	\$ 14,086,737	\$ 16,672,011	\$ (2,585,274)	-16%

Current Assets

On June 30, 2019 the College's current assets of \$18 million were sufficient to cover current liabilities of \$5.9 million. This represents a current ratio of 3.1. 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 2019 the Accounts receivables (net allowance for uncollectible) increased by 19%, with the majority of it occurring as a result of timing issues from closing out grant activities for the state's biennium period and to finalize federal and state grants not being extended after June 30th. Due to the increase in receivables, cash and cash equivalents were then directly offset from the timing issue with a 20% decrease for the same reporting period. In addition, with the grants closing the typical annual prepaid expenses incurred by the College for the next quarter decreased by 9% as grantors approved finalized costs ahead of the deadline. Inventories increased by 9% from the Southern Oregon Wine Institute's 2018 harvested bulk wine in the barrel at year end.

Noncurrent Assets

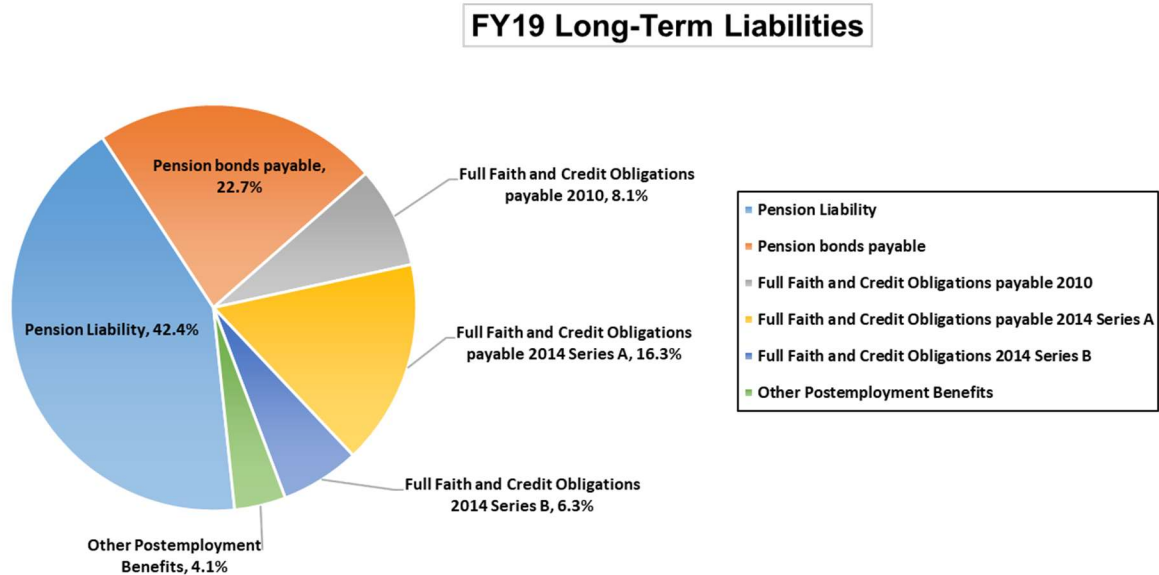
The College's noncurrent assets consist of other postemployment benefits and investments in capital assets net of accumulated depreciation. Capital assets valued at \$33.4 million are reported at net depreciation. The total Noncurrent assets decreased by 3% for fiscal year 2019 as a result of equipment purchases and disposals during the year, and the annual accumulated depreciation impact from the full year capitalization of buildings like Taphoytha Hall and the Bonnie J Ford Health, Nursing & Science Building.

**UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2019**

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 2019, the total current liabilities increased \$1.1 million or 23% over the prior year. The increase is mainly attributable to the change in the salary paid employees reporting period and payment period creating a 15-day accrual at fiscal year-end.

The following graph illustrates types of long-term liabilities.



Long-term Liabilities

In FY 2019, the College's long-term liabilities were mainly from pension related debt commitments with 42.4% coming from the State of Oregon Public Employee Retirees (PERS) pension liabilities and 22.7% from the PERS Unfunded Actuarial Liability (UAL) side-account. The College booked its proportionate share of the State of Oregon Public Employee Retirees liability of \$14.9 million as determined by an actuarial analysis, an increase of nearly \$760,000 compared to last year. In addition to PERS, the College held 8.1% in Full Faith and Credit Obligations (FFCO), Series 2010 Bonds which were issued to build the Danny Lange Center that currently houses the Southern Oregon Wine Institute and serves the UCC Campus Community and local community throughout Douglas County. In 2014, the Bonnie Ford Health Nursing & Science Center project required FFCO, Series 2014A and Series 2014B Bonds to be issued and currently accounts for another 22.6% of the College's long-term liability.

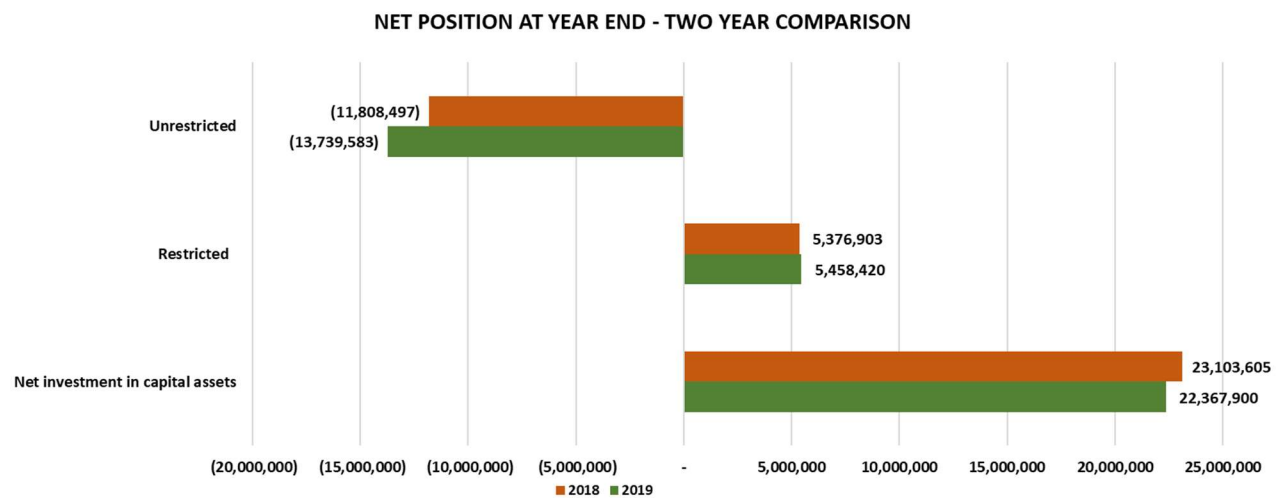
Deferred Outflows of Resources and Deferred Inflows of Resources

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 inflows of resources represent an acquisition of net position that applies to a future period. 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.

**UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2019**

Net Position

- \$22,367,900 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.
- \$5,458,420 is available for the College's ongoing obligations related to programs with external restrictions.
- -\$13,739,583 is primarily the result of the College's unfunded pension due to GASB Statement No. 68, 71 and 75 implementations. 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, 2019

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, 2019

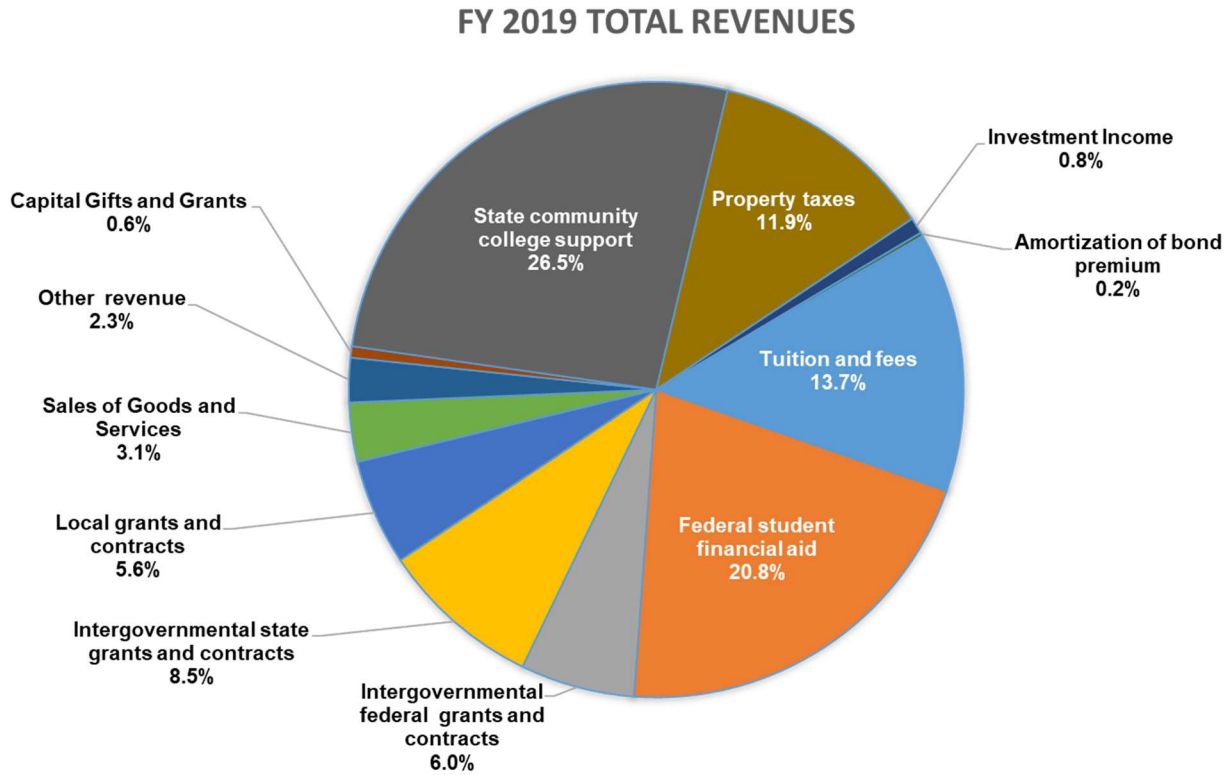
The following shows a two-year comparison of the College's revenues, expenses and changes in net position.

