UMPQUA COMMUNITY COLLEGE

FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2016

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

T A B L E O F C O N T E N T S

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UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

T A B L E O F C O N T E N T S (CONTINUED)

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September 17, 2016

Board of Trustees
Umpqua Community College
Roseburg, OR 97470

The Annual Financial Report of Umpqua Community College for the fiscal year ended June 30, 2016 is submitted in accordance with Oregon Revised Statues (ORS) 297.405 to 297.555 and 297.990, known as Municipal Audit Law. This report was prepared by the College's finance office. 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, 2016 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 requires supplementary information, a listing of principal officials, and the organization chart.
2. The Financial Section includes Management's Discussion and Analysis, the basic financial statements and accompanying notes as well as the independent auditor's report. A narrative introduction, overview and analysis are included in the Management's Discussion and Analysis in this section.
3. The College is required to have an annual single audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information related to the single audit, and Governmental Auditing Standards, Including the Schedule of Expenditures of Federal Awards and various independent auditors' reports, are included in the Governmental Auditing Standards and OMB Circular A-133 Disclosures Section.
4. The independent Auditor's Comments Section includes the auditor's comments required by the Minimum Standards for Audits of Oregon Municipal Corporations.
5. 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.

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. Umpqua strives to make quality post-secondary education affordable and accessible to district 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 College District comprises 107,164 residents within the 5,071 square mile area of Douglas County. Douglas County is classified as isolated, rural and economically distressed. The largest population center is Roseburg (pop. 21,884); the majority of residents live in towns with populations of less than 4,000 or in the rural, unincorporated areas between these small towns.

The college serves more than 14,400 unique students each year of which approximately 3,140 are credit students. The main campus is located six miles north of Roseburg on 100 acres of donated land overlooking the North Umpqua River. The main campus is comprised of 15 buildings located on park-like grounds with 4 additional campus locations; The H. Woolley Adult Basic Education Center located at 1634 W. Harvard, Roseburg, Community and Workforce Training Center located at 2555 N. E. Diamond Lake Blvd., Roseburg, Small Business Development Center located at 522 SE Washington Ave, Roseburg, and the Commercial Driving License Truck Shop located at 174 Stanford Road, Winston.

COLLEGE MISSION

Umpqua Community College provides high quality college degree programs, workforce development, and community learning opportunities.

PROGRAMS

Umpqua Community College has 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

Douglas County extends from sea level at the Pacific Ocean to Mt. Thielsen in the Cascade Range. Slightly over half of the County’s land is owned by the federal government and is managed by the Bureau of Land Management and the Forest Service. 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. The county levies the fourth lowest property tax rate in Oregon, which limits its ability to generate local revenues. The population of the County has grown slowly. It increased 6% since 2004 and was estimated to be 109,910 in 2015. For the most part, the growth has been from the migration of retirement age people from other areas of the country. Douglas County’s unemployment rates have consistently been among the highest in the state (6.4% for the month of June 2016) comparing to the state rate of 4.8% and the national rate of 4.9%. The per capita personal income of Douglas County residents in 2016 ranked 30th among Oregon’s 36 counties.

GOVERNING BODIES

The members of the Board of Trustees 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 Trustees. The Umpqua Community College Board of Trustees 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 Trustees comprises seven qualified members elected for four-year terms. Members are elected from established zones within the community college district.

HIGHER EDUCATION COORDINATING COMMISSION

The Higher Education Coordinating Commission is the agency that provides state-level regulations of Oregon's community college system. The Office of Community Colleges and Workforce Development serves as an administrative office for community college matters. The Commission establishes state standards for educational programs and facilities and approves courses of study.

COLLEGE MANAGEMENT

The President is appointed by the local Board of Trustees. The President and executive team of the college administer policies set by the Umpqua Board of Trustees.

ACCREDITATION

Umpqua Community College is fully accredited by the Northwest Association of Schools and Colleges (NWCCU-http://www.nwccu.org). The College's last full-scale accreditation visit was completed in 2005 and the report was issued in 2006. The Year Three Evaluation Report was issued in 2012. The Year Seven Evaluation Report was issued in the spring of 2016. The College's programs, certificates and courses are approved by the Oregon Department of Community Colleges and Workforce Development and the State Board of Education.

INDEPENDENT AUDIT

State statues require an annual audit by independent certified public accountants. The Umpqua Board of Trustees has selected the accounting firm of Pauly, Rogers and Co., P.C., 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 OMB Circular A-133.

INTERNAL CONTROLS

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.

ACKNOWLEDGEMENTS

We wish to express our appreciation to the entire finance office staff for their efforts and contributions to our Comprehensive Annual Financial Report. We also thank the members of the Umpqua Board of Trustees for their support and dedication to the financial operations of the college.

Sincerely,

Dr. Debra Thatcher	Rebecca Redell	Natalya Brown
President	VP/CFO	Director
		Accounting and Finance

UMPQUA COMMUNITY COLLEGE

COLLEGE BOARD OF TRUSTEES

PRESIDENT

- **Executive Assistant** Robynne Wilgus

- **Vice President Instructional Services** Roxanne Kelly
  - Arts & Sciences
  - Career & Technical Education
  - Academic Support
  - Small Business Development Center & UBC
  - Library Services
  - SOWI & LLC
- **Vice President Student Services** Joyce Coleman
  - Advising, Counseling
  - Student Life
  - TRiO: SSS / TOP
  - TRiO: ETS / UB
  - Ford Childhood Enrichment Ctr.
  - Athletics
  - Enrollment Services
  - Financial Aid
  - Recruiting
  - Testing
  - Accessibility Service
- **Chief Financial Officer** Rebecca Redell
  - Accounting & Finance
  - Bookstore
  - Purchasing
  - Budget
  - Information Technology
  - Food Services
    - Special Events
- **Director Human Resources** Lynn Johnson
  - Human Resources
  - Payroll
- **Director Community Relations** Lee Salter
  - Web Services
  - Marketing
- **Director Facilities & Security** Jess Miller
  - Maintenance
  - Grounds
  - Custodial
  - Safety, Security Services
- **Executive Director Foundation** Dennis O'Neill
  - Foundation Services
  - Grants Office
  - Scholarship Department

Effective September 2015

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

MAILING ADDRESS

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

PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

January 9, 2017

To the Board of Trustees
Umpqua Community College
Roseburg, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the basic financial statements and the discretely presented component unit of the Umpqua Community College, as of and for the year ended June 30, 2016, and the related notes to the basic 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.

Auditors' 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 basic financial statements are free of material misstatement.

The financial statements of the Umpqua Community College Foundation (a component unit) 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 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 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 basic financial statements referred to above present fairly, in all material respects, the financial position of Umpqua Community College and discretely presented component unit at June 30, 2016, and the respective changes in financials position, and 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 and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Management's Discussion and Analysis, as listed in the table of contents, 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 Management's Discussion and Analysis and the Schedule of Funding Progress and Contributions for Retiree Health Plan, as listed in the table of contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Umpqua Community College's basic financial statements. The supplementary information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information for all appropriated funds and supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the financial statements as a whole.

The listing of board members containing their term expiration dates, located after the table of contents, the introductory section and the other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our reports dated January 9, 2017, on our consideration of Umpqua Community College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of the reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and do not provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report and should be considered in assessing the results of our audit.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated January 9, 2017, on our consideration of 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.

Matthew Graves

Matthew Graves, CPA
PAULY, ROGERS AND CO., P.C.

UMPQUA COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
June 30, 2016

This section of Umpqua Community College's ("College") Annual Financial Report presents an analysis of the financial activities of the College for the fiscal year ended June 30, 2016. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with them. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. This discussion is designed to focus on current activities, resulting changes, and current known facts.

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

Information	Measurement Focus	Basis of Accounting	Location in Report
Basic financial statements	Economic resources	Full accrual	Financial section
Schedules of budget and actual	Current financial resources	Modified accrual	Other supplementary Information

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

Overview of the Financial Statements

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

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

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

The *Statement of Revenues, Expenses and Changes in Net 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. Because of the College's dependency on state aid and property tax revenue, this statement presents an operating loss, although overall net position remains positive.

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

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

Overview of the Schedules of Budget and Actual

The *Fund Financial Statements* are included in a latter section entitled other supplementary information. The governmental fund reporting focuses on how money flows in and out of funds and the balances left at year end that are available for spending. They are reported using the accounting method called "modified accrual" accounting, which measures cash and all other financial assets that can be readily converted to cash. This information is essential for preparation of, and compliance with, annual budgets. Fund financial statements also report the College's operations in more detail than the government-wide financial statements by providing information about the College's most significant fund, the general fund. The adoption of Statement No. 68 has no impact on the College's fund financial statements, which continue to report PERS expenditures paid during the year. In the basic financial statements, expenditures are adjusted for the effect of recording assets, liabilities, deferred outflows and deferred inflows related to PERS.

Financial Highlights

Government wide Financial Analysis

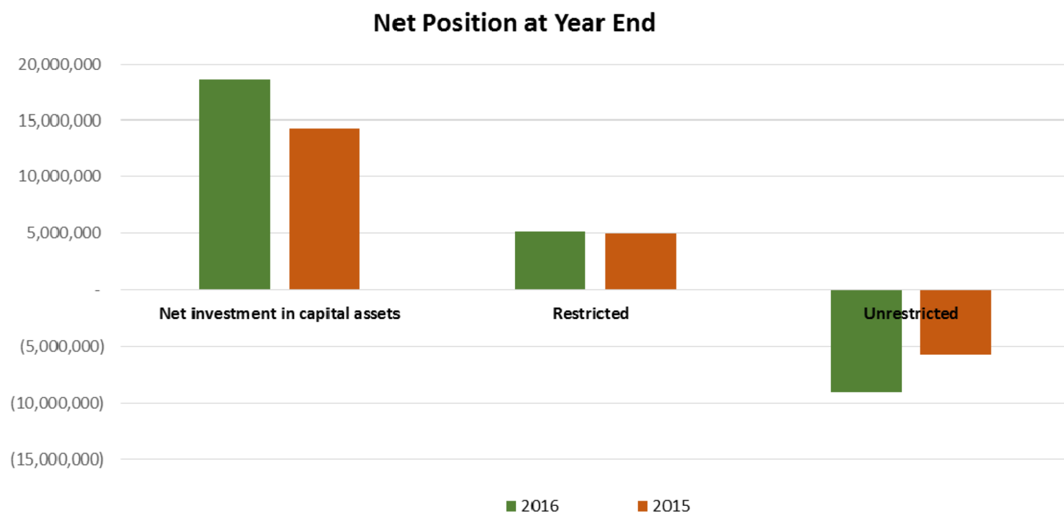
The College's financial position continues to be affected by the implementation of GASB 68, "Accounting and Financial Reporting for Pensions". Due to variable annual investment returns, the actuarially determined pension asset or liability can change enough to greatly influence net position on a year to year basis. The College booked a pension liability this year of $6.1 million and the pension asset was eliminated. The accounting for the pension asset resulted in the decrease of the unrestricted net position of $3.3 million despite having positive balances in all funds.

The assets and deferred outflows of resources of the College exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $14,707,980 (See Analysis of the Statement of Net Position below).

- $18,602,016 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.
- $5,186,894 is available for the College's ongoing obligations related to programs with external restrictions.
- -$9,080,930 is primarily the result of the College's unfunded pension due to GASB68 implementation.

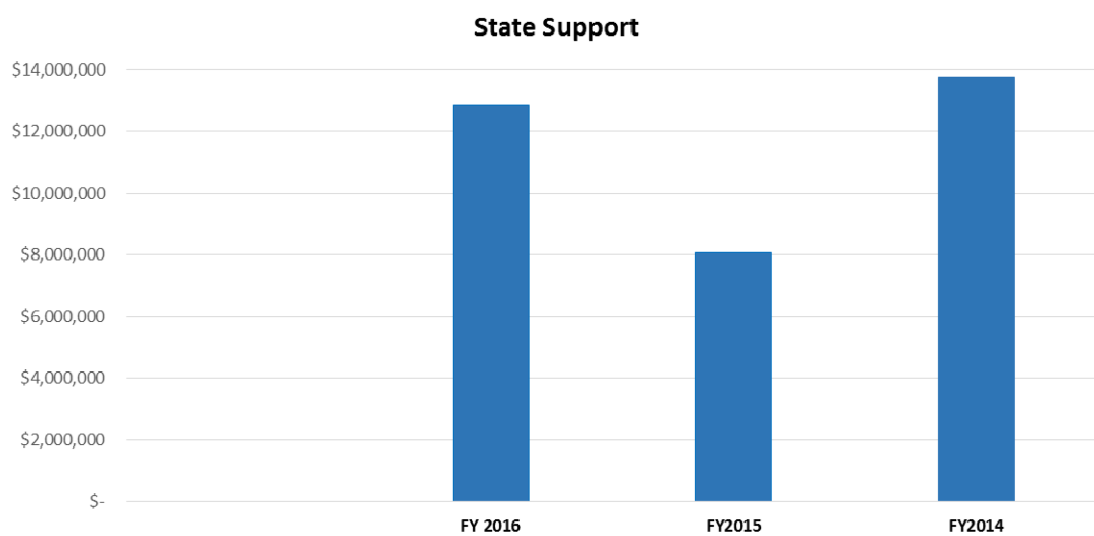
The College's total net position increased by $1,161,074 over the prior year:

- The $4,335,485 increase in net position invested in capital assets, net of related debt, represents the change in capital expenditures less depreciation, and the retirement of related long-term debt.
- The $161,869 increase in restricted net position represents the change in resources that are subject to external restrictions in their use.
- The $3,335,280 decrease in unrestricted net position is the change in resources available to meet the college's ongoing obligations.



State Support

State support, a non-operating revenue, increased by $4.8 million from fiscal year 2014-2015. 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 second year of the biennium making year to year comparisons very difficult.



Actual budgetary basis state resources, which report four quarterly payments every year, were $10,475,420, $10,421,217, $11,077,003, and $10,251,054 for the fiscal years 15/16, 14/15, 13/14 and 12/13 respectively as presented by the data below.

