Comprehensive Annual Financial Report

Year Ended June 30, 2019

Discover Chemeketa Community College

Salem, Oregon

chemeketa.edu

CHEMEKETA COMMUNITY COLLEGE

SALEM • OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2019

Prepared by: Business Services Department

This page intentionally left blank.

TABLE OF CONTENTS **Page**

INTRODUCTORY SECTION:

TABLE OF CONTENTS (Continued) **Page**

TABLE OF CONTENTS (Continued) Page

This page intentionally left blank.

INTRODUCTORY SECTION

Discover Chemeketa Community College

December 18, 2019

The College Board of Education
Chemeketa Community College
Salem, Oregon

The Comprehensive Annual Financial Report of Chemeketa Community College for the fiscal year ended June 30, 2019, is submitted in accordance with Oregon Revised Statutes (ORS) 297.405 to 297.555 and 297.990, known as Municipal Audit Law. This report was prepared by the College's Business Services Department. The responsibility for the completeness and fairness of the data presented and all accompanying disclosures rests with the management of Chemeketa 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 Chemeketa Community College as of June 30, 2019, and for the year then ended.

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

We have organized this Comprehensive Annual Financial Report into four sections: (1) The Introductory Section contains this letter of transmittal and information on the organizational structure of the College; (2) The Financial Section includes the basic financial statements, accompanying notes, supplemental financial information, and the independent auditors report; (3) The Statistical Section includes selected financial, demographic, economic and operating information; and (4) The Disclosures Section contains the Schedule of Expenditures of Federal Awards, and disclosures and comments required by the Minimum Standards for Audits of Oregon Municipal Corporations and the Single Audit Act.

The Meaning of Chemeketa

Chemeketa is the only community college in Oregon not named after a county or geographic feature. The location of the Salem campus, in the Willamette Valley, was originally a revered place where native people would gather to meet. The Kalapuya nation gave it the name "a place of peace." The meaning of Chemeketa is illustrated on sculptured panels, which appear on the exterior walls of Building 3, in Building 2 on the floor tiles, and at the Information Center on the Salem campus. The panels symbolize the territorial divisions of the Northwest tribes and the movement toward the established meeting place. As the tribes move through the territorial divisions, the carved designs become less aggressive and less linear. Softer curves start to enter into the forms, showing attitudes that are more peaceful. The final point of the arrow shapes becomes completely calm upon reaching the center, where the individual chiefs, each indicated with his form of dress, decoration, and behavior sit down in a formal circle for peaceful work. To celebrate Chemeketa's thirty-fifth anniversary, a naming ceremony was held with the Confederated Tribes of Grand Ronde and the Confederated Tribes of Siletz Indians at the Salem campus on April 27, 2005. The college was formally named by tribal leaders “Chemeketa” a “place of peace” or a “place of running water” at that time.

The College

Chemeketa Community College is a dynamic, comprehensive educational institution located in the heart of the Willamette Valley. The 2nd largest community college in Oregon in total enrollment, Chemeketa served approximately 24,809 students during the 2018-2019 academic year. Chemeketa provides educational services to students across a 2,600 square mile area, which includes all of Marion and Polk counties, most of Yamhill County, and some precincts in Linn County. The College’s full-time equivalent number of students during the 2018-2019 academic year was 9,818.

The College’s mission is to “provide opportunities for students to explore, learn, and succeed through quality educational experiences and workforce training.” By accomplishing its mission, the College will become a catalyst for individuals, businesses, and communities to excel in diverse and changing environments. Chemeketa Community College values collaboration, diversity, equity, innovation and stewardship and strives to reflect these values in its everyday work. The College realizes its mission through its core themes of *academic quality* in instruction, programs, and support services; *access* to a broad range of educational and workforce training opportunities; *community collaboration* with regards to instruction, training and workforce development; and *student success* in progression and completion of a student’s educational goals.

The Board of Education of Chemeketa Community College, as duly elected representatives of the people and pursuant to the statutes of Oregon, has complete charge and control of all activities, operations, and programs of the College including its property, personnel, and finances. Chemeketa Community College’s Board of Education is composed of seven (7) qualified members elected for four (4) year terms. Members are elected from established zones. The President, appointed by the College Board of Education, is the Chief Executive Officer of the College. The President, along with the Executive Team administers policies set by the College Board of Education and collectively shares in carrying out the mission of the College.

Administrative oversight over all Oregon community colleges resides with the Higher Education Coordinating Commission (HECC). The HECC is a 14-member volunteer commission responsible for advising the Oregon Legislature, the Governor, and the Chief Education Office on higher education policy. Its statutory authority includes biennial budget recommendations for public postsecondary education, making funding allocations to Oregon's public community colleges and universities, approving new academic programs, allocating Oregon Opportunity and Oregon Promise Grants, authorizing degrees proposed by private and out-of-state providers, licensing private career and trade schools, overseeing programs for veterans, and implementing other legislative directives.

Programs

Chemeketa provides comprehensive educational opportunities throughout the district, offering 99 certificates or degrees in professional technical education and transfer studies. The College also provides basic skill development, personal enrichment, and professional development courses.

Classes or training opportunities reach well into Marion, Polk, and Yamhill counties through the Salem Campus, the Yamhill Valley Campus, the Woodburn and Polk Centers, the Chemeketa Center for Business and Industry (CCBI), the Northwest Wine Studies Center at Chemeketa Eola, and the Regional Training Center at Chemeketa Brooks. As a full partner in developing the workforce of the district, Chemeketa works with employers to offer pre-employment and continuing education on topics ranging from literacy to management skills. In addition, Chemeketa collaborates with all local school districts to offer a range of dual credit options and alternative education including

College Credit Now (CCN), Early College programs, Winema high school completion, and Expanded Options. Chemeketa has partnerships and articulation agreements with several universities, both in and out-of state, to offer bachelor's and master's degrees in Salem.

In order to provide increased access to higher education opportunities for more students, distance education, via online classes, is offered as an alternative to traditional, on-campus course and program offerings. Distance education is a mainstream form of instructional delivery at the college.

Budgeting Controls

The budget committee is comprised of the seven (7) voter elected College Board of Education members and seven (7) appointed members from the service district, each representing one of seven zones. Appointments are made by the Board. Appointed members serve a three-year term. The budget committee analyzes and approves the proposed College budget and forwards its recommendations to the Board for final adoption. During the budget review and approval process, the budget committee holds public meetings at which citizens of the community are invited to give testimony on the budget before it is approved. Following approval of the budget by the budget committee, the College Board of Education holds a public hearing on the budget to provide the citizens of the community an opportunity to give testimony on the budget approved by the budget committee before it is adopted by the College Board of Education. The budget committee does not act on educational and personnel matters but only on fiscal matters.

Additionally, Chemeketa maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College Board of Education. Activities of all funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the program category level within an individual fund. Transfers to appropriations between existing budget categories can be authorized by resolution of the College Board of Education.

Accreditation

The Northwest Commission on Colleges and Universities first granted full accreditation to Chemeketa Community College in 1972. The College has retained accreditation since that time. In Spring 2015, Chemeketa's accreditation was reaffirmed based on the *Year Seven Mission Fulfillment and Sustainability Evaluation*. Since that time, two Self-Evaluation Reports and a Peer-Evaluation report have been completed. Professional associations have also accredited those career-technical programs requiring approval.

Internal Controls and Financial Policies

Chemeketa management is responsible for establishing and maintaining internal controls designed to ensure the assets of the College are protected from loss, theft, or misuse and to ensure that adequate accounting information is available for the preparation of the financial statements in conformity with generally accepted accounting principles. Internal controls are 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 derived and that the valuation of costs and benefits requires estimates and judgments by management.

The College also maintains a comprehensive set of financial policies, procedures, guidelines and principles. They direct the development of the annual budget, and describe the general financial planning and practices of the College. They are intended to help manage the growing demands on resources while also preserving long-term fiscal stability.

Local Economy

Major industries in the region include government, agriculture, healthcare, food processing, lumber and wood products, manufacturing, education and tourism. The region contains two public and five private colleges and universities; Western Oregon University, Chemeketa Community College, Linfield College, Willamette University, George Fox University, Corban University, and Tokyo International University of America.

The state's economy remains strong with revenue collections slightly exceeding prior forecasts. Tax policy changes from the 2019 legislative session have resulted in an increase overall for state revenues but less for the General Fund since the new Corporate Activity Tax is not deposited there. Local unemployment rates have remained nearly even over the past year with the average unemployment rate within the College's district at a very low 4% this past year. Local job growth remains steady with an increase in the number of jobs. Wage growth has also been strong, labor force participation has increased and reports of underemployment have decreased considerably.

Long-Term Financial Planning

The College conducts long-range financial planning for two to three biennia forward with the goal of maintaining financial sustainability and flexibility. The forecast is routinely updated for changes in any of the primary revenue sources or personnel and other operating expenses. Some of the significant current issues that impact the funding environment are declining enrollment, which effects both tuition and fee revenue, as well as the appropriation from the state, and increasing employee costs for both wages and benefits.

The College's enrollment typically moves in the opposite direction of employment. Even though Chemeketa's annualized in-district cost per student remains in the lower third of the 17 Oregon community colleges, an improving economy leads to less enrollment as more individuals return to the workforce. During 2018-2019, the College experienced its eighth consecutive year of enrollment decline since experiencing its peak in 2010-2011.

Independent Audits

State statutes require an annual audit by independent certified public accountants. The accounting firm of Kenneth Kuhns & Co. was selected by the College Board of Education. In addition to meeting the requirements set forth in Oregon statutes, the audit was also designed to meet the requirements of the federal Single Audit Act and the Uniform Guidance.

As a recipient of state and federal financial assistance, Chemeketa is responsible for ensuring that adequate internal controls are established to comply with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management and outside auditors. As a part of Chemeketa's single audit, tests are made to determine the adequacy of internal controls, including that portion related to federal financial assistance programs, as well as to determine that Chemeketa has complied with applicable laws and regulations. The results of Chemeketa's single audit for the fiscal year ended June 30, 2019 provided no instances of material weaknesses in the internal controls or significant violations of applicable laws and regulations.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Chemeketa Community College for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. This was the 27th consecutive year that Chemeketa has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we will be submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

This report was prepared by staff in the Business Services department. This document could not have been completed without the dedication and cooperation of the staff under the guidance and support of our Director of Business Services. We appreciate and thank all who assisted and contributed to the preparation of this report. We also thank the auditing firm of Kenneth Kuhns & Co. for their assistance and the members of the College Board of Education for their support and dedication to the financial operations of the College.

Sincerely,

JHoward

Jessica Howard, President/Chief Executive Officer

This page intentionally left blank.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Chemeketa Community College

Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

LISTING OF PRINCIPAL OFFICIALS
JUNE 30, 2019

BOARD OF EDUCATION

Zone		Term Expires
1	Ed Dodson, Director	June 30, 2023
2	Ron Pittman, Director	June 30, 2021
3	Neva J. Hutchinson, Chairperson	June 30, 2023
4	Ken Hector, Director	June 30, 2021
5	Jackie Franke, Director	June 30, 2021
6	Diane Watson, Vice Chairperson	June 30, 2023
7	Betsy Earls, Director	June 30, 2023

ADMINISTRATION
4000 Lancaster Drive, NE
PO Box 14007
Salem, Oregon 97309

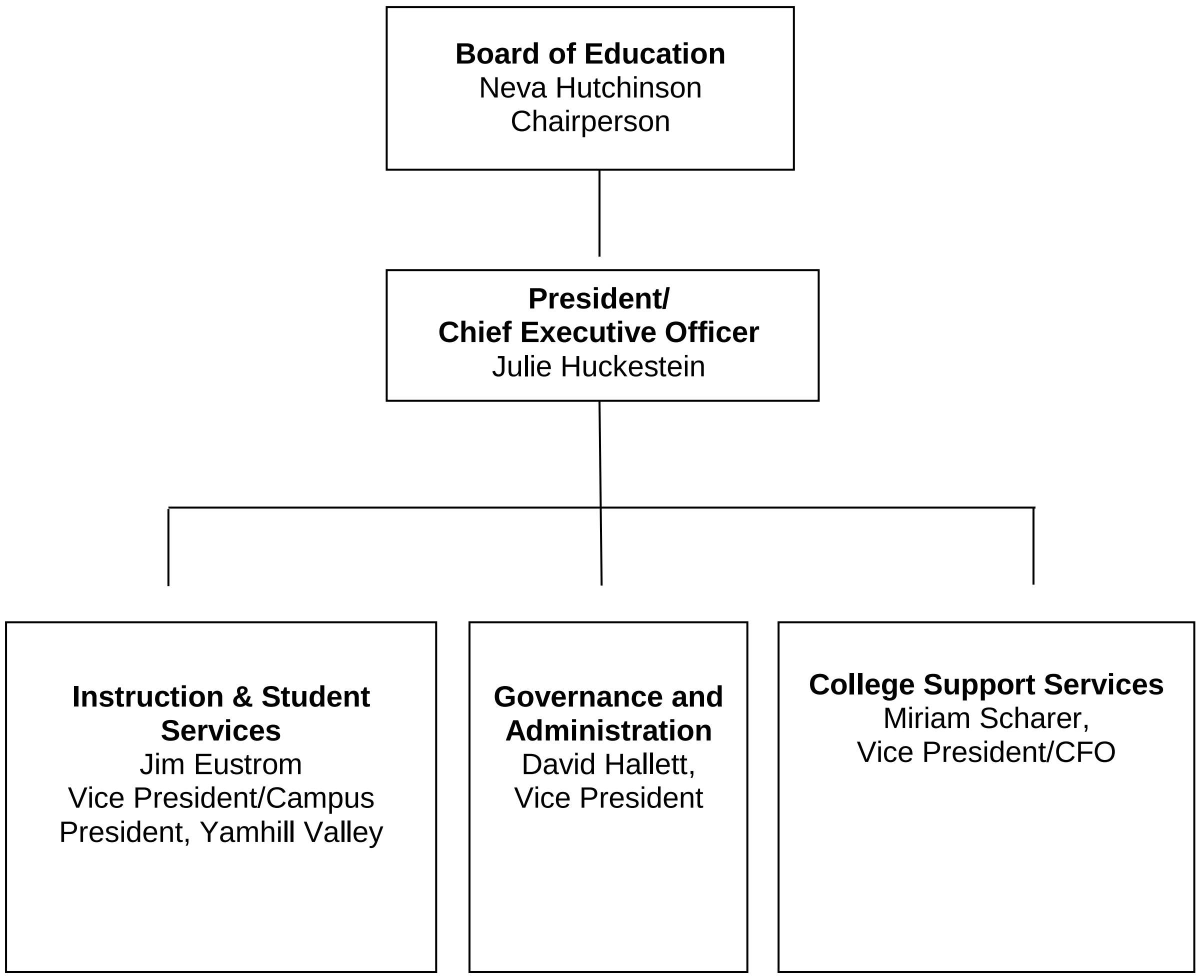
Julie Huckestein, President/Chief Executive Officer

David Hallett, Vice President

Miriam Scharer, Vice President/CFO

Jim Eustrom, Vice President/Campus President, Yamhill Valley

ORGANIZATION CHART
Year Ended June 30, 2019



This page intentionally left blank.

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

December 4, 2019

Board of Education
Chemeketa Community College
Salem, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Chemeketa Community College and Chemeketa Community College Foundation, its discretely presented component unit, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Chemeketa Community College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Chemeketa Community College Foundation, a discretely presented component unit of Chemeketa Community College. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Chemeketa Community College Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Chemeketa Community College and Chemeketa Community College Foundation as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 14 through 21 and the required supplementary information on pages 54 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chemeketa Community College's basic financial statements. The other supplementary financial information listed in the table of contents, introductory section, statistical section, and schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2019 on our consideration of Chemeketa Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chemeketa Community College's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 4, 2019 on our consideration of Chemeketa Community College's internal control over financial reporting and on our tests of its 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 internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance.

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis section of the College's comprehensive annual financial report (CAFR) presents an analysis of the financial position and activities of Chemeketa Community College for the fiscal year ended June 30, 2019. This report has been prepared by management and should be read in conjunction with the letter of transmittal and the College's financial statements. It is a required component of an annual financial report prepared in accordance with generally accepted accounting principles. The discussion is designed to assist readers in understanding the accompanying financial statements through an objective and easily readable analysis of the College's financial activities based on currently known facts and conditions.