	2019	2018	Total	
			Dollar Change	Percent Change
OPERATING REVENUE				
Tuition and fees	\$ 4,435,243	\$ 4,012,308	\$ 422,935	11%
Federal student financial aid	6,744,217	6,530,677	213,540	3%
Intergovernmental federal grants and contracts	1,947,460	1,943,363	4,097	0%
Intergovernmental state grants and contracts	2,752,809	2,496,218	256,591	10%
Local grants and contracts	1,803,504	1,628,169	175,335	11%
Bookstore sales	623,731	604,038	19,693	3%
Food services sales	236,784	298,053	(61,269)	-21%
Special Events/Incubator Program	148,140	106,162	41,978	40%
Other operating revenue	756,147	624,617	131,530	21%
Total operating revenue	19,448,035	18,243,605	1,204,430	7%
OPERATING EXPENSES				
Instruction	10,763,126	10,765,057	(1,931)	0%
Instructional support	2,383,761	2,578,936	(195,175)	-8%
Student services	6,472,627	5,581,338	891,289	16%
College support services	7,362,064	7,670,881	(308,817)	-4%
Community services	905,730	605,705	300,025	50%
Student financial aid	4,239,330	4,411,914	(172,584)	-4%
Facilities acquisition / construction	196,585	330,337	(133,752)	-40%
Depreciation	1,659,967	1,671,396	(11,429)	-1%
Total operating expenses	33,983,190	33,615,564	367,626	1%
Operating income (loss)	(14,535,155)	(15,371,959)	836,804	-5%
NONOPERATING REVENUES (EXPENSES)				
State community college support	8,582,420	13,898,327	(5,315,907)	-38%
Property taxes	3,859,541	3,671,295	188,246	5%
Investment Income	241,426	161,723	79,703	49%
Amortization of bond premium	58,940	58,940	-	0%
Interest expense	(981,961)	(1,019,351)	37,390	-4%
Gain (Loss) on disposition of capital assets	(2,671)	(11,690)	9,019	-77%
Total nonoperating revenues (expenses)	11,757,695	16,759,244	(5,001,549)	-30%
Gain (Loss) before capital contributions	(2,777,460)	1,387,287	(4,164,747)	-300%
Capital State Grant	-	3,765,164	(3,765,164)	-100%
Capital Gifts and Grants	192,186	55,677	136,509	245%
Change in net position	(2,585,274)	5,208,126	(7,793,400)	-150%
Net position, beginning of year	16,672,011	13,246,492	3,425,519	26%
Less restatement	-	(1,782,608)	1,782,608	-100%
Net position, end of year	\$ 14,086,737	\$ 16,672,011	\$ (2,585,274)	-16%

**UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2019**

REVENUES

Total revenues received in FY2019 were \$32,382,548 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*.



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 2018-19 the College's operating revenues increased by 7% compared to the prior year resulting from net business activities, state and local grants, and the combined total of \$636,475 from tuition and fees and student financial aid.

Non-operating revenues

The non-operating revenues decreased by over \$5 million in 2018-19 when compared to the prior fiscal year mainly due to the timing difference in recognizing revenue received from the State of Oregon. During the final quarter of the FY17-19 biennium, the Oregon Legislature deferred the fourth quarter FTE 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 three support payments whereas the previous year reflected five. This timing is the reason the state allocation decreased by \$5.3 million and it is why the non-operating revenue decreased by 30% in fiscal year 2018-19 compared to last year.

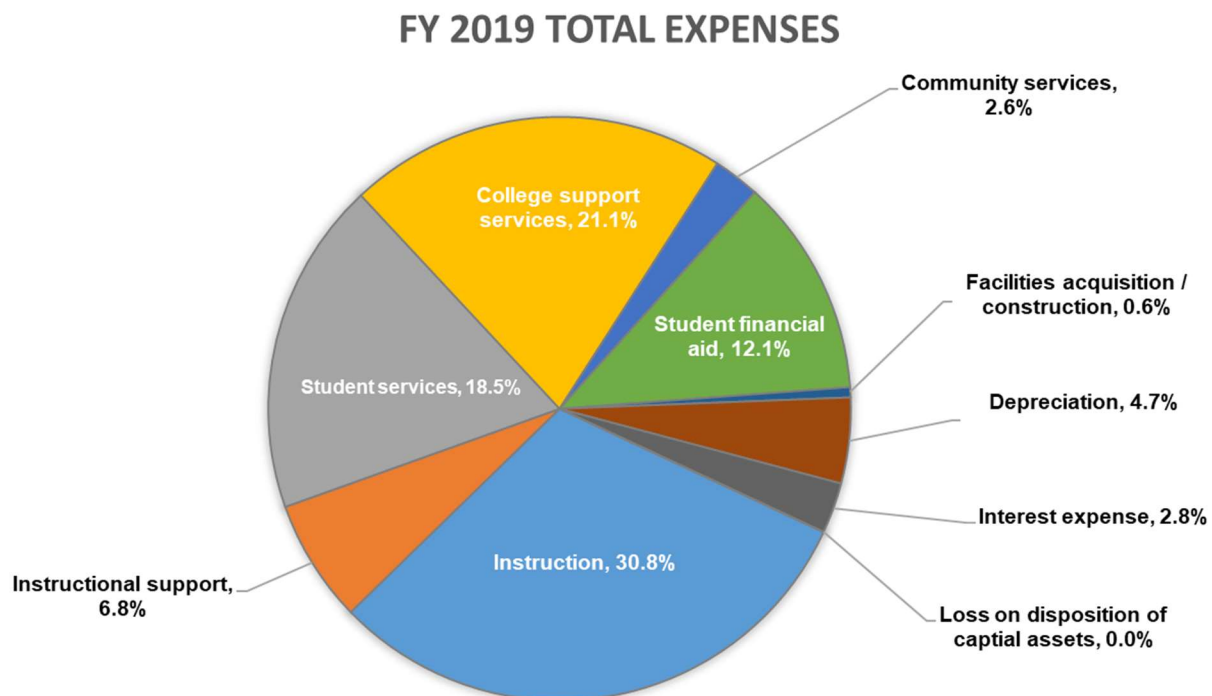
**UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2019**

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 significant change in Capital State Grants from the previous year resulting from the completion of the Taphòythà Hall in FY 2018.

EXPENSES

Total Expenses for FY 2019 were \$34,967,822 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*.



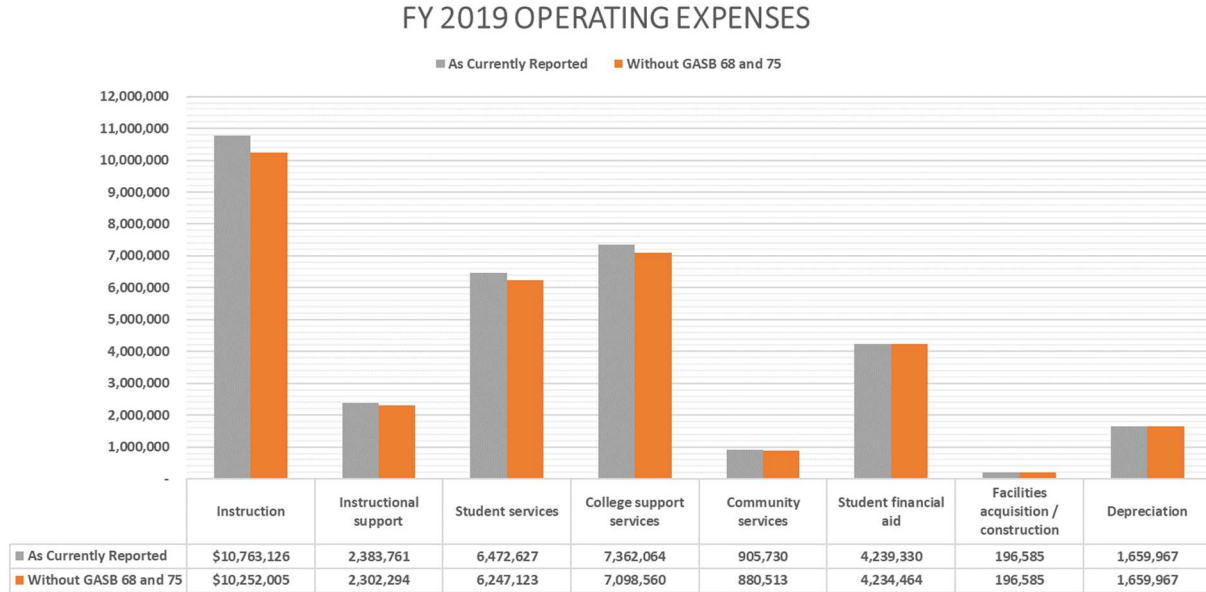
Operating expenses

Operating expenses for fiscal year 2018-19 totaling \$33,983,190 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 82% as a majority of entity-wide expenses for a total \$28,837,147.

Total reported operating expenses during the year increased by \$367,626 or 1% overall. The College continues to make a concerted effort to improve student accessibility and strengthen program resources.

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2019

The following graph shows the expense categories at June 30, 2019 with and without the pension and OPEB reporting adjustments:



The following shows a two-year comparison of Operating Expenses without the pension and OPEB reporting adjustments required by GASB 68, 71 and 75.

	2019	2018	Total	
			Dollar Change	Percent Change
Operating Expenses				
Instruction	\$ 10,252,005	\$ 10,033,781	\$ 218,224	2%
Instructional support	2,302,294	2,454,009	(151,715)	-6%
Student services	6,247,123	5,300,080	947,043	18%
College support services	7,098,560	7,275,858	(177,298)	-2%
Community services	880,513	575,850	304,663	53%
Student financial aid	4,234,464	4,404,338	(169,874)	-4%
Facilities acquisition / construction	196,585	329,801	(133,216)	-40%
Depreciation	1,659,967	1,671,396	(11,429)	-1%
Total Operating Expenses	<u>\$ 32,871,511</u>	<u>\$ 32,045,113</u>	<u>\$ 826,398</u>	<u>3%</u>

Non-operating expenses

Non-operating expenses consist of interest expense incurred for debt service and a loss on disposition of capital assets. Interest expense, the College's most significant non-operating expense, represents \$982,000, or 2.8% of total expenses.

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2019

Analysis of Statement of Cash Flows for the Year Ended June 30, 2019

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.

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

	2019	2018	Total	
			Dollar Change	Percent Change
Cash Provided by (Used in):				
Operating activities	\$ (12,031,787)	\$ (12,287,469)	\$ 255,682	-2%
Noncapital financing activities	11,352,238	16,558,679	(5,206,441)	-31%
Capital financing activities	(1,150,019)	(4,231,962)	3,081,943	-73%
Investing activities	241,426	161,723	79,703	49%
Net increase (decrease) in cash and cash equivalents	(1,588,142)	200,971	(1,789,113)	-890%
Cash and cash equivalents - beginning of year	10,071,313	9,870,342	200,971	2%
Cash and cash equivalents - end of year	\$ 8,483,171	\$ 10,071,313	\$ (1,588,142)	-16%

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 2019 was a 2% reduction in operating loss decreasing by nearly \$256,000 from the previous year.

Non-capital financing activities

State reimbursements and property taxes are the primary sources of non-capital financing. 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 decrease of \$5.2 million or of 31% in non-capital financing activities was due in large part to the decrease in number of state community college support payments received in the second 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% decrease in capital financing activities for over \$3 million is significantly due to the completion of the Taphòythà Hall in FY18.

Investing activities

The primary source of investing activities is interest income. The cash provided by investing income increased by 49% or nearly \$80,000 from the increase in interest rates paid on account balances in the Oregon Short Term Funds.

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2019

Capital Assets and Debt Administration

Capital Assets

The College's investment in capital assets as of June 30, 2019 amounts to \$33,430,845 net of accumulated depreciation of \$23.2 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:

Capital Assets, Net, at Year-End

<u>Capital Assets</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Land and Collections	\$ 291,053	\$ 291,053
Construction in Progress	183,280	-
Depreciable Capital Assets, net	<u>32,956,512</u>	<u>34,189,437</u>
Total	<u>\$ 33,430,845</u>	<u>\$ 34,480,490</u>

Major capital changes during the fiscal year included the replacement of the roof on the LaVerne Murphy Student Center due to damages it received during the winter snow storm in late February, the purchase of a 14 passenger bus for the athletic department, and upgrades or replacements of machinery and equipment during FY 2019. More detailed information about the College's capital assets is included in Note 5 to the financial statements.