	FY 2016	FY2015	FY 2014	FY2013
State Support (Budget Basis)	$10,475,420	$10,421,217	$11,077,003	$10,251,054
Change from Previous Year	1%	-6%	8%	

Analysis of the Statement of Net Position as of June 30, 2016

The Statement of Net Position includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the College using the accrual basis of accounting, which is similar to the accounting presentation used by most private colleges. "Net Position" is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources, and is one measure of the financial condition of the College.

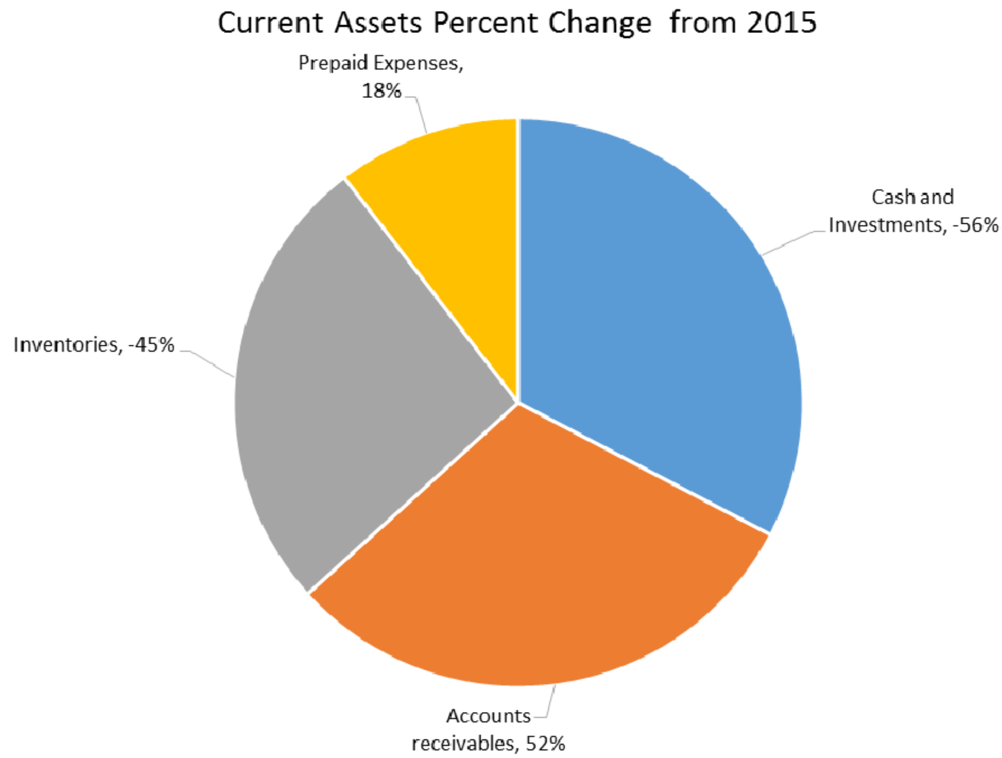
			Total	
	2016	2015	Dollar Change	Percent Change
Assets:				
Current assets	$ 19,032,186	$ 22,077,959	$ (3,045,773)	-14%
Noncurrent Assets				
Pension asset	-	2,404,791	(2,404,791)	-100%
Capital assets, net of depreciation	30,491,781	18,923,611	11,568,170	61%
Total assets	49,523,967	43,406,361	6,117,606	14%
Deferred Outflows of Resources	1,367,111	1,236,910	130,201	11%
Liabilities:				
Current liabilities	7,013,941	4,236,002	2,777,939	66%
Noncurrent liabilities	27,649,670	22,196,562	5,453,108	25%
Total liabilities	34,663,611	26,432,564	8,231,047	31%
Total Deferred Inflows of Resources	1,519,487	4,663,801	(3,144,314)	-67%
Net position:				
Net investment in capital assets	18,602,016	14,267,531	4,334,485	30%
Restricted	5,186,894	5,025,025	161,869	3%
Unrestricted	(9,080,930)	(5,745,650)	(3,335,280)	58%
Total net position	14,707,980	13,546,906	1,161,074	9%

The Statement of Net Position was impacted by the pension asset accounting per GASB68 and construction of the Bonnie J Ford Health, Nursing and Science building funded by the Full Faith and Credit Obligations 2014 proceeds and the Article XI-G Oregon State bonds as described below.

Current Assets

Current assets consist of cash and investments, receivables, inventories and prepaid expenses. The College's current assets of $19 million were sufficient to cover current liabilities of $7 million. This represents a current ratio of 2.7. Receivables consist of property taxes, student accounts, grants and contracts, accounts receivable - due from the Foundation and various operating receivables.

There was a dramatic change in the composition of current assets as presented by the graph:



The most significant change is represented by a decrease in the cash and investments by 56% compared to last year due to the continued spending of bond proceeds for the construction project. The College finished spending of the $8.5 million match provided by the debt proceeds in the FY2015 and partially spent the State match reimbursed by the State of Oregon through an issuance of the Article XI-G bonds.

Accounts receivable increased by $4.4 million compared to last year due to the increase in state and federal reimbursement funding for the construction project and the campus safety and recovery efforts connected to October 1, 2015.

Current Liabilities

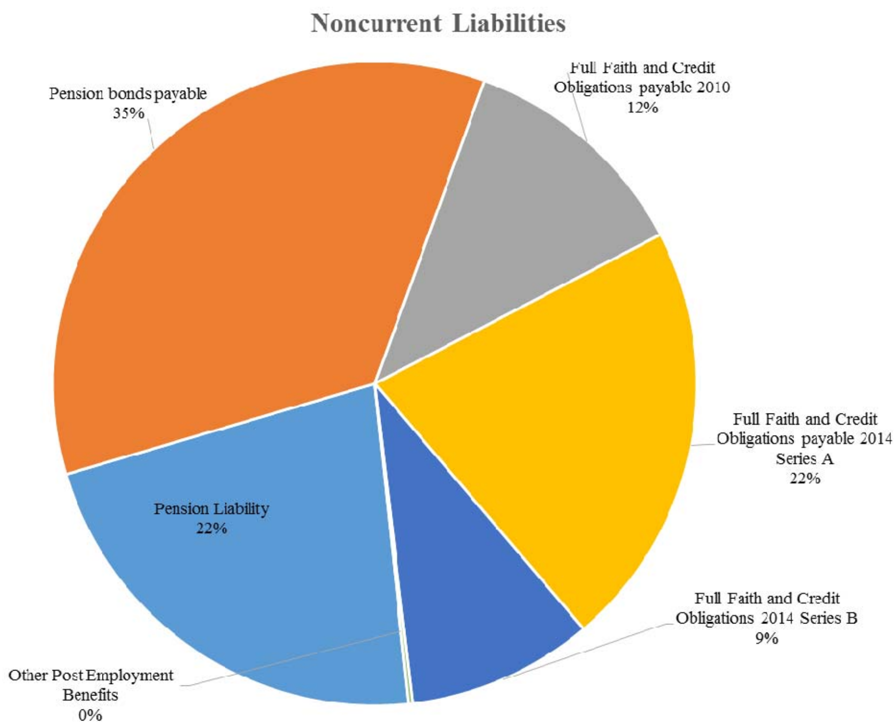
The College's current liabilities consist primarily of payroll, various payables for operations, unearned revenue, and the current portion of long-term debt. Current liabilities increased by 66% compared to last year with main increases attributed to accounts payable for the construction project.

Noncurrent Assets

The College's noncurrent assets consist of its investments in capital assets of $30.5 million net of accumulated depreciation increased by 61% from last year mainly from a construction in process for Bonnie J Ford Health, Nursing and Science building.

Noncurrent Liabilities

Noncurrent liabilities consist of pension liability and long-term debt from the issuance of the pension bonds, Full Faith & Credit Obligations 2010 and 2014. The College booked its proportionate share of the State of Oregon Public Employee Retirees liability in the amount of $6.1 million as determined by an actuarial analysis. In the prior years the College used to recognize pension asset created when the College issued pension bonds with the proceeds being managed by PERS for the purpose of meeting the College's unfunded actuarial liability ("UAL"). The new standard of GASB68 introduced a method of accounting and financial reporting for pensions that depleted the prior created pension asset.



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 and GASB Statement No. 71 for pension liability reporting. Deferred outflows of resources represent a consumption of net position that applies to a future period. Deferred outflows of resources increased by 11% compared to last year. Deferred inflows of resources represent an acquisition of net position that applies to a future period. Deferred inflows decreased by 67% compared to last year. Both deferred outflows and inflows related to pensions represent a net amount attributable to the various components that impact pension changes, and can include investment changes, changes due to actuarial assumptions, and differences between expected and actual experience.

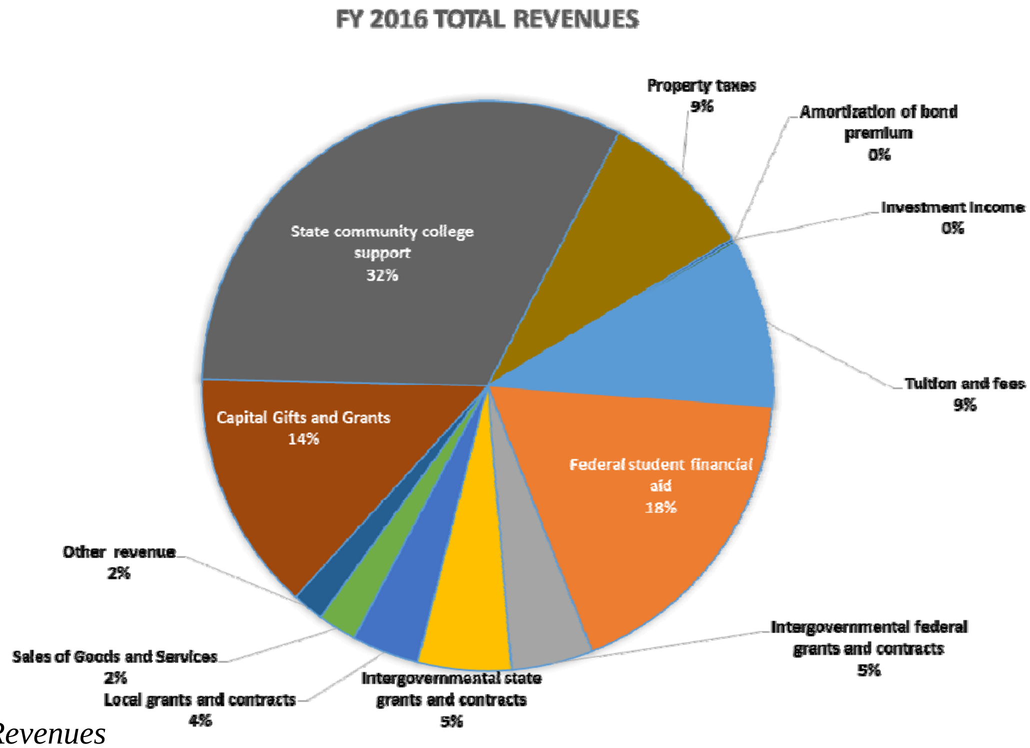
Analysis of the Statement of Revenues, Expenses and Changes in Net Position for the Year Ended June 30, 2016

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

Operating Revenues:	2016	2015	Total Dollar Change	Total Percent Change
Tuition and fees	$3,777,276	$3,283,655	$493,621	15%
Federal student financial aid	7,114,195	8,216,554	(1,102,359)	-13%
Intergovernmental federal grants and contracts	1,836,885	2,070,006	(233,121)	-11%
Intergovernmental state grants and contracts	2,101,096	1,922,419	178,677	9%
Local grants and contracts	1,510,603	1,186,228	324,375	27%
Bookstore sales	705,203	673,607	31,596	5%
Food services sales	142,878	300,309	(157,431)	-52%
Incubator Program	26,579	5,184	21,395	413%
Other operating revenue	713,292	913,692	(200,400)	-22%
Total operating revenue	$17,928,007	$18,571,653	(643,646)	-3%
Operating Expenses:				
Instruction	12,175,334	9,455,674	2,719,660	29%
Instructional support	2,799,416	2,401,120	398,296	17%
Student services	6,705,058	5,958,893	746,165	13%
College support services	9,398,533	6,889,144	2,509,389	36%
Community services	165,217	114,784	50,433	44%
Student financial aid	4,552,489	5,337,078	(784,589)	-15%
Facilities acquisition / construction	429,924	512,951	(83,027)	-16%
Depreciation	1,325,298	1,408,349	(83,051)	-6%
Total operating expenses	37,551,270	32,077,992	5,473,278	17%
Operating Loss	(19,623,263)	(13,506,339)	(6,116,924)	45%
Nonoperating Revenues (Expenses)				
State community college support	12,823,475	8,073,162	4,750,313	59%
Property taxes	3,479,236	3,384,933	94,303	3%
Investment Income	61,825	56,008	5,817	10%
Amortization of bond premium	58,940	58,940	-	0%
Interest expense	(1,067,013)	(944,922)	(122,091)	13%
Bond issue costs	-	(89,630)	89,630	-100%
Gain (Loss) on disposition of captial assets	(3,803)	955	(4,758)	-498%
Total nonoperating revenues (expenses)	15,352,659	10,539,446	4,813,213	46%
Gain (loss) before other revenues and gains	(4,270,604)	(2,966,893)	(1,303,711)	44%
Capital State Grant	5,384,607	-	5,384,607	
Capital Gifts and Grants	47,070	5,150,471	(5,103,401)	-99%
Change in net assets	1,161,073	2,183,578	(1,022,505)	-47%
Net position, beginning of year	13,546,907	27,065,333	(13,518,426)	-50%
Prior period adjustment	-	(15,702,004)	15,702,004	-100%
Net position - beginning, as restated	13,546,907	11,363,329	2,183,578	19%
Net position, end of year	$ 14,707,980	$ 13,546,907	$ 1,161,073	9%

Revenues

Total revenues received in FY2016 were $39,783,160 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 bookstore operations. Tuition and fees include all amounts paid for education purposes. Operating revenues decreased by 3% from 2014-15 due to the changes described below.

Tuition and fees increased by 15% from last year. Federal student financial aid totaled approximately $7.1 million, a decrease of 13% from the prior year. State and local grants increased from last year due to additional funding toward the safety and recovery efforts on campus. Tuition and fees as well as bookstore sales were reported net of scholarship discounts and allowances (approx. $4.8M). The same reduction was recorded in financial aid expenses. Food services sales decreased from last year due to the close out of the cafeteria services.