Using the Basic Financial Statements

The following financial statements focus on the College as a whole and are designed to emulate corporate presentation models whereby all of the College's activities are consolidated into one total. The entity wide statements are comprised of the following:

- The *Statement of Net Position* presents the College's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in the net position are indicators of the improvement or deterioration 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. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The utilization of long-lived assets is reflected in the financial statements as depreciation, which amortizes the cost of the capital asset over the expected useful life. Revenues and expenses are reported as either operating or nonoperating. The primary sources of operating revenues include tuition and fees, grants and contracts. Annual state appropriations and property taxes, while budgeted for operations, are considered nonoperating revenues according to accounting principles generally accepted in the United States of America (GAAP). 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, noncapital financing activities, capital financing activities and investing activities. It provides the net increase or decrease in cash between the beginning and end of the fiscal year. This statement assists in evaluating 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.

Using the Schedules of Revenues, Expenditures and Changes in Fund Balance

The Schedules of Revenues, Expenditures and Changes in Fund Balance are included in the latter section entitled Other Supplementary Financial Information. These schedules focus on how money flows in and out of funds and the balances left at year end that are available for spending. This information is essential for preparation of, and compliance with annual budgets. These fund financial statements report the College's operations on a non GAAP budgetary basis and offer more detail than the government-wide basic financial statements.

Financial Highlights

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

- State community college support revenue decreased from $40.5 million in 2018 to $23.7 million in 2019. This change reflects the receipt of 3 state appropriation payments for the second year of the 2017-2019 biennium.

- Full-time equivalent students (FTE) decreased from 10,217 in 2018 to 9,818 in 2019. More information is available in the Statistical Section of this CAFR.

- As valued by the Oregon Public Employees Retirement System (PERS) and an independent actuary, the College's share of the system-wide PERS unfunded actuarial liability (UAL), increased from a $39.5 million liability at June 30, 2018 to a $46.8 million liability at June 30, 2019. The pension reporting requirements of GASB 68 and 71 require the College to report its proportionate share of the system-wide liability for pension costs. More information can be found in Note 6 of this report and in Required Supplementary Information.

- Investments were valued at $44 million as of June 30, 2019. New investment opportunities, with longer maturities and favorable rates allowed the college to invest cash and benefit from higher earnings. More information can be found in Note 2 of this report.

<u>Analysis of the Statement of Net Position</u>

The Statement of Net Position uses the accrual basis of accounting. The College's largest component of net position reflects the net investment in capital assets, e.g. land, buildings and equipment, less any related debt used to acquire the assets that are outstanding. This report reflects a decrease in total net position from approximately $125 million in fiscal year 2018 to $119 million in fiscal year 2019. Comparative information about the College's net position is as follows:

	2019	2018
Assets		
Current assets	$ 81,415,808	$ 87,858,217
Capital assets, net of depreciation	199,295,541	204,298,979
Other noncurrent assets	755,949	940,770
Total assets	$ 281,467,298	$ 293,097,966
Deferred outflows of resources	$ 28,651,353	$ 25,287,831
Liabilities		
Current liabilities	$ 24,092,629	$ 23,056,272
Long-term debt	100,892,357	112,901,493
Other noncurrent liabilities	55,887,896	49,351,659
Total liabilities	$ 180,872,882	$ 185,309,424
Deferred inflows of resources	$ 10,234,968	$ 7,958,483
Net Position		
Net investment in capital assets	$ 132,772,510	$ 129,899,346
Restricted	28,148,031	28,317,374
Unrestricted	(41,909,740)	(33,098,830)
Total net position	$ 119,010,801	$ 125,117,890

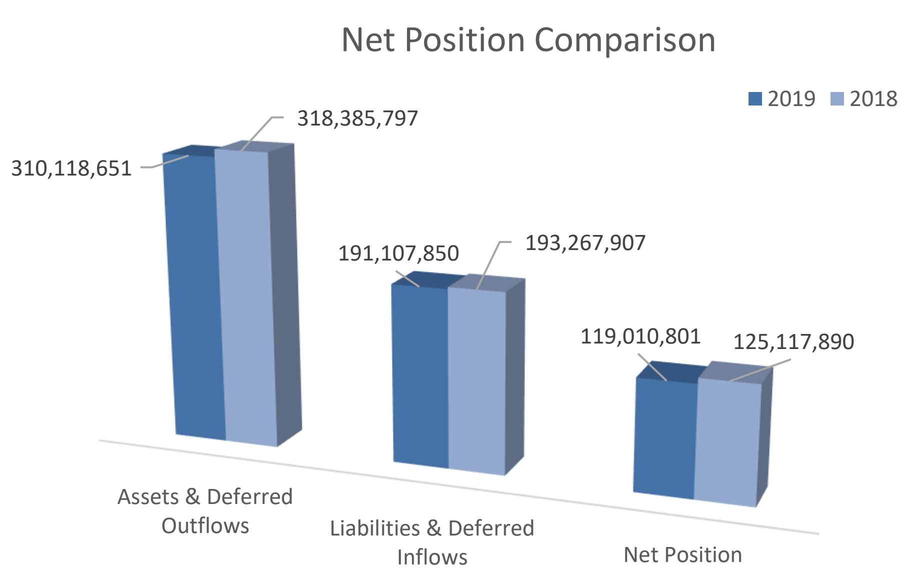
Total assets decreased by approximately $11.6 million in fiscal year 2019. Included in this total are current assets which include cash and investments from operations; student, taxes and other outstanding receivables; inventories on hand; and prepaid items. The College's current assets of approximately $81.4 million are sufficient to cover its current liabilities of $24.1 million; a current ratio of 3.4. Other noncurrent assets represent receivables that are due to the College beyond one year.

The College's capital assets are valued at approximately $199.3 million which represents a decrease of 2.4 percent in fiscal year 2019. Investment in capital assets includes land, buildings, improvements, machinery and equipment, art and historical treasures, vehicles, library collections and land improvements.

Total liabilities of the College decreased 2.4 percent during the fiscal year. Current liabilities consist of accounts payable; payroll and payroll taxes payable; accrued interest; contracts payable; amounts due to others; unearned revenue from summer term tuition, fees, capital leases, and grants; and the current portion of long-term debt. Long-term debt obligations consist of general obligation bonds, pension obligation bonds, full faith and credit obligations, termination benefits, and compensated absences that are due or estimated to be unused after a period of one year. Other noncurrent liabilities include the net pension liability, the transition liability related to pensions, and the liability for other postemployment benefits (OPEB) as required by GASB Statement No. 75. Although the College's portion of the PERS UAL (net pension liability) increased during the year, outstanding long term debt decreased, accounting for the overall reduction.

Total net position decreased by approximately 4.9 percent in fiscal year 2019. The largest portion of the College's net position is the $132.8 million net investment in capital assets. The restricted component of net position consists of amounts set aside for debt service, student financial aid, regional library and grants and contracts. The remaining component is categorized as unrestricted.

According to generally accepted accounting principles, funds which are not subject to externally imposed restrictions on their use must be classified as unrestricted for financial reporting purposes. Unrestricted funds are allocated for academic programs, capital projects, reserves and other purposes from one year to the next. However, with the implementation of GASB 68 and 71, unrestricted net position will fluctuate greatly from year to year based on the PERS system-wide investment returns and the associated changes in the UAL. The large fluctuation in recent valuations resulted in the College reporting a negative unrestricted net position of $41.9 million at June 30, 2019.



Analysis of the Statement of Revenues, Expenses and Changes in Net Position

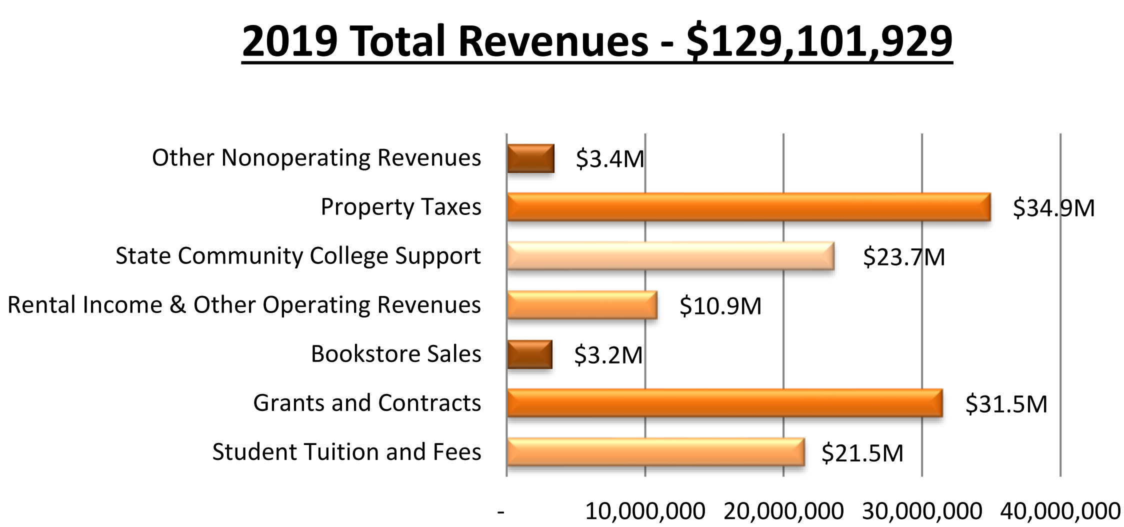
The Statement of Revenues, Expenses and Changes in Net Position present the operating results of the College as well as the nonoperating revenues and expenses. The following shows a two-year comparison:

	2019	2018
Operating revenues		
Student tuition and fees	$ 21,527,438	$ 21,394,230
Grants and contracts	31,499,528	30,174,684
Bookstore sales	3,250,749	3,339,985
Rental income	4,540,253	4,692,445
Other operating revenues	6,317,299	6,587,993
Total operating revenues	67,135,267	66,189,337
Nonoperating revenues		
State community college support	23,660,246	40,493,074
Other state sources	628,795	331,917
Property taxes	34,930,273	33,922,993
Investment income	2,068,963	842,556
Gain on sale of capital assets	678,385	-
Total revenues	129,101,929	141,779,877
Operating expenses		
President's office	5,184,115	5,616,122
College support services	16,822,496	16,567,635
Instruction and student services	50,074,766	48,752,867
College facilities	2,403,860	2,073,322
Grants and scholarships	21,964,625	21,482,720
Self-supporting services	17,916,948	19,534,540
Intra-college services	2,549,698	2,651,836
Regional library	3,230,040	3,042,433
Bookstore	3,440,274	3,493,833
Depreciation expense	6,726,957	6,690,976
Total operating expenses	130,313,779	129,906,284
Nonoperating expenses		
Interest expense	5,381,367	5,772,684
Loss on sale of capital assets	-	19,953
Total expenses	135,695,146	135,698,921
Income (Loss) before contributions	(6,593,217)	6,080,956
Capital contributions	486,128	17,328
Change in net position	(6,107,089)	6,098,284
Net position, beginning of the year	125,117,890	119,019,606
Net position, end of year	$ 119,010,801	$ 125,117,890

Revenues
The most significant sources of operating revenues for the College are federal, state and local grants and contracts (including student financial aid), student tuition and fees, bookstore sales, rental income, and other operating revenues generated from instructional service agreements and miscellaneous college fees. Although there was a decline in student enrollment, associated tuition and fee rates increased during 2018-2019 which positively impacted operating revenues. The College also received additional Oregon Promise funding this year; a result of the State having removed the expected family contribution (EFC) cap which had limited the awards to students in the prior year. As a result of this additional funding, along with having received new federal grant awards for Accelerated Pathways and Child Care Access programs, operating revenues showed an increase of approximately $1.0 million.

Nonoperating revenues decreased by approximately $13.6 million during the fiscal year. There was a favorable increase in investment income, however, the state community college support revenue accounted for the majority of this decrease. This is normal as the payment structure from the State requires that the College receive five support payments in the first year of a biennium and three payments in the second year. For the year ended June 30, 2019, the College received three payments totaling $23,660,246.

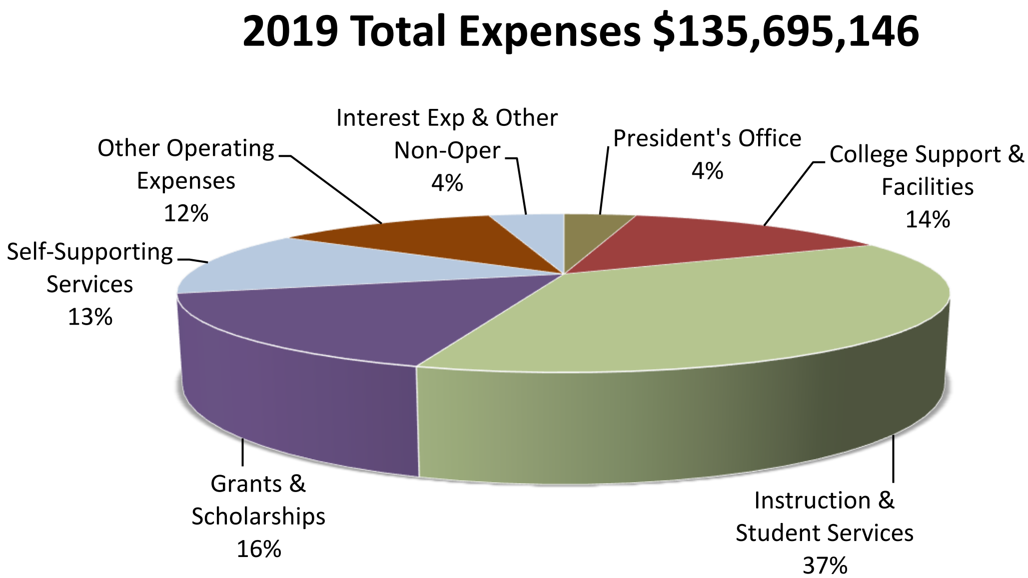
The following graph shows the sources of revenue for the College at 6/30/19:



Expenses
Operating expenses totaling $130,313,779 include salaries and benefits, materials and services, utilities, grants and scholarships and depreciation. Nonoperating costs of $5,381,367 included interest expense. Instruction and student services, along with college support services account for 49.3 percent of total expenses. These two categories account for the majority of the College's general fund expenses. Grants and scholarship expenses comprise 16.2 percent of the total. This represents the largest category of expense outside of the general fund; federal, state and local funding for grant and student aid programs are represented in this total.

The College's operating expenses increased by approximately $0.4 million during the year. Some areas saw an increase in expenses which can be attributed to compensation adjustments and inflationary factors. Other areas saw decreases which were directly related to the decline in FTE: fewer course offerings, instructional costs, and textbook and equipment purchases. Employee attrition and departmental reorganizations also impact expenses in any given year.

The following graph shows the expense categories at June 30, 2019:



Capital Contributions

Capital contributions represent the value of capital items donated to the College through the Chemeketa Foundation, as well as grant resources and contributions restricted for capital purposes. For fiscal year 2019, capital contributions represent grant resources only. The College was recently awarded funding from the State and began spending capital grant funds for the development of the new Agricultural Complex.

Analysis of the Statement of Cash Flows

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

	2019	2018
Cash Provided By (Used in):		
Operating activities	$ (50,015,902)	$ (52,764,364)
Noncapital financing activities	45,015,092	60,067,351
Capital financing activities	(1,858,527)	(3,911,212)
Investing activities	(42,209,473)	842,556
Net increase (decrease) in cash	(49,068,810)	4,234,331
Cash - Beginning of year	79,288,514	75,054,183
Cash - End of year	$ 30,219,704	$ 79,288,514

The major sources of funds in operating activities include student tuition and fees, federal financial aid and grants and contracts. Major uses were payments made to employees and suppliers, and for student financial aid and other scholarships. State reimbursements and property taxes are the primary sources of noncapital financing. Property taxes are assessed to property owners within the College's tax base.

Cash at the end of June 2019 was $30.2 million. Over the course of the year, the College utilized cash reserves and invested in securities in order to take advantage of the increasing interest rates and associated earnings. This is represented by the $42.2 million of cash that was used in investing activities. Noncapital financing activities provided less cash during the year and is attributed to the reduced number of state community college support payments the college normally receives in the second year of the biennium.

Capital Assets and Debt Administration

Capital Assets

The College's capital assets decreased by approximately $5 million during the current fiscal year. During the year, work was completed on the new athletic fields, the college broke ground on the Agricultural complex, and property in McMinnville was sold. Machinery and equipment were upgraded or replaced and vehicles and art were purchased. Annual depreciation for buildings, land improvements, equipment, and vehicles amounted to approximately $6.7 million. Additional information about the College's capital assets can be found in Note 4 of this report.

Long Term Debt

At the end of the fiscal year, the College had total debt outstanding of $114,529,685. Of this amount $39,957,506 are in pension obligation bonds; $63,100,000 comprises general obligation debt; $2,283,375 are in full faith and credit obligations; and $6,726,842 consists of related debt premiums and discounts. The remaining balance is comprised of compensated absences. The College continues to make its regular biannual debt payments which accounts for the overall decrease in debt of $11.2 million during the current fiscal year.