Long-term Debt

At June 30, 2019 and 2018, the College had approximately \$18.8 million and \$19.8 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, 2019</u>	<u>June 30, 2018</u>
2004 Limited Tax Pension Bonds	\$ 7,995,000	\$ 8,645,000
2010 Full Faith and Credit Obligations	2,835,000	2,985,000
2014 Full Faith and Credit Obligations Series A	5,745,575	5,794,690
2014 Full Faith and Credit Obligations Series B	<u>2,217,370</u>	<u>2,342,195</u>
Total	<u>\$ 18,792,945</u>	<u>\$ 19,766,885</u>

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2019

At the end of the current fiscal year, the college had total debt outstanding of \$19,315,000 as follows:

<u>Debt</u>	<u>Amount</u>	<u>Repayment Source</u>
2004 Limited Tax Pension Bonds	\$ 8,645,000	General College Operations
2010 Full Faith and Credit Obligations	2,985,000	General College Operations
2014 Full Faith and Credit Obligations Series A	5,500,000	Foundation Capital Campaign
2014 Full Faith and Credit Obligations Series B	2,185,000	General College Operations (Legacy Fee)
	<u>\$ 19,315,000</u>	

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

The financial position of the College is primarily dependent on several factors: Douglas County's economy, the economic and financial condition of the State, and its appropriation for community colleges, and enrollment levels.

Economic Factors and Enrollment

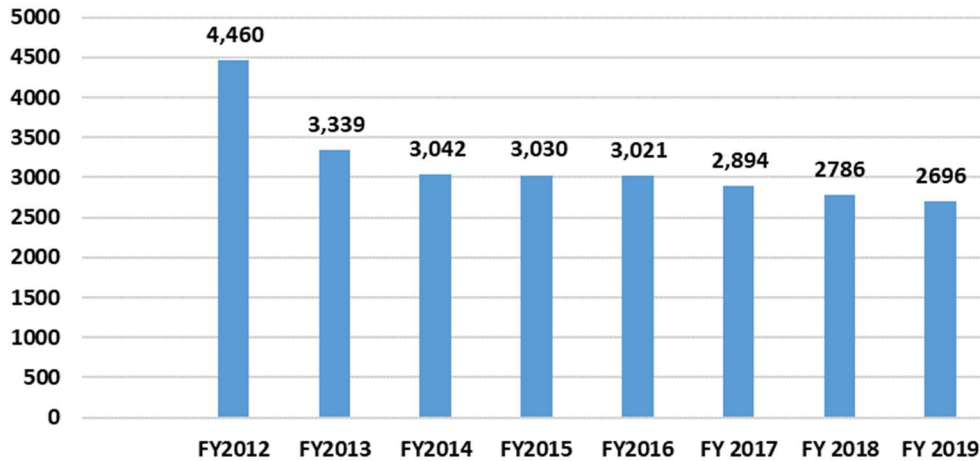
Over the past three years, Douglas County has experienced an improvement in the local economy as job availability has improved and unemployment rates have dropped to 5.1% and held steady for two years. According to the ten-year demographic and economic statistical data, since 2012 the population in the county has grown from 107,795 to an estimated 111,735, unemployment rates have dropped from 12.1% to 5.1%, and the College's FTE Student Enrollment has dropped from 4,460 to 2,696 at the end of FY2019. The state and local economies continue to experience a healthy job market that appears to be keeping pace with the steady increase in population, with Southern Oregon counties experiencing 2.2% increase in nonfarm jobs over the past year.

As Douglas County has seen a steady shift toward the service driven industries, healthcare services seem to be having the biggest impact with the Roseburg VA Healthcare System increasing its staffing by over 300 employees, while CHI Mercy Healthcare Inc has strengthened its employment numbers and changed the way it serves the community. According to the published Oregon Economic Forecast, the state continues to see healthy rates of growth in employment, income and GDP, and expects to see continued growth in personal income per capita as it rises faster than the nation.

With the increase in job availability, the College continues to see the number of full time equivalent students decline as students shift away from completing their studies to reenter the workforce. During the past four years the FTE enrollment has declined by 325 students down from 3,021 to 2,696 by the end of FY 2019. This continued decline will have an impact on the state allocation of resources formula for Community College Support Funds and will require the College to continue to focus its energies on covering rising costs and balancing the budget based on a projection, that unemployment rates will continue to hold steady and enrollment will slowly begin to shift upward.

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2019

FTE Enrollment



Next Year's Budget

The fiscal year 2019-20 budget has been developed 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 impact of current actions on its future financial health.

The College continues to focus its efforts on student retention and success, by putting its energy and resources into providing easier methodologies for student onboarding, ensuring accessibility to academic advising and student services, and building strong academic programs that give students' the ability to complete a degree or certificate, obtain gainful employment, or transfer to a four-year college/university. Over the past several years, the College has worked hard to become lean and efficient as possible, and with a \$4 inflationary Tuition rate increase from \$97 to \$101 per credit approved by the Board of Education for FY 2019-20, the College tuition rate continues to remain at or below the state average for community colleges in Oregon.

In an effort to cover rising costs, the College has continued to take a conservative position, however with budgetary constraints on the Community College Strategic Fund (CCSF) continuing at the state level during the next biennium, an increase in fees remains inevitable in order to cover general Fund operating costs. For the 2019-20 budget year, the College Board of Education approved a tuition and fee increase raising the Student global fee \$1 per credit from \$12.50 to \$13.50 in an effort to support Student services and resources. In addition, the Instructional fee was increased from \$3 to \$6 per credit to assist with covering the costs associated with labs and lecture/lab class formats.

State Resources

The 2019-21 funding level for community colleges as a whole for the biennium is \$640.9M, a 12% increase over the 2017 session appropriation, but \$7M short of the collective ask to fund the current service level. The next biennium appropriation is uncertain. As state resources are based on an average of the prior three years of enrollment and Umpqua Community College has experienced several years of enrollment decline, the college's portion of state allocation may be negatively impacted.

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2019

PERS

The retirement system continues to put stress on the College's economy. Unfunded actuarial liability (UAL) was funded through a bond issue. By funding the UAL, the College intended to lessen the cost over the long run. Note 14 of the financial statements reflects the pension bond payment schedule.

The College, as well as other agencies participating in the Oregon Public Employee's Retirement system, face future increases in employer rates due to PERS investments, stock market fluctuations, and changes in actuarial assumptions. The State Legislature passed PERS reform during the 2013 session that intended to lower the PERS costs. Recently the Oregon Supreme Court's Moro decision overturned the most financially significant portions of the 2013 legislative changes.

The College adjusted PERS employer contribution rates for 2019-20 fiscal year to the rates provided by the PERS Board based on 12/31/2017 valuation date. The rates are expected to increase for the next biennium (FY20-21) by 1.6% for Tier 1 and 2 and by 2.09% for OPSRP members. Employer contribution rates will continue to increase over the next two biennia. In prior years, the College had built up a reserve of roughly \$1 million against possible future rate increases.

As the College assesses the future, expenditures are expected to outpace revenues. As such, the College anticipates a need for strong contingency planning and thorough assessment during each budget year to position the College to meet changing needs and contain costs to match the revenue sources.

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 Dept
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, 2019**

ASSETS

Current assets:

Cash and Cash Equivalents	\$ 8,024,734
Investments with fiscal agent	458,437
Receivables, net of allowance for uncollectibles	8,633,360
Inventories	219,283
Prepaid expenses	678,234
Total current assets	18,014,048

Noncurrent assets:

Net OPEB asset - RHIA	120,238
Capital assets - non-depreciable	474,333
Capital assets - depreciable, net	32,956,512
Total noncurrent assets	33,551,083
Total assets	51,565,131

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources - pension amounts	5,379,343
Deferred Outflows of Resources - OPEB	101,688
Deferred Outflows of Resources - OPEB RHIA amounts	50,083
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,531,114

LIABILITIES

Current liabilities:

Accounts payable	859,066
Payroll liabilities	1,923,867
Compensated absences	469,178
Unearned revenue	1,698,867
Current maturities of long-term obligations	915,000
Total current liabilities	5,865,978

Noncurrent liabilities:

Bonds payable	18,792,945
Obligations for Post-Employment Benefits - Single Employer Plan	1,435,751
Net pension liability	14,917,941
Total noncurrent liabilities	35,146,637
Total liabilities	41,012,615

DEFERRED INFLOWS OF RESOURCES

Deferred Inflows of Resources - pension amounts	1,963,337
Deferred Inflows of Resources - OPEB RHIA amounts	33,556
TOTAL DEFERRED INFLOWS OF RESOURCES	1,996,893

NET POSITION

Net investment in capital assets	22,367,900
Restricted for:	
Debt service	5,431,651
Grants and contracts	26,769
Unrestricted	(13,739,583)
TOTAL NET POSITION	\$ 14,086,737

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, 2019

OPERATING REVENUE	
Tuition and fees	\$ 4,435,243
Federal student financial aid grants	6,744,217
Intergovernmental federal grants and contracts	1,947,460
Intergovernmental state grants and contracts	2,752,809
Local grants and contracts	1,803,504
Bookstore sales	623,731
Food service sales	236,784
Special Events/Incubator program	148,140
Other operating revenue	756,147
Total operating revenue	19,448,035
OPERATING EXPENSES	
Instruction	10,763,126
Instructional support	2,383,761
Student services	6,472,627
College support services	7,362,064
Community services	905,730
Student financial aid	4,239,330
Facilities acquisition /construction	196,585
Depreciation	1,659,967
Total operating expenses	33,983,190
Operating income (loss)	(14,535,155)
NONOPERATING REVENUE (EXPENSES)	
State community college support	8,582,420
Property taxes	3,859,541
Investment income	241,426
Amortization of bond premium	58,940
Interest expense	(981,961)
Gain (loss) on disposition of capital assets	(2,671)
Net nonoperating revenue (expenses)	11,757,695
Income (loss) before capital contributions	(2,777,460)
CAPITAL CONTRIBUTIONS	
Capital gifts and grants	192,186
Total capital contributions	192,186
Change in net position	(2,585,274)
NET POSITION	
Net position - beginning of year	16,672,011
Net position - end of year	\$ 14,086,737

The accompanying notes are an integral part of the financial statements

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

Statement of Cash Flows
YEAR END JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 4,232,384
Federal student financial aid grants	6,537,883
Intergovernmental grants and contracts	4,314,266
Nongovernmental grants and contracts	1,755,930
Bookstore sales	609,634
Food service sales	240,494
Special Events /Incubator Program	145,503
Other cash receipts	463,286
Payments to employees for services	(19,583,859)
Payments to suppliers for goods and services	(5,478,591)
Payments for student financial aid	<u>(5,268,717)</u>
Net cash used in operating activities	<u>(12,031,787)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash received from State community college support	8,582,420
Cash received from property taxes	3,847,567
Principal paid on pension bonds	(570,000)
Interest paid on pension bonds	<u>(507,749)</u>
Net cash provided by noncapital financing activities	<u>11,352,238</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchase of capital assets	(466,807)
Proceeds from capital gifts and grants	46,000
Principal paid on full faith and credit obligations 2010	(145,000)
Principal paid on full faith and credit obligations 2014	(110,000)
Interest paid on full faith and credit obligations	<u>(474,212)</u>
Net cash provided by capital and related financing activities	<u>(1,150,019)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Investment income (loss)	<u>241,426</u>
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash and cash equivalents - beginning of year	<u>10,071,313</u>
Cash and cash equivalents - end of year	<u>\$ 8,483,171</u>

RECONCILIATION TO AMOUNTS SHOWN ON
STATEMENTS OF NET POSITION

Cash and cash equivalents and investments with fiscal agents	<u>\$ 8,483,171</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, 2019**