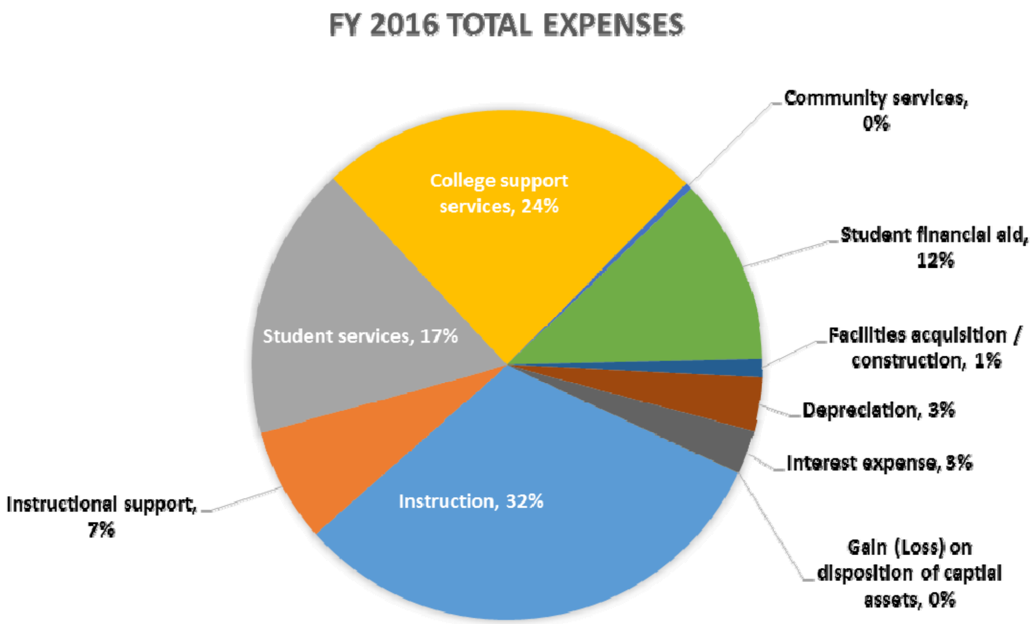
Non-operating revenues

There were significant changes in non-operating revenues during the fiscal year. The largest non-operating revenue source is from the State of Oregon. The Oregon State Legislature defers the fourth quarter FTE reimbursement owed to the College at the end of each biennium. The College's fourth quarter FTE reimbursement was deferred from April 15, 2015 to July 15, 2015. In accordance with accounting standards, the College recognized the deferred payment when it was received. As a result of this deferral, current year revenues reflect five quarters of FTE reimbursement and the previous year reflected three quarters of FTE reimbursement. The increase of $4.8 million in FTE reimbursements is the result of this timing difference in the recognition of revenue. As a result, non-operating revenues increased in the amount of $4.8 million or 46% compared to last year.

Capital Gifts and Grants
Capital Gifts and Grants represent the value of capital items donated to the College as well as grant resources and contributions restricted for capital purposes.

Expenses

Total expenses for FY 2016 were $38,622,086 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 2015-16 totaling $37,551,270 include salaries and benefits, materials and services, utilities grants and scholarships and depreciation. Student financial aid (restated per NACUBO advisory report 2000-05) decreased by $784,589 from last year. It represents 12% of total operating expenses compared to 17% last year. Instruction represents the largest expense, or 32% of total operating expenses followed by college support services of 24%, student services of 17% and financial aid of 12%.

Non-operating expenses
Non-operating expenses consist of interest expense incurred for debt service and a loss on disposal of capital assets.

Analysis of the Statement of Cash Flows for the Year Ended June 30, 2016

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:

			Total	
	2016	2015	Dollar Change	Percent Change
Cash Provided by (Used in):				
Operating activities	(10,895,022)	(14,226,642)	3,331,620	-23%
Noncapital financing activities	15,350,020	10,554,285	4,795,735	45%
Capital financing activities	(11,755,719)	6,613,110	(18,368,829)	-278%
Investing activities	61,825	56,008	5,817	10%
Net increase in cash and cash equivalents	(7,238,896)	2,996,761	(10,235,657)	-342%
Cash and cash equivalents - beginning of year	12,989,356	9,992,595	2,996,761	30%
Cash and cash equivalents - end of year	$ 5,750,460	$ 12,989,356	$ (7,238,896)	-56%

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 made to employees, vendors and student financial aid.
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 non-capital financing activities had significant changes due in large part to the effect of the State's fourth quarter payments being delayed between years as explained earlier.
Capital financing activities
The other significant change is reflected in cash used for capital and related financing activities. Cash provided by capital and related financing activities decreased significantly due to the continued usage of debt service proceeds, received in prior years, and state grant funding for current the construction project of Bonnie J Ford Health, Nursing and Science building.

Capital Assets and Debt Administration

Capital Assets
The College's investment in capital assets as of June 30, 2016 amounts to $30,491,781 net of accumulated depreciation of $20.3 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

Capital Asset	June 30, 2016	June 30, 2015	June 30, 2014
Land	$156,353	$156,353	$156,353
Art Collection	80,500	80,500	80,500
Musical Instrument Collection	49,200	49,200	49,200
Construction in process	14,469,238	1,734,060	754,116
Land Improvements, Net	660,673	675,894	691,115
Building & Improvements, Net	12,147,559	12,881,765	13,609,721
Infrastructure, Net	1,628,451	1,666,322	1,704,193
Equipment, Net	1,240,062	1,629,198	1,707,574
Vineyard Development, Net	11,845	14,038	16,231
Intangible Assets, Net	47,900	36,281	-
Total	**$30,491,781**	**$18,923,611**	**$18,769,003**

Major capital increases during the fiscal year included construction in process of the Bonnie J Ford Health, Nursing and Science Building, an implementation of the DocuWare software system designed for electronic documents storage and general equipment purchases. More detailed information about the College's capital assets is included in Note 4 to the financial statements.

Long-term Debt

At June 30, 2016, 2015 and 2014, the College had approximately $21.5 million, $22 million, and $14.5 million in long-term debt outstanding, respectively. The table below summarized debt over the past three fiscal years.

Debt	*June 30, 2016*	*June 30, 2015*	*June 30,2014*
Pension Bonds	$10,150,000	$10,525,000	$10,850,000
2010 Full Faith & Credit Obligations	3,415,000	3,555,000	3,690,000
2014 Full Faith & Credit Obligations Series A	5,500,000	5,500,000	-
2014 Full Faith & Credit Obligations Series B	2,405,000	2,405,000	-
Total	**$21,470,000**	**$21,985,000**	**$14,540,000**

At the end of the current fiscal year, the college had total debt outstanding of $21,470,000 as follows:

Debt	**Amount**	**Repayment Source**
Pension Bonds	$10,150,000	General College Operations
2010 Full Faith and Credit Obligations	3,415,000	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	2,405,000	General College Operations (Legacy Fee)

Note 12 of the financial statements presents UCC's long-term debt structure.

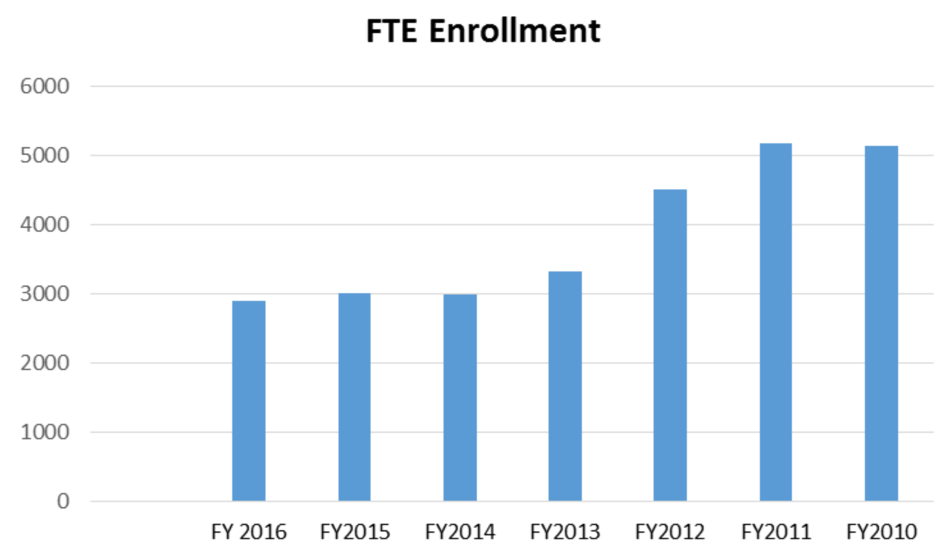
Budgetary Highlights

The College adopts an annual budget at each fund's major expenditure function level on a non-GAAP budgetary basis of accounting for governmental funds. Differences between the original budget and the final amended budget in the General Fund resulted from the adoption of the supplemental budget due to the increase in the state funding resources.

For more information, please refer to the budgetary statements beginning with Schedule 1; Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual; General Fund.

Economic Factors and Next Year's Budget

Economy
Douglas County's economy is still recovering from a severe recession that ended in late 2009. The county levies the fourth lowest property tax rate in Oregon, which limits its ability to generate local revenues. Douglas is the most dependent among counties on federal timber payments, and has the third lowest labor participation rate. Over the year Douglas County added 690 jobs, an increase of 1.9%. The unemployment rate has been declining from peaking at 16.3% in April of 2009 to 6.8% in the month of July 2016. Per capita personal income levels in Douglas County remains in the third bottom of all counties.
Enrollment
The college experienced a large drop in enrollment during the 11-12 through 13-14 fiscal years as the enrollment bubble that occurred due the recession moved on. In 2014-15 enrollment stabilized to pre-recession levels.



As a result, the budget for 16-17 was developed with an assumption that enrollment would remain flat. The Board increased tuition by $1.00 for the 16-17 fiscal year. Legacy Fee of $7.00 per credit remained to maintain the College's capital assets and infrastructure. Enrollment sustainability and the trend of declining state resources continue to be a concern.

State Resources

The mix of core funding for community colleges between state support, property taxes and tuition has changed over the past 20 or more years. Community colleges started to depend less on local property tax revenues while relying more on state support and tuition. The 2015-17 funding level for community colleges as a whole for the biennium is $550M, a 22% increase over the 2013 session appropriation. However, as state resources are based on an average of the prior three years of enrollment and Umpqua Community College has experience several years of enrollment decline, the college's portion of state allocation may be negatively impacted. There has been considerable discussion on the state level to look at new factors other than the current enrollment measure to base the distributions of the state appropriations for community colleges. Options include using measures of student success or completion such as the number of diplomas or certificates awarded by individual community colleges.

PERS

The retirement system continues to put stress on the College's economy. The UAL was funded through a bond issue. By funding the UAL, the College intended to lessen the cost over the long run. Note 12 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 the economic downturn and drop in stock prices during 2008 and 2009. 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. Higher system costs will be reflected in December 31, 2015 rate-setting valuation which determines 2017-2019 employer contribution rates. The College adjusted PERS employer contribution rates for 2016-17 fiscal year to the rates provided by the PERS Board based on 12/31/2013 valuation date. In prior years, the College had built up a reserve of roughly $1 million against possible future rate increases.

The Budget

Highlights of the 2016-2017 Budget:

UCC continues to maintain one of the lowest tuition rates out of the 17 community colleges in the State of Oregon. Most areas have been subjected to a decrease in part-time personnel services budgets in order to balance the overall budget. The budget included no furlough days and no cost of living increase. The 2016-17 budget included a slight increase for total insurance contribution and one step increase for all full-time employees.

The following is a list of some of the main drivers and requirements of the budget:

- Maintain a reserve of 8% of the operational budget for emergency needs only
- Continue establishment of PERS Unfunded Actuarial Liability Reserve, so that the bond payments remain at a level amount throughout the repayment period
- Maintain current service levels as much as possible

Accounting methods: The financial statements have been prepared in accordance with Governmental Accounting Standards Board Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities. The College implemented Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position for the fiscal year ending June 30, 2013. The College implemented Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No.27 for the fiscal year ending June 30, 2015. The financial statements also include the College's independent Foundation in accordance with Governmental Accounting Standards Board Statement No. 39, "Determining Whether Certain Organizations Are Component Units". Under the standard, state and local governments that have qualifying fundraising foundations are required to include, through discrete presentations, the financial activities of those foundations in their financial statements.

Requests for Information

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

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

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

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

BASIC FINANCIAL STATEMENTS

UMPQUA COMMUNITY COLLEGE

ROSEBURG, OREGON

Statement of Net Position
As of June 30, 2016

Assets	
Current assets:	
Cash and investments	$ 5,750,460
Receivables, net of allowance for uncollectibles:	
Property Taxes	354,462
Accounts/grants	6,846,931
Accounts Receivable - Due from Foundation	5,280,365
Inventories	214,777
Prepaid expenses	585,191
Total current assets	19,032,186
Noncurrent assets:	
Pension asset	-
Other Post Employment Benefits Asset	-
Unamortized bond issue costs	-
Capital assets:	
Land	156,353
Art Collection	80,500
Musical Instrument Collection	49,200
Construction in process	14,469,238
Buildings and improvement	27,233,749
Land improvements	761,080
Infrastructure	1,893,548
Equipment	5,793,856
Vineyard Development	18,424
Intangible assets	387,881
Less accumulated depreciation	(20,352,048)
Total noncurrent assets	30,491,781
Total assets	49,523,967
Deferred Outflows	1,367,111
Liabilities	
Current liabilities	
Accounts payable	2,389,077
Accounts payable - Due To Foundation	1,520
Payroll liabilities	1,840,989
Compensated absences	376,357
Unearned revenue	1,830,998
Current Maturities of long-term obligations	575,000
Total current liabilities	7,013,941
Noncurrent liabilities-long-term obligations	
Pension Liability	$ 6,130,902
Pension bonds payable	10,150,000
Full Faith and Credit Obligations payable 2010	3,415,000
Full Faith and Credit Obligations payable 2014 Series A	5,892,920
Full Faith and Credit Obligations payable 2014 Series B	2,581,845
Other postemployment benefits	54,003
Total long-term obligations	28,224,670
Less current maturities	(575,000)
Total noncurrent liabilities - long-term obligations	27,649,670
Total liabilities	34,663,611
Deferred Inflows	1,519,487
Net Position	
Invested in capital assets, net of related debt	18,602,016
Restricted for debt service	5,162,338
Restricted for student financial aid	-
Restricted for grants and contracts	24,556
Total restricted net position	5,186,894
Unrestricted	(9,080,930)
Total net position	$ 14,707,980

The accompanying notes are an integral part of this statement.