State statutes limit the amount of the general obligation debt the College may issue to 1.5 percent of Real Market Value of properties within the College district. The current legal debt limit is $1,011,090,126, which is significantly higher than the College's outstanding general obligation debt. The College's outstanding debt is approximately 6.2 percent of the legal debt limit. The College currently maintains an AA- rating from Standard & Poor's for general obligation debt. Additional information about the College's long term debt can be found in Note 5 of this report.

Economic Factors and Next Year's Budget

State economists predict a stable economic outlook with healthy rates of economic growth. The prolonged economic expansion and low unemployment rates have benefited the Oregon economy but at the same time have contributed to reduced student enrollment for the past eight consecutive years from the peak in 2010-2011.

The state legislative appropriation is $640.9 million to all community colleges for the 2019-2021 biennium; an approximate 12 percent increase over the previous biennium and the largest appropriation in Oregon community college history. During the 2020 short legislative session, Oregon community colleges plan to advocate for additional funding for Career & Technical Education (CTE) programs to help fund costly equipment needs.

Enrollment declined by approximately 3 percent during 2018-2019. For the 2019-2020 fiscal year, the college budgeted for an additional 3 percent decline in enrollment yet, so far, has experienced a decline of approximately 5 percent. Some of the enrollment loss has been by design with the realignment of credit requirements in CTE programs and the elimination of courses offered in the high schools through the College Credit Now program. The College continues its commitment to implementing Guided Pathways as a student success initiative; which will further realign academic plans for students and impact enrollment. Additional efforts to increase enrollment include a focus on evaluating enrollment management activities, developing a Strategic Enrollment Management plan, and the development and assessment of new program offerings based on workforce, partnership and community needs. These efforts have the potential to offset some of the enrollment declines, however, the impact is not expected to be immediate. Therefore, the College is projecting a further decline in enrollment of 3 percent for the 2020-2021 budget.

Increases of $4 and $6 per credit for tuition and universal fee rates respectively were approved for the 2019-2020 academic year. With the tuition rate at $91 per credit and the universal fee rate at $24 per credit, the College continues to be in the lower end of the range among identified comparator colleges. The intention is to align the annualized in-district tuition and fee rates to be competitive in the College's market area and with comparator colleges within three academic years. For 2019-2020, the College also implemented a differential fee of $5 per credit on high cost programs and courses.

There continues to be concern regarding the cost pressures of employee labor contracts, unfunded mandates that may have a significant impact in the future, and making improvements to facilities. As the College strives to retain and recruit qualified employees in this competitive labor market, wage inflation continues to have a significant impact on costs. Unfunded mandates include the Oregon minimum wage rate increases and Oregon's Pay Equity law. The Public Employee Retirement System (PERS) and health care costs are also significant concerns. Net employer PERS rates for the College increased by an average of 3.1 percent of payroll for the 2019-2021 biennium. Equivalent increases are expected in the coming years. The College plans to help mitigate the additional costs through more moderate rate increases and by utilizing other designated reserves. Increased health insurance costs are capped by statute at approximately 3 percent per year through the Oregon Employee Benefit Board plans and current employee contracts limit the impact to the College. However, any increase in costs effects College employees; this continues to be a concern as part of our general compensation package. Other challenges include funding new capital construction and deferred maintenance during a period of increased construction costs and fewer available resources.

Requests for Information:

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

Business Services
Chemeketa Community College
PO Box 14007
Salem, OR 97309-7070

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

STATEMENT OF NET POSITION
June 30, 2019

	Chemeketa Community College	Chemeketa Foundation
ASSETS		
Current assets:		
Cash and cash equivalents	$ 30,219,704	$ 805,959
Investments	44,055,066	6,352,317
Receivables, net of allowance for uncollectibles	6,251,341	101,975
Inventories	765,289	66,352
Prepaid items	124,408	15,056
Total current assets	81,415,808	7,341,659
Noncurrent assets:		
Receivables, net of allowance for uncollectibles	755,949	-
Capital assets, not being depreciated	21,724,437	-
Capital assets, net of accumulated depreciation	177,571,104	-
Total noncurrent assets	200,051,490	-
Total assets	281,467,298	7,341,659
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	5,613,773	-
Deferred outflows related to pensions and OPEB	23,037,580	-
Total deferred outflows of resources	28,651,353	-
LIABILITIES		
Current liabilities:		
Accounts payable	2,063,033	59,512
Payroll and payroll taxes payable	5,975,596	-
Accrued interest payable	120,056	-
Contracts payable	11,204	28,635
Due to others	649,641	-
Other liabilities	-	36,694
Unearned revenue	1,635,771	23,444
Current portion of long-term debt	13,637,328	-
Total current liabilities	24,092,629	148,285
Noncurrent liabilities:		
Net pension liability	46,829,441	-
Transition liability related to pensions	6,053,102	-
Net OPEB liability	3,005,353	-
Long-term debt, net of current portion	100,892,357	-
Notes payable	-	111,000
Total noncurrent liabilities	156,780,253	111,000
Total liabilities	180,872,882	259,285
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions and OPEB	10,234,968	-
Total deferred inflows of resources	10,234,968	-
NET POSITION		
Net investment in capital assets	132,772,510	-
Restricted for debt service	24,735,432	-
Restricted for student financial aid grants and loans	1,796,595	-
Restricted for regional library	1,420,389	-
Restricted for grants and contracts	195,615	-
Restricted for Foundation	-	6,685,801
Unrestricted	(41,909,740)	396,573
Total net position	$ 119,010,801	$ 7,082,374

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended June 30, 2019

	Chemeketa Community College	Chemeketa Foundation
OPERATING REVENUES		
Student tuition and fees, net of scholarship allowances	$ 21,527,438	$ -
Grants and contracts	31,499,528	-
Bookstore sales	3,250,749	-
Rental income	4,540,253	-
Other operating revenues	6,317,299	3,747,189
Total operating revenues	67,135,267	3,747,189
OPERATING EXPENSES		
President's office	5,184,115	-
College support services	16,822,496	-
Instruction and student services	50,074,766	-
College facilities	2,403,860	-
Grants and scholarships	21,964,625	-
Self-supporting services	17,916,948	-
Intra-college services	2,549,698	-
Regional library	3,230,040	-
Bookstore	3,440,274	-
Foundation	-	3,875,759
Depreciation expense	6,726,957	-
Total operating expenses	130,313,779	3,875,759
OPERATING INCOME (LOSS)	(63,178,512)	(128,570)
NONOPERATING REVENUES (EXPENSES)		
State community college support	23,660,246	-
Other state sources	628,795	-
Property taxes	34,930,273	-
Investment income	2,068,963	286,831
Gain on sale of assets	678,385	-
Interest expense	(5,381,367)	-
Total nonoperating revenues (expenses)	56,585,295	286,831
INCOME (LOSS) BEFORE CONTRIBUTIONS	(6,593,217)	158,261
CAPITAL CONTRIBUTIONS	486,128	-
CHANGE IN NET POSITION	(6,107,089)	158,261
Net position - beginning of the year	125,117,890	6,924,113
Net position - end of the year	$ 119,010,801	$ 7,082,374

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH FLOWS
Year Ended June 30, 2019

		Chemeketa Community College
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tuition and fees	$	22,582,186
Cash received from grants and contracts		31,733,133
Bookstore receipts from customers		3,283,308
Other cash receipts		10,862,926
Payments to suppliers for goods and services		(21,445,470)
Payments to employees		(78,580,244)
Payments for student financial aid		(16,008,034)
Bookstore payments to suppliers for resale materials		(2,443,707)
Net cash used in operating activities		(50,015,902)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from property taxes		25,680,892
Cash received from State community college support		23,660,246
Cash received from other state sources		628,795
Principal paid on pension bonds		(3,065,000)
Interest paid on pension bonds		(1,889,841)
Net cash provided by noncapital financing activities		45,015,092
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash received from property taxes levied for capital debt		10,036,327
Proceeds from sale of capital assets		1,159,340
Purchase of capital assets		(2,203,987)
Principal paid on long-term debt		(7,694,869)
Interest paid on long-term debt		(3,155,338)
Net cash used in capital and related financing activities		(1,858,527)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments		1,462,582
Purchase of investments		(53,597,717)
Proceeds from sales of investments		9,925,662
Net cash used in investing activities		(42,209,473)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(49,068,810)
Cash and cash equivalents - beginning of year		79,288,514
Cash and cash equivalents - end of year	$	30,219,704

The accompanying notes are in integral part of this statement.

(Continues)

STATEMENT OF CASH FLOWS
Year Ended June 30, 2019 (Continued)

		Chemeketa Community College
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	$	(63,178,512)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		6,726,957
Decreases (increases) in assets:		
Accounts receivable		893,870
Loans receivable		276,466
Contracts receivable		18,000
Inventories		51,289
Prepaid items		295,927
Deferred outflows related to pensions and OPEB		(4,167,617)
Increases (decreases) in liabilities:		
Accounts payable		184,986
Payroll and payroll taxes payable		(7,776)
Contracts payable		(9,329)
Termination benefits		(5,660)
Due to others		(96,457)
Unearned revenue		137,950
Compensated absences		51,282
Net pension liability		7,372,498
Transition liability related to pensions		(623,485)
Net OPEB liability		(212,776)
Deferred inflows related to pensions and OPEB		2,276,485
Net cash used in operating activities	$	(50,015,902)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Amortization of deferred interest bonds	$	528,765
Amortization of deferred on refunding of long-term debt		804,095
Amortization of premium/discount on bonds payable		(982,873)
Interest expense		(349,987)
Capital contributions		486,128
Accounts receivable		(485,642)
Acquistion of capital assets		(486)
Book value of capital assets disposed		480,955
Loss on disposition of capital assets		(480,955)
Investments		(383,011)
Increase in fair value of investments		383,011
Interest receivable		(223,370)
Investment income		223,370
Total noncash investing, capital and financing activities	$	-

The accompanying notes are in integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Chemeketa Community College have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), including GASB 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 for Public Colleges and Universities,* issued in June and November, 1999, as amended by Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued in June 2011. The College follows the "business-type activities" reporting requirements of GASB Statement Nos. 34 and 35.

Reporting Entity – Chemeketa Community College (the College) is a public institution under the general supervision of the Higher Education Coordinating Commission (HECC) through the Office of Community Colleges and Workforce Development. The College has a separately elected governing body, the Board of Education. The financial statements of the College include all accounts of the College and its component unit, Chemeketa Community College Foundation. The consolidated financial statements of the Foundation are reported in a separate column on the face of the basic financial statements as a discretely presented component unit.

The Chemeketa Community College Foundation is a legally separate, tax-exempt entity which acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs for staff, students and the community. The Foundation is governed by a board of directors composed of up to 24 volunteers selected by the Foundation board from communities served by the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of the resources or income thereon, which 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.

During the year ended June 30, 2019, the Foundation provided scholarships and support of $921,834 for the benefit of the College. The College provided personnel and administrative contributions to the Foundation totaling $394,987 during the year. Complete financial statements for Chemeketa Community College Foundation can be obtained at: 4000 Lancaster Drive NE, Salem, Oregon 97305.

Basis of Accounting – The basic financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the years in which they are levied. Grants and other similar types of revenue are recognized as soon as all eligibility requirements imposed by the grantor have been met.

Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the College's ongoing operations. The principal operating revenues of the College are charges to students for tuition and fees, grants and contracts for specific operating activities of

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

the College and bookstore sales. Operating expenses include the cost of faculty, administration and support expenses, bookstore operations, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Use of Estimates – The preparation of basic financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments – Investments are carried at fair value. During the year, the College's investments were with the Oregon Local Government Investment Pool, corporate debt, and general obligations of the U.S. Government and its agencies, all of which are authorized by Oregon law. For purposes of the statement of cash flows, cash on hand, demand deposits, the State Treasurer's Oregon Local Government Investment Pool and short-term investments purchased with original maturities of three months or less are considered to be cash and cash equivalents.

The College insures its deposits with financial institutions through Federal depository insurance funds coverage or through participation in institution collateral pools that insure public deposits.

Property Taxes Receivable – Ad valorem property taxes are levied on all taxable property as of July 1. Property taxes become an enforceable lien on that date for real and personal property. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected property taxes are included in receivables in the Statement of Net Position.

Inventory – Inventories are held for resale and are valued at the retail inventory method, which approximates the lower of cost (first-in, first-out method) or market. Any donated inventory is valued at its estimated fair market value.

Capital Assets – Capital assets include land and land improvements, buildings and building improvements, equipment and library books; vehicles; works of art and historical treasures; and construction in progress with a useful life of more than one year. The College's capitalization threshold is $5,000 for all capital assets except for works of art and library books. These items are capitalized regardless of cost. Donated assets are recorded at their acquisition value when received. Major outlays for capital assets and improvements are capitalized as projects while 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.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Buildings, equipment, library books, vehicles and land improvements are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	25 – 50 years
Equipment	5 – 20 years
Library books	5 years
Vehicles	8 years
Land improvements	20 years

Grants – Unreimbursed grant expenditures due from grantor agencies are recorded in the basic financial statements as receivables and revenues. Cash received from grantor agencies in excess of related grant expenditures is recorded as unearned revenue.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS' 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.

Vested Compensated Absences – Employees of the College are permitted to accumulate earned but unused vacation, comp time and sick pay. A liability does not exist for unpaid accumulated sick leave since the College policy does not allow payment upon separation of service. Unused vacation pay and comp time pay is recorded as a liability and an expense when earned.

Termination Benefits – Employees who have reached age and service requirements are eligible for early retirement benefits, which are recognized as a liability and expense when the employees accept the offer. Expenditures of $12,758 were charged in the year ended June 30, 2019.

Scholarship Allowances – Financial aid to students is reported in the basic financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid such as loans and funds provided to students as awarded by others is accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the basic financial statements as operating expenses, or scholarship allowances, which reduces revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Student tuition and fee revenue is shown net of scholarship allowances of $11,781,877 for the year ended June 30, 2019.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Restricted Component of Net Position – Restricted net position as reported in the Statement of Net Position represents amounts for which constraints were imposed by creditors, grantors, contributors or laws or regulations. When an expense is incurred for purposes for which both restricted and unrestricted assets are available, the College uses restricted resources first.

2. CASH AND INVESTMENTS

Cash and investments are comprised of the following at June 30, 2019:

Cash on hand and other	$	234,063
Deposits with financial institutions		10,245,117
Investment in Oregon Local Government Investment Pool		19,740,524
Total cash and cash equivalents		30,219,704
Other investments		44,055,066
Total cash and investments	$	74,274,770

Deposits – Deposits with financial institutions are bank demand deposits. The total bank balance, as shown on the banks' records at June 30, 2019, is $11,042,315. Of these deposits, $353,562 was covered by federal depository insurance.

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

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned. The College follows State law with respect to custodial credit risk and has not adopted a separate policy. Deposits in excess of FDIC insured amounts were exposed to custodial credit risk as of June 30, 2019, because these deposits were uncollateralized and/or were collateralized but not held by the third-party custodian bank in the College's name.

Investments – State statutes authorize the College to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, corporate debt and the Oregon Local Government Investment Pool, among others. The College has investment guidelines that are more restrictive than the Oregon Revised Statutes. As of June 30, 2019, the College was in compliance with the aforementioned State of Oregon statues and its own internal investment guidelines.

At June 30, 2019, the College's investments consisted of the following:

		Fair Value	Percent
Investment in Oregon Local Government Investment Pool (LGIP)	$	19,740,524	30.9%
U.S. Government Agency Securities		14,969,250	23.5%
Corporate Bonds		29,085,816	45.6%
Total investments	$	63,795,590	100.0%

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

The Oregon Local Government Investment Pool is an open-ended, no-load diversified portfolio pool. Participants' account balances in the pool are determined by the amount of participants' deposits, adjusted for withdrawals and distributed interest. Interest is calculated and accrued daily on each participant's account based on the ending account balance and a variable interest rate determined periodically by the Oregon Short-Term Fund.

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 is not registered with the U.S. Securities and Exchange Commission as an investment company. The Fund currently has no 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 the investments in the Oregon Short-Term Fund at June 30, 2019 were: 59.5 percent mature within 93 days, 18.9 percent mature from 94 days to one year, and 21.6 percent mature beyond one year. The College does not have a policy for interest rate risk.

The College's investments in U.S. Government Agency Securities and Corporate Bonds are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The College's investments in U.S. Government Agency Securities and Corporate Bonds are valued using quoted market prices (Level 1 inputs).