RECONCILIATION OF OPERATING LOSS TO NET CASH
USED IN OPERATING ACTIVITIES

Operating Loss	\$ (14,535,155)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	1,659,967
Change in net pension asset/liability	759,338
(Increases) decreases in current assets used in operations:	
Accounts Receivable	(1,343,838)
Inventory	(18,207)
Prepaid expenses	69,373
Other postemployment benefits	(72,792)
Deferred outflows of resources	(624,468)
Increases (decreases) in current liabilities used in operations:	
Accounts payable	115,290
Payroll liabilities	556,964
Compensated absences	156,957
Deferred inflows of resources	1,253,266
Total OPEB liability	(203,666)
Unearned Revenue	195,183
Total adjustments	2,503,368
Net cash used in operating activities	\$ (12,031,787)

NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

Unamortized bond issue costs	\$ 58,940
Amortization of bond issue costs	(58,940)
Capital contributions	110,365
Acquisition of capital assets	(110,365)
Book value of capital assets disposed	(2,671)
Gain on disposition of capital assets	2,671
Total non-cash investing, capital, and financing activities	\$ -

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, 2019
With Comparative Totals for 2018**

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 138,848	\$ 250
Cash Held in Investment Accounts	232,809	131,133
Total Cash and Cash Equivalents	371,657	131,383
Contributions Receivable, Current Portion	6,501	42,418
Other Receivables - UCC Foundation Holding Company, Inc.	21,055	-
Other Receivables - Related Parties	-	50
Other Receivables	3,751	-
Note Receivable, Hundred Valleys Mgmt. Services Corp.	-	28,678
Accrued Interest - HNS Investments	10,083	10,083
Treasury Bonds - HNS Investments	4,164,481	4,062,962
Total Current Assets	4,577,528	4,275,574
OTHER ASSETS		
Contributions Receivable, net of Current Portion and Discount	-	2,892
Investments, at Fair Value	11,480,813	11,648,064
Accrued Interest - Investments	11,089	16,648
Investment in UCC Foundation Holding Co., Inc.	883,299	884,807
Inventory - Donated Autos	25,065	3,700
Permanent Art Collection	6,350	6,350
Total Other Assets	12,406,616	12,562,461
TOTAL ASSETS	\$ 16,984,144	\$ 16,838,035
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Bank Overdraft	\$ -	\$ 95,475
Accounts Payable	10,017	13,619
Accounts Payable - Due to UCC	41,538	26,135
Scholarships Payable	117,023	130,382
Current Portion - Due to UCC - HNS Pledges Payable	4,289,044	4,239,164
Total Current Liabilities	4,457,622	4,504,775
LONG-TERM LIABILITIES		
Share of Deficiency in Assets of Hundred Valleys Mgmt. Services Corp.	-	9,498
Due to UCC - HNS Pledges Payable, net of Current Portion	256,501	305,703
Total Long-Term Liabilities	256,501	315,201
TOTAL LIABILITIES	4,714,123	4,819,976
NET ASSETS		
Without Donor Restrictions	296,358	162,754
With Donor Restrictions	11,973,663	11,855,305
TOTAL NET ASSETS	12,270,021	12,018,059
TOTAL LIABILITIES AND NET ASSETS	\$ 16,984,144	\$ 16,838,035

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, 2019
With Comparative Totals for 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2019 Totals</u>	<u>2018 Totals</u>
SUPPORT AND REVENUE:				
Donations & Pledges	\$ 23,988	\$ 494,574	\$ 518,562	\$ 621,003
Investment Return, Net of Expense	-	630,384	630,384	732,374
Investment Income from Affiliates	(3,718)	41,055	37,337	16,548
Other Income	1,255	-	1,255	988
Fundraising Income	32,988	-	32,988	15,293
Sponsorships	62,500	-	62,500	62,500
In-Kind Support from Umpqua Community College	193,527	-	193,527	242,219
	<u>310,540</u>	<u>1,166,013</u>	<u>1,476,553</u>	<u>1,690,925</u>
Net Assets Released from Restrictions	<u>1,047,655</u>	<u>(1,047,655)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUE	<u>1,358,195</u>	<u>118,358</u>	<u>1,476,553</u>	<u>1,690,925</u>
EXPENSES AND OTHER LOSSES:				
Scholarships & Student Support	401,489	-	401,489	415,090
Program Support	476,755	-	476,755	335,847
Management & General	244,248	-	244,248	218,751
Fundraising & Special Events	102,099	-	102,099	170,165
TOTAL EXPENSES	<u>1,224,591</u>	<u>-</u>	<u>1,224,591</u>	<u>1,139,853</u>
TOTAL EXPENSES AND OTHER LOSSES	<u>1,224,591</u>	<u>-</u>	<u>1,224,591</u>	<u>1,139,853</u>
CHANGE IN NET ASSETS	133,604	118,358	251,962	551,072
NET ASSETS, BEGINNING OF YEAR	<u>162,754</u>	<u>11,855,305</u>	<u>12,018,059</u>	<u>11,466,987</u>
NET ASSETS, END OF YEAR	<u>\$ 296,358</u>	<u>\$ 11,973,663</u>	<u>\$ 12,270,021</u>	<u>\$ 12,018,059</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, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

Umpqua Community College (the College) was established in 1964 under ORS Chapter 341. 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, 2019

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, 2019, 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, 2019.

Receivables

All receivables are shown net of an allowance for uncollectable 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, 2019**

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: up to two years of unused vacation and sick leave. 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, 2018	Earned	Used	Balance at June 30, 2019	Amount due within one year
\$ 312,221	\$ 496,021	\$ 339,064	\$ 469,178	\$ 469,178

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

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, 2019

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, 2019, the College implemented the following GASB pronouncements:

GASB Statement No. 83, *Certain Asset Retirement Obligations*, Issued November 2016. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations, which are legally enforceable liabilities associated with the retirement of tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, Issued April 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

Future Adoption of new GASB Pronouncements

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2019:

GASB Statement No. 84, *Fiduciary Activities*, Issued January 2017, and effective fiscal year 2020

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB Statement No. 87, *Leases*, Issued June 2017, and effective fiscal year 2021

GASB Statement No. 90, *Majority Equity Interests*, Issued August 2018, and effective fiscal year 2020

GASB Statement No. 91, *Conduit Debt Obligations*, Issued May 2019, and effective for fiscal year 2022.

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, 2019. 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.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

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:

	<u>Year Ended June 30, 2019</u>
Cash and Cash Equivalents:	
Cash on hand	\$ 6,740
Investments with fiscal agent	458,438
Demand Deposits	1,766,400
Oregon Local Government Investment Pool (LGIP)	<u>6,251,593</u>
Total cash and cash equivalents	<u>\$ 8,483,171</u>

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, 2019, 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 \$1,766,400 and the bank balance was \$2,062,594. 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, 2019. 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 intends to measure these investments at book value, as the LGIP's fair value approximates its amortized cost basis.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

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

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.

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, 2019:

Investment Type	Totals as of 06/30/2019	Fair Value Measurements Using			Cost Measurement Using
		Quoted Prices in Active Markets for Identical Assets Level One	Significant Other Observable Inputs Level Two	Significant Unobservable Inputs Level Three	Not measured at Fair Value
LGIP	\$ 6,710,031	\$ -	\$ -	\$ -	\$ 6,710,031
Total Investments	\$ 6,710,031	\$ -	\$ -	\$ -	\$ 6,710,031

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, 2019, the College is in compliance with these ORS statutes.

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019

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

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, 2019, the College is in compliance with these ORS statutes.

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, 2019, 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, 2019, 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 \$903,221. Management expects to collect all grants receivable.

Receivables consisted of the following as of June 30, 2019:

Due from Foundation	\$ 4,704,106
Grant receivables	1,620,304
Tuition and fees	2,865,787
Property tax receivable	346,384
	<u>9,536,581</u>
Allowance for uncollectible receivables	<u>(903,221)</u>
	<u>\$ 8,633,360</u>

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Additions	Disposals	Transfers	Balance June 30, 2019
Capital assets not being depreciated					
Land	\$ 156,353	\$ -	\$ -	\$ -	\$ 156,353
Construction in progress	-	183,280	-	-	183,280
Musical instrument collection	49,200	-	-	-	49,200
Art	85,500	-	-	-	85,500
Total capital assets not being depreciated	<u>291,053</u>	<u>183,280</u>	<u>-</u>	<u>-</u>	<u>474,333</u>
Capital assets being depreciated					
Land improvement	761,080	-	-	-	761,080
Infrastructure	1,893,548	-	-	-	1,893,548
Vineyard development	18,424	-	-	-	18,424
Buildings and improvements	47,810,182	47,821	-	-	47,858,003
Intangible assets	387,881	31,175	-	-	419,056
Equipment	4,946,361	348,046	(102,594)	-	5,191,813
Total capital assets being depreciated	<u>55,817,476</u>	<u>427,042</u>	<u>(102,594)</u>	<u>-</u>	<u>56,141,924</u>
Less accumulated depreciation					
Land improvement	130,849	15,221	-	-	146,070
Infrastructure	340,839	37,871	-	-	378,710
Vineyard development	10,965	4,388	-	-	15,353
Buildings and improvements	16,779,890	1,129,388	-	-	17,909,278
Intangible assets	379,994	14,815	-	-	394,809
Equipment	3,985,502	458,284	(102,594)	-	4,341,192
Total accumulated depreciation	<u>21,628,039</u>	<u>1,659,967</u>	<u>(102,594)</u>	<u>-</u>	<u>23,185,412</u>
Total capital assets being depreciated, net	<u>34,189,437</u>	<u>(1,232,925)</u>	<u>-</u>	<u>-</u>	<u>32,956,512</u>
Total capital assets, net	<u>\$ 34,480,490</u>	<u>\$ (1,049,645)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,430,845</u>

Depreciation expense for the year ended June 30, 2019 was \$1,659,967.

6. UNEARNED REVENUE

Unearned revenue consisted of the following as of June 30, 2019:

Grants received in advance of meeting eligibility requirements	\$ 1,050,256
Tuition and fees received in advance of providing instruction	<u>648,611</u>
	<u>\$ 1,698,867</u>

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

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 (2.0 percent for police and fire employees, and 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.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

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.

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019

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.

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, 2016 actuarial valuation. The rates based on percentage of payroll first became effective July 1, 2017. 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, 2019 were \$1,307,138, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2019 were 15.55 percent for Tier One/Tier Two General Service Members and 8.97 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, 2017 through June 30, 2019, 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.

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.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

7. RETIREMENT PLAN (CONTINUED)

Actuarial methods and assumptions:

Valuation date	December 31, 2016
Measurement date	June 30, 2018
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Actuarial Assumptions:	
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Mortality:	
	<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, 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.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

7. RETIREMENT PLAN (CONTINUED)

The College's proportionate share of the collective net pension liability (asset) of the plan is as follows:

	(6.20%)	(7.20%)	(8.20%)
College's proportionate share of the net pension liability (asset)	\$ 24,930,698	\$ 14,917,941	\$ 6,653,230

Determination of the College's proportionate share – The College's actuarially determined proportionate share of the plan amounts was 0.09847682 percent for the fiscal year ended June 30, 2018 (measurement date). The College's proportions are determined by rolling forward the total net pension liability (actuarially determined at December 31, 2016) to the measurement date of June 30, 2018 and subtracting the plan's net position as of June 30, 2017.

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, 2019, the College reported a payable of \$99,233 for the outstanding amount of legally required pension contributions to the pension plan for the fiscal year ended June 30, 2019.