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2016

Operating revenues:		
Tuition and fees	$	3,777,276
Federal student financial aid grants		7,114,195
Intergovernmental federal grants and contracts		1,836,885
Intergovernmental state grants and contracts		2,101,096
Local grants and contracts		1,510,603
Bookstore sales		705,203
Food service sales		142,878
Incubator Program		26,579
Other operating revenue		713,292
Total operating revenue		17,928,007
Operating expenses:		
Instruction		12,175,334
Instructional support		2,799,416
Student services		6,705,058
College support services		9,398,533
Community services		165,217
Student financial aid		4,552,489
Facilities acquisition /construction		429,924
Depreciation		1,325,298
Total operating expenses		37,551,270
Operating loss		(19,623,263)
Nonoperating Revenues-(expenses)		
State community college support		12,823,475
Property taxes		3,479,236
Investment Income		61,825
Investment gain (loss) on pension asset		-
Amortization of bond premium		58,940
Interest expense		(1,067,013)
Bond issue costs		-
Gain (loss) on disposition of capital assets		(3,803)
Total nonoperating revenues-(expenses)		15,352,659
Loss before Other revenues and gains		(4,270,604)
Capital State Grant		5,384,607
Capital Gifts and Grants		47,070
Change in net assets		1,161,073
Net position - beginning of year		13,546,907
Less restatement		-
Restated Net Position - beginning of year		13,546,907
Net position -end of year	$	14,707,980

The accompanying notes are an integral part of this statement.

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON
Statement of Cash Flows
Year Ended June 30, 2016

Cash flows from operating activities:	
Tuition and fees	$ 3,024,338
Federal student financial aid grants	7,182,307
Intergovernmental grants and contracts	3,611,311
Nongovernmental grants and contracts	1,367,956
Bookstore sales	704,747
Food service sales	141,834
Incubator Program Sale	26,579
Other cash receipts	1,905,451
Payments to employees for services	(19,730,412)
Payments to suppliers for goods and services	(4,047,284)
Payments for student financial aid grants	(5,081,849)
Net cash used in operating activities	(10,895,022)
Cash flows from noncapital financing activities:	
Cash received from State community college support	12,823,475
Cash received from property taxes	3,476,433
Principal paid on pension bonds	(375,000)
Interest paid on pension bonds	(574,888)
Net cash provided by noncapital financing activities	15,350,020
Cash flows from capital and related financing activities:	
Purchase of capital assets	(12,877,271)
Proceeds from capital gifts and grants	1,753,678
Principal paid on full faith and credit obligations 2010	(140,000)
Interest paid on full faith and credit obligations 2010	(186,827)
Interest paid on full faith and credit obligations 2014	(305,298)
Full Faith and Credit obligations 2014 issue costs	-
Net cash provided (used) in capital and related financing activities	(11,755,719)
Cash flows from investing activities:	
Investment income	61,825
Net increase in cash and cash equivalents	(7,238,896)
Cash and cash equivalents-beginning of year	12,989,356
Cash and cash equivalents-end of year	$ 5,750,460

The accompanying notes are an integral part of this statement.

Continues on page 13

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UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON
Statement of Cash Flows
Year Ended June 30, 2016

Reconciliation of operating loss to net cash used in operating activities:	
Operating Loss	$ (19,623,263)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	1,325,298
Amortization of pension asset	5,261,178
Decrease-(increase) in:	
Accounts/grants receivable	(762,978)
Due from others	148,864
Inventories	174,423
Prepaid expenses	(88,574)
Other postemployment benefits	-
Increase-(decrease) in:	
Accounts payable	2,052,970
Payroll liabilities	(56,311)
Compensated absences	65,075
Other postemployment benefits	(43,854)
Due to others	1,520
Unearned Revenue	650,631
Total adjustments	8,728,242
Net cash used in operating activities	$ (10,895,022)
Noncash capital, investing and financing activities:	
Gain From pensions asset	-
Pension asset	-
Total noncash capital, investing and financing activities	$ -

The accompanying notes are an integral part of this statement.

Continued from page 12

UMPQUA COMMUNITY COLLEGE FOUNDATION
Statement of Financial Position
June 30, 2016
With Comparative Totals for 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 866,870	$ 934,351
Cash Held in Investment Accounts	677,046	238,624
Total Cash and Cash Equivalents	1,543,916	1,172,975
Contributions Receivable, Current Portion	335,967	263,639
Other Receivables - Due from UCC	1,520	-
Other Receivables - UCC Foundation Holding Company, Inc.	14,929	18,608
Other Receivables	262	1,173
Treasury Bonds - HNS Investments	4,096,003	3,725,910
Total Current Assets	5,992,597	5,182,305
OTHER ASSETS		
Contributions Receivable, net of Current Portion and Discount	256,585	654,882
Note Receivable, Hundred Valleys Mgmt. Services Corp.	28,678	28,678
Note Receivable, UCC Foundation Holding Co., Inc.	20,646	20,646
Investments, at Fair Value	8,315,973	8,632,542
Investment in UCC Foundation Holding Co., Inc.	1,039,023	1,039,023
Inventory - Donated Autos	1,900	1,050
Permanent Art Collection	6,350	6,350
Total Other Assets	9,669,155	10,383,171
TOTAL ASSETS	$ 15,661,752	$ 15,565,476
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	$ 9,334	$ 5,201
Accounts Payable - Due to UCC	18,573	24,434
Scholarships Payable	151,520	-
Current Portion - Due to UCC - HNS Pledges Payable	4,505,461	4,061,759
Current Portion - Due to UCC - DLC Pledges Payable	8,020	218,309
Total Current Liabilities	4,692,908	4,309,703
LONG-TERM LIABILITIES		
Share of Deficiency in Assets of Hundred Valleys Mgmt. Services Corp.	5,891	4,672
Due to UCC - HNS Pledges Payable, net of Current Portion	499,553	927,500
Due to UCC - DLC Pledges Payable, net of Current Portion	97,237	197,227
Total Long-Term Liabilities	602,681	1,129,399
TOTAL LIABILITIES	5,295,589	5,439,102
NET ASSETS		
Unrestricted	(16,078)	(27,857)
Unrestricted - Board Designated	64,821	89,176
Total Unrestricted	48,743	61,319
Temporarily Restricted	2,567,330	2,854,031
Permanently Restricted	7,750,090	7,211,024
TOTAL NET ASSETS	10,366,163	10,126,374
TOTAL LIABILITIES AND NET ASSETS	$ 15,661,752	$ 15,565,476

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

UMPQUA COMMUNITY COLLEGE FOUNDATION
Statement of Activities
For the Year Ended June 30, 2016
With Comparative Totals for 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Totals	2015 Totals
SUPPORT AND REVENUE:					
Donations & Pledges	$ 11,736	$ 432,923	$ 539,066	$ 983,725	$ 4,717,081
Investment Income, net of Investment Expense	2	221,845	-	221,847	140,691
Investment Income from Affiliate	-	14,929	-	14,929	18,608
Other Income	1,768	1,039	-	2,807	23,808
In-Kind Support from Umpqua Community College	251,196	-	-	251,196	247,488
Net Realized Gains on Investments	-	220,131	-	220,131	653,507
Net Unrealized Losses on Investments	-	(333,592)	-	(333,592)	(601,507)
Equity in Net Income of Affiliates	(10,303)	9,084	-	(1,219)	(614)
	254,399	566,359	539,066	1,359,824	5,199,062
Net Assets Released from Restrictions	853,060	(853,060)	-	-	-
Total Support and Revenue	1,107,459	(286,701)	539,066	1,359,824	5,199,062
EXPENSES AND OTHER LOSSES:					
Scholarships & Student Support	419,919	-	-	419,919	487,619
Program Support	369,270	-	-	369,270	5,358,600
Management & General	209,067	-	-	209,067	184,565
Fundraising & Special Events	121,779	-	-	121,779	125,113
Total Expenses	1,120,035	-	-	1,120,035	6,155,897
Total Expenses and Other Losses	1,120,035	-	-	1,120,035	6,155,897
CHANGE IN NET ASSETS	(12,576)	(286,701)	539,066	239,789	(956,835)
NET ASSETS, beginning of year	61,319	2,854,031	7,211,024	10,126,374	11,083,209
NET ASSETS, end of year	$ 48,743	$ 2,567,330	$ 7,750,090	$ 10,366,163	$ 10,126,374

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the College's accounting policies are described below.

ORGANIZATION AND OPERATION

Umpqua Community College (the College) was established in 1964 under ORS Chapter 341. The College is governed by a seven member Board of Trustees whose members are elected independently.

REPORTING ENTITY

The financial statements of the College present the College and its component unit, Umpqua Community College Foundation. The Foundation is a discretely presented component unit and is reported in separate statements in the basic financial statements.

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

The Foundation 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.

BASIS OF PRESENTATION

The financial statements have been 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 of 1999. The College now 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.

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. Property taxes are recognized as revenue in the years for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the grantor have been met.

OPERATING REVENUES AND EXPENSES

Proprietary funds (enterprise) distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund is tuition and sale of educational material. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS

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, deprecation 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 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	Other Uses – Debt Service and Interfund Transfers
Facilities Acquisition & Construction	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, 2016. Expenditures cannot legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. 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.

PROPERTY TAXES RECEIVABLE

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.

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 such distributions are made weekly.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 and the balance sheet.

INVENTORIES

Inventories, primarily books and supplies, are valued at the lower of cost (first-in/first-out method) or market.

CAPITAL ASSETS

Capital assets include land, art, building and improvements, and equipment. The capitalization threshold is $5,000 for all capital assets. Donated assets are recorded at their fair market value on the date donated. Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add value or functionality to the 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

COMPENSATED ABSENCES

Employees of the College are permitted to accumulate earned but unused compensated absences. Compensated absences are recorded as a liability and an expense when earned. A liability does not exist for unpaid accumulated sick leave since College policy does not allow payment upon separation of service.

USE OF ESTIMATES

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-TERM OBLIGATIONS

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized fully in the period which they were incurred per GASB 65.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. During the 1996-1997 fiscal year, the State legislature passed HB 2610 that allows community colleges to incur bonded indebtedness.

CASH AND CASH EQUIVALENTS

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

INVESTMENTS

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

LEASES

Leases which meet certain criteria established by the Financial Accounting Standards Board are classified as capital leases. Leases which do not meet criteria of a capital lease are classified as operating leases.

RETIREMENT PLAN

Substantially all of the College's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

NET POSITION

Net position comprise the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position are classified in the following three categories:

> 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.
>
> 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.

DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

In addition to assets and liabilities, the statement of financial position will sometimes report a separate section for deferred outflows and inflows of resources. As a separate financial statement element, deferred outflows of resources, represents a consumption of net positions that applies to a future period(s) and so will not be recognized as on outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

2. CASH AND INVESTMENTS

The cash management policies are governed by state statutes. Statutes authorize investing in bankers' acceptances, time certificates of deposit, commercial paper, repurchase agreements, obligations of the United States and its agencies and instrumentalities, Local Government Investment Pools and fixed or variable life insurance or annuity contracts for funding the deferred compensation plan.

Cash and Investments at June 30, 2016 (recorded at fair value) consisted of:

Deposits with Financial Institutions:		
Petty Cash	$	8,250
Demand Deposits		2,052,136
Investments		3,690,074
Total Cash and Investments	$	5,750,460

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

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 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, 2016. The LGIP seeks to exchange shares at $1.00 per share; an 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 at $1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2016, the fair value of the position in the LGIP is 100.6% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

There were no known violations of legal or contractual provisions for deposits.

2. CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2016, the College had the following investments and maturities.

		Investment Maturities (in months)		
Investment Type	Fair Value	Less than 3	3-17	18-59
State Treasurer's investment pool	$ 3,690,074	$ 3,690,074	$ -	$ -
Total	$ 3,690,074	$ 3,690,074	$ -	$ -

As of June 30, 2016 the fair value of the College's position in the LGIP approximates the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements.

Interest Rate Risk

Oregon Revised Statutes 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. Investment maturities are limited as follows:

Less than 30 days	10%
Less than 1 year	50%
Less than 18 months	65%
Less than 3 years	100%

Deposit Risk

At year-end, the net carrying amount of deposits was $2,052,136 and the bank balance was $2,404,411, of which $250,000 was covered by federal depository insurance. Effective July 1, 2008, the Oregon State Treasurer became responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts, and for assuring that public funds on deposit are collateralized to the extent required by Oregon Revised Statutes (ORS) Chapter 295. ORS Chapter 295 requires depository banks to place and maintain on deposit with a third-party custodian bank securities having a value of 10%, 25% or 110% of public funds on deposit depending primarily on the capitalization level of the depository bank.

Concentration of Credit Risk

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

The Oregon Local Government Investment Pool is an external investment pool which is part of the Oregon Short-Term Fund. Investment policies are governed by the Oregon Revised Statues and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council. Investments are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board. The Oregon Short-Term Fund does not receive credit quality ratings from nationally recognized statistical rating organizations. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Oregon Short-Term Fund manages this risk by limiting the maturity of the investments held by the fund. Weighted average maturities of investments in the Oregon Short-Term Fund at June 30, 2016 can be found in the audited financial report of the fund on the State Treasurer's website.

3. ACCOUNTS / GRANTS RECEIVABLE

Accounts and grants receivable are comprised of claims for reimbursement of costs under various federal state and local grant programs. Management has estimated an allowance for uncollectible accounts receivable from students. Management expects to collect all grants receivable.

4. CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2016 are as follows:

	Balance Beginning of Year	Additions	(Deletions)	Balance End Of Year
Capital Assets Not Being Depreciated				
Land	156,353	-		156,353
Construction in Process	1,734,060	12,735,178		14,469,238
Musical Intrument Collection	49,200			49,200
Art	80,500			80,500
Total Capital Assets Not Being Depreciated	2,020,113	12,735,178	-	14,755,291
Capital Assets Being Depreciated				
Land Improvement	761,080			761,080
Infrastructure	1,893,548			1,893,548
Vineyard Development	18,424			18,424
Buildings & Improvements	27,233,749			27,233,749
Intangible Assets	364,132	23,749		387,881
Equipment	5,665,012	138,344	(9,500)	5,793,856
Total	35,935,945	162,093	(9,500)	36,088,538
Accumulated Depreciation				
Land Improvement	85,186	15,221		100,407
Infrastructure	227,226	37,871		265,097
Vineyard Development	4,386	2,193		6,579
Buildings & Improvements	14,351,984	734,206		15,086,190
Intangible Assets	327,851	12,130		339,981
Equipment	4,035,814	523,677	(5,697)	4,553,794
Total	19,032,447	1,325,298	(5,697)	20,352,048
Net capital assets being depreciated	16,903,498			15,736,490
Total Net Capital Assets	18,923,611			30,491,781

5. RETIREMENT PLAN

PLAN DESCRIPTION

The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

If the link is expired please contact Oregon PERS for this information.

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

5. RETIREMENT PLAN (CONTINUED)

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 benefits results.

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 on or more of the following contributions 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.

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.

b. **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:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
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. The cap on the COLA will vary based on the amount of the annual benefit.

5. RETIREMENT PLAN (CONTINUED)

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. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation, which became effective July 1, 2015. 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, 2016 were $1,024,630, excluding amounts to fund employer specific liabilities.

PENSION ASSET OR LIABILITY

At June 30, 2016, the College reported a net pension liability of $6,130,902 for its proportionate share of the net pension liability. The pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the College's proportion was .107 percent.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	$ 330,609	$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	1,285,176
Net changes in proportionate share and differences between College contributions and proportionate share of contributions	11,872	234,311
Subtotal - Amortized Deferrals (below)	342,481	1,519,487
School contributions subsequent to measurement date	1,024,630	-
Net deferred outflow (inflow) of resources	$ 1,367,111	$ 1,519,487

FUNDING POLICY

Subtotal amounts related to pension as deferred outflows of resources, $342,481, and deferred inflows of resources, $1,519,487, net to ($1,177,006) and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2017	$ (589,548)
2018	$ (589,548)
2019	$ (589,548)
2020	$ 580,128
2021	$ 11,509
Thereafter	-
Total	$ (1,177,006)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated May 23, 2016. Oregon PERS produces an independently audited CAFR which can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financial.aspx.

Actuarial Valuations – The employer contribution rates effective July 1, 2015 through June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (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 necessar4y 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.

5. RETIREMENT PLAN (CONTINUED)

ACTUARIAL VALUATIONS

Actuarial Methods and Assumptions:

Valuation date	December 31, 2013 rolled forward to June 30, 2015
Experience Study Report	2014, Published September 2015
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.75 percent
Investment rate of return	7.75 percent
Projected salary increase	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service. For COLA, a blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males and 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts 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 2014 Experience Study which is reviewed for the four-year period ending December 31, 2013.

Discount Rate – The discount rate used to measure the total pension liability was 7.75 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 7.75 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 (6.75 percent) or 1-perentage-point higher (8.75 percent) than the current rate.

	(6.75%)	(7.75%)	(8.75%)
College's proportionate share of the net pension liability (asset)	$ 14,796,703	$ 6,130,902	$ (1,172,092)

5. RETIREMENT PLAN (CONTINUED)

Since the December 31, 2013 actuarial valuation, the system-wide actuarial accrued liability has increased primarily due to the Moro decision and assumption changes, along with interest on the liability as current active members get closer to retirement. The Oregon Supreme Court decision in Moro v. State of Oregon, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future system Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the benefits projected to be paid by Employers compared to those developed in the prior actuarial valuation, and consequently increased plan liabilities. The employers' projected long-term contribution effort has been adjusted for the estimated impact of the Moro Decision. In accordance with statute, a biennial review of actuarial methods and assumptions was completed in 2015 to be used for the December 31, 2014 actuarial valuation. After completion of this review and subsequent to the measurement date, the PERS Board adopted several assumption changes, including lowering the investment return assumption to 7.50%, which will be effective January 1, 2016 and will be included in the next update.

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

Individual Account Program - In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS' members retain their existing OPERS accounts, but any future member contributions are deposited into the member's IAP, not the member's OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment. Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. The District makes this contribution on behalf of its Tier 1 employees.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700.

http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf

6. POST-EMPLOYMENT HEALTH CARE BENEFITS

Plan Description
The College administers a single-employer defined benefit health care plan. The plan provides post-employment health care benefits for eligible retirees (until age 65) and their spouses through the health care plan, which covers both active and retired participants. Benefit provisions are established through College policy. The criteria to determine eligibility includes employee age and years of service. The post-employment health care plan does not issue a publicly available financial report.

Funding Policy
Contribution requirements are established through College policy. In general, the College contributes towards insurance premiums for retirees and their spouses the same amount contributed towards insurance premiums for active employees with the retirees paying the balance of the premiums. Funding is on a pay-as-you-go basis. During 2015-16, the College contributed $254,541 to the plan. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

	2015-16	2014-15	2012-14
Annual required contribution	$ 223,458	$ 170,206	$ 170,206
Interest on net OPEB obligation	2,936	1,761	576
Adjustment to annual required contribution	(15,707)	(8,117)	(2,657)
Annual OPEB cost	210,687	163,850	168,125
Contributions made	(254,541)	(124,683)	(128,644)
Increase-(decrease) in net OPEB obligation	(43,854)	39,167	39,481
Net OPEB obligation (asset) - beginning of year	97,857	58,691	19,210
Net OPEB obligation (asset) - end of year	$ 54,003	$ 97,857	$ 58,691

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016-16 were as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2014	$ 168,125	76.5%	$ 58,691
6/30/2015	$ 163,850	76.1%	$ 97,857
6/30/2016	$ 210,687	120.8%	$ 54,003

6. POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Funded Status and Funding Progress

As of June 30, 2016, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $1,273,010 and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $1,273,010. The anticipated covered payroll (annual payroll of active employees covered by the plan) was $3,190,747, and the ratio of the UAAL to the anticipated covered payroll was 39.9%.

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

Actuarial Methods and Assumptions

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

In the actuarial valuation conducted as of June 30, 2016, the entry age normal cost method was used. The unfunded actuarial accrued liability is being amortized using the level-dollar method over a 30-year period. Actuarial assumptions included a discount rate of 3% and an annual healthcare cost trend rate of 8% initially, reduced gradually to an ultimate rate of 5% over six years.

7. OPERATING LEASES

There are three operating lease arrangements for the use of facilities for classrooms and operations. The first lease for the Diamond Lake Avenue building consists of a monthly payment of $3,900 and expires on February 15, 2018. The second lease for the Umpqua Business Center consists of a monthly payment of $1,931 and expires on June 20, 2017. The final lease for South Umpqua School District consists of a monthly payment of $2,500.00 through July 1, 2018.

The lease obligations payable are not recorded in the Statement of Net Position. The lease expense for the year ended June 30, 2016 was $99,973.

The following is a schedule of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of June 30, 2016:

Fiscal Year Ending June 30,		
2017	$	99,330
2018		57,300
2019		36,533
2020		36,533
Total Minimum Future Rentals	$	229,696

On September 1, 2013, the College entered into a lease with the South Umpqua School District which calls for monthly payments increasing by the Portland-Salem CPI at five-year intervals for the next 99 years. Discounted, the value of the future lease payments beyond 2020, or what is shown above, is $4,031,092.

8. 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.

9. 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.

10. 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.

The College, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not presently determinable.

11. INTERFUND BALANCES AND TRANSFERS

The composition of interfund transfers as of June 30, 2016 is as follows:

Fund	Transfer In	Transfer Out
General Fund	$ 250,000	$ 1,953,370
Financial Aid Fund	10,871	-
Administratively Restricted Fund	140,000	1,400
Insurance Fund	280,000	-
Debt Service Fund	1,243,196	-
Capital Projects Fund	250,000	-
Enterprise Fund	-	250,000
Agency Fund	30,703	-
TOTAL	$ 2,204,770	$ 2,204,770

Transfers are used to fund operations between funds.

12. LONG TERM DEBT

Changes in long-term obligations for the year ended June 30, 2016 are as follows:

	Balance July1, 2015	Additions	Deletions	Balance June 30, 2016	Due within One Year
Pension Bonds Payable	$ 10,525,000	$ -	$ 375,000	$ 10,150,000	$ 435,000
Full Faith and Credit Obligations 2010	3,555,000	-	140,000	3,415,000	140,000
Full Faith and Credit Obligations 2014	7,905,000	-	-	7,905,000	-
	$ 21,985,000	$ -	$ 515,000	$ 21,470,000	$ 575,000

Full Faith and Credit Obligations 2010

In September 2010, $4,250,000 of general obligation 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 1.017% to 5.804%.

The Full Faith and Credit Obligations 2010 were issued though the United States Department of Treasury Recovery Zone Economic Development Bonds program. The College received debt service subsidies of $77,845 during the fiscal year ended June 30, 2016. Future subsidies expected to be received from the Department of Treasury total $872,263. The IRS announced that effective October 1, 2016 the amount of refundable credit received will be reduced by 6.8%.

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

12. LONG TERM DEBT (CONTINUED)

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 4.05% to 5.53%.

Full Faith and Credit Obligations 2014
In December 2014, $5,500,000 of general obligation Full Faith and Credit Obligations, Series 2014A and $2,405,000 of general obligation 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.

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

	Principal	Interest	Total
2016-2017	435,000	554,430	989,430
2017-2018	500,000	532,258	1,032,258
2018-2019	570,000	506,273	1,076,273
2019-2020	650,000	475,265	1,125,265
2020-2021	730,000	439,905	1,169,905
2021-2022	820,000	400,193	1,220,193
2022-2026	4,325,000	1,097,435	5,422,435
2026-2029	2,120,000	157,882	2,277,882
	$ 10,150,000	$ 4,163,641	$ 14,313,641

Future maturities for the Full Faith and Credit Obligations, Series 2010 and 2014:

	Principal	Interest	Total
2016-2017	$ 140,000	$ 486,175	626,175
2017-2018	255,000	481,320	736,320
2018-2019	255,000	473,491	728,491
2019-2020	265,000	465,299	730,299
2020-2025	6,920,000	1,949,399	8,869,399
2025-2030	1,680,000	715,274	2,395,274
2030-2035	1,805,000	267,614	2,072,614
	11,320,000	$4,838,572	$16,158,572

13. RECONCILIATION OF BUDGETARY FUND BALANCES TO NET POSITION

Total Budgetary Fund Balances as of June 30, 2016

General	$	3,610,022
Financial Aid		-
Administratively Restricted		798,181
Special Projects - Grants and Contracts		24,556
Insurance		191,379
Debt Service		7,601,818
Capital Projects		236,422
Internal Service		8,392
Enterprise		119,793
Agency		24,576
Total Fund Balances	$	12,615,139

Reconciliation of Budgetary Fund Balances to Net Position

Budgetary Fund Balance	$	12,615,139
Noncurrent Assets, net		30,491,781
Deferred Outflows		1,367,111
Noncurent Liabilities, net		(28,224,670)
Deferred Revenue on Property Taxes		354,462
Compensated Absences		(376,357)
Deferred Inflows		(1,519,487)
Total Net Position	$	14,707,980

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Umpqua Community College Foundation (the Foundation) is a not-for-profit corporation which was formed to encourage, receive and administer gifts and bequests for the support of Umpqua Community College (College). Contributions received by the Foundation are made by residents or entities that are located primarily in Douglas County, Oregon.

The College provides the facilities for the operation and administration of the Foundation's activities as well as some other financial support for staff wages and supplies.

BASIS OF ACCOUNTING

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

USE OF ESTIMATES

The preparation of financial statements in conformity 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification 958 (formerly the Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*).

The Foundation is required to report information regarding its net assets and revenues, expenses, gains, and losses, which are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as one of three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. A description of the three net asset categories follows:

Unrestricted net assets
Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated by the board of directors for specific purposes, but these designations can be changed as future circumstances dictate.

Temporarily restricted net assets
Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets
Net assets subject to donor-imposed restrictions that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENT POLICY/SPENDING POLICY

The Foundation has an investment guidelines policy that was originally adopted in 1999 and has been subsequently revised as considered necessary. The Foundation's investment advisors are given wide discretion in the selection of the investment portfolio. The portfolio may include common stocks, preferred stocks, convertibles, government bonds, corporate bonds, and cash equivalents. In order to manage risk, the portfolio shall be highly diversified with representation in all market sectors. The Foundation is currently in the process of reviewing and modifying its investment policy.

Oregon Revised Statues 128.305 to 128.336, cited as the Uniform Prudent Management of Institutional Funds Act, establishes requirements for the management and expenditure of endowment funds. The Foundation has not adopted a spending policy which would further limit its spending choices.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

INVESTMENTS - *FAIR VALUE OF FINANCIAL INSTRUMENTS*

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. 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). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

- Level 1 – Quoted prices in active markets for identical securities.
- Level 2 – Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and others).
- Level 3 – Significant unobservable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments in mutual funds and asset backed securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the fiscal year. The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments may result in a different value measurement at the reporting date.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments are carried at fair value in the statement of financial position, and realized and unrealized gains and losses are reflected in the statement of activities. Gains and losses are reported as increases or decreases in the unrestricted class of net assets unless the donor places temporary or permanent restrictions on the gains and losses. Investment income is also reported as an increase in unrestricted, temporarily restricted or permanently restricted net assets, depending on the nature of the restrictions. Substantially all of the Foundation's investments are managed by an investment advisor chosen by the Foundation.

INVENTORIES

Inventory consisted primarily of vehicles donated to the automotive program as learning tools. The vehicles are recorded at their estimated fair value when received, and are either sold or scrapped once the automotive program has finished working with them. Inventory is stated at lower of cost or fair value and is expensed using the specific identification method.

COLLECTIONS

The permanent art collection is stated at cost or, for contributed assets, at their estimated fair value on the date of donation. Management expects that these assets will retain or appreciate in value, and are not subject to depreciation. The collection consists of historical artifacts related to the production of wine.