As of June 30, 2019, maturities for the College's other investments are as follows:

	Less than One Year	One to Two Years
U.S. Government Agency Securities:		
Federal Farm Credit Bank	$ 2,990,370	$ -
Federal Home Loan Bank	5,993,040	-
Federal National Mortgage Association	5,985,840	-
Corporate Bonds	20,000,428	9,085,388
Total	$ 34,969,678	$ 9,085,388

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The College manages this risk by investing in only securities that have strong credit ratings to minimize the risk of default. The College's U.S. Government Agency securities investments are rated AA+ by Standard and Poor's and Aaa by Moody's. The ratings on the College's corporate debt investments range from A- to AA- by Standard and Poor's and A2 to Aa1 by Moody's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments purchased through Wells Fargo Securities are delivered to and held in a safekeeping account in the College's name at Wells Fargo Bank, N.A. (a

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

subsidiary of Wells Fargo & Company). All of the College's other investments, except the State of Oregon local government investment pool, are segregated and held in safekeeping by an independent third-party custodian.

Foundation Cash and Investments - The Foundation's cash and cash equivalents consist of bank demand deposits which are part of the College's deposits with financial institutions.

The Foundation carries all investments in both debt securities and equity securities with readily determinable fair values at fair value. The investments are held in a pooled account managed by a professional fund manager.

3. RECEIVABLES

College receivables at June 30, 2019 were as follows:

	Total Receivables	Allowance for Uncollectables	Net Receivables	Due Within One Year
Property taxes	$ 1,443,913	$ -	$ 1,443,913	$ 1,443,913
Accounts	7,001,591	2,627,116	4,374,475	4,374,475
Loans	1,012,091	148,559	863,532	191,583
Interest	223,370	-	223,370	223,370
Contract	102,000	-	102,000	18,000
Total	$ 9,782,965	$ 2,775,675	$ 7,007,290	$ 6,251,341

4. CAPITAL ASSETS

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

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets not being depreciated:				
Land	$ 20,319,900	$ -	$ 122,965	$ 20,196,935
Art and historical treasures	444,379	905	-	445,284
Construction in progress	1,132,172	1,034,591	1,084,545	1,082,218
Total capital assets not being depreciated	21,896,451	1,035,496	1,207,510	21,724,437
Capital assets being depreciated:				
Buildings and improvements	238,212,089	-	1,292,602	236,919,487
Equipment & Library books	12,163,166	1,126,579	229,086	13,060,659
Vehicles	1,895,696	44,137	54,699	1,885,134
Land improvements	14,103,367	1,084,545	-	15,187,912
Total capital assets being depreciated	266,374,318	2,255,261	1,576,387	267,053,192
Less accumulated depreciation for:				
Buildings and improvements	68,953,937	5,128,921	969,451	73,113,407
Equipment & Library Books	7,729,054	846,334	199,013	8,376,375
Vehicles	1,369,127	116,098	49,933	1,435,292
Land improvements	5,919,672	637,342	-	6,557,014
Total accumulated depreciation	83,971,790	6,728,695	1,218,397	89,482,088
Total capital assets being depreciated, net	182,402,528	(4,473,434)	357,990	177,571,104
Total capital assets	$ 204,298,979	$ (3,437,938)	$ 1,565,500	$ 199,295,541

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

5. LONG-TERM DEBT

During the fiscal year ended June 30, 2019 the following changes occurred related to long-term debt obligations:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year	Interest Paid
GO, Series 2011A	$ 4,095,000	$ -	$ -	$ 4,095,000	$ 1,300,000	$ 190,775
GO, Series 2014	41,525,000	-	6,230,000	35,295,000	5,470,000	2,038,750
GO, Series 2015	24,450,000	-	740,000	23,710,000	780,000	868,656
Pension Bonds, Series 2003:						
Deferred interest bonds	8,458,741	528,765	1,780,000	7,207,506	1,905,000	-
Current interest bonds	13,305,000	-	-	13,305,000	-	750,937
Pension Bonds, Series 2004	20,730,000	-	1,285,000	19,445,000	1,455,000	1,138,904
Bond premiums/discounts	7,709,715	2,955	985,828	6,726,842	-	-
Obligations, Series 2017	3,008,244	-	724,869	2,283,375	745,841	57,157
Vested compensated absences	2,410,680	2,134,851	2,083,569	2,461,962	1,981,487	-
Termination benefits	5,660	-	5,660	-	-	-
Total	$ 125,698,040	$ 2,666,571	$ 13,834,926	$ 114,529,685	$ 13,637,328	$ 5,045,179

Limited Tax Pension Obligation Bonds

In April 2003, the College issued $25,374,369 of Limited Tax Pension Obligation Bonds and transferred the net proceeds to the State of Oregon Public Employees Retirement System to cover a portion of the College's share of the cost sharing plan's unfunded actuarial liability. The resulting asset is being used to pay a portion of the College's annual required contribution. Principal payments are due annually through June 30, 2028 and interest is payable in December and June of each year with rates ranging from 5.60 percent to 6.25 percent.

In February 2004, the College issued an additional $26,795,000 of Limited Tax Pension Obligation Bonds. These bonds are managed in the same way as the April 2003 issue. Principal payments are due annually through June 30, 2028. Interest is payable on these bonds in December and June of each year with rates ranging from 5.44 percent to 5.53 percent.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Annual requirements to repay the limited tax pension obligation bonds are as follows:

Fiscal Year	Series 2004 Principal	Series 2004 Interest	Series 2003 Principal	Series 2003 Interest	Total
2019-20	$ 1,455,000	$ 1,069,000	$ 1,905,000	$ 750,937	$ 5,179,937
2020-21	1,645,000	989,848	2,035,000	750,937	5,420,785
2021-22	1,845,000	900,360	2,170,000	750,937	5,666,297
2022-23	2,065,000	799,992	2,310,000	750,937	5,925,929
2023-24	2,295,000	687,656	2,460,000	750,937	6,193,593
2024-25	2,550,000	560,742	2,750,000	611,701	6,472,443
2025-26	2,825,000	419,727	3,070,000	455,776	6,770,503
2026-27	3,115,000	263,505	3,410,000	281,400	7,069,905
2027-28	1,650,000	91,245	1,615,000	90,440	3,446,685
Subtotals	19,445,000	5,782,075	21,725,000	5,194,002	52,146,077
Less deferred interest	-	-	(1,212,494)	-	(1,212,494)
Carrying amount	$ 19,445,000	$ 5,782,075	$ 20,512,506	$ 5,194,002	$ 50,933,583

General Obligation Bonds

On May 20, 2008, the voters of the Chemeketa Community College district approved $92 million in General Obligation bonds to fund the construction of new buildings, remodel of existing facilities, acquisition of land, and improvements to infrastructure. On November 12, 2008, the college issued $50 million of the general obligation bonds which matured on June 15, 2018. On February 9, 2011, the college issued another $28 million in general obligation bonds in order to continue the work on buildings and improvements. For these bonds, the interest rate ranges from 4.50 percent to 5.00 percent with the final maturity on June 15, 2021.

In June 2014, the College issued Series 2014 General Obligation Bonds in the amount of $51,150,000 which consisted of $14,000,000 of general obligation bonds approved by the voters on May 20, 2008 plus $37,150,000 of refunding bonds whose proceeds were used to extinguish Series 2008 bonds. The refunding bonds proceeds were used to extinguish $37,510,000 of outstanding Series 2008 General Obligation Bonds through an in-substance defeasance. The in-substance defeasance was accomplished by placing a portion of the proceeds of the Series 2014 General Obligation Bonds in an irrevocable trust from which principal and interest payments will be made on the defeased debt. The excess of the reacquisition price of the defeased debt over its carrying value was deferred and is being amortized over the term of the Series 2008 bonds. At June 30, 2019, $34,180,000 in Series 2008 bonds were outstanding and considered defeased.

In March 2015, the College issued Series 2015 General Obligation Bonds in the amount of $26,800,000 and extinguished $23,905,000 of outstanding Series 2011A General Obligation Bonds through an in-substance defeasance. The in-substance defeasance was accomplished by placing the proceeds of the Series 2015 General Obligation Bonds in an irrevocable trust from which principal and interest payments will be made on the defeased debt. The excess of the reacquisition price of the defeased debt over its carrying value was deferred and is being amortized over the term of the Series 2015 bonds. At June 30, 2019, $23,905,000 in Series 2011A bonds were outstanding and considered defeased.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Annual requirements to repay General Obligation Bonds are shown below:

Fiscal Year	Series 2011A Principal	Series 2011A Interest	Series 2014 Principal	Series 2014 Interest	Series 2015 Principal	Series 2015 Interest
2019-20	$ 1,300,000	$ 190,775	$ 5,470,000	$ 1,764,750	$ 780,000	$ 839,057
2020-21	2,795,000	125,775	4,585,000	1,491,250	825,000	807,856
2021-22	-	-	5,030,000	1,262,000	3,855,000	774,856
2022-23	-	-	5,485,000	1,010,500	4,110,000	615,856
2023-24	-	-	5,985,000	736,250	4,315,000	496,775
2024-25	-	-	5,910,000	437,000	5,135,000	367,325
2025-26	-	-	2,830,000	141,500	4,690,000	187,600
Total	$ 4,095,000	$ 316,550	$ 35,295,000	$ 6,843,250	$ 23,710,000	$ 4,089,325

<u>Full Faith and Credit Obligations</u>

In April 2017, the College extinguished $3,650,000 of outstanding Series 2007 Full Faith and Credit Obligations maturing on June 1 in the years 2018 through 2022. Under the Refunding Finance Agreement, proceeds of the Series 2017 Full Faith and Credit Obligations were held in an irrevocable escrow account from which principal and interest payments were made until the Refunded Obligations were called on June 1, 2017.

The College refunded the Series 2007 debt to take advantage of lower interest rates and to reduce total debt service payments over the life of the Series 2017 debt by $159,210. The refunding resulted in an economic gain (difference between the present values of the old and new debt service payments) of $151,344.

The Series 2017 obligations bear an interest rate of 1.9% per annum and the final maturity is on June 1, 2022. Debt service payments are scheduled semiannually.

The Series 2007 proceeds were used to construct new facilities and to upgrade and remodel existing facilities. Future obligation requirements are as follows:

Series 2017 Fiscal Year	Principal	Interest	Total
2019-20	$ 745,841	$ 43,384	$ 789,225
2020-21	761,542	29,213	790,755
2021-22	775,992	14,744	790,736
Total	$ 2,283,375	$ 87,341	$ 2,370,716

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Termination Benefits

The College provides an early retirement benefit to eligible salaried faculty employees who were hired on or before September 30, 2005. The early retirement option is available to faculty who have served the College for a minimum of ten (10) years of continuous service immediately prior to retirement from the College and who have reached the age of 55 but not yet 62, or to faculty less than age 55 who have obtained 30 years of salaried employment at Chemeketa. As part of this plan, the College pays a monthly stipend to the retiree, up to age 62, with the amount based on the total number of years of service to the College before retirement. The stipend period varies based upon the employees' retirement date. As outlined in the collective bargaining agreement between the College and the Chemeketa Education Association this benefit expired, with all stipends paid by June 30, 2019.

6. PENSION PLANS

Plan Description

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

Both PERS plans provide retirement and disability benefits, postemployment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at: https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx.

Benefits provided

A. Tier One/Tier Two Retirement Benefit ORS Chapter 238

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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

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

Disability Benefits - A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

Benefit Changes After Retirement - Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2 percent.

B. OPSRP Pension Program (OPSRP DB)

Pension Benefits - The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP 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.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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.

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.

Benefit Changes After Retirement - Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2 percent.

C. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits - An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a $200 minimum distribution limit.

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

Recordkeeping - PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. Employer contributions for the year ended June 30, 2019 were $4,361,497, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2019 were 12.38 percent for Tier One/Tier Two General Service Members and 5.87 percent for OPSRP Pension Program General Service Members, net of 11.21 percent of side account rate relief. An additional 6 percent contribution is required for the OPSRP Individual Account Program.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2019, the College reported a liability of $46,829,441 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities actuarially determined. PERS has established side accounts for employers that made lump sum payments to the plan in excess of their actuarially required contributions. Since different contribution rates are assessed to employers based on the value of the side accounts, the side account values were reflected separately in the proportionate share calculation. On June 30, 2018, the College's proportion was 0.44104164 percent.

For the year ended June 30, 2019, the College recognized pension expense of approximately $9.8 million. At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,272,742	$ -
Changes in assumptions	15,533,661	-
Net difference between projected and actual earnings on investments	-	2,966,828
Changes in proportionate share	426,887	1,804,334
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	5,088,630
College's contributions subsequent to the measurement date	4,361,497	-
Deferred outflows/inflows at June 30, 2019	$ 22,594,787	$ 9,859,792

Contributions subsequent to the measurement date of $4,361,497 reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other deferred outflows of resources totaling $18,233,290 less deferred inflows of resources of $9,859,792 related to pensions will be recognized in pension expense as follows:

Year Ending, June 30,	Amount
2020	$ 5,538,631
2021	3,938,938
2022	(1,747,028)
2023	318,905
2024	324,052
Total	$ 8,373,498

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Actuarial assumptions

The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) 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.

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2016 rolled forward to June 30, 2018
Experience Study Report	2016, published July 2017
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	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Investment Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with *Moro* decision; blend based on service.
Mortality	**Healthy retirees and beneficiaries:** RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. **Active Members:** RP-2014 Employees, sex distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. **Disabled retirees:** RP-2014 Disabled retirees, sex distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.12%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equities	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.74%	6.60%
Commodities	1.87%	3.84%
Total	100.00%	
Assumed Inflation - Mean		2.50%

Discount rate

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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 7.20 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 (6.20) or 1-percentage-point higher (8.20) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
College's proportionate share of the net pension liability	$ 91,672,867	$ 46,829,441	$ 9,814,656

Changes of assumptions

The Public Employees Retirement Board lowered the discount rate and the assumed investment rate of return from 7.50 percent to 7.20 percent effective January 1, 2018.

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

Transition Liability

The College reports a separate liability to the plan with a balance of $6.05 million at June 30, 2019. The liability represents the College's allocated share of the pre-SLGRP pooled liability. The College is being assessed an employer contribution rate of 1.76 percent of covered payroll for payment of this transition liability.

7. POSTEMPLOYMENT HEALTHCARE BENEFITS

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

The College contributes to an OPEB plan administered by the Oregon Public Employees Retirement System (PERS). The Retiree Health Insurance Account (RHIA) is a cost-sharing multiple-employer defined benefit plan established under Oregon Revised Statue 238.420, which grants the authority to manage the plan to the Public Employees Retirement Board as the governing body of PERS. PERS

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at:
https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx.

Benefits Provided

Eligible PERS members can receive a payment of up to $60 from RHIA toward the monthly cost of health insurance. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991. The plan was closed to new entrants hired on or after August 29, 2003.

Contributions

PERS funding policy provides for monthly employer contributions at an actuarially determined rate. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. Employer contributions for the year ended June 30, 2019 were $236,031. The rates in effect for the fiscal year ended June 30, 2019 were 0.50 percent for Tier One/Tier Two General Service Members and 0.43 percent for OPSRP Pension Program General Service Members. Employees are not required to contribute to the RHIA Program.

OPEB Assets, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

At June 30, 2019, the College reported an asset of $531,509 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2018 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The College's proportion of the net OPEB asset was based on a projection of the College's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities actuarially determined. On June 30, 2018, the College's proportion was 0.47614657 percent.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

For the year ended June 30, 2019, the College recognized OPEB expense of approximately ($51.2) thousand. At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ -	$ 30,122
Changes of assumptions		1,686
Net difference between projected and actual earnings on investments	-	114,592
Changes in proportionate share	-	2,565
College's contributions subsequent to the measurement date	236,031	-
Deferred outflows/inflows at June 30, 2019	$ 236,031	$ 148,965

Subsequent to the measurement date, contributions of $236,031 reported as deferred outflows of resources will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Deferred inflows of resources of $148,965 related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2020	$ (49,581)
2021	(49,309)
2022	(38,684)
2023	(11,391)
2024	-
Total	$ (148,965)

Actuarial assumptions

The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the entry age normal actuarial cost method. This method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

The total OPEB asset in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2016 rolled forward to June 30, 2018
Experience Study Report	2016, published July 2017
Actuarial Cost Method	Entry age normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed 10-year period.
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Investment Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent overall payroll growth
Retiree Healthcare Participation	Healthy retirees: 35%; disabled retirees: 20%
Healthcare Cost Trend Rate	Not applicable
Mortality	**Healthy retirees and beneficiaries:** RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs, as described in the valuation. **Active members:** RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. **Disabled retirees:** RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

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

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.12%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equities	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.74%	6.60%
Commodities	1.87%	3.84%
Total	100.00%	
Assumed Inflation - Mean		2.50%

Discount rate

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

Sensitivity of the College's proportionate share of the net OPEB asset to changes in the discount rate

The following presents the College's proportionate share of the net OPEB asset calculated using the discount rate of 7.20 percent, as well as what the College's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20) or 1-percentage-point higher (8.20) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
College's proportionate share of the net OPEB liability (asset)	$ (309,470)	$ (531,509)	$ (720,508)

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Since the monthly benefit is capped at $60, the healthcare cost trend rate has no effect on the College's proportionate share of the net OPEB asset.