Pension Expense, Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended June 30, 2019, the College recognized a net pension liability of \$14,917,941 and a pension expense of approximately \$2,897,225. At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 507,464	\$ -
Changes in assumptions	3,468,393	-
Net difference between projected and actual earnings on pension plan investments	-	662,441
Net changes in proportionate share	96,348	799,915
Differences between College contributions and proportionate share of contributions	-	500,981
	4,072,205	1,963,337
College contributions subsequent to measurement date	1,307,138	-
Net deferred outflow (inflow) of resources	\$ 5,379,343	\$ 1,963,337

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

7. RETIREMENT PLAN (CONTINUED)

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,		
2020	\$	1,528,369
2021		1,006,384
2022		(442,035)
2023		(34,279)
2024		50,429
Thereafter		-
	\$	<u>2,108,868</u>

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 \$657,735 to the IAP on behalf of employees in fiscal year 2019.

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 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:

	Single Employer Plan	RHIA Cost Sharing Plan
OPEB Asset/(Liability)	\$ (1,435,751)	\$ 120,238
Deferred Outflows of Resources		
Differences between expected and actual experience	36,130	6,814
Changes in assumptions	65,558	382
Contributions after the measurement date	-	33,556
Deferred Inflows of Resources		
Difference in earnings	-	(25,923)
Change in proportionate share	-	(437)
OPEB expense/(income)	115,226	(11,137)

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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.

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 2018-19 the College's monthly contribution is \$1,280. This contribution is negotiated as part of the 2017-2020 Collective Bargaining Agreement between the College and Association of Employees of Umpqua Community College.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2019, The College reported a total OPEB liability of \$1,435,751. The total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date. For the year ended June 30, 2019, the College recognized OPEB expense of \$115,226. At June 30, 2019, 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	\$ 36,130	\$ -
Changes in assumptions	65,558	-
	\$ 101,688	\$ -

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

Year Ending June 30,		
2020	\$	14,911
2021		14,911
2022		14,911
2023		14,911
2024		14,911
Thereafter		27,133
	\$	101,688

Actuarial Assumptions - The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Interest discount** The 3.78% discount rate assumption is the June 6, 2018 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 increased from 3% in the 2016 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
2019	5.00%	3.50%	3.00%
2020+	5.00%	3.00%	3.00%

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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 (2.78 percent) or 1-percentage-point higher (4.78 percent) than the current rate:

	1% Decrease (2.78%)	Current Discount Rate (3.78%)	1% Increase (4.78%)
Total OPEB Liability	\$ 1,509,189	\$ 1,435,751	\$ 1,365,939

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:

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB Liability	\$ 1,429,215	\$ 1,435,751	\$ 1,444,348

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.

**UMPQUA COMMUNITY COLLEGE
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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

Fiscal Year Ended	Contribution
June 30, 2017	\$ 56,599
June 30, 2018	52,156
June 30, 2019	49,150

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 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, 2019, the College's proportion was 0.107%, which was a decrease from its proportion of 0.114% at the prior measurement date.

For the year ended June 30, 2019, the College recognized deferred outflows of resources and deferred inflows of resources in the amount of \$50,083 and \$33,556. For the year ended June 30, 2019, the College recognized a negative OPEB expense of (\$11,137) for this plan.

	Deferred Outflow of Resources	Deferred Inflow or Resources
Differences between expected and actual experience	\$ -	\$ 6,814
Changes of assumptions	-	382
Net difference between projected and actual earnings	-	25,923
Changes in proportionate share	933	437
Differences between employer contributions and employer's proportionate share of system contributions	-	-
Total (prior to post-MD contributions)	933	33,556
Contributions subsequent to measurement date	49,150	N/A
Net deferred outflow (inflow) of resources	\$ 50,083	\$ 33,556

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

Year Ending June 30,		
2020	\$	(10,763)
2021		(10,686)
2022		(8,598)
2023		(2,576)
2024		-
Thereafter		-
	\$	(32,623)

**UMPQUA COMMUNITY COLLEGE
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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Change in Net OPEB Liability

Oregon PERS Employees Retirement System Cost-sharing Plan	2019
Net OPEB Liability:	
Difference between expected and actual experience	\$ (25,923)
Change in proportionate share	496
OPEB (expense)/income	11,137
Benefit payments	87,082
Net changes in OPEB liability	72,792
Net OPEB liability (asset) - beginning	(47,446)
Net OPEB liability (asset) - ending	\$ (120,238)
College's proportionate share at measurement date	0.11%
College's covered payroll	\$ 13,448,904
College's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-0.89%

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-percentagepoint higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Net OPEB Liability (Asset)	\$ (70,009)	\$ (120,238)	\$ (162,994)

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions - The net OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
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-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set backs as described in the valuation. <u>Active members:</u> Mortality rates are percentage of healthy retiree rates that vary by group, as described in the valuation. <u>Disabled retirees:</u> Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

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

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

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:

<u>Fiscal Year Ending June 30,</u>		
2020	\$	615,661
2021		74,708
2022		34,669
2023		<u>14,900</u>
Total Minimum Future Rentals	\$	<u>739,938</u>

The expense for operating leases for the year ended June 30, 2019 was \$288,610.

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, 2019**

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, 2019 is as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 20,727	\$ 2,286,132
Administratively Restricted Fund	249,648	30,949
Insurance Fund	370,000	-
Enterprise Fund	35,016	-
Debt Service Fund	1,243,196	-
Capital Projects Fund	360,000	-
Agency Fund	38,493	-
	<u>\$ 2,317,081</u>	<u>\$ 2,317,081</u>

Transfers are used to fund operations between funds.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

14. LONG TERM DEBT

Changes in long-term obligations for the year ended June 30, 2019 are as follows:

	Interest Rates	Original Amount	Outstanding July 1, 2018	Additions	Deletions	Outstanding June 30, 2019
Limited Tax Pension Bonds 2004	3.35% - 5.53%	\$ 11,910,000	\$ 9,215,000	\$ -	\$ 570,000	\$ 8,645,000
Full Faith and Credit Obligations 2010	1.02% - 5.80%	4,250,000	3,130,000	-	145,000	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	2,295,000	-	110,000	2,185,000
		<u>\$ 24,065,000</u>	<u>\$ 20,140,000</u>	<u>\$ -</u>	<u>\$ 825,000</u>	<u>\$ 19,315,000</u>
Premium - FFCO 2014, Series A			294,690	-	49,115	245,575
Premium - FFCO 2014, Series B			157,195	-	9,825	147,370
Total Outstanding June 30, 2019			<u>20,591,885</u>	<u>-</u>	<u>883,940</u>	<u>19,707,945</u>
Due Within One Year						<u>915,000</u>
Total Long-term Obligations						<u>\$ 18,792,945</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>
2020	\$ 650,000	\$ 475,265	\$ 1,125,265
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
2025-2028	4,510,000	593,922	5,103,922
	<u>\$ 8,645,000</u>	<u>\$ 2,570,679</u>	<u>\$ 11,215,679</u>

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

14. LONG TERM DEBT (CONTINUED)

Full Faith and Credit Obligations, Series 2010

In September 2010, \$4,250,000 of Full Faith and Credit Obligations, Series 2010 were issued to finance a real and personal property project. Principal payments are due annually in June through June 1, 2035 and interest payable in December and June of each year with rates ranging from 1.02% to 5.80%.

The Full Faith and Credit Obligations, Series 2010 were issued through the United States Department of Treasury Recovery Zone Economic Development Bonds program. The College received debt service subsidies of \$73,331 during the fiscal year ended June 30, 2019. Future subsidies expected to be received from the Department of Treasury total \$693,621. The IRS announced that effective October 1, 2019 the amount of refundable credit received will be reduced by 5.9%.

Future maturities for the Full Faith and Credit Obligations, Series 2010 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 150,000	\$ 164,949	\$ 314,949
2021	155,000	158,601	313,601
2022	155,000	150,569	305,569
2023	160,000	142,537	302,537
2024	165,000	134,246	299,246
2025-2029	905,000	532,208	1,437,208
2030-2034	1,060,000	256,337	1,316,337
2035-2039	235,000	13,639	248,639
	<u>\$ 2,985,000</u>	<u>\$ 1,553,087</u>	<u>\$ 4,538,087</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. Single principal payment of \$5,500,000 is due on June 1st, 2024. Interest payments are due in December and June of each year through June of 2024 with the interest rate set at 4%. Series 2014A have a five-year call option.

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.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

14. LONG TERM DEBT (CONTINUED)

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 115,000	\$ 300,350	\$ 415,350
2021	115,000	298,050	413,050
2022	120,000	295,750	415,750
2023	125,000	292,150	417,150
2024	5,625,000	288,400	5,913,400
2025-2029	715,000	262,400	977,400
2030-2034	870,000	107,400	977,400
	<u>\$ 7,685,000</u>	<u>\$ 1,844,500</u>	<u>\$ 9,529,500</u>

15. RECONCILIATION OF BUDGETARY FUND BALANCES TO NET POSITION

Total Budgetary Fund Balances as of June 30, 2019

General	\$ 5,396,770
Administratively Restricted	1,459,736
Special Projects - Grants and Contracts	26,769
Insurance	178,810
Debt Service	7,794,239
Capital Projects	259,148
Internal Service	662,534
Enterprise	176,871
Agency	26,079
	<u>\$ 15,980,954</u>

Reconciliation of Budgetary Fund Balances to Net Position

Budgetary Fund Balance	\$ 15,980,954
Noncurrent Assets, net	33,551,083
Deferred Outflows	5,531,114
Long-term Liabilities, net	(36,061,637)
Deferred Revenue of Property Taxes	346,384
Compensated Absences	(469,178)
Deferred Inflows	(1,996,893)
State Revenue Accrual	(2,795,090)
	<u>\$ 14,086,737</u>

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR END JUNE 30, 2019**

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, 2019. During the fiscal year 2019, gifts of \$401,489 was transferred from the Foundation to the College. The Foundation raised pledges to fund the College's Bonnie J. Ford Health, Nursing, and Science Building, and \$4,545,545 of pledges are due to the College as of June 30, 2019. Other Foundation obligations due the College amount to \$158,561 as of June 30, 2019. The Foundation is audited annually and received an unmodified audit opinion for fiscal year ending 2019. Please see the financial statements of the Foundation on pages 22 and 23 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, 2019**

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
2019	0.11 %	\$ 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
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, 2019**

Schedule of Total OPEB Liability

Last Three Fiscal Years*

For the Fiscal Year Ended June 30, 2019

Single Employer Plan	2019	2018	2017
Total OPEB Liability:			
Benefit payments	\$ (303,981)	\$ (280,037)	\$ -
Service cost	44,090	42,806	-
Interest on total OPEB liability	56,225	58,464	-
Change in assumptions	-	84,784	-
Experience (Gain)/Loss	-	46,726	-
Net changes in OPEB liability	(203,666)	(47,257)	-
Net OPEB liability - beginning	1,639,417	1,686,674	-
Net OPEB liability - ending	\$ 1,435,751	\$ 1,639,417	\$ 1,686,674
College's covered payroll	\$ 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	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, 2019**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB 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
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
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, 2019

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 *Administratively Restricted Special Revenue Fund* 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 *Grants & Contracts Special Revenue Fund* 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, 2019**