DONATED ASSETS

Donated marketable securities and other non-cash donations are recorded as contributions when received. Marketable securities are usually valued at their quoted, actively-traded market price at the end of the trading day as of the date of donation. Other donated assets are valued at their estimated fair value on the date donated.

INCOME TAXES

Under Section 501(c)(3) of the Internal Revenue Code, the Foundation is exempt from taxes on income other than unrelated business income. The Foundation had no unrelated business income during the year ended June 30, 2016, and accordingly, no provision for income taxes has been made in these financial statements. The informational federal Form 990 is filed annually along with an annual state filing required by the Oregon Department of Justice. The Foundation's management is not aware of any uncertain tax positions which could affect their tax-exempt status or lead to a change in their tax liabilities. At June 30, 2016, the federal and state returns for the tax years 2012 through 2015 remained open to examination.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at June30, 2016:

Cash on hand	$	250
Deposits with financial institutions		866,619
Investments in money market accounts		677,047
Total Cash and Cash Equivalents	$	1,543,916

2. CASH AND CASH EQUIVALENTS (CONTINUED)

The Foundation maintains bank accounts at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) for up to a maximum of $250,000 per financial institution. Cash balances on deposit may sometimes exceed FDIC coverage. Investments in money market accounts are managed by the Foundation's investment advisor.

3. INVESTMENTS

Substantially all of the Foundation's investments are held in an investment pool managed by two separate investment advisors chosen by the Foundation. Fair value and cost information at June 30, 2016 for the Foundation's investments are as follows:

Equities:		Fair Value - Level 1
Common Stocks and Mutual Funds	$	6,233,803
Other Equities		406,423
Fixed Income		1,662,456
Accrued Interest		13,291
Total Investments	$	8,315,973

The following summary summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2016. Investment income includes revenues from investments managed by the Foundation's investment advisors (including money market accounts), interest on investments held by the Foundation, and interest earned on the Foundation's bank accounts and investments.

	Based on			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investment income, net of $48,650 investment expenses	$ 2	$ 221,845	$ --	$ 221,847
Net realized gains (losses) on investments	--	220,131	--	220,131
Net unrealized gains (losses) on investments	--	(333,592)	--	(333,592)
Equity in net income of affiliates	(10,303)	9,084	--	(1,219)
Total	$ (10,301)	$ 117,468	$ --	$ 107,167

The Foundation's investments are diversified in a variety of equity and debt securities. However, the Foundation's investments are subject to market fluctuations which could dramatically affect the fair value of these assets. The Foundation's investments are held by third-party custodians and are subject to custodial risk.

4. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets at June 30, 2016 consist of the following:

Restricted for scholarships to students	$ 2,208,059
Restricted for loans to students	91,951
Restricted for other student support	4,952
Restricted for Southern Oregon Wine Institute	(56,378)
Restricted for Health, Nursing, and Science Building	(4,694)
Restricted for Industrial Arts Building	1,000
Restricted for UCC Recovery Efforts	35,779
Restricted for Investments in Treasury Bonds for the Health, Nursing, and Science Building	141,994
Restricted for Personnel Services	6,030
Restricted for UCC club and program support	138,637
Total temporarily restricted net assets	$ 2,567,330

Temporarily restricted net assets of $853,060 were released from donor restrictions during the year by incurring expenses satisfying the restricted purposes specified by the donors.

5. PERMANENTLY RESTRICTED NET ASSETS:

Permanently restricted net assets at June 30, 2016 consist primarily of endowment funds which are permanently restricted as stipulated by the donors. These monies are invested by the Foundation and the earnings from the investments are used to provide scholarships for students of the College. Permanently restricted net assets at June 30, 2016 consist of Restricted for Endowments of $7,750,090.

6. SUBSEQUENT EVENTS:

In preparing these financial statements, the Foundation's management has evaluated subsequent events and transactions for potential recognition or disclosure through January 9, 2017 which represents the date that the financial statements were available for issuance.

7. TAX STATUS:

U.S Generally Accepted Accounting Principles requires management to evaluate tax positions taken and recognize a tax liability (or asset) if the Foundation has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Foundation is subject to routine audits by taxing jurisdictions; however, there is currently no audit for any tax period in progress. Management believes the Foundation is no longer subject to income tax examinations for years prior to 2012.

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
For the fiscal year ended June 30, 2016

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) College's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2016	0.11 %	$ 6,130,902	$ 13,440,067	45.6 %	103.6 %
2015	0.11	(2,404,791)	14,584,958	(16.5)	92.0

The amounts presented for each fiscal year were actuarial determinted at 12/31 and rolled forward to the measurment 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 CONTRIBUTIONS

	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
2016	$ 1,024,630	$ 1,024,630	$ -	$ 13,440,067	7.6 %
2015	1,213,382	1,213,382	-	14,584,958	8.3

The amounts presented for each fiscal year were actuarial determinted at 12/31 and rolled forward to the measurment 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

SUPPLEMENTARY INFORMATION

UMPQUA COMMUNITY COLLEGE

Roseburg, Oregon

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

GENERAL FUND

For period ending June 30, 2016

	Budgeted Amounts Original	Budgeted Amounts Final		Actual Amounts	Variance With Final Budget Positive (Negative)
Revenue:					
Property taxes	$ 3,414,225	$ 3,414,225		$ 3,476,433	$ 62,208
Tuition and fees	5,856,160	5,842,277		5,843,122	845
State appropriation	10,025,523	10,468,419		10,475,420	7,001
Intergovernmental-state	2,700	2,700		-	(2,700)
Interest income	30,000	30,000		33,322	3,322
Other	290,000	290,000		288,188	(1,812)
Total revenues	19,618,608	20,047,621		20,116,485	68,864
Expenditures:					
Instruction	8,662,858	8,647,149	(1)	8,104,139	543,010
Instructional Support	1,700,991	1,687,373	(1)	1,493,606	193,767
Student Services	1,784,009	1,886,512	(1)	1,761,241	125,271
College Support Services	6,783,642	7,100,830	(1)	6,497,343	603,487
Financial Aid	1,000,000	1,000,000	(1)	739,344	260,657
Contingency	1,753,230	1,784,459	(1)	-	1,784,459
Total expenditures	21,684,730	22,106,323		18,595,673	3,510,650
Revenues over-(under) expenditures	(2,066,122)	(2,058,702)		1,520,812	3,579,514
Other financing sources-(uses)					
Transfers in	250,000	250,000		250,000	-
Transfer out	(1,983,878)	(1,983,878)	(1)	(1,953,370)	30,508
Total other financing sources-(uses)	(1,733,878)	(1,733,878)		(1,703,370)	30,508
Net change in fund balance	(3,800,000)	(3,792,580)		(182,558)	3,610,022
Fund Balance - July 1, 2015	3,800,000	3,792,580		3,792,580	(0)
Fund Balance - June 30, 2016	$ -	$ -		$ 3,610,022	$ 3,610,022

(1) Appropriation level

UMPQUA COMMUNITY COLLEGE
Roseburg, Oregon
Schedule of Revenues, Expenditures and Changes in
Fund Balance-Budget and Actual
FINANCIAL AID FUND
For period ending June 30, 2016

	Budgeted Amounts			Actual	Variance With Final Budget Positive
	Original	Final		Amounts	(Negative)
Revenue:					
Intergovernmental - federal	$ 22,184,323	$ 22,184,323		$ 7,114,195	$ (15,070,128)
Intergovernmental - state	1,410,000	1,410,000		810,367	(599,633)
Local & Private Grants	2,000,000	2,000,000		641,520	(1,358,480)
Total revenues	25,594,323	25,594,323		8,566,082	(17,028,241)
Expenditures:					
Student Loans and Financial Aid	25,630,005	25,630,005	(1)	8,576,953	17,053,052
Revenues over-(under) expenditures	(35,682)	(35,682)		(10,871)	24,811
Other financing sources-(uses)					
Transfers in	35,682	35,682		10,871	24,811
Net change in fund balance	-	-		(0)	(0)
Fund Balance - July 1, 2015	-	-		-	-
Fund Balance - June 30, 2016	$ -	$ -		$ (0)	$ (0)

(1) Appropriation level

UMPQUA COMMUNITY COLLEGE

Roseburg, Oregon

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

ADMINISTRATIVELY RESTRICTED FUND

For period ending June 30, 2016

	Budgeted Amounts				Variance With Final Budget Positive
	Original	Final		Actual Amounts	(Negative)
Revenue:					
Tuition and fees	$ 1,949,082	$ 1,994,700		$ 1,862,049	$ (132,652)
Intergovernmental - state and federal	1,800	1,800		1,975	175
Local/Private Grants & Contracts	105,442	105,442		85,195	(20,247)
Other	1,271,593	1,225,975		584,450	(641,525)
Total revenues	3,327,917	3,327,917		2,533,668	(794,249)
Expenditures:					
Instruction	1,918,226	1,918,226	(1)	1,155,846	762,380
Instruction Support	778,392	778,392	(1)	552,542	225,850
Community Services	194,967	194,967	(1)	151,230	43,737
Student Services	1,116,320	1,116,320	(1)	596,406	519,914
College Support Services	373,640	373,640	(1)	270,870	102,770
Total expenditures	4,381,545	4,381,545		2,726,894	1,654,651
Revenues over-(under) expenditures	(1,053,628)	(1,053,628)		(193,226)	860,402
Other financing sources-(uses)					
Transfers in	140,000	140,000		140,000	-
Transfers Out	(14,800)	(14,800)	(1)	(1,400)	-
Total other financing sources-(uses)	125,200	125,200		138,600	13,400
Net change in fund balance	(928,428)	(928,428)		(54,626)	873,802
Fund Balance - July 1, 2015	928,428	928,428		852,807	(75,621)
Fund Balance - June 30, 2016	$ -	$ -		$ 798,181	$ 798,181

(1) Appropriation level

UMPQUA COMMUNITY COLLEGE

Roseburg, Oregon

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

SPECIAL PROJECTS FUND - GRANTS & CONTRACTS

For period ending June 30, 2016

	Budgeted Amounts				Variance With Final Budget Positive
	Original	Final		Actual Amounts	(Negative)
Revenue:					
Intergovernmental-federal	$ 2,658,433	$ 3,188,056		$ 1,759,041	$ (1,429,015)
Intergovernmental-state	1,526,165	3,720,214		1,288,754	(2,431,460)
Nongovernmental grants and contracts	567,617	679,617		783,888	104,271
Other	-	-		195	195
Total revenues	4,752,215	7,587,887		3,831,878	(3,756,009)
Expenditures:					
Instruction	907,497	907,497	(1)	733,536	173,961
Instructional Support	707,056	940,223	(1)	372,051	568,172
Student Services	3,021,519	3,091,904	(1)	1,900,922	1,190,982
College Support Services	116,143	2,648,263	(1)	831,862	1,816,401
Total expenditures	4,752,215	7,587,887		3,838,372	3,749,515
Revenues over-(under) expenditures	-	-		(6,494)	(6,494)
Fund Balance - July 1, 2015	-	-		31,050	31,050
Fund Balance - June 30, 2016	$ -	$ -		$ 24,556	$ 24,556

(1) Appropriation level

UMPQUA COMMUNITY COLLEGE
Roseburg, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
INSURANCE FUND
For period ending June 30, 2016

	Budgeted Amounts			Actual	Variance With Final Budget Positive
	Original	Final		Amounts	(Negative)
Revenue:					
Interest	$ -	$ -		$ -	$ -
Expenditures:					
College Support Services	510,508	510,508	(1)	379,991	130,517
Contingency	65,352	65,352	(1)	-	65,352
Total expenditures	575,860	575,860		379,991	195,869
Revenues over-(under) expenditures	(575,860)	(575,860)		(379,991)	195,869
Other financing sources-(uses)					
Transfers in	280,000	280,000		280,000	-
Net change in fund balance	(295,860)	(295,860)		(99,991)	195,869
Fund Balance - July 1, 2015	295,860	295,860		291,370	(4,490)
Fund Balance - June 30, 2016	$ -	$ -		$ 191,379	$ 191,379

(1) Appropriation level

UMPQUA COMMUNITY COLLEGE
Roseburg, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
DEBT SERVICE FUND
For period ending June 30, 2016

	Budgeted Amounts				Variance With Final Budget Positive
	Original	Final		Actual Amounts	(Negative)
Revenue:					
Intergovernmental-federal	$77,418	$77,418		$77,845	$ 427
Tuition and Fees	473,977	473,977		457,904	(16,073)
Other operating revenue - capital contributions	1,098,993	1,098,993		16,737	(1,082,256)
Interest income	10,000	10,000		3,520	(6,480)
	1,660,388	1,660,388		556,005	(1,104,383)
Expenditures:					
Debt service:					
Principal	515,000	515,000	(1)	515,000	-
Interest	1,074,779	1,074,779	(1)	1,067,013	7,766
Total expenditures	1,589,779	1,589,779		1,582,013	7,766
Revenues over-(under) expenditures	70,609	70,609		(1,026,008)	(1,096,617)
Other financing sources-(uses)					
Transfers in	1,243,196	1,243,196		1,243,196	-
Net change in fund balance	1,313,805	1,313,805		217,188	(1,096,617)
Fund Balance - July 1, 2015	4,637,831	4,637,831		7,384,631	2,746,800
Fund Balance - June 30, 2016	$ 5,951,636	$ 5,951,636		$ 7,601,818	1,650,182

(1) Appropriation level

UMPQUA COMMUNITY COLLEGE
Roseburg, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
CAPITAL PROJECTS FUND
For period ending June 30, 2016

	Budgeted Amounts			Actual	Variance With Final Budget Positive
	Original	Final		Amounts	(Negative)
Revenue:					
Intergovernmental-state	$ 8,500,000	$ 8,500,000		$ 5,384,607	$ (3,115,393)
Other	-	-		10,333	10,333
Interest	58,000	58,000		24,984	(33,016)
Total revenues	8,558,000	8,558,000		5,419,924	(3,138,076)
Expenditures:					
Facilities acquisition / construction	17,777,500	17,777,500	(1)	13,212,799	4,564,701
Debt Service	-	-		-	-
Total expenditures	17,777,500	17,777,500		13,212,799	4,564,701
Revenues over-(under) expenditures	(9,219,500)	(9,219,500)		(7,792,876)	1,426,624
Other financing sources-(uses)					
Transfers in	250,000	250,000		250,000	-
Total other financing sources-(uses)	250,000	250,000		250,000	-
Net change in fund balance	(8,969,500)	(8,969,500)		(7,542,876)	1,426,624
Fund Balance - July 1, 2015	8,969,500	8,969,500		7,779,298	(1,190,202)
Fund Balance - June 30, 2016	$ -	$ -		$ 236,422	$ 236,422