Changes of assumptions

The Public Employees Retirement Board lowered the discount rate and the assumed investment rate of return from 7.50 percent to 7.20 percent effective January 1, 2018.

OPEB plan fiduciary net position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PERS financial report.

POSTEMPLOYMENT HEALTH AND DENTAL PLAN

Plan Description

The College operates a single-employer retiree benefit plan that provides postemployment health and dental coverage benefits to eligible employees and their eligible dependents. The College is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. Although the College does not pay any portion of the plan premiums for retirees, there is an implicit benefit because (a) the greater claims associated with retirees are reflected in the plan rates and (b) those who opt to be covered by the College pay lesser premiums than they would had they bought coverage elsewhere. Eligible employees are those retiring from active service with at least 5 years of salaried employment with the College and a pension benefit payable under Oregon PERS. Retirees and their dependents under age 65 are allowed to receive the same health care coverage as offered to active employees, however, the retiree is required to pay the full premiums. This OPEB is not a stand-alone plan and therefore does not issue its own financial statements.

Employees Covered by Benefit Terms

The following employees were covered by the benefit terms:

Active employees	688
Eligible Retirees	16
Spouses of Ineligible Retirees	6
Total Participants	710
Spouses of Eligible Retirees	2

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Contributions and Funding

The plan is currently unfunded as defined by current GASB standards. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. For the year ended June 30, 2019, changes in the postemployment healthcare benefits liability are as follows:

Total OPEB liability - July 1, 2018	$ 3,414,085
Service cost	243,977
Interest on total OPEB liability	127,996
Effect of assumptions changes or inputs	(82,227)
Benefit payments	(166,969)
Total OPEB liability - June 30, 2019	$ 3,536,862

For the year ended June 30, 2019, the College recognized OPEB expense of $335,984. At June 30, 2019, the College reported deferred outflows of resources related to OPEB of $206,762 for benefit payments and deferred inflows of resources of $226,211 from changes of assumptions or inputs. Benefit payments will be recognized as a reduction of the OPEB liability in the year ending June 30, 2020. Amounts reported as deferred inflows of resources will be recognized in expense as follows:

Year Ending June 30,	Amount
2020	$ (35,989)
2021	(35,989)
2022	(35,989)
2023	(35,989)
2024	(35,989)
All subsequent years	(46,266)
Total	$ (226,211)

Actuarial Valuation

The actuarial information is from a valuation dated July 1, 2017 rolled forward to June 30, 2019. The actuarial funding method used to determine the plan cost is the entry age actuarial cost method. In applying this method, projected benefit payments are determined for each active employee and retiree. The actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level percentage of pay basis over the service of the active employee between assumed entry age (date of hire) and assumed exit age(s). The portion of this actuarial present value allocated to the valuation year is called the service cost for that active employee. The service cost for retirees equals $0. The sum of these individual service costs is the plan's service cost for the valuation year. The actuarial assumptions included (a) a discount rate of 3.87 percent, (b) an assumed inflation rate of 2.5 percent for all future years, (c) 3.5 percent salary increases per annum for all future years; and (d) healthcare cost trend rates between 4.25 percent and 6.75 percent for medical, and 4.00 percent for dental and vision for all future years

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability calculated using the discount rate of 3.87 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87) or 1-percentage-point higher (4.87) than the current rate:

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Total OPEB liability - 6/30/2019	$ 3,832,166	$ 3,536,862	$ 3,264,167

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability calculated using the current healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using a rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB liability - 6/30/2019	$ 3,156,230	$ 3,536,862	$ 3,987,365

8. RELATED PARTY TRANSACTIONS

The Chemeketa Community College Foundation is a tax-exempt charitable corporation formed for the purpose of raising funds and other related donations to be used for the enhancement of the College's students, programs, staff, and capital needs. The Foundation made certain donations to the College during 2018-2019. Certain products were also purchased by the Foundation from the College during the year.

Northwest Innovations, Inc. is a separate taxable corporation, incorporated under the laws of the State of Oregon, and with its own Board of Directors. The purpose of the corporation is to serve the public and the college community by enhancing and expanding the services provided by the College.

During 1989-1990 the College discontinued food service and vending operations and Northwest Innovations, Inc. accepted responsibility for those operations. The College retained ownership of the food service and vending equipment and has a management agreement with Northwest Innovations, Inc. to operate the food service outlets on campus. The value of the food service agreement with Northwest Innovations, Inc. for the year ended June 30, 2019 is $30,824. The college also has an outstanding note receivable with Northwest Innovations in the amount of $102,000. Northwest Innovations makes monthly payments according to the terms of the note agreement.

9. COMMITMENTS AND CONTINGENCIES

Grants receivable and grant receipts are subject to adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including claims already collected, could become a liability to the College.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

10. RISK MANAGEMENT

The College is exposed 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 a member of the OSBA Property and Casualty Coverage for Education (PACE) and pays an annual premium for its general liability, property, automobile, EDP, student medical professional and employee dishonesty insurance coverage.

The College carries other commercial insurance for risks of loss, including workers' compensation and public official bonds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

11. ESTIMATED TAX ABATEMENTS

The College's property tax revenues were reduced by $53,754 under agreements entered into by the four counties within the College's district. The amounts abated by county are as follows:

	Year Ended June 30, 2019
Marion County	$ 7,029
Linn County	32,063
Polk County	7,298
Yamhill County	7,364
	$ 53,754

12. BUDGET

A budget is prepared and legally adopted for each College fund on the modified accrual basis of accounting in the classifications required by Oregon Local Budget Law. The College begins its budget process 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 published in early spring approximately three weeks prior to the hearing. The budget is adopted, appropriations are made and the tax levy declared no later than June 30.

General Fund expenditure budgets are appropriated at the area and major program category levels. The major program category levels are personnel services, materials and services, capital outlay, transfers, and contingency. For all other funds, the expenditure budgets are appropriated at the same major program category levels with the exception of the Debt Service Fund which has a category for debt service. Budget managers have the authority to make transfers within the major program category levels. Any transfers exceeding the appropriation level require Board of Education approval. Expenditures cannot legally exceed appropriations which lapse at fiscal year end. The Board of Education can, by resolution, transfer appropriations between existing appropriation categories. Supplemental appropriations may occur if Oregon Local Budget Law requirements are met, however none were necessary during the fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM PENSION PLAN FOR THE LAST SIX FISCAL YEARS

Fiscal Year Ended June 30,	(a) College's proportion of the net pension liability (asset)	(b) College's proportionate share of the net pension liability (asset)	(c) College's covered payroll	(b/c) College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2019	0.44104164%	$ 46,829,441	$ 49,924,743	93.80%	82.07%
2018	0.43784751%	39,456,943	48,130,768	81.98%	83.12%
2017	0.44226033%	47,838,753	46,420,291	103.06%	80.53%
2016	0.45298593%	5,670,724	44,840,619	12.65%	91.88%
2015	0.48892925%	(35,476,696)	44,817,535	-79.16%	103.60%
2014	0.48892925%	1,912,270	44,786,979	4.27%	91.97%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above.

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

SCHEDULE OF CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM PENSION PLAN
FOR THE LAST SIX FISCAL YEARS

Fiscal Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) College's covered payroll	(b/c) Contributions as a percent of covered payroll
2019	$ 4,361,497	$ 4,361,497	-	$ 51,294,821	8.50%
2018	4,251,389	4,251,389	-	49,924,743	8.52%
2017	2,621,410	2,621,410	-	48,130,768	5.45%
2016	2,279,487	2,279,487	-	46,420,291	4.91%
2015	2,494,960	2,494,960	-	44,840,619	5.56%
2014	2,292,080	2,292,080	-	44,817,535	5.11%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above. However, the contributions above represent contributions made during the respective fiscal year indicated above.

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM PENSION PLAN
YEAR ENDED JUNE 30, 2019

1. PURPOSE OF THE SCHEDULE

Changes in Plan Provisions

Key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which was published on September 18, 2013 and can be found at: https://www.oregon.gov/pers/EMP/Documents/GASB/2014/GASB-Disclosure-Information.pdf and in a letter from the plan's actuary dated May 23, 2016 which can be found at: https://www.oregon.gov/pers/EMP/Documents/GASB/2015/Letter-From-Actuary-5-23-16.pdf

Changes in Assumptions

Key changes in assumptions for the December 31, 2012 and 2013 valuations are described in the Oregon Public Employees Retirement System's 2012 Experience Study (Updated) which was published on September 18, 2013 and can be found at: https://www.oregon.gov/PERS/Documents/Financials/Actuarial/2013/Experience-Study-Updated.pdf

Key changes in assumptions for the December 31, 2014 and 2015 valuations are described in the Oregon Public Employees Retirement System's 2014 Experience Study which was published on September 23, 2015 and can be found at: https://www.oregon.gov/PERS/Documents/Financials/Actuarial/2015/Experience-Study.pdf

Key changes in assumptions for the December 31, 2016 valuation are the reduction of the discount rate and the assumed investment rate of return from 7.5% to 7.2%.

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM OPEB PLAN FOR THE LAST THREE FISCAL YEARS

Fiscal Year Ended June 30,	(a) College's proportion of the net OPEB liability (asset)	(b) College's proportionate share of the net OPEB liability (asset)	(c) College's covered payroll	(b/c) College's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2019	0.4761466%	$ (531,509)	$ 49,924,743	-1.06%	123.99%
2018	0.4695343%	(195,956)	48,130,768	-0.41%	108.89%
2017	0.4818183%	130,844	46,420,291	0.28%	93.84%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above.

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

SCHEDULE OF CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM OPEB PLAN
FOR THE LAST THREE FISCAL YEARS

Fiscal Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) College's covered payroll	(b/c) Contributions as a percent of covered payroll
2019	$ 236,031	$ 236,031	-	$ 51,294,821	0.46%
2018	230,552	230,552	-	49,924,743	0.46%
2017	233,837	233,837	-	48,130,768	0.49%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above. However, the contributions above represent contributions made during the respective fiscal year indicated above.

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM OPEB PLAN
YEAR ENDED JUNE 30, 2019

1. PURPOSE OF THE SCHEDULE

Changes in Plan Provisions

Key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which was published on September 18, 2013 and can be found at: https://www.oregon.gov/pers/EMP/Documents/GASB/2014/GASB-Disclosure-Information.pdf and in a letter from the plan's actuary dated May 23, 2016 which can be found at: https://www.oregon.gov/pers/EMP/Documents/GASB/2015/Letter-From-Actuary-5-23-16.pdf

Changes in Assumptions

Key changes in assumptions for the December 31, 2012 and 2013 valuations are described in the Oregon Public Employees Retirement System's 2012 Experience Study (Updated) which was published on September 18, 2013 and can be found at: https://www.oregon.gov/PERS/Documents/Financials/Actuarial/2013/Experience-Study-Updated.pdf

Key changes in assumptions for the December 31, 2014 and 2015 valuations are described in the Oregon Public Employees Retirement System's 2014 Experience Study which was published on September 23, 2015 and can be found at: https://www.oregon.gov/PERS/Documents/Financials/Actuarial/2015/Experience-Study.pdf

Key changes in assumptions for the December 31, 2016 valuation are the reduction of the discount rate and the assumed investment rate of return from 7.5% to 7.2%.

SCHEDULE OF CHANGES IN COLLEGE'S TOTAL OPEB LIABILITY AND RELATED RATIOS
POSTEMPLOYMENT HEALTH AND DENTAL PLAN
FOR THE LAST TWO FISCAL YEARS

	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018
Total OPEB liability		
Service cost	$ 243,977	$ 258,818
Interest on total OPEB liability	127,996	104,283
Effect of assumption changes or inputs	(82,227)	(205,684)
Benefit payments	(166,969)	(285,162)
Net change in total OPEB liability	122,777	(127,745)
Total OPEB liability, beginning	3,414,085	3,541,830
Total OPEB liability,ending	$ 3,536,862	$ 3,414,085
Covered payroll	$ 51,294,821	$ 49,924,743
Total OPEB liability as a % of covered payroll	6.90%	6.84%

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

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

OTHER
SUPPLEMENTARY FINANCIAL INFORMATION

DESCRIPTION OF BUDGETED COLLEGE FUNDS

Supplemental financial information consists of schedules required by the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State. Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual are presented on a Non GAAP budgetary basis for each College fund required to be budgeted in accordance with the Oregon Local Budget Law.

Budgeted College funds are as follows:

- ***General Fund*** – accounts for all financial resources and expenditures of the College, except those required to be accounted for in another fund. The principal revenue sources are property taxes, tuition and fees, and state sources.
- ***Student Financial Aid Fund*** – provides financial aid to students through loans, grants and scholarships. Revenues are primarily provided by Federal Government grants.
- ***Special Projects Fund*** – accounts for Federal and State grant and contract revenue. Expenditures are for specific programs for which money was received.
- ***Self-Supporting Services Fund*** – accounts for specific instructional related activities for which the total cost is paid by designated funds.
- ***Intra-College Services Fund*** – maintains a reserve for the acquisition of small capital purchases, supplies, and services for various college departments.
- ***Regional Library Fund*** – provides an intergovernmental public library service to residents of the College district.
- ***Regional Library Reserve Fund*** – maintains a reserve for the acquisition of a new library van and future computer system upgrades.
- ***Debt Service Fund*** – accounts for payments of interest and principal on general obligation bonds, limited tax pension obligation bonds, and full faith and credit obligations.
- ***Capital Development Fund*** – accounts for construction of new buildings, remodeling of current facilities, and purchasing of needed equipment. Revenues are provided from issuance of debt, leases and other sources.
- ***Plant Emergency Fund*** – accounts for emergency repairs of college facilities and facility related equipment. Resources are provided by transfers from the General Fund.
- ***Enterprise Fund*** – accounts for the College Bookstore. Revenues are primarily from sales of books and supplies. Expenses are primarily for purchases of merchandise and salary costs.
- ***Student Government, Student Clubs & Student Newspaper Fund*** – funds held and disbursed by the College as agent for the associated student body, clubs and student newspaper.
- ***Athletics Fund*** – funds held and disbursed by the College as agent for intercollegiate athletics.
- ***External Organizations Billing Fund*** – funds held and disbursed by the College as agent for various external organizations and committees.