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 *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 *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 *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, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Property taxes	\$ 3,705,363	\$ 3,705,363	\$ 3,847,567	\$ 142,204
Tuition and fees	6,895,879	6,895,879	6,615,569	(280,310)
State appropriation	11,454,365	11,454,365	11,358,432	(95,933)
Interest income	40,000	40,000	200,544	160,544
Other	199,000	199,000	313,518	114,518
TOTAL REVENUES	22,294,607	22,294,607	22,335,630	41,023
EXPENDITURES				
Instruction	8,615,071	8,615,071 (1)	8,199,737	415,334
Instructional Support	1,343,953	1,343,953 (1)	1,235,900	108,053
Student Services	2,534,302	2,534,302 (1)	2,336,085	198,217
College Support Services	6,703,912	6,797,191 (1)	6,249,677	547,514
Financial Aid	937,566	937,566 (1)	681,012	256,554
Contingency and Reserves	3,172,686	2,899,407 (1)	-	2,899,407
TOTAL EXPENDITURES	23,307,490	23,127,490	18,702,411	4,425,079
Revenues over-(under) expenditures	(1,012,883)	(832,883)	3,633,218	4,466,101
OTHER FINANCING SOURCES - (USES)				
Transfers in	20,727	20,727	20,727	0
Transfer out	(2,107,844)	(2,287,844) (1)	(2,286,132)	1,712
TOTAL OTHER FINANCING SOURCES - (USES)	(2,087,117)	(2,267,117)	(2,265,405)	1,712
NET CHANGE IN FUND BALANCE	(3,100,000)	(3,100,000)	1,367,814	4,467,814
Fund Balance - July 1, 2018	3,100,000	3,100,000	4,028,956	928,956
Fund Balance - June 30, 2019	\$ -	\$ -	\$ 5,396,770	\$ 5,396,770

(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, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Intergovernmental - federal	\$ 14,148,641	\$ 14,148,641	\$ 6,744,217	\$ (7,404,424)
Intergovernmental - state	3,425,000	3,425,000	1,563,980	(1,861,020)
Local & Private Grants	2,000,000	2,000,000	808,602	(1,191,398)
TOTAL REVENUES	19,573,641	19,573,641	9,116,799	(10,456,842)
EXPENDITURES				
Student Loans and Financial Aid	19,573,641	19,573,641 (1)	9,116,799	10,456,842
Revenues over-(under) expenditures	-	-	-	-
Fund Balance - July 1, 2018	-	-	-	-
Fund Balance - June 30, 2019	\$ -	\$ -	\$ -	\$ -

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
ADMINISTRATIVELY RESTRICTED FUND
FOR YEAR ENDING JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Tuition and fees	\$ 2,249,849	\$ 2,280,643	\$ 2,513,728	\$ 233,085
Intergovernmental - state and federal	1,800	1,800	21,662	19,862
Local/Private Grants & Contracts	162,594	162,594	169,546	6,952
Other	902,765	799,498	540,391	(259,108)
TOTAL REVENUES	3,317,008	3,244,535	3,245,326	791
EXPENDITURES				
Instruction	2,341,697	2,305,297 (1)	1,585,108	720,189
Instruction Support	678,307	714,707 (1)	581,258	133,449
Community Services	65,495	65,495 (1)	65,447	48
Student Services	1,034,393	1,030,793 (1)	817,956	212,837
College Support Services	390,094	390,094 (1)	302,066	88,028
Contingency	70,000	70,000 (1)	-	70,000
TOTAL EXPENDITURES	4,579,986	4,576,386	3,351,834	1,224,552
Revenues over-(under) expenditures	(1,262,978)	(1,331,851)	(106,508)	1,225,342
OTHER FINANCING SOURCES - (USES)				
Transfers in	249,648	249,648	249,648	-
Transfers out	(29,743)	(33,343) (1)	(30,949)	-
TOTAL OTHER FINANCING SOURCES - (USES)	219,905	216,305	218,699	2,394
NET CHANGE IN FUND BALANCE	(1,043,073)	(1,115,546)	112,191	1,227,737
Fund Balance - July 1, 2018	1,043,072 *	1,115,545 *	1,347,545	232,000
Fund Balance - June 30, 2019	\$ -	\$ -	\$ 1,459,736	\$ 1,459,736

(1) Appropriation level

* rounding factor, difference nets less than \$1 calculates to zero

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
SPECIAL PROJECTS FUND – GRANTS & CONTRACTS
FOR YEAR ENDING JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Intergovernmental-federal	\$ 2,858,479	\$ 2,755,449	\$ 1,945,652	\$ (809,797)
Intergovernmental-state	1,741,500	2,078,812	1,149,247	(929,565)
Nongovernmental grants and contracts	1,047,295	1,183,837	832,104	(351,733)
TOTAL REVENUES	5,647,274	6,018,098	3,927,003	(2,091,095)
EXPENDITURES				
Instruction	1,006,675	1,006,675 (1)	671,619	335,056
Instructional Support	1,006,033	1,006,033 (1)	627,572	378,461
Student Services	2,839,163	2,920,468 (1)	2,014,448	906,020
Community Services	579,776	869,295 (1)	545,304	323,991
College Support Services	215,627	215,627 (1)	69,231	146,396
TOTAL EXPENDITURES	5,647,274	6,018,098	3,928,173	2,089,925
Revenues over-(under) expenditures	-	-	(1,170)	(1,170)
NET CHANGE IN FUND BALANCE	-	-	(1,170)	(1,170)
Fund Balance - July 1, 2018	-	-	27,939	27,939
Fund Balance - June 30, 2019	\$ -	\$ -	\$ 26,769	\$ 26,769

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
INSURANCE FUND
FOR YEAR ENDING JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
EXPENDITURES				
College Support Services	\$ 358,000	\$ 358,000 (1)	\$ 285,129	\$ 72,871
Contingency	25,585	25,585 (1)	-	25,585
TOTAL EXPENDITURES	383,585	383,585	285,129	98,456
Revenues over-(under) expenditures	(383,585)	(383,585)	(285,129)	98,456
OTHER FINANCING SOURCES - (USES)				
Transfers in	370,000	370,000	370,000	-
NET CHANGE IN FUND BALANCE	(13,585)	(13,585)	84,871	98,456
Fund Balance - July 1, 2018	13,585	13,585	93,938	80,353
Fund Balance - June 30, 2019	\$ -	\$ -	\$ 178,810	\$ 178,810

(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, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Intergovernmental-federal	\$ 71,616	\$ 71,616	\$ 72,968	\$ 1,352
Tuition and Fees	509,530	509,530	483,615	(25,915)
Interest income	6,100	6,100	26,971	20,871
Other	-	-	678	678
TOTAL REVENUES	587,246	587,246	584,232	(3,014)
EXPENDITURES				
Debt service:				
Principal	825,000	825,000	825,000	-
Interest	999,764	999,764	981,961	17,803
TOTAL EXPENDITURES	1,824,764	1,824,764 (1)	1,806,961	17,803
Revenues over-(under) expenditures	(1,237,518)	(1,237,518)	(1,222,729)	14,789
OTHER FINANCING SOURCES - (USES)				
Transfers in	1,243,196	1,243,196	1,243,196	-
NET CHANGE IN FUND BALANCE	5,678	5,678	20,467	14,789
Fund Balance - July 1, 2018	7,774,313	7,774,313	7,773,773	(540)
Fund Balance - June 30, 2019	\$ 7,779,991	\$ 7,779,991	\$ 7,794,240	\$ 14,249

(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, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Local & Private Grants	\$ -	\$ -	\$ 5,092	\$ 5,092
Other	-	-	7,323	7,323
TOTAL REVENUES	-	-	12,415	12,415
EXPENDITURES				
Facilities acquisition / construction	556,142	706,142 (1)	457,323	248,819
Revenues over-(under) expenditures	(556,142)	(706,142)	(444,908)	261,234
OTHER FINANCING SOURCES - (USES)				
Transfers in	210,000	360,000	360,000	-
TOTAL OTHER FINANCING SOURCES - (USES)	210,000	360,000	360,000	-
NET CHANGE IN FUND BALANCE	(346,142)	(346,142)	(84,908)	261,234
Fund Balance - July 1, 2018	346,142	346,142	344,056	(2,086)
Fund Balance - June 30, 2019	\$ -	\$ -	\$ 259,148	\$ 259,148

(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, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Tuition and Fees	\$ -	\$ -	\$ 252	\$ 252
Interest income	-	-	13,912	13,912
Other	185,000	185,000	272,859	87,859
TOTAL REVENUES	<u>185,000</u>	<u>185,000</u>	<u>287,023</u>	<u>102,023</u>
EXPENDITURES				
College Support Services	190,000	190,000 (1)	164,069	25,931
Revenues over-(under) expenditures	<u>(5,000)</u>	<u>(5,000)</u>	<u>122,954</u>	<u>127,954</u>
NET CHANGE IN FUND BALANCE	(5,000)	(5,000)	122,954	127,954
Fund Balance - July 1, 2018	<u>535,000</u>	<u>535,000</u>	<u>539,579</u>	<u>4,579</u>
Fund Balance - June 30, 2019	<u>\$ 530,000</u>	<u>\$ 530,000</u>	<u>\$ 662,534</u>	<u>\$ 132,534</u>

(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, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Sales	\$ 2,259,836	\$ 2,259,836	\$ 1,472,646	\$ (787,190)
TOTAL REVENUES	2,259,836	2,259,836	1,472,646	(787,190)
EXPENDITURES				
Instructional Support	118,016	118,016 (1)	21,055	96,961
Student Services	1,654,319	1,654,319 (1)	1,182,078	472,241
Community Services	608,470	608,470 (1)	293,422	315,048
Contingency	56,813	56,813 (1)	-	56,813
TOTAL EXPENDITURES	2,437,618	2,437,618	1,496,554	941,064
Revenues over-(under) expenditures	(177,782)	(177,782)	(23,908)	153,874
OTHER FINANCING SOURCES - (USES)				
Transfer in	5,016	35,016 (1)	35,016	0
NET CHANGE IN FUND BALANCE	(172,766)	(142,766)	11,109	153,875
Fund Balance - July 1, 2018	172,766	142,766	165,763	22,997
Fund Balance - June 30, 2019	\$ -	\$ -	\$ 176,871	\$ 176,871

(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, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUE				
Other	\$ 15,700	\$ 15,700	\$ 11,740	\$ (3,960)
TOTAL REVENUES	<u>15,700</u>	<u>15,700</u>	<u>11,740</u>	<u>(3,960)</u>
EXPENDITURES				
Student Services	81,147	84,747 (1)	51,378	33,369
TOTAL EXPENDITURES	<u>81,147</u>	<u>84,747</u>	<u>51,378</u>	<u>33,369</u>
Revenues over-(under) expenditures	<u>(65,447)</u>	<u>(69,047)</u>	<u>(39,638)</u>	<u>29,409</u>
OTHER FINANCING SOURCES - (USES)				
Transfers in	39,000	42,600	38,493	(4,107)
NET CHANGE IN FUND BALANCE	<u>(26,447)</u>	<u>(26,447)</u>	<u>(1,144)</u>	<u>25,303</u>
Fund Balance - July 1, 2018	<u>26,447</u>	<u>26,447</u>	<u>27,223</u>	<u>776</u>
Fund Balance - June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,079</u>	<u>\$ 26,079</u>