(1) Appropriation level

UMPQUA COMMUNITY COLLEGE
Roseburg, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
INTERNAL SERVICE FUND
For period ending June 30, 2016

	Budgeted Amounts				Variance With Final Budget Positive (Negative)
	Original	Final		Actual Amounts	
Revenue:					
Tuition and Fees	$ -	$ -		$ 91	$ 91
Other	180,000	180,000		155,667	(24,333)
Total revenues	180,000	180,000		155,759	(24,241)
Expenditures:					
College Support Services	190,000	190,000	(1)	147,366	42,634
Total expenditures	190,000	190,000		147,366	42,634
Revenues over-(under expenditures	(10,000)	(10,000)		8,392	18,392
Other financing sources-(uses)					
Transfers in	-	-		-	-
Transfer out	-	-	(1)	-	-
Total other financing sources-(uses)	-	-		-	-
Net change in fund balance	(10,000)	(10,000)		8,392	18,392
Fund Balance - July 1, 2015	10,000	10,000		-	(10,000)
Fund Balance - June 30, 2016	$ -	$ -		$ 8,392	$ 8,392

(1) Appropriation level

UMPQUA COMMUNITY COLLEGE

Roseburg, Oregon

Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

ENTERPRISE FUNDS

For period ending June 30, 2016

	Budgeted Amounts				Variance With Final Budget Positive
	Original	Final		Actual Amounts	(Negative)
Revenue:					
Sales	$ 2,140,744	$ 2,111,066		1,374,081	$ (736,985)
Total revenues	2,140,744	2,111,066		1,374,081	(736,985)
Expenditures:					
Community Services	150,000	150,000	(1)	-	150,000
Student Services	2,352,744	2,352,744	(1)	1,508,148	844,596
College Support Services	100,000	100,000	(1)	-	100,000
Contingency	200,000	200,000	(1)	-	200,000
Total expenditures	2,802,744	2,802,744		1,508,148	1,294,596
Revenues over-(under) expenditures	(662,000)	(691,678)		(134,067)	557,611
Other financing sources-(uses)					
Transfer out	(250,000)	(250,000)	(1)	(250,000)	-
Total other financing sources-(uses)	(250,000)	(250,000)		(250,000)	-
Net change in fund balance	(912,000)	(941,678)		(384,067)	557,611
Fund Balance - July 1, 2015	912,000	941,678		503,859	(437,819)
Fund Balance - June 30, 2016	$ -	$ -		$ 119,793	$ 119,793

(1) Appropriation level

UMPQUA COMMUNITY COLLEGE

Roseburg, Oregon

Schedule of Revenues, Expenditures and Changes in

Fund Balance-Budget and Actual

AGENCY FUNDS

For period ending June 30, 2016

	Budgeted Amounts			Actual	Variance With Final Budget Positive
	Original	Final		Amounts	(Negative)
Revenue:					
Other	$ 37,700	$ 37,700		$ 11,960	$ (25,740)
Total revenues	37,700	37,700		11,960	(25,740)
Expenditures:					
Student Services	115,063	115,063	(1)	47,129	67,934
Contingency	1,114	1,114	(1)	-	1,114
Total expenditures	116,177	116,177		47,129	69,048
Revenues over-(under) expenditures	(78,477)	(78,477)		(35,169)	43,308
Other financing sources-(uses)					
Transfers in	49,800	49,800		30,703	(19,097)
Net change in fund balance	(28,677)	(28,677)		(4,466)	24,211
Fund Balance - July 1, 2015	28,677	28,677		29,042	365
Fund Balance - June 30, 2016	$ -	$ -		$ 24,576	$ 24,576

(1) Appropriation level

UMPQUA COMMUNITY COLLEGE
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2016

	Grant Period	Federal CFDA Number	Program or Award Amount	2015-16 Revenue	2015-16 Expenditures
Student Financial Aid Cluster					
U.S. Department of Education:					
Student Financial Aid Programs:					
Federal Pell Grant Program	2014-2015	84.063	4,647,673	(14,125)	(14,125)
Federal Pell Grant Program	2015-2016	84.063	4,170,349	4,170,349	4,170,349
Federal Direct Loan Program	2015-2016	84.268	2,773,648	2,773,648	2,773,648
Federal Work-Study Program	2015-2016	84.033	107,047	107,047	107,047
Federal Supplemental Educational Opportunity Grant	2015-2016	84.007	77,276	77,276	77,276
Total SFA Cluster U.S. Department of Education			11,775,993	7,114,195	7,114,195
Total Student Financial Aid Cluster			11,775,993	7,114,195	7,114,195
U.S. Department of Education:					
TRIO - Student Support Services	2014-2015	84.042A	269,486	46,138	46,138
TRIO - Student Support Services	2015-2016	84.042A	269,486	221,743	221,743
TRIO - Talent Search	2014-2015	84.044A	230,000	30,989	30,989
TRIO - Talent Search	2015-2016	84.044A	230,000	214,380	214,380
TRIO - Upward Bound	2014-2015	84.047A	262,500	47,736	47,736
TRIO - Upward Bound	2015-2016	84-047A	262,500	195,462	195,462
Child Care Access Means Parents in School	2014-2015	84.335A	87,624	43,909	43,909
Child Care Access Means Parents in School	2015-2016	84.335A	87,624	38,180	38,180
Higher Education -Institutional Aid	2014-2015	84.031A	449,927	82,036	82,036
Higher Education -Institutional Aid	2015-2016	84.031A	447,647	319,414	319,414
School Emergency Response to Violence (Project SERV)	2015-2016	84.184S	529,623	187,201	187,201
Passed through Oregon Department of Community Colleges & Workforce Development:					
Adult Education - Basic Grants to States	2015-2016	84.002A	156,687	141,647	141,647
Passed through Oregon Department of Education					
Regional STEM Hub	2015-2016	99-998	325,230	18,199	18,199
Vocational Education - Basic Grants to States	2014-2015	84.048	168,728	23,913	23,913
Vocational Education - Basic Grants to States	2015-2016	84.048	148,478	92,959	92,959
Total Non SFA Cluster U.S. Department of Education			3,925,540	1,703,908	1,703,908
U.S. Department of Agriculture:					
Passed through State of Oregon, Department of Education:					
Child and Adult Care Food Program	2015-2016	10.558	11,950	11,950	11,950
Total U.S. Department of Agriculture			11,950	11,950	11,950
Small Business Administration:					
Passed through Lane Community College:					
Small Business Development Center	2015-2016	59.037	61,800	34,056	34,056
Total Small Business Administration			61,800	34,056	34,056
U. S. Department of Treasury					
Recovery Zone Economic Development Bonds Subsidy					
Full Faith and Credit Obligations	2014-2015	unknown	77,845	77,845	77,845

Total U. S. Department of Treasury			77,845	77,845	77,845
National Science Foundation:					
Passed through Missouri State University					
VESTA National Center of Excellence	2015-2016	47.076	2,027	2,027	2,027
Total National Science Foundation			2,027	2,027	2,027
US Congress					
Open World Program Global Connections	2014-2015	N/A	7,100	7,100	7,100
FHI Development 360					
Total US Congress			7,100	7,100	7,100
TOTAL			15,862,255	8,951,080	8,951,080

UMPQUA COMMUNITY COLLEGE

Schedule of Property Tax Transactions by County

Fiscal Year Ended 6/30/16

Tax Year	Percentages	Taxes Uncollected June 30, 2015 Per UCC Audit Report	Add Levy as Extended by Assessor	(Deduct) Discounts Allowed	Interest	Add (Deduct) Cancellations and Adjustments	(Deduct) Tax Collections Accrual Basis	Total Taxes Receivable (without Interest) June 30, 2016
Current:								
2015-16	0.035397862		$ 3,503,678.39	(87,347.07)	$ 1,989.00	$ (4,576.84)	$ (3,254,851.89)	$ 156,902.59
Prior:								
2014-15	0.035249591	161,153.72		-	5,044.87	(13,172.00)	(72,611.81)	75,369.91
2013-14	0.035108655	75,445.10		-	5,845.42	10,766.07	(29,998.09)	56,213.08
2012-13	0.035231493	59,015.44		-	8,800.63	1,483.99	(25,847.81)	34,651.62
2011-12	0.035052219	35,094.13		-	6,957.89	(2,242.82)	(24,240.30)	8,611.01
2010-11	0.034970072	5,425.18		-	941.71	5,584.95	(1,836.44)	9,173.69
2009-10	0.035065306	8,480.99		-	717.13	70.33	(1,135.00)	7,416.32
2008-09 & prior	0.035126945	7,044.54		-	580.08	(200.76)	(719.95)	6,123.83
Total		$ 351,659.10	$ 3,503,678.39	$ (87,347.07)	$ 30,876.73	$ (2,287.07)	$ (3,411,241.29)	$ 354,462.06

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

PAULY, ROGERS AND CO., P.C.
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January 9, 2017

Independent Auditors' Report Required by Oregon State Requirements

We have audited the basic financial statements of the Umpqua Community College as of and for the year ended June 30, 2016, and have issued our report thereon dated January 9, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

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

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

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

OAR 162-10-0230 Internal Control

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

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

Matthew Graves

Matthew Graves, CPA
PAULY, ROGERS AND CO., P.C.

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

GRANT COMPLIANCE REVIEW

PAULY, ROGERS AND CO., P.C.
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January 9, 2017

To the Board of Trustees
Umpqua Community College
1140 Umpqua College Rd
Roseburg, Oregon 97470

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

We have audited the financial statements of Umpqua Community College as of and for the year ended June 30, 2016, and have issued our report thereon dated January 9, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Umpqua Community College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

Matthew Graves, CPA
PAULY, ROGERS AND CO., P.C.

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January 9, 2017

To the Board of Trustees
Umpqua Community College
1140 Umpqua College Rd
Roseburg, Oregon 97470

Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With The Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited Umpqua Community College's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2016. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

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

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

Opinion on Each 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 each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management 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 internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

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

Matthew Graves

Matthew Graves, CPA
PAULY, ROGERS AND CO., P.C.

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditors' Results

Financial Statements

Type of Auditors' report issued:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	_______Yes	__X__No
• Significant deficiency(ies) identified that are not considered to be material weaknesses	_______Yes	__X__None reported
Noncompliance material to financial statements noted?	_______Yes	__X__No
Any GAGAS audit findings disclosed that are required to be reported in accordance with section 505(d)(2) of The Uniform Guidance?	_______Yes	__X__No

Federal Awards

Internal control over major programs:		
• Material weakness(es) identified?	_______Yes	__X__No
• Significant deficiency(ies) identified that are not considered to be material weaknesses	_______Yes	__X__None reported
Type of auditors' report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of The Uniform Guidance?	_______Yes	__X__No

Identification of major programs

CFDA Number(s):	Name of Federal Program:
84.063, 84.268, 84.033, 94.007	Student Financial Assistance Cluster

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

Auditee qualified as low-risk auditee? __X__Yes _______No

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of The Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section II – Financial Statement Findings

None Reported

Section III – Federal Award Findings and Question Costs

None Reported

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.

<u>Financial Trends</u> – 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
- Changes in Net Position

<u>Revenue Capacity</u> – 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
- Property Tax Levies and Collection
- Principal Taxpayers
- Tuition Rates and Enrollment Statistics

<u>Debt Capacity</u> – 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.

- Computation of Legal Debt Margin
- Outstanding Debt

<u>Demographic and Economic Information</u> – 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
- Principal Employers for Douglas County

<u>Operating Information</u> – 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
- Building Construction and Acquisition

FINANCIAL TRENDS INFORMATION

UMPQUA COMMUNITY COLLEGE
NET POSITION
Last Ten Fiscal Years

Fiscal Year	Net Investment in Capital Assets	Restricted - Expendable	Unrestricted	Total
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
2008-09	8,467,940	2,378,896	2,133,978	12,980,814
2007-08	6,645,289	3,130,363	5,733,029	15,508,681
2006-07	6,547,400	1,718,843	3,695,009	11,961,252

Source: Umpqua Community College Comprehensive Annual Financial Report

UMPQUA COMMUNITY COLLEGE
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2015-16	2014-15	2013-14	2012-13
Operating revenues:				
Tuition and fees	$ 3,777,276	$ 3,283,655	$ 3,029,056	$ 3,185,431
Federal student financial aid grants	7,114,195	8,216,554	10,194,591	12,722,284
Federal grants and contracts	1,836,885	2,070,006	2,525,597	1,724,991
State grants and contracts	2,101,096	1,922,419	1,410,982	1,359,814
Local grants and contracts	1,510,603	1,186,228	1,063,498	1,366,900
Bookstore sales	705,203	673,607	634,156	757,287
Food service sales	142,878	300,309	253,794	268,815
Incubator Program	26,579	5,184	-	-
Other operating revenue	713,292	747,840	949,192	748,506
Total operating revenue	17,928,007	18,405,802	20,060,865	22,134,028
Operating expenses:				
Instruction	12,175,334	9,431,652	10,800,579	11,144,812
Instructional support	2,799,416	2,369,864	2,522,726	2,430,765
College support services	6,999,158	4,698,504	5,214,926	5,027,971
Student services	6,705,058	5,871,695	5,711,761	5,512,453
Auxilliary				
Community services	165,217	114,784	80,441	63,093
Student financial aid	4,552,489	5,315,418	6,442,330	8,524,800
Plant Operations and maintenance	2,399,375	2,188,924	2,252,403	2,224,890
Facilities acquisition /construction	429,924	512,951	520,361	-
Depreciation	1,325,298	1,408,349	1,274,135	1,289,021
Total operating expenses	37,551,270	31,912,141	34,819,663	36,217,805
Operating loss	(19,623,263)	(13,506,339)	(14,758,799)	(14,083,777)
Nonoperating Revenues-(expenses)				
State community college support	12,823,475	8,073,162	13,753,048	7,575,009
Property taxes	3,479,236	3,384,933	3,253,946	3,224,160
Investment Income	61,825	56,008	53,067	52,819
Investment gain (loss) on pension asset	-	-	1,811,950	1,275,370
Amortization of bond premium	58,940	58,940	-	-
Interest expense	(1,067,013)	(944,922)	(796,513)	(808,708)
Bond issue costs	-	(89,630)	-	(9,598)
Gain (loss) on disposition of capital assets	(3,803)	955	-	3,244
Total nonoperating revenues-(expenses)	15,352,659	10,539,446	18,075,498	11,312,296
Gain (Loss) before Other revenues and gains	(4,270,604)	(2,966,893)	3,316,699	(2,771,481)
Capital State grant	5,384,607			
Capital gifts and grants	47,070	5,150,471.00	-	-
Change in net assets	1,161,073	2,183,578	3,316,700	(2,771,481)
Net position - beginning of year	13,546,907	27,065,333	23,914,179	26,685,662
Less restatement	-	(15,702,004)	(165,546)	-
Restated Net Position - beginning of year	13,546,907	11,363,329	23,748,633	26,685,662
Net position -end of year	$ 14,707,980	$ 13,546,907	$ 27,065,333	$ 23,914,181

Note: Fiscal Year 2014-15 is the first year GASB68 was implemented.
Tuition and Fees for FY year 2009-10 to 2006-07 were adjusted to reflect tuition discounts.