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2019

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Property taxes:				
Current year's levy	$ 20,620,000	$ 20,620,000	$ 21,855,650	$ 1,235,650
Prior year's levy	630,000	630,000	850,221	220,221
Total property taxes	21,250,000	21,250,000	22,705,871	1,455,871
Tuition	17,750,000	17,750,000	18,396,489	646,489
Fees	2,450,000	2,450,000	2,409,487	(40,513)
State community college support	31,780,000	31,780,000	23,660,246	(8,119,754)
Other sources:				
Interest	440,000	440,000	901,762	461,762
Indirect recovery	1,970,000	1,970,000	1,794,347	(175,653)
Miscellaneous	200,000	200,000	151,944	(48,056)
Total revenues	75,840,000	75,840,000	70,020,146	(5,819,854)
EXPENDITURES:				
President's Office				
Personnel services	4,392,467	4,397,957	4,231,795	166,162
Materials and services	1,075,173	1,075,173	1,051,856	23,317
Capital outlay	306	306	65	241
Total president's office	5,467,946	5,473,436	5,283,716	189,720
College Support Services				
Personnel services	12,635,654	12,625,785	11,821,294	804,491
Materials and services	5,627,044	5,627,044	5,445,019	182,025
Capital outlay	59,716	59,716	43,502	16,214
Agency fund support	15,000	15,000	15,000	-
Contingency	3,500,000	3,500,000	-	3,500,000
Total college support services	21,837,414	21,827,545	17,324,815	4,502,730
Instruction & Student Services				
Personnel services	50,021,421	50,029,140	48,853,881	1,175,259
Materials and services	2,654,839	2,643,299	2,284,779	358,520
Capital outlay	98,380	106,580	105,581	999
Total instruction & student services	52,774,640	52,779,019	51,244,241	1,534,778
Total expenditures	80,080,000	80,080,000	73,852,772	6,227,228
REVENUES OVER (UNDER) EXPENDITURES	(4,240,000)	(4,240,000)	(3,832,626)	407,374
OTHER FINANCING SOURCES (USES):				
Transfers in	500,000	500,000	200,000	(300,000)
Transfers out	(4,760,000)	(4,760,000)	(4,545,038)	214,962
Total other financing sources (uses)	(4,260,000)	(4,260,000)	(4,345,038)	(85,038)
NET CHANGE IN FUND BALANCE	(8,500,000)	(8,500,000)	(8,177,664)	322,336
FUND BALANCE, beginning	10,000,000	10,000,000	17,950,561	7,950,561
FUND BALANCE, ending	$ 1,500,000	$ 1,500,000	$ 9,772,897	$ 8,272,897

STUDENT FINANCIAL AID FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2019

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Grants and scholarships:				
Federal sources	$ 50,000,000	$ 50,000,000	$ 31,577,366	$ (18,422,634)
State sources	10,000,000	10,000,000	7,230,829	(2,769,171)
Local scholarship funds	2,000,000	2,000,000	1,199,034	(800,966)
Loan collections, including interest	1,250,000	1,250,000	345,831	(904,169)
Off-campus CWS employers	5,000	5,000	-	(5,000)
Total revenues	63,255,000	63,255,000	40,353,060	(22,901,940)
EXPENDITURES:				
Grants and scholarships, including administrative expenditures:				
Federal funds, including matching funds	50,000,000	50,000,000	31,832,299	18,167,701
State funds	10,000,000	10,000,000	7,227,829	2,772,171
Local scholarship and loan funds	3,250,000	3,250,000	1,207,408	2,042,592
Loan program	330,000	330,000	-	330,000
Tuition grants	2,907,500	2,907,500	2,451,758	455,742
Total expenditures	66,487,500	66,487,500	42,719,294	23,768,206
REVENUES OVER (UNDER) EXPENDITURES	(3,232,500)	(3,232,500)	(2,366,234)	866,266
OTHER FINANCING SOURCES:				
Transfers in	3,232,500	3,232,500	2,706,690	(525,810)
NET CHANGE IN FUND BALANCE	-	-	340,456	340,456
FUND BALANCE, beginning	-	-	599,432	599,432
FUND BALANCE, ending	$ -	$ -	$ 939,888	$ 939,888

SPECIAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2019

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Federal sources	$ 6,200,000	$ 6,200,000	$ 2,537,960	$ (3,662,040)
Federal pass through	4,000,000	4,000,000	2,415,202	(1,584,798)
State sources	6,000,000	6,000,000	1,279,181	(4,720,819)
Local/Private sources	1,200,000	1,200,000	75,134	(1,124,866)
Miscellaneous	50,000	50,000	16,616	(33,384)
Total revenues	17,450,000	17,450,000	6,324,093	(11,125,907)
EXPENDITURES:				
Personnel services	7,850,000	7,850,000	3,316,830	4,533,170
Materials and services	8,850,000	8,850,000	2,743,162	6,106,838
Capital outlay	1,000,000	1,000,000	264,101	735,899
Total expenditures	17,700,000	17,700,000	6,324,093	11,375,907
NET CHANGE IN FUND BALANCE	(250,000)	(250,000)	-	250,000
FUND BALANCE, beginning	250,000	250,000	-	(250,000)
FUND BALANCE, ending	$ -	$ -	$ -	$ -

SELF-SUPPORTING SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2019

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Tuition	$ 8,000,000	$ 8,000,000	$ 6,076,155	$ (1,923,845)
Fees	5,100,000	5,100,000	4,746,481	(353,519)
Indirect recovery	350,000	350,000	406,101	56,101
Contracted	4,500,000	4,500,000	4,353,472	(146,528)
Miscellaneous	1,000,000	1,000,000	1,172,712	172,712
Total revenues	18,950,000	18,950,000	16,754,921	(2,195,079)
EXPENDITURES:				
Personnel services	18,250,000	18,250,000	13,198,634	5,051,366
Materials and services	11,080,500	11,080,500	5,299,767	5,780,733
Capital outlay	750,000	750,000	46,380	703,620
Total expenditures	30,080,500	30,080,500	18,544,781	11,535,719
REVENUES OVER (UNDER) EXPENDITURES	(11,130,500)	(11,130,500)	(1,789,860)	9,340,640
OTHER FINANCING SOURCES (USES):				
Transfers in	1,385,500	1,385,500	1,605,598	220,098
Transfers out	(755,000)	(755,000)	(290,000)	465,000
Total other financing sources (uses)	630,500	630,500	1,315,598	685,098
NET CHANGE IN FUND BALANCE	(10,500,000)	(10,500,000)	(474,262)	10,025,738
FUND BALANCE, beginning	10,500,000	10,500,000	7,900,875	(2,599,125)
FUND BALANCE, ending	$ -	$ -	$ 7,426,613	$ 7,426,613

INTRA-COLLEGE SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2019

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Intra-College sales	$ 3,500,000	$ 3,500,000	$ 2,212,691	$ 1,287,309
Fees	150,000	150,000	115,056	34,944
Rental income	700,000	700,000	1,107,166	(407,166)
Miscellaneous	700,000	700,000	733,047	(33,047)
Total revenues	5,050,000	5,050,000	4,167,960	(882,040)
EXPENDITURES:				
Personnel services	2,410,000	2,410,000	1,844,248	565,752
Materials and services	6,067,000	6,067,000	2,913,282	3,153,718
Capital outlay	500,000	500,000	234,517	265,483
Contingency	7,500,000	7,500,000	-	7,500,000
Total expenditures	16,477,000	16,477,000	4,992,047	11,484,953
REVENUES OVER (UNDER) EXPENDITURES	(11,427,000)	(11,427,000)	(824,087)	10,602,913
OTHER FINANCING SOURCES (USES):				
Transfers in	777,000	777,000	780,046	3,046
Transfers out	(350,000)	(350,000)	(258,208)	91,792
Total other financing sources (uses)	427,000	427,000	521,838	94,838
NET CHANGE IN FUND BALANCE	(11,000,000)	(11,000,000)	(302,249)	10,697,751
FUND BALANCE, beginning	11,000,000	11,000,000	7,803,476	(3,196,524)
FUND BALANCE, ending	$ -	$ -	$ 7,501,227	$ 7,501,227

REGIONAL LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2019

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Current taxes	$ 2,775,000	$ 2,775,000	$ 2,863,682	$ 88,682
Prior year taxes	80,000	80,000	111,339	31,339
State sources	36,000	36,000	36,899	899
Local sources	165,000	165,000	148,604	(16,396)
Miscellaneous	106,000	106,000	178,936	72,936
Total revenues	3,162,000	3,162,000	3,339,460	177,460
EXPENDITURES:				
Personnel services	865,000	865,000	807,850	57,150
Materials and services	2,647,000	2,647,000	2,410,714	236,286
Capital outlay	5,000	5,000	-	5,000
Contingency	480,000	480,000	-	480,000
Total expenditures	3,997,000	3,997,000	3,218,564	778,436
REVENUES OVER (UNDER) EXPENDITURES	(835,000)	(835,000)	120,896	955,896
OTHER FINANCING USES:				
Transfers out	(65,000)	(65,000)	(65,000)	-
NET CHANGE IN FUND BALANCE	(900,000)	(900,000)	55,896	955,896
FUND BALANCE, beginning	900,000	900,000	923,898	23,898
FUND BALANCE, ending	$ -	$ -	$ 979,794	$ 979,794

REGIONAL LIBRARY RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2019

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
EXPENDITURES:				
Materials and services	$ 280,000	$ 280,000	$ 7,737	$ 272,263
Capital outlay	50,000	50,000	-	50,000
Total expenditures	330,000	330,000	7,737	322,263
OTHER FINANCING SOURCES:				
Transfers in	65,000	65,000	65,000	-
NET CHANGE IN FUND BALANCE	(265,000)	(265,000)	57,263	322,263
FUND BALANCE, beginning	265,000	265,000	262,885	(2,115)
FUND BALANCE, ending	$ -	$ -	$ 320,148	$ 320,148

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2019

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Current taxes	$ 10,130,000	$ 10,130,000	$ 9,666,706	$ (463,294)
Prior year taxes	270,000	270,000	369,621	99,621
Miscellaneous	50,000	50,000	222,078	172,078
PERS adjustment revenue	5,000,000	5,000,000	4,551,854	(448,146)
Total revenues	15,450,000	15,450,000	14,810,259	(639,741)
EXPENDITURES:				
Debt service	41,600,000	41,600,000	15,805,047	25,794,953
REVENUES OVER (UNDER) EXPENDITURES	(26,150,000)	(26,150,000)	(994,788)	25,155,212
OTHER FINANCING SOURCES:				
Transfers in	1,150,000	1,150,000	782,026	(367,974)
NET CHANGE IN FUND BALANCE	(25,000,000)	(25,000,000)	(212,762)	24,787,238
FUND BALANCE, beginning	25,000,000	25,000,000	24,659,508	(340,492)
FUND BALANCE, ending	$ -	$ -	$ 24,446,746	$ 24,446,746

CAPITAL DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2019

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Fees	$ 1,750,000	$ 1,750,000	$ 1,561,909	$ (188,091)
State sources	400,000	400,000	628,795	228,795
Other sources:				
Interest revenue	250,000	250,000	253,919	3,919
Rental income	3,200,000	3,200,000	3,279,788	79,788
Miscellaneous	1,000,000	1,000,000	1,262,617	262,617
Total revenues	6,600,000	6,600,000	6,987,028	387,028
EXPENDITURES:				
Personnel services	210,000	210,000	21,842	188,158
Materials and services	5,000,000	5,000,000	2,536,324	2,463,676
Noncurrent:				
Capital outlay	14,490,000	14,490,000	852,053	13,637,947
Total expenditures	19,700,000	19,700,000	3,410,219	16,289,781
REVENUES OVER (UNDER) EXPENDITURES	(13,100,000)	(13,100,000)	3,576,809	16,676,809
OTHER FINANCING SOURCES (USES):				
Transfers in	400,000	400,000	165,208	(234,792)
Transfers out	(1,300,000)	(1,300,000)	(986,322)	313,678
Proceeds from sale of certificates of participation	6,000,000	6,000,000	-	(6,000,000)
Total other financing sources (uses)	5,100,000	5,100,000	(821,114)	(5,921,114)
NET CHANGE IN FUND BALANCE	(8,000,000)	(8,000,000)	2,755,695	10,755,695
FUND BALANCE, beginning	8,000,000	8,000,000	9,815,240	1,815,240
FUND BALANCE, ending	$ -	$ -	$ 12,570,935	$ 12,570,935

PLANT EMERGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2019

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
EXPENDITURES:				
Materials and services	$ 475,000	$ 475,000	$ -	$ 475,000
Capital outlay	275,000	275,000	-	275,000
Total expenditures	750,000	750,000	-	750,000
OTHER FINANCING SOURCES:				
Transfers in	75,000	75,000	-	(75,000)
NET CHANGE IN FUND BALANCE	(675,000)	(675,000)	-	675,000
FUND BALANCE, beginning	675,000	675,000	750,000	75,000
FUND BALANCE, ending	$ -	$ -	$ 750,000	$ 750,000

ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2019

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Bookstore sales	$ 6,000,000	$ 6,000,000	$ 3,625,324	$ (2,374,676)
EXPENDITURES:				
Personnel services	1,225,000	1,225,000	962,140	262,860
Materials and services	9,175,000	9,175,000	2,914,861	6,260,139
Capital outlay	40,000	40,000	9,436	30,564
Total expenditures	10,440,000	10,440,000	3,886,437	6,553,563
REVENUES OVER (UNDER) EXPENDITURES	(4,440,000)	(4,440,000)	(261,113)	4,178,887
OTHER FINANCING USES:				
Transfers out	(160,000)	(160,000)	(160,000)	-
NET CHANGE IN FUND BALANCE	(4,600,000)	(4,600,000)	(421,113)	4,178,887
FUND BALANCE, beginning	4,600,000	4,600,000	4,583,683	(16,317)
FUND BALANCE, ending	$ -	$ -	$ 4,162,570	$ 4,162,570

STUDENT GOVERNMENT, STUDENT CLUBS & STUDENT NEWSPAPER FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE DUE TO OTHERS-BUDGET AND ACTUAL

Year Ended June 30, 2019

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Student government	$ 5,000	$ 5,000	$ 1,538	$ (3,462)
Student clubs	59,000	59,000	68,411	9,411
Student newspaper	20,000	20,000	320	(19,680)
College support transfers	20,000	20,000	15,000	(5,000)
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	105,000	105,000	85,269	(19,731)
EXPENDITURES:				
Personnel services	1,000	1,000	976	24
Materials and services	249,000	249,000	74,068	174,932
Transfers	50,000	50,000	-	50,000
Total expenditures	300,000	300,000	75,044	224,956
NET CHANGE IN DUE TO OTHERS	(195,000)	(195,000)	10,225	205,225
DUE TO OTHERS, beginning	195,000	195,000	98,701	(96,299)
DUE TO OTHERS, ending	$ -	$ -	$ 108,926	$ 108,926

ATHLETICS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE DUE TO OTHERS-BUDGET AND ACTUAL
Year Ended June 30, 2019

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Fees	$ 300,000	$ 300,000	$ 244,497	$ (55,503)
Fundraising	35,000	35,000	35,000	-
Miscellaneous	5,000	5,000	-	(5,000)
Total revenues	340,000	340,000	279,497	(60,503)
EXPENDITURES:				
Personnel services	157,000	157,000	106,871	50,129
Materials and services	233,000	233,000	182,768	50,232
Transfers	150,000	150,000	100,000	50,000
Total expenditures	540,000	540,000	389,639	150,361
NET CHANGE IN DUE TO OTHERS	(200,000)	(200,000)	(110,142)	89,858
DUE TO OTHERS, beginning	200,000	200,000	111,588	(88,412)
DUE TO OTHERS, ending	$ -	$ -	$ 1,446	$ 1,446

EXTERNAL ORGANIZATIONS BILLING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE
DUE TO OTHERS-BUDGET AND ACTUAL
Year Ended June 30, 2019

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Miscellaneous	$ 500,000	$ 500,000	$ 317,696	$ (182,304)
EXPENDITURES:				
Personnel services	90,000	90,000	822	89,178
Materials and services	430,000	430,000	323,111	106,889
Capital outlay	5,000	5,000	60	4,940
Total expenditures	525,000	525,000	323,993	201,007
NET CHANGE IN DUE TO OTHERS	(25,000)	(25,000)	(6,297)	18,703
DUE TO OTHERS, beginning	25,000	25,000	52,951	27,951
DUE TO OTHERS, ending	$ -	$ -	$ 46,654	$ 46,654

STATISTICAL SECTION

STATISTICAL SECTION
NARRATIVE

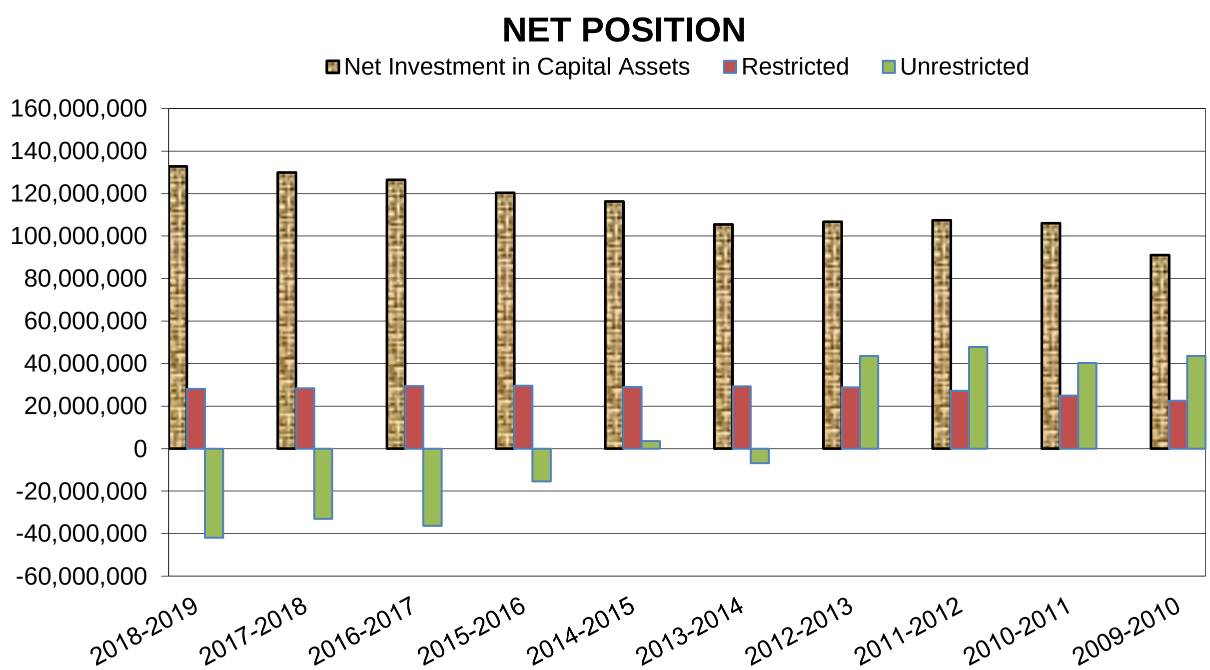
This section of Chemeketa Community College's Comprehensive Annual Financial Report presents detailed information as a basis for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the College's overall financial health.