(1) Appropriation level



OTHER FINANCIAL SCHEDULE

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR END JUNE 30, 2019**

Tax Year	Uncollected June 30, 2018	Levy as Extended by Assessor	Discounts	Adjustments	Collections	Uncollected June 30, 2019
2018-19	\$ -	\$ 3,908,712	\$ (99,148)	\$ (12,860)	\$ (3,649,539)	\$ 147,165
2017-18	151,824	-	-	(17,803)	(78,876)	55,145
2016-17	83,029	-	-	(3,994)	(31,006)	48,029
2015-16	56,449	-	-	(2,714)	(20,894)	32,841
2014-15	37,194	-	-	(6,438)	(18,726)	12,030
and Prior	58,691	-	-	(3,520)	(3,996)	51,175
Total	\$ 387,186	\$ 3,908,712	\$ (99,148)	\$ (47,329)	\$ (3,803,037)	\$ 346,384

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 68

Changes in Net Position – page 69-70

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 71

Direct and Overlapping Property Tax Rates - page 72-73

Principal Property Taxpayers - page 74

Property Tax Levies and Collection - page 75

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 76-77

Ratio of Outstanding Debt by Types - page 78

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 79

Principal Employers for Douglas County – page 80

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 81

Building Construction and Acquisition – page 82

Tuition Rates and Enrollment Statistics – page 83

FINANCIAL TRENDS

**UMPQUA COMMUNITY COLLEGE
NET POSITION**

Last Ten Fiscal Years

Fiscal Year	Net Investment in Capital Assets	Restricted - Expendable	Unrestricted	Total
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
2009-10	9,706,448	1,479,734	9,118,746	20,304,928

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

	2018-19	2017-18	2016-17
Operating revenues:			
Tuition and fees	\$ 4,435,243	\$ 4,012,308	\$ 3,654,238
Federal student financial aid grants	6,744,217	6,530,677	6,605,012
Federal grants and contracts	1,947,460	1,943,363	2,260,259
State grants and contracts	2,752,809	2,496,218	3,898,445
Local grants and contracts	1,803,504	1,628,169	1,651,502
Bookstore sales	623,731	604,038	625,534
Food service sales	236,784	298,053	202,242
Special Events & Incubator Program	148,140	106,162	48,200
Other operating revenue	756,147	624,617	1,257,960
Total operating revenue	<u>19,448,035</u>	<u>18,243,605</u>	<u>20,203,392</u>
Operating expenses:			
Instruction	10,763,126	10,765,057	10,713,067
Instructional support	2,383,761	2,578,936	2,824,309
College support services	7,362,064	7,670,881	9,137,904
Student services	6,472,627	5,581,338	5,996,114
Auxiliary	-	-	-
Community services	905,730	605,705	169,090
Student financial aid	4,239,330	4,411,914	4,391,631
Plant Operations and maintenance	-	-	-
Facilities acquisition /construction	196,585	330,337	914,180
Depreciation	1,659,967	1,671,396	1,610,052
Total operating expenses	<u>33,983,190</u>	<u>33,615,564</u>	<u>35,756,347</u>
Operating loss	<u>(14,535,155)</u>	<u>(15,371,959)</u>	<u>(15,552,955)</u>
Nonoperating Revenues-(expenses)			
State community college support	8,582,420	13,898,327	7,882,956
Property taxes	3,859,541	3,671,295	3,564,231
Investment Income	241,426	161,723	78,704
Investment gain (loss) on pension asset	-	-	-
Amortization of bond premium	58,940	58,940	58,940
Interest expense	(981,961)	(1,019,351)	(1,043,576)
Bond issue costs	-	-	-
Gain (loss) on disposition of capital assets	(2,671)	(11,690)	(75,018)
Total nonoperating revenues-(expenses)	<u>11,757,695</u>	<u>16,759,244</u>	<u>10,466,238</u>
Gain (Loss) before Other revenues and gains	<u>(2,777,460)</u>	<u>1,387,285</u>	<u>(5,086,717)</u>
Capital state grant	-	3,765,164	3,600,229
Capital gifts and grants	192,186	55,677	25,000
Change in net position	<u>(2,585,274)</u>	<u>5,208,126</u>	<u>(1,461,488)</u>
Net position - beginning of year	16,672,011	13,246,492	14,707,980
Less restatement	-	(1,782,608)	-
Restated Net Position - beginning of year	<u>16,672,011</u>	<u>11,463,884</u>	<u>-</u>
Net position -end of year	<u><u>14,086,737</u></u>	<u><u>16,672,011</u></u>	<u><u>13,246,492</u></u>

Note: Fiscal Year 2014-15 is the first year GASB68 was implemented.
Fiscal year 2017-18 is the first year GASB75 was implemented.

Source: Umpqua Community College Comprehensive Annual Financial Report

**UMPQUA COMMUNITY COLLEGE
CHANGES IN NET POSITION**

LAST TEN FISCAL YEARS (Continued)

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
\$	3,777,276	\$ 3,283,655	\$ 3,029,056	\$ 3,185,431	\$ 3,633,640	\$ 3,822,222	\$ 3,704,065
	7,114,195	8,216,554	10,194,591	12,722,284	22,789,049	27,324,559	25,886,769
	1,836,885	2,070,006	2,525,597	1,724,991	2,074,883	2,696,243	2,525,301
	2,101,096	1,922,419	1,410,982	1,359,814	987,834	590,317	2,619,197
	1,510,603	1,186,228	1,063,498	1,366,900	1,423,090	1,478,418	1,970,609
	705,203	673,607	634,156	757,287	874,948	1,084,675	1,382,012
	142,878	300,309	253,794	268,815	306,632	268,137	135,982
	26,579	5,184	-	-	-	-	-
	713,292	747,840	949,192	748,506	3,387,858	1,071,643	1,057,456
	<u>17,928,007</u>	<u>18,405,802</u>	<u>20,060,865</u>	<u>22,134,028</u>	<u>35,477,934</u>	<u>38,336,215</u>	<u>39,281,391</u>
	12,175,334	9,431,652	10,800,579	11,144,812	11,515,990	11,172,957	11,535,947
	2,799,416	2,369,864	2,522,726	2,430,765	2,436,179	2,461,725	2,245,356
	9,398,533	6,887,428	7,467,329	5,027,971	5,103,824	4,599,956	4,649,251
	6,705,058	5,871,695	5,711,761	5,512,453	3,767,328	4,613,949	4,367,817
	-	-	-	-	2,389,968	2,554,719	2,551,781
	165,217	114,784	80,441	63,093	108,606	148,410	217,353
	4,552,489	5,315,418	6,442,330	8,524,800	16,599,663	20,466,550	19,776,915
	-	-	-	2,224,890	2,214,448	2,738,090	3,314,810
	429,924	512,951	520,361	-	-	-	-
	<u>1,325,298</u>	<u>1,408,349</u>	<u>1,274,135</u>	<u>1,289,021</u>	<u>1,245,277</u>	<u>985,167</u>	<u>858,169</u>
	<u>37,551,270</u>	<u>31,912,141</u>	<u>34,819,663</u>	<u>36,217,805</u>	<u>45,381,283</u>	<u>49,741,522</u>	<u>49,517,400</u>
	<u>(19,623,263)</u>	<u>(13,506,339)</u>	<u>(14,758,799)</u>	<u>(14,083,777)</u>	<u>(9,903,349)</u>	<u>(11,405,307)</u>	<u>(10,236,009)</u>
	12,823,475	8,073,162	13,753,048	7,575,009	13,349,213	7,527,455	13,561,048
	3,479,236	3,384,933	3,253,946	3,224,160	3,126,992	3,026,591	3,001,765
	61,825	56,008	53,067	52,819	62,868	61,847	71,666
	-	-	1,811,950	1,275,370	87,173	2,071,698	1,610,173
	58,940	58,940	-	-	-	-	-
	(1,067,013)	(944,922)	(796,513)	(808,708)	(820,436)	(781,814)	(665,087)
	-	(89,630)	-	(9,598)	(9,598)	(9,598)	(6,198)
	<u>(3,803)</u>	<u>955</u>	<u>-</u>	<u>3,244</u>	<u>(3,000)</u>	<u>-</u>	<u>(13,245)</u>
	<u>15,352,659</u>	<u>10,539,446</u>	<u>18,075,498</u>	<u>11,312,296</u>	<u>15,793,212</u>	<u>11,896,178</u>	<u>17,560,123</u>
	<u>(4,270,604)</u>	<u>(2,966,893)</u>	<u>3,316,699</u>	<u>(2,771,481)</u>	<u>5,889,863</u>	<u>490,871</u>	<u>7,324,114</u>
	5,384,607	-	-	-	-	-	-
	47,070	5,150,471	-	-	-	-	-
	1,161,073	2,183,578	3,316,700	(2,771,481)	5,889,863	490,871	7,324,114
	13,546,907	27,065,333	23,914,179	26,685,662	20,795,799	20,304,928	12,980,814
	-	(15,702,004)	(165,546)	-	-	-	-
	<u>13,546,907</u>	<u>11,363,329</u>	<u>23,748,633</u>	<u>26,685,662</u>	<u>20,795,799</u>	<u>20,304,928</u>	<u>12,980,814</u>
\$	<u>14,707,980</u>	<u>\$ 13,546,907</u>	<u>\$ 27,065,333</u>	<u>\$ 23,914,181</u>	<u>\$ 26,685,662</u>	<u>\$ 20,795,799</u>	<u>\$ 20,304,928</u>



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>
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%
2009-10	0.04551	6,772,166,332	10,648,239,504	64%

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		
	2018-19	2017-18	2016-17
<u>County Direct Rate</u>			
Douglas County	1.11	1.11	1.11
Umpqua Community College	0.46	0.46	0.46
Lane Community College	0.62	0.85	0.84
SW Oregon Community College	0.70	0.70	0.70
<u>Cities</u>			
Canyonville	3.23	3.23	3.36
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	5.75	5.74
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	5.33	5.33
Fern Ridge	4.82	4.82	6.07
Glendale	4.74	5.22	5.22
Glide	4.50	5.46	5.46
North Douglas	4.78	5.11	5.10
Oakland	4.64	5.02	5.01
Reedsport	4.38	5.66	5.68
Riddle	4.66	4.66	4.66
Roseburg	4.03	4.57	4.50
Siuslaw	3.89	5.54	5.55
South Lane	4.75	6.61	6.89
South Umpqua	4.71	4.71	4.71
Southerlin	4.08	4.71	4.15
Winston Dillard	4.40	5.79	5.83
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	0.00-0.97	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**

2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
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
0.82	0.86	0.86	0.86	0.88	0.86	0.85
0.70	0.70	0.70	0.70	0.70	0.70	0.70
3.48	3.49	3.49	3.46	3.50	3.48	3.53
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	5.47	5.83	5.73	5.71	5.70	5.71
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
24.58	24.58	23.74	22.89	22.04	21.19	21.19
5.75	5.75	5.75	5.78	5.78	5.81	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
5.31	5.28	5.28	5.30	5.29	5.30	5.30
6.07	6.89	7.01	6.92	6.97	6.92	6.84
5.22	5.22	5.27	5.28	5.27	5.23	5.13
5.49	5.48	5.48	5.45	5.58	5.60	5.60
5.09	5.16	5.11	5.11	5.22	5.17	5.20
5.01	5.00	5.00	5.02	5.06	5.03	5.02
5.83	5.71	5.72	5.70	5.73	5.78	5.84
4.66	4.66	4.66	4.66	4.66	4.66	4.66
4.62	4.64	4.63	4.65	4.65	4.66	4.63
5.53	5.53	5.53	5.54	5.55	5.76	5.77
6.19	6.29	6.50	6.35	6.39	6.45	6.40
4.71	4.71	4.71	4.71	4.71	4.71	4.71
4.74	4.73	4.75	4.73	4.76	4.75	4.78
5.91	6.03	6.03	6.01	5.91	5.94	5.79
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	0.00-2.42	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**