Source: Umpqua Community College Annual Financial Report

2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
$ 3,633,640	$ 3,822,222	$ 3,704,065	$ 3,018,017	$ 3,556,690	$ 2,889,078
22,789,049	27,324,559	25,886,769	13,192,403	7,532,544	5,220,611
2,074,883	2,696,243	2,525,301	2,416,885	1,926,316	1,771,968
987,834	590,317	2,619,197	4,249,446	1,157,139	1,773,610
1,423,090	1,478,418	1,970,609	1,440,027	760,409	404,372
874,948	1,084,675	1,382,012	1,158,826	1,193,567	1,068,694
306,632	268,137	135,982	150,614	194,586	175,682
-	-	-	-	-	-
3,387,858	1,071,643	1,057,456	1,177,049	726,647	616,356
35,477,934	38,336,215	39,281,391	26,803,267	17,047,898	13,920,371
11,515,990	11,172,957	11,535,947	10,555,227	9,619,233	9,587,188
2,436,179	2,461,725	2,245,356	2,675,686	2,065,671	1,779,156
5,103,824	4,599,956	4,649,251	4,446,124	4,293,766	3,965,036
3,767,328	4,613,949	4,367,817	6,576,129	5,730,487	5,044,176
2,389,968	2,554,719	2,551,781			
108,606	148,410	217,353	163,958	48,200	276,261
16,599,663	20,466,550	19,776,915	10,457,165	5,049,626	3,156,523
2,214,448	2,738,090	3,314,810	1,897,665	2,118,216	1,867,186
-	-	-	-	-	-
1,245,277	985,167	858,169	608,061	627,939	640,107
45,381,283	49,741,522	49,517,400	37,380,015	29,553,138	26,315,633
(9,903,349)	(11,405,307)	(10,236,009)	(10,576,748)	(12,505,240)	(12,395,262)
13,349,213	7,527,455	13,561,048	8,195,033	13,911,100	7,163,355
3,126,992	3,026,591	3,001,765	2,928,939	2,787,624	2,631,903
62,868	61,847	71,666	198,959	304,178	250,761
87,173	2,071,698	1,610,173	(2,555,306)	(454,883)	1,934,277
-	-	-	-	-	-
(820,436)	(781,814)	(665,087)	(713,057)	(718,951)	(724,650)
(9,598)	(9,598)	(6,198)	(6,189)	(6,189)	(6,189)
(3,000)	-	(13,245)	(29,498)	(46,210)	(4,812)
15,793,212	11,896,178	17,560,123	8,018,881	15,776,669	11,244,645
5,889,863	490,871	7,324,114	(2,557,867)	3,271,429	(1,150,617)
-	-	-	30,000	276,000	9,800
5,889,863	490,871	7,324,114	(2,527,867)	3,547,429	(1,140,817)
20,795,799	20,304,928	12,980,814	15,508,681	11,961,252	13,102,069
-	-	-	-	-	-
20,795,799	20,304,928	12,980,814	15,508,681	11,961,252	13,102,069
$ 26,685,662	$ 20,795,799	$ 20,304,928	$ 12,980,814	$ 15,508,681	$ 11,961,252

REVENUE CAPACITY INFORMATION

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

Property Tax Rates, Assessed Value, and Real Market Value
Last Ten Fiscal Years

Fiscal Year	Permanent Rate	Assessed Value	Measure 5 Real Market Value	Ratio of Taxable Assessed Value to Real Market Value
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%
2008-09	0.04551	6,612,726,597	10,987,062,139	60%
2007-08	0.04551	6,310,979,155	10,654,597,262	59%
2006-07	0.04551	5,974,253,048	9,359,667,951	64%

Source: Douglas County Department of Assessment and Taxation

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
2015-16	$ 3,503,678	$ 3,254,852	92.90%	$ -	$ 3,254,852	92.90%
2014-15	3,436,000	3,176,370	92.44	72,612	3,248,982	94.56
2013-14	3,336,412	3,077,856	92.25	106,054	3,183,910	95.43
2012-13	3,264,197	2,995,633	91.77	133,900	3,129,533	95.87
2011-12	3,176,997	2,895,357	91.14	176,779	3,072,136	96.70
2010-11	3,106,804	2,821,099	90.80	188,152	3,009,251	96.86
2009-10	3,055,689	2,780,893	91.01	161,163	2,942,056	96.28
2008-09	2,983,024	2,737,749	91.78	175,850	2,913,599	97.67
2007-08	2,850,862	2,632,994	92.36	136,916	2,769,910	97.16
2006-07	2,697,533	2,495,881	92.52	118,574	2,614,455	96.92

Source: Umpqua Community College Comprehensive Annual Financial Reports

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

Principal Taxpayers-Douglas County
Current Year and Nine Years Ago

Taxpayer	Nature of Business	Total Assessed Value	Percentage Of Total Assessed Value	Taxes
2015-16:				
Pacificorp	Utility	$366,200,000	4.26%	$2,857,973
Roseburg Forest Products Co	Wood Products	89,978,442	1.05%	945,769
Weyerhaeuser Company	Wood Products	59,418,883	0.69%	456,676
Roseburg Resources Co	Wood Products	44,816,160	0.52%	331,322
Seneca Jones Timber Company	Wood Products	41,297,691	0.48%	310,954
Charter Communications	Telecommunications	40,226,400	0.47%	549,109
Oxbow Timber I LLC	Wood Products	37,965,483	0.44%	379,954
Avista Corp	Utility	35,965,000	0.42%	424,864
Frontier Communications	Telecommunications	29,853,000	0.35%	365,364
Swanson Group Mfg LLC	Wood Products	24,161,100	0.28%	213,164
Subtotal - ten of the largest taxpayers		769,882,159	8.97%	
All other taxpayers in Douglas County		7,816,343,967	91.03%	
Toal Douglas County Taxpayers		$8,586,226,126	100.00%	
2006-07:				
Pacificorp (PP&L)	Utility	$248,547,000	3.81%	$1,715,687
Roseburg Forest Products Co	Wood Products	89,989,290	1.38%	1,018,353
Roseburg Resources Co	Wood Products	69,207,586	1.06%	576,267
Weyerhaeuser Company	Wood Products	39,039,282	0.60%	301,124
Qwest Corporation	Telecommunications	29,399,200	0.45%	404,787
RLC Industries Co	Wood Products	28,844,770	0.44%	350,874
Seneca Jones Timber Company	Wood Products	25,342,087	0.39%	180,501
Alcan Cable	Manufacturing	21,888,718	0.34%	229,379
Avista Corp	Utility	20,314,800	0.31%	244,265
Citizens Telecommunications Co	Telecommunications	19,343,000	0.30%	233,293
Subtotal - ten of the largest taxpayers		591,915,733	9.08%	
All other taxpayers in Douglas County		5,930,357,073	90.92%	
Toal Douglas County Taxpayers		$6,522,272,806	100.00%	

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

Source: Douglas County Department of Assessment and Taxation

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

Tuition Rates and Enrollment Statistics
Last Ten Fiscal Years

Fiscal Year	Tuition Rate Per Credit Hour	Total FTE[1]	Unduplicated Headcount[1]
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
2008-09	63.00	3777	15,939
2007-08	62.00	3422	15,894
2006-07	62.00	3268	15,605
2005-06	59.00	3346	15,602

Source:

[1] Umpqua Community College Institutional Research and Planning

DEBT CAPACITY INFORMATION

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

Computation of Legal Debt Margin
Last Ten Fiscal Years

	2015-16	2014-15	2013-14	2012-13	2011-12
Total Real Market Value of Taxable Property[1]	$ 9,389,809,781	$ 9,325,455,608	$ 9,132,582,748	$ 9,037,090,627	$ 9,381,751,607
Debt Limitation (1.5% of Real Market Value)	140,847,147	139,881,834	136,988,741	135,556,359	140,726,274
Debt Subject to Limitation[2]	-	-	-	-	-
Legal Debt Margin	140,847,147	139,881,834	136,988,741	135,556,359	140,726,274

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

Source: [1]Douglas County Tax Rate and Valuation Summary

2010-11	2009-10	2008-09	2007-08	2006-07
$ 9,820,250,596	$ 10,648,239,504	$ 10,987,062,139	$ 10,654,597,262	$ 9,359,667,951
147,303,759	159,723,593	164,805,932	159,818,959	140,395,019
-	-	-	-	-
147,303,759	159,723,593	164,805,932	159,818,959	140,395,019

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

Outstanding Debt
Last Ten Fiscal Years

	Other Governmental Non Tax Bonded Debt[1]							
Fiscal Year	Full Faith & Credit Obligations Series 2014	Full Faith & Credit Obligations Series 2010	Full Faith & Credit Obligations Series 1999	Pension Bonds Payable	Certificates of Participation	Total Outstanding Debt	Total Outstanding Debt os a % of Personal Income[2]	Total Outstanding Debt per Capita[3]
2015-16	$ 7,905,000	$ 3,415,000	$ -	$ 10,150,000	$ -	$ 21,470,000	not available	$ 195
2014-15	7,905,000	3,555,000	-	10,525,000	-	21,985,000	not available	201
2013-14		3,690,000		10,850,000		14,540,000	0.39%	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	0.36%	111
2008-09			1,180,000	11,790,000	235,000	13,205,000	0.42%	125
2007-08			1,270,000	11,865,000	285,000	13,420,000	0.42%	128
2006-07			1,355,000	11,910,000	335,000	13,600,000	0.43%	131

Source :
[1]Umpqua Community College Annual Financial Report-Note 12. Long Term Debt
[2]Bureau of Economic Analysis, U. S. Department of Commerce, available as of March 2015
[3]Portland State University Population Research Center.

DEMOGRAPHIC AND ECONOMIC INFORMATION

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population[1]	Personal Income[2]	Per Capita Personal Income[3]	Unemployment Rate[4]
2015-16	109,910	not available	not available	6.80%
2014-15	109,385	not available	not available	7.50%
2013-14	108,850	$ 3,692,738	$ 34,521	8.80%
2012-13	108,195	3,495,211	32,724	10.50%
2011-12	107,795	3,485,149	32,547	12.00%
2010-11	107,690	3,390,294	31,606	12.70%
2009-10	105,395	3,253,807	30,226	13.90%
2008-09	105,240	3,167,692	29,500	15.70%
2007-08	104,675	3,223,040	30,033	8.70%
2006-07	103,815	3,136,440	29,297	7.00%

Source:

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

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

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

[4]Bureau 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
Current Year and Nine Years Ago

Employer[1]	2016 Number of Employees	2016 Rank	2016 Percentage of County Employment[2]	2007 Employees	2007 Rank	2007 Percentage of County Employment
Roseburg Forest Products Co	1794	1	4.92%	n/a	n/a	n/a
Mercy Healthcare, Inc	1080	2	2.96%	n/a	n/a	n/a
Seven Feathers Hotel, Gaming Center	635	3	1.74%	n/a	n/a	n/a
First Call Resolution	537	4	1.47%	n/a	n/a	n/a
Swanson Group, Inc	438	5	1.20%	n/a	n/a	n/a
TMS Call Center	360	6	0.99%	n/a	n/a	n/a
Umpqua Bank	239	7	0.66%	n/a	n/a	n/a
Orenco Systems	236	8	0.65%	n/a	n/a	n/a
Umpqua Dairy	229	9	0.63%	n/a	n/a	n/a
A& M Transport, Inc	200	10	0.55%	n/a	n/a	n/a
	5748		15.77%			

Source:
[1]The Partneship for Economic Development in Douglas County, private sector
[2]State of Oregon Employment Department, 1st quarter information
n/a -not available

OPERATING INFORMATION

UMPQUA COMMUNITY COLLEGE
EMPLOYEES
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
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
2008-09	49	0	68	186	115	70
2007-08	44	0	66	158	104	74
2006-07	not available	not available	not available	not available	not available	not available

[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	Snyder Hall	11,882	38,336
1967	Science	14,838	53,174
1969	Life Sciences Laboratory	1,740	54,914
1969	Wayne Crooch Hall	19,824	74,738
1970	Warehouse	6,360	81,098
1970	LaVerne Murphy Student Center	31,975	113,073
1970	Jackson Hall	11,750	124,823
1970	PE Complex & Tom Keel Fitness Center	50,697	175,520
1969	Lockwood Hall and Finance Office	20,468	195,988
1970	Jacoby Auditorium	29,360	225,348
1979	Whipple Fine Arts Center	23,322	248,670
1982	Educational Skills Building	13,415	262,085
1984	Wooley Center	4,200	266,285
1996	Ford Family Enrichment Center	6,395	272,680
2001	Technology Center	10,432	283,112
2008	Swanson Amphitheatre	2,086	285,198
2011	Tower Building	2,453	287,651
2011	699 Cummins Building	2,494	290,145
2012	Danny Lang Teaching, Learning and Event Center	21,889	312,034