Contents **Begins on Page**

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

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2018-2019	2017-2018	2016-2017	2015-2016
Net Investment in Capital Assets	$ 132,772,510	$ 129,899,346	$ 126,462,303	$ 120,345,397
Restricted	28,148,031	28,317,374	29,418,828	29,643,104
Unrestricted	(41,909,740)	(33,098,830)	(36,332,041)	(15,493,021)
Total Net Position	$ 119,010,801	$ 125,117,890	119,549,090	$ 134,495,480



Note: The College implemented GASB Statements No. 68 and 71 in 2014-2015. Net postion at June 30, 2014 has been restated to conform with the new reporting and accounting requirements; restatement for years prior to 2013-2014 is not required.

	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
	$ 116,274,920	$ 105,459,693	$ 106,724,945	$ 107,423,876	$ 106,021,287	$ 91,024,657
	29,056,964	29,344,769	28,819,609	27,150,510	24,988,835	22,530,671
	3,532,333	(6,866,148)	43,562,493	47,807,014	40,209,594	43,532,429
	$ 148,864,217	$ 127,938,314	$ 179,107,047	$ 182,381,400	$ 171,219,716	$ 157,087,757

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2018-2019	2017-2018	2016-2017	2015-2016
Operating Revenues				
Student tuition and fees	$ 21,527,438	$ 21,394,230	$ 22,163,943	$ 23,613,807
Grants and contracts	31,499,528	30,174,684	29,525,862	28,779,949
Bookstore sales	3,250,749	3,339,985	3,916,797	4,445,037
Rental income	4,540,253	4,692,445	4,177,237	3,847,903
Other operating revenues	6,317,299	6,587,993	6,511,849	8,549,926
Total operating revenues	67,135,267	66,189,337	66,295,688	69,236,622
Operating Expenses				
President's office	5,184,115	5,616,122	5,212,541	6,021,062
College support services	16,822,496	16,567,635	17,089,623	18,863,550
Instruction and student services	50,074,766	48,752,867	47,707,170	57,477,998
College facilities	2,403,860	2,073,322	2,622,641	3,666,689
Grants and scholarships	21,964,625	21,482,720	22,213,593	22,074,710
Self-supporting services	17,916,948	19,534,540	20,698,046	22,813,182
Intra-college services	2,549,698	2,651,836	3,511,219	2,882,706
Regional library	3,230,040	3,042,433	3,074,361	3,170,890
Bookstore	3,440,274	3,493,833	3,874,286	4,495,697
Depreciation expense	6,726,957	6,690,976	6,245,057	5,877,700
Total operating expenses	130,313,779	129,906,284	132,248,537	147,344,184
Operating income (loss)	(63,178,512)	(63,716,947)	(65,952,849)	(78,107,562)
Nonoperating Revenues (Expenses)				
State community college support	23,660,246	40,493,074	23,759,227	37,774,756
Other state sources	628,795	331,917	286,369	177,931
Property taxes	34,930,273	33,922,993	32,361,579	31,559,365
Investment income	2,068,963	842,556	812,360	657,411
Interest expense	(5,381,367)	(5,772,684)	(6,135,333)	(6,534,937)
Issuance costs	-	-	(60,200)	-
Gain (loss) on sale of capital assets	678,385	(19,953)	(33,999)	(67,253)
Total nonoperating revenues (expenses)	56,585,295	69,797,903	50,990,003	63,567,273
Income (loss) before contributions	(6,593,217)	6,080,956	(14,962,846)	(14,540,289)
Capital Contributions	486,128	17,328	16,456	171,552
Total change in net position	$ (6,107,089)	$ 6,098,284	$ (14,946,390)	$ (14,368,737)

Note: The College implemented GASB Statements No. 68 and 71 in 2014-2015. The pension reporting requirements impact expenses and may cause fluctuations in totals between years. Beginning in 2015-2016, student tuition & fee revenue is reported net of scholarship allowances. Amounts for prior years have not been restated.

2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
$ 35,214,098	$ 38,073,043	$ 39,195,722	$ 38,260,629	$ 35,985,783	$ 33,019,066
32,296,012	35,364,450	37,302,219	38,155,453	37,568,924	43,858,889
4,766,127	4,761,251	5,437,040	5,638,982	6,267,520	6,911,914
3,532,732	3,647,087	3,483,468	3,381,571	3,013,840	2,878,722
7,928,103	6,787,051	7,093,187	6,243,125	7,234,378	7,585,696
83,737,072	88,632,882	92,511,636	91,679,760	90,070,445	94,254,287
3,490,453	2,690,172	2,686,916	2,406,671	1,380,601	1,310,396
12,291,216	15,871,095	15,414,373	15,270,580	16,677,401	16,526,976
31,446,449	42,094,026	40,923,826	38,813,921	37,187,179	36,174,893
2,369,854	2,505,767	3,047,730	2,217,450	2,185,613	2,766,113
34,049,861	37,681,633	39,724,882	40,134,982	39,365,043	45,443,467
15,997,170	19,123,390	19,815,632	18,507,315	16,266,755	15,845,527
2,711,110	2,298,427	2,163,403	2,168,059	2,742,236	2,105,944
2,540,548	2,654,461	2,579,348	2,507,560	2,399,696	2,389,704
4,256,311	4,693,582	5,242,740	5,413,376	5,764,964	6,132,617
5,480,316	5,275,235	4,844,575	3,926,540	3,683,800	3,560,428
114,633,288	134,887,788	136,443,425	131,366,454	127,653,288	132,256,065
(30,896,216)	(46,254,906)	(43,931,789)	(39,686,694)	(37,582,843)	(38,001,778)
20,152,851	28,717,709	13,866,214	26,777,332	15,541,953	31,039,809
171,601	242,163	109,762	102,800	217,314	189,425
29,570,587	26,880,384	27,476,520	26,604,404	23,527,943	25,971,585
520,301	9,685,384	6,239,566	2,792,448	9,892,075	9,028,850
(6,490,482)	(6,977,743)	(7,124,558)	(7,245,793)	(6,496,206)	(8,256,278)
(216,562)	(326,782)	-	-	-	-
(190,597)	(13,786)	(34,458)	(45,591)	(67,402)	(4,937)
43,517,699	58,207,329	40,533,046	48,985,600	42,615,677	57,968,454
12,621,483	11,952,423	(3,398,743)	9,298,906	5,032,834	19,966,676
8,304,420	547,041	124,390	2,759,855	9,099,125	4,020,860
$ 20,925,903	$ 12,499,464	$ (3,274,353)	$ 12,058,761	$ 14,131,959	$ 23,987,536

ASSESSED AND REAL MARKET VALUE OF TAXABLE PROPERTY, LINN, MARION, POLK, AND YAMHILL COUNTIES LAST TEN FISCAL YEARS

Fiscal Year	Real Market Value	Taxable Assessed Value	Assessed Value Increase (Decrease)	Assessed Value Percentage Change	Total Direct Rate
Linn County:					
2018-2019	$ 626,434,839	$ 395,677,325	$ 10,173,883	2.64%	0.97
2017-2018	565,856,595	385,503,442	15,944,884	4.31%	0.98
2016-2017	506,748,944	369,558,558	13,753,331	3.87%	0.98
2015-2016	459,231,627	355,805,227	18,395,295	5.45%	1.00
2014-2015	430,172,604	337,409,932	13,409,916	4.14%	0.98
2013-2014	407,624,291	324,000,016	6,616,404	2.08%	0.94
2012-2013	405,347,186	317,383,612	5,919,783	1.90%	0.88
2011-2012	431,018,381	311,463,829	13,940,468	4.69%	0.96
2010-2011	448,085,688	297,523,361	(1,995,699)	-0.67%	0.87
2009-2010	504,300,770	299,519,060	8,522,424	2.93%	0.97
Marion County:					
2018-2019	$ 46,399,106,709	$ 24,602,310,109	$ 1,023,079,090	4.34%	0.97
2017-2018	42,213,950,459	23,579,231,019	811,236,528	3.56%	0.98
2016-2017	39,002,299,869	22,767,994,491	856,145,710	3.91%	0.98
2015-2016	36,716,577,379	21,911,848,781	952,682,288	4.55%	1.00
2014-2015	34,877,589,110	20,959,166,493	829,692,057	4.12%	0.98
2013-2014	33,102,805,137	20,129,474,436	787,734,690	4.07%	0.94
2012-2013	32,586,520,234	19,341,739,746	145,592,480	0.76%	0.88
2011-2012	33,412,693,626	19,196,147,266	398,295,214	2.12%	0.96
2010-2011	34,978,576,014	18,797,852,052	503,229,042	2.75%	0.87
2009-2010	36,446,336,442	18,294,623,010	686,190,439	3.90%	0.97

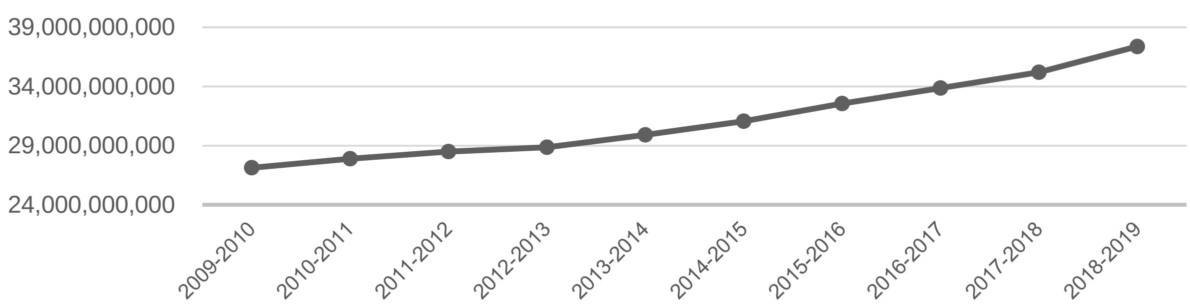
Note: Rates per $1,000 of assessed value. This is the combined rate in all funds.

Sources: Linn, Marion, Polk and Yamhill County Assessor's office.

ASSESSED AND REAL MARKET VALUE OF TAXABLE PROPERTY, LINN, MARION, POLK, AND YAMHILL COUNTIES LAST TEN FISCAL YEARS (Continued)

Fiscal Year	Real Market Value	Taxable Assessed Value	Assessed Value Increase (Decrease)	Assessed Value Percentage Change	Total Direct Rate
Polk County:					
2018-2019	$ 9,823,481,564	$ 6,131,709,649	$ 230,869,733	3.91%	0.97
2017-2018	9,188,721,598	5,900,839,916	278,916,054	4.96%	0.98
2016-2017	8,121,188,858	5,621,923,862	263,258,931	4.91%	0.98
2015-2016	7,589,309,121	5,358,664,931	248,266,163	4.86%	1.00
2014-2015	7,020,684,624	5,110,398,768	189,274,992	3.85%	0.98
2013-2014	6,716,393,804	4,921,123,776	95,088,500	1.97%	0.94
2012-2013	6,690,073,438	4,826,035,276	87,919,149	1.86%	0.88
2011-2012	6,979,903,839	4,738,116,127	112,577,256	2.43%	0.96
2010-2011	7,379,577,620	4,625,538,871	132,576,091	2.95%	0.87
2009-2010	7,720,225,796	4,492,962,780	197,651,639	4.60%	0.97
Yamhill County:					
2018-2019	$ 10,556,985,306	$ 6,249,988,379	$ 926,233,739	17.40%	0.97
2017-2018	9,648,719,821	5,323,754,640	214,793,652	4.20%	0.98
2016-2017	7,092,315,978	5,108,960,988	177,260,610	3.59%	0.98
2015-2016	6,453,088,841	4,931,700,378	273,625,903	5.87%	1.00
2014-2015	5,999,591,447	4,658,074,475	137,400,089	3.04%	0.98
2013-2014	5,810,681,601	4,520,674,386	138,406,615	3.16%	0.94
2012-2013	5,651,621,940	4,382,267,771	126,046,158	2.96%	0.88
2011-2012	5,788,814,307	4,256,221,613	82,874,343	1.99%	0.96
2010-2011	6,374,164,106	4,173,347,270	136,397,643	3.38%	0.87
2009-2010	6,479,650,481	4,036,949,627	161,774,353	4.17%	0.97

ASSESSED VALUE OF TAXABLE PROPERTY



PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Company Name	2019 Assessed Value	2019 Rank	2019 Percent of Total District Assessed Value	2010 Assessed Value	2010 Rank	2010 Percent of Total District Assessed Value
Linn County:						
Freres Lumber Co	$ 32,376,518	1	7.75%	$ -	-	-
Weyerhaeuser (Willamette)	12,587,990	2	3.01%	39,087,185	9	0.50%
PacifiCorp (PP&L)	9,742,000	3	2.33%	78,307,000	5	1.01%
Longview Timberlands LLC	6,449,694	4	1.87%	-	-	-
Frank Lumber Co	7,812,030	5	1.55%	-	-	-
Follansbee Rogers V ET AL	5,553,911	6	1.34%	-	-	-
Evergreen Biopower LLC	4,438,890	7	1.06%	-	-	-
Stayton Coop Telephone Co	3,269,910	8	0.78%	-	-	-
NW Natural Gas	3,106,000	9	0.74%	48,005,100	6	0.62%
Frank Pellets LLC	2,536,700	10	0.61%	-	-	-
IP Eat Three LLC	-	-	-	186,297,335	1	2.38%
Fort James Operating Co	-	-	-	116,601,203	2	1.50%
Wah Chang Albany	-	-	-	79,386,301	4	1.02%
Target Corporation	-	-	-	79,508,329	3	1.02%
Entek International LLC	-	-	-	34,658,350	10	0.45%
Oregon Metallurgical	-	-	-	45,120,665	7	0.58%
Comcast Corporation	-	-	-	40,740,300	8	0.52%
	87,873,643		21.04%	747,711,768		9.60%
ALL OTHER TAXPAYERS	329,836,555		78.96%	7,038,405,065		90.40%
TOTAL	$ 417,710,198		100.00%	$ 7,786,116,833		100.00%
Marion County:						
Portland General Electric	$ 351,099,741	1	1.32%	$ 214,684,018	1	1.12%
NW Natural Gas	156,704,000	2	0.59%	128,155,500	2	0.67%
Centurylink	108,340,590	3	0.41%	-	-	-
Winco Foods LLC	99,089,355	4	0.37%	95,027,123	3	0.50%
Comcast Corp	80,510,000	5	0.30%	92,154,200	4	0.48%
Donahue Schriber Realty Group	68,958,720	6	0.27%	54,306,900	8	0.29%
Woodburn Premium Outlets LLC	68,224,445	7	0.26%	-	-	-
Norpac foods Inc	65,967,169	8	0.25%	56,489,459	7	0.30%
Bit Investment Ninety-Seven LLC	59,128,080	9	0.22%	-	-	-
Lancaster Development Co LLC	55,509,300	10	0.21%	56,708,450	6	0.30%
Qwest Corporation (US West)	-	-	-	72,081,700	5	0.38%
Craig Realty Group Woodburn	-	-	-	45,330,540	9	0.24%
Wal-Mart Real Estate	-	-	-	42,423,560	10	0.22%
	1,113,531,400		4.20%	857,361,450		4.50%
ALL OTHER TAXPAYERS	25,389,442,771		95.80%	18,257,971,124		95.50%
TOTAL	$ 26,502,974,171		100.00%	$ 19,115,332,574		100.00%

Note: Rank is based upon total taxes assessed.