<u>Taxpayer</u>	<u>Nature of Business</u>	<u>Total Assessed Value</u>	<u>Percentage Of Total Assessed Value</u>	<u>Taxes</u>
2018-19:				
Pacificcorp	Utility	\$ 367,483,000	3.32%	\$ 2,856,690
Roseburg Forest Products Co	Wood Products	154,108,246	1.39%	1,522,885
Roseburg Resources Co	Wood Products	86,667,946	0.78%	673,369
Weyerhaeuser Company	Wood Products	75,155,861	0.68%	553,369
Avista Corp	Utility	55,804,000	0.50%	667,838
Centurylink	Telecommunications	53,540,000	0.48%	587,339
Seneca Jones Timber Co	Wood Products	46,195,133	0.42%	349,844
Charter Communications	Telecommunications	44,529,300	0.40%	579,573
Central Oregon & Pacific RR Co.	Freight Service	28,501,700	0.26%	213,710
Verizon Communications	Telecommunications	21,496,000	0.19%	185,138
Subtotal - ten of the largest taxpayers		933,481,186	8.43%	
All other taxpayers in Douglas County		10,134,407,016	91.57%	
Toal Douglas County Taxpayers		<u>\$ 11,067,888,202</u>	<u>100.00%</u>	
2009-10:				
Pacificcorp (PP&L)	Utility	\$ 236,351,000	2.22%	\$ 1,913,508
Roseburg Forest Products Co	Wood Products	99,608,726	0.94%	1,066,546
Roseburg Resources Co	Wood Products	70,326,052	0.66%	545,360
Weyerhaeuser Company	Wood Products	47,852,408	0.45%	360,220
RLC Industries Co	Wood Products	37,998,220	0.36%	463,981
Seneca Jones Timber Company	Wood Products	34,798,742	0.33%	263,772
Qwest Corporation	Telecommunications	23,902,400	0.22%	325,177
Swanson Group MFG LLC	Manufacturing	23,882,564	0.22%	207,820
Avista Corp	Utility	21,890,800	0.21%	263,868
Alcan Products Corporation	Manufacturing	20,551,575	0.19%	220,313
Subtotal - ten of the largest taxpayers		617,162,487	5.80%	
All other taxpayers in Douglas County		10,031,077,017	94.20%	
Toal Douglas County Taxpayers		<u>\$ 10,648,239,504</u>	<u>100.00%</u>	

Notes: Umpqua Community College encompasses majority of Douglas County. These statistics are for Douglas County.

Source: Douglas County Department of Assessment and Taxation, Report 2019 Top 20 Certified Taxpayers for CC Umpqua, Issued 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
2018-19	\$ 3,908,712	\$ 3,649,539	93.37%	\$ -	\$ 3,649,539	93.37%
2017-18	3,751,195	3,495,358	93.18	78,876	3,574,234	95.28
2016-17	3,639,440	3,350,059	92.05	102,311	3,452,370	94.86
2015-16	3,503,678	3,254,852	92.90	119,811	3,374,663	96.32
2014-15	3,436,000	3,176,370	92.44	140,205	3,316,575	96.52
2013-14	3,336,412	3,077,856	92.25	150,017	3,227,873	96.75
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
2009-10	3,055,689	2,780,893	91.01	162,641	2,943,534	96.33

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**

	2018-19	2017-18	2016-17	2015-16
Total Real Market Value of Taxable Property ¹	\$ 11,067,888,202	\$ 10,190,024,441	\$ 9,795,781,514	\$ 9,389,809,781
Debt Limitation (1.5% of Real Market Value)	166,018,323	152,850,367	146,936,723	140,847,147
Debt Subject to Limitation ²	-	-	-	-
Legal Debt Margin	166,018,323	152,850,367	146,936,723	140,847,147

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>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
\$ 9,325,455,608	\$ 9,132,582,748	\$ 9,037,090,627	\$ 9,381,751,607	\$ 9,820,250,596	\$ 10,648,239,504
139,881,834	136,988,741	135,556,359	140,726,274	147,303,759	159,723,593
-	-	-	-	-	-
139,881,834	136,988,741	135,556,359	140,726,274	147,303,759	159,723,593

**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 Obligations Series 2014 ²	Full Faith & Credit Obligations Series 2010	Pension Bonds Payable			
2018-19	\$ 8,077,945	\$ 2,985,000	\$ 8,645,000	19,707,945	not available	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
2009-10			11,680,000	11,680,000	0.35%	111

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>
2018-19	111,735	not available	not available	5.1%
2017-18	111,180	\$ 4,239,667	\$ 38,752	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%
2009-10	105,395	3,295,279	30,608	13.9%

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			2010 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%	1939	1	5.61%
Roseburg VA Health Care System	1175	2	3.08%	850	3	2.46%
CHI Mercy Healthcare, Inc	1120	3	2.93%	1100	2	3.18%
Roseburg School District	800	4	2.09%	705	6	2.04%
Seven Feathers Hotel, Gaming Center & UIDC	787	5	2.06%	747	5	2.16%
Swanson Group, Inc	714	6	1.87%	324	7	0.94%
Douglas County	538	7	1.41%	750	4	2.17%
First Call Resolution	433	8	1.13%	276	8	0.80%
Orenco Systems	370	9	0.97%			
Wal-Mart	301	10	0.79%	269	9	0.78%
TMS Call Center				225	10	0.65%
	<u>8069</u>		<u>21.12%</u>	<u>7185</u>		<u>20.79%</u>

Source:

¹ The Partnership Umpqua Economic Development

²State of Oregon Employment Department, 1st quarter information

³Douglas County CAFR 2010



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
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
2009-10	45	0	68	206	112	76

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>
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
2009-10	65.00	4691	16,457

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*

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, 2019, and have issued our report thereon dated December 5, 2019. 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 the Umpqua Community College Foundation, the 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, 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 2019 and 2020.
- 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 5, 2019

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*

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 the 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, 2019, 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 5, 2019. 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

Our consideration of internal control 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Moss Adams LLP

Portland, Oregon
December 5, 2019

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

The Board of Education
Umpqua Community College
Roseburg, Oregon

Report on Compliance for the 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 the College's major federal program for the year ended June 30, 2019. The College's major federal program is 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 the College's major federal program 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 the major federal program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on the Major Federal Program

In our opinion, Umpqua Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2019.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 5, 2019

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Expenditures of Federal Awards
June 30, 2019**

	Grant Period	Federal CFDA Number	Program or Award Amount	2018-19 Revenue	2018-19 Expenditures	Pass through Agency Identifying Number	2018-19 Expenditures to Subrecipients
<u>US DEPARTMENT OF EDUCATION</u>							
STUDENT FINANCIAL ASSISTANCE CLUSTER:							
Federal Pell Grant Program	2018-2019	84.063	\$ 4,261,202	\$ 4,261,727	\$ 4,261,727	N/A	\$ -
Federal Direct Loan Program	2018-2019	84.268	2,669,883	2,294,372	2,294,372	N/A	-
Federal Work-Study Program	2018-2019	84.033	107,047	107,047	107,047	N/A	-
Federal Supplemental Educational Opportunity Grant	2018-2019	84.007	77,276	77,276	77,276	N/A	-
Iraq and Afghanistan Service	2018-2019	84.408	3,795	3,795	3,795	N/A	-
<i>Total SFA Cluster U.S. Department of Education</i>			7,119,203	6,744,217	6,744,217		-
<u>U.S. Department of Education:</u>							
TRIO - CLUSTER:							
TRIO - Student Support Services	2017-2018	84.042	284,510	43,230	43,230	N/A	-
TRIO - Student Support Services	2018-2019	84.042	296,602	239,217	239,217	N/A	-
TRIO - Talent Search	2017-2018	84.044	291,264	48,920	48,920	N/A	-
TRIO - Talent Search	2018-2019	84.044	303,643	280,232	280,232	N/A	-
TRIO - Upward Bound	2017-2018	84.047	277,134	86,408	86,408	N/A	-
TRIO - Upward Bound	2018-2019	84.047	288,912	187,625	187,625	N/A	-
<i>Total TRIO Cluster U.S. Department of Education</i>			1,742,065	885,632	885,632		-
DIRECT PROGRAMS:							
Child Care Access Means Parents in School	2017-2018	84.335	41,466	3	3	N/A	-
Child Care Access Means Parents in School	2018-2019	84.335	41,466	14,519	14,519	N/A	-
Higher Education - Institutional Aid	2017-2018	84.031	448,752	101,178	101,178	N/A	-
Higher Education - Institutional Aid	2018-2019	84.031	199,311	170,843	170,843	N/A	-
Passed through Higher Education Coordinating Commission:							
Adult Education - Basic Grants to States	2018-2019	84.002	178,164	171,802	171,802	18-144	-
Passed through Oregon Department of Education:							
Career and Technical Education - Basic Grants to States	2018-2019	84.048	160,461	118,879	118,879	48917	-
<i>Total Non SFA Cluster U.S. Department of Education</i>			2,960,073	1,462,856	1,462,856		-
<u>U.S. Department of Agriculture:</u>							
Passed through State of Oregon, Department of Education							
Child and Adult Care Food Program	2018-2019	10.558	13,030	13,030	13,030	1006001	-
<i>Total U.S. Department of Agriculture</i>			13,030	13,030	13,030		-
<u>U. S. Department of Justice:</u>							
Passed through State of Oregon							
Antiterrorism Emergency Reserve	2018-2019	16.321	209,001	93,838	93,838	AEAP-2016-UCC-00002	-
Victims of Crime Act 2018-2020 VOCA	2018-2019	16.575	108,130	29,910	29,910	VOCA-FI-2018 UCC-00092	-
<i>Total U.S. Department of Justice</i>			317,131	123,748	123,748		-
<u>U. S. Department of Health and Human Services:</u>							
Passed through State of Oregon, Department of Education							
Child Care and Development Block Grant (CCDF)	2018-2019	93.575	328,389	10,310	10,310	52419	-
Child Care Mandatory and Matching Fund of the Child Care and Development Fund	2018-2019	93.596	423,267	238,788	238,788	46114	-
<i>Total of U.S. Department of Health and Human Services</i>			751,656	249,099	249,099		-
<u>Small Business Administration:</u>							
Passed through Lane Community College:							
Small Business Development Center	2017-2018	59.037	33,000	13,505	13,505	SBA-2018-159	-
Small Business Development Center	2018-2019	59.037	33,000	5,149	5,149	SBA-2019-159	-
<i>Total Small Business Administration</i>			66,000	18,655	18,655		-
<u>U. S. Department of Treasury</u>							
Recovery Zone Economic Development Bonds Subsidy							
Full Faith and Credit Obligations	2018-2019	21.U01	72,968	72,968	72,968	N/A	-
<i>Total U. S. Department of Treasury</i>			72,968	72,968	72,968		-
<u>US Congress</u>							
Open World Program Global Connections							
FHI Development 360	2018-2019	93.U01	7,106	7,106	7,106	N/A	-
<i>Total US Congress</i>			7,106	7,106	7,106		-
TOTAL			\$ 11,307,166	\$ 8,691,678	\$ 8,691,678		\$ -

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Notes to Schedule of Expenditures of Federal Awards
June 30, 2019**

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, 2019, 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, 2019**

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 program:

- 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 Program and Type of Auditor’s Report Issued on Compliance for Major Federal Program:

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for Major Federal Program</i>
Various	Student Financial Assistance 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, 2019**

Section III – Federal Award Findings and Questioned Costs

None reported.