Sources: Linn, Marion, Polk & Yamhill County Assessor's Office

PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO (Continued)

Company Name	2019 Assessed Value	2019 Rank	2019 Percent of Total District Assessed Value	2010 Assessed Value	2010 Rank	2010 Percent of Total District Assessed Value
Polk County:						
NW Natural Gas	$ 75,207,000	1	1.17%	$ 44,216,200	1	0.98%
Portland General Electric Co	36,733,640	2	0.57%	16,855,350	4	0.38%
Meduri Farms INC	26,661,100	3	0.41%	-	-	-
Weyerhaeuser Co	20,928,153	4	0.32%	30,074,599	2	0.67%
Pacificorp (PP&L)	20,299,000	5	0.32%	-	-	-
Riverplace Apartment Homes LLC	17,444,690	6	0.27%	-	-	-
CenturyLink	17,361,000	7	0.27%	-	-	-
Capital Manor	17,194,510	8	0.27%	12,794,360	7	0.28%
Willamette Park Villas LLC	14,247,590	9	0.22%	-	-	-
Orchard Ridge Apartments LLC	13,993,480	10	0.22%	-	-	-
Meriweather NW Land Mgmt	-	-	-	25,976,009	3	0.58%
Qwest Corporation (US West)	-	-	-	13,672,800	5	0.30%
Comcast Corp	-	-	-	13,147,100	6	0.29%
Wyant Family Trust	-	-	-	11,097,161	8	0.25%
Medallion Cabinetry, Inc	-	-	-	10,014,940	9	0.22%
Tran Co	-	-	-	9,817,870	10	0.22%
	260,070,163		4.04%	187,666,389		4.17%
ALL OTHER TAXPAYERS	6,179,393,292		95.96%	4,305,296,391		95.83%
TOTAL	$ 6,439,463,455		100.00%	$ 4,492,962,780		100.00%
Yamhill County:						
Cascade Steel Rolling Mills	$ 63,015,704	1	1.01%	$ 69,576,709	1	1.07%
MPT of McMinnville-Aapella LLC	56,962,762	2	0.91%	-	-	-
Falls at MicMinnville LLC	22,821,998	3	0.37%	-	-	-
HCP SH ELP1 Properties LLC	19,946,151	4	0.32%	-	-	-
Jackson Family Wines INC	16,525,239	5	0.26%	-	-	-
Lowes HIW Inc	14,615,482	6	0.23%	15,598,025	9	0.25%
Coop. regions of Organic Producer	13,714,166	7	0.22%	-	-	-
March Hare LLC & McMinCenter	12,948,690	8	0.21%	-	-	-
Michelbook Estates Inc	12,609,470	9	0.20%	-	-	-
Lafayette Place Apartments LLC	11,283,371	10	0.18%	-	-	-
Willamette Valley Med Center	-	-	-	57,235,320	2	0.88%
Porland General Electric	-	-	-	48,516,000	3	0.75%
Verizon NW	-	-	-	30,239,800	4	0.47%
Willamina Lumber Co	-	-	-	29,074,798	5	0.45%
Northwest Natural Gas	-	-	-	22,150,500	6	0.34%
Hillside Senior Living Community	-	-	-	17,412,733	7	0.27%
Comcast Corportation	-	-	-	16,806,900	8	0.26%
Monrovia Nursery Co.	-	-	-	10,773,758	10	0.17%
	244,443,033		3.91%	317,384,543		4.89%
ALL OTHER TAXPAYERS	6,005,545,346		96.09%	6,169,351,254		95.11%
TOTAL	$ 6,249,988,379		100.00%	$ 6,486,735,797		100.00%

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND RATES
LAST TEN FISCAL YEARS

	2018-2019	2017-2018	2016-2017	2015-2016
Levy extended by assessor	$ 35,934,510	$ 34,385,533	$ 32,977,920	$ 32,399,179
Reduction of taxes receivable:				
Current year	35,161,747	33,515,556	32,304,805	31,488,147
Tax roll adjustments	(18,768)	(53,412)	145,653	(52,769)
Beginning taxes receivable:				
Prior year	2,230,859	1,746,573	1,796,803	1,846,085
Reduction of taxes receivable:				
Prior years	1,236,404	681,849	824,658	781,038
Tax roll adjustments	(304,537)	349,570	(44,340)	(126,507)
Total taxes receivable, end of year	$ 1,443,913	$ 2,230,859	$ 1,746,573	$ 1,796,803
Collections				
Current year	$ 35,161,747	$ 33,515,556	$ 32,304,805	$ 31,488,147
Prior year	1,236,404	681,849	824,658	781,038
Comcast/Urban Dev./Solar /Foreclosure	166,762	16,559	5,113	19,058
Discounts & Interest	(847,694)	(775,257)	(722,767)	(679,596)
Total received by college	$ 35,717,219	$ 33,438,707	$ 32,411,809	$ 31,608,647
Total collections as a percentage of of current levy	99.4%	97.2%	98.3%	97.6%
Delinquent taxes by levy year :				
1st year prior	$ 323,373	$ 426,540	$ 384,858	$ 401,415
2nd year prior	193,566	262,116	245,080	238,799
3rd year prior	74,165	187,648	111,549	126,333
4th year prior	20,975	114,869	51,394	53,814
5th year prior	14,702	107,064	41,313	39,003
6th year prior and earlier	63,137	316,057	93,610	79,176
Tax levy rates:				
Chemeketa Community College	0.89	0.90	0.90	0.92
Chemeketa Cooperative Regional Library	0.08	0.08	0.08	0.08
Total direct rate	0.97	0.98	0.98	1.00

Source: Chemeketa Community College financial records

2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
$ 30,306,146	$ 27,774,436	$ 28,116,181	$ 27,266,465	$ 24,294,908	$ 26,390,086
29,150,571	26,706,977	26,950,741	26,043,934	23,271,345	25,156,778
(283,852)	(171,072)	(109,096)	(164,122)	28,918	53,079
1,936,189	2,130,103	2,131,243	2,044,950	2,145,776	1,503,596
937,841	1,003,663	996,427	910,422	802,739	703,517
(23,986)	(86,638)	(61,057)	(61,694)	(350,568)	59,310
$ 1,846,085	$ 1,936,189	$ 2,130,103	$ 2,131,243	$ 2,044,950	$ 2,145,776
$ 29,150,571	$ 26,706,977	$ 26,950,741	$ 26,043,934	$ 23,271,345	$ 25,156,778
937,841	1,003,663	996,427	910,422	802,739	703,517
38,488	22,081	34,287	24,849	18,871	14,828
(599,927)	(524,705)	(503,795)	(461,094)	(464,186)	(545,718)
$ 29,526,973	$ 27,208,016	$ 27,477,660	$ 26,518,111	$ 23,628,769	$ 25,329,405
97.4%	98.0%	97.7%	97.3%	97.3%	96.0%
$ 423,579	$ 596,533	$ 529,438	$ 534,259	$ 579,180	$ 509,881
281,986	342,665	303,687	361,080	255,707	140,631
121,006	143,981	134,479	86,638	77,005	100,935
51,858	75,464	29,387	24,013	23,722	37,464
47,406	19,187	16,846	16,488	13,401	1,526
48,527	66,673	59,922	50,358	43,454	8,208
0.90	0.86	0.80	0.88	0.79	0.89
0.08	0.08	0.08	0.08	0.08	0.08
0.98	0.94	0.88	0.96	0.87	0.97

RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS

	2018-2019	2017-2018	2016-2017	2015-2016
Outstanding Debt:				
General obligation bonds	$ 69,853,429	$ 77,809,257	$ 85,230,514	$ 92,116,771
Limited tax pension bonds	39,930,919	42,464,199	44,654,658	46,538,982
Full faith and credit obligations	2,283,375	3,008,244	3,726,466	4,363,481
Total Outstanding Debt	$ 112,067,723	$ 123,281,700	$ 133,611,638	$ 143,019,234
Ratios of Outstanding Debt:				
Real Market Value	$ 67,406,008,418	$ 61,617,248,473	$ 54,722,553,649	$ 51,218,206,968
Population (estimate)	666,439	655,517	640,985	632,830
Percentage of actual property value	0.17%	0.20%	0.24%	0.28%
Outstanding debt per capita	$ 168	$ 188	$ 208	$ 226

Note: Population estimates are as of July 1st of the fiscal year. Outstanding debt includes related premiums and discounts.

Sources: State of Oregon, Office of the Treasurer (bonded indebtedness); Portland State University's Population Research Center; Community College financial and statistical records

	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
	$ 98,498,028	$ 99,906,721	$ 81,194,566	$ 83,978,483	$ 86,482,400	$ 58,889,938
	48,137,749	49,475,404	50,575,902	51,462,338	52,151,618	52,659,758
	4,999,061	5,609,641	6,195,221	6,760,801	7,306,381	7,831,961
	$ 151,634,838	$ 154,991,766	$ 137,965,689	$ 142,201,622	$ 145,940,399	$ 119,381,657
	$ 48,328,037,785	$ 46,037,504,833	$ 45,333,562,798	$ 46,612,430,153	$ 49,180,403,428	$ 51,150,513,489
	629,115	620,010	615,705	611,305	607,640	593,070
	0.31%	0.34%	0.30%	0.31%	0.30%	0.23%
	$ 241	$ 250	$ 224	$ 233	$ 240	$ 201

RATIOS OF GENERAL BONDED DEBT
LAST TEN FISCAL YEARS

	2018-2019	2017-2018	2016-2017	2015-2016
General Bonded Debt Outstanding:				
General obligation bonds	$ 69,853,429	$ 77,809,257	$ 85,230,514	$ 92,116,771
Limited tax pension bonds	39,930,919	42,464,199	44,654,658	46,538,982
Full faith and credit obligations	2,283,375	3,008,244	3,726,466	4,363,481
Total general bonded debt	$ 112,067,723	$ 123,281,700	$ 133,611,638	$ 143,019,234
Less: Amounts set aside to repay general debt	(949,603)	(835,429)	(1,061,726)	(1,215,202)
Net General Bonded Debt	$ 111,118,120	$ 122,446,271	$ 132,549,912	$ 141,804,032

	2018-2019	2017-2018	2016-2017	2015-2016
Ratios of General Bonded Debt:				
Real market value	$ 67,406,008,418	$ 61,617,248,473	$ 54,722,553,649	$ 51,218,206,968
Population (estimate)	666,439	655,517	640,985	632,830
Percentage of actual property value	0.16%	0.20%	0.24%	0.28%
Net bonded debt per capita	$ 167	$ 187	$ 207	$ 224

Note: Population estimates are as of July 1st of the fiscal year. Outstanding debt includes related premiums and discounts.

Sources: State of Oregon, Office of the Treasurer (bonded indebtedness); Portland State University's Population Research Center; Community College financial and statistical records

2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
$ 98,498,028	$ 99,906,721	$ 81,194,566	$ 83,978,483	$ 86,482,400	$ 58,889,938
48,137,749	49,475,404	50,575,902	51,462,338	52,151,618	52,659,758
4,999,061	5,609,641	6,195,221	6,760,801	7,306,381	7,831,961
$ 151,634,838	$ 154,991,766	$ 137,965,689	$ 142,201,622	$ 145,940,399	$ 119,381,657
(954,475)	(1,403,826)	(1,327,188)	(242,762)	(136,586)	(332,036)
$ 150,680,363	$ 153,587,940	$ 136,638,501	$ 141,958,860	$ 145,803,813	$ 119,049,621
$ 48,328,037,785	$ 46,037,504,833	$ 45,333,562,798	$ 46,612,430,153	$ 49,180,403,428	$ 51,150,513,489
629,115	620,010	615,705	611,305	607,640	593,070
0.31%	0.33%	0.30%	0.30%	0.30%	0.23%
$ 240	$ 248	$ 222	$ 232	$ 240	$ 201

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	2018-2019	2017-2018	2016-2017	2015-2016
Legal Debt:				
Legal debt limit	$ 1,011,090,126	$ 924,258,727	$ 820,838,305	$ 768,273,105
Less: Net general bonded debt applicable to debt limit	(111,118,120)	(122,446,271)	(132,549,912)	(141,804,032)
Legal Debt Margin	$ 899,972,006	$ 801,812,456	$ 688,288,393	$ 626,469,073
Legal debt margin as a percentage of the debt limit	89.0%	86.8%	83.9%	81.5%
Legal Debt Limit Calculation:				
Real market value	$ 67,406,008,418	$ 61,617,248,473	$ 54,722,553,649	$ 51,218,206,968
Applicable %	1.5%	1.5%	1.5%	1.5%
Legal Debt Limit	$ 1,011,090,126	$ 924,258,727	$ 820,838,305	$ 768,273,105

Note: The legal debt limit is calculated at 1.5% of actual property value (real market value).

Sources: State of Oregon, Office of the Treasurer (bonded indebtedness); Community College financial and statistical records

	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
	$ 724,920,567	$ 690,562,572	$ 680,003,442	$ 699,186,452	$ 737,706,051	$ 767,257,702
	(150,680,363)	(153,587,940)	(136,638,501)	(141,958,860)	(145,803,813)	(119,049,621)
	$ 574,240,204	$ 536,974,632	$ 543,364,941	$ 557,227,592	$ 591,902,238	$ 648,208,081
	79.2%	77.8%	79.9%	79.7%	80.2%	84.5%
	$ 48,328,037,785	$ 46,037,504,833	$ 45,333,562,798	$ 46,612,430,153	$ 49,180,403,428	$ 51,150,513,489
	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
	$ 724,920,567	$ 690,562,572	$ 680,003,442	$ 699,186,452	$ 737,706,051	$ 767,257,702

DIRECT AND OVERLAPPING GROSS BONDED DEBT
June 30, 2019

OVERLAPPING DISTRICT	Percent Overlap		Overlapping Gross Bonded Debt
Direct Debt:			
Chemeketa Community College	100.0000%	$	63,100,000
Overlapping Debt:			
Amity RFPD	100.00%		2,680,000
Aumsville RFPD	100.00%		1,395,000
Benton County SD 17J (Philomath)	63.00%		182,467
City Of Amity	100.00%		2,433,625
City of Aumsville	100.00%		1,892,753
City of Aurora	100.00%		1,792,184
City of Carlton	100.00%		3,498,702
City of Dallas	100.00%		8,148,356
City of Dayton	100.00%		2,765,989
City of Detroit	100.00%		1,244,647
City of Donald	100.00%		144,294
City of Falls City	100.00%		949,761
City of Gates	100.00%		454,719
City of Gervais	100.00%		381,749
City of Idanha	100.00%		18,812
City of Independence	100.00%		28,224,847
City of Jefferson	100.00%		3,225,341
City of Keizer	100.00%		14,604,000
City of Lafayette	100.00%		6,074,909
City of McMinnville	99.96%		34,311,661
City of Mill City	100.00%		4,343,334
City of Monmouth	100.00%		22,250,000
City of Salem	100.00%		173,996,289
City of Sheridan	100.00%		1,915,000
City of Silverton	100.00%		4,751,912
City of St Paul	100.00%		612,506
City of Stayton	100.00%		18,914,460
City of Willamina	100.00%		1,392,965
City of Woodburn	100.00%		13,607,219
City of Yamhill	100.00%		1,859,892
Dayton RFPD	100.00%		720,000
Dundee RFPD	12.07%		123,718
Hoskins-Kings Valley RFPD	17.59%		2,638
Hubbard RFPD	100.00%		510,707
Idhanha-Detroit RFPD	100.00%		55,000
Jefferson RFPD (Marion-Linn Counties)	56.81%		82,382
Keizer RFPD	100.00%		3,250,000
Linn Cty SD 129J (Santiam Canyon)	100.00%		3,694,032
Lyons RFPD 10	94.32%		338,583
Lyons-Mehama Water District	100.00%		395,000
Marion County	100.00%		59,419,747
Marion Cty RFPD 1	100.00%		3,310,990
Marion Cty SD 1 (Gervais)	100.00%		8,939,186

DIRECT AND OVERLAPPING GROSS BONDED DEBT
June 30, 2019 (Continued)

OVERLAPPING DISTRICT	Percent Overlap		Overlapping Gross Bonded Debt
Marion Cty SD 103 (Woodburn)	100.00%	$	73,063,651
Marion Cty SD 14J (Jefferson)	93.50%		17,884,811
Marion Cty SD 15 (North Marion)	100.00%		49,967,076
Marion Cty SD 24J (Salem/Keizer)	100.00%		726,175,494
Marion Cty SD 29J (North Santiam)	91.73%		28,639,640
Marion Cty SD 45 (St Paul)	100.00%		7,600,000
Marion Cty SD 4J (Silver Falls)	91.30%		38,551,505
Marion Cty SD 5 (Cascade)	100.00%		20,953,422
Marion Cty SD 91 (Mt Angel)	100.00%		107,080,562
Mt Angel RFPD	100.00%		410,000
New Carlton RFPD	100.00%		805,000
Northwest Regional ESD	0.07%		2,250
Polk County	100.00%		1,690,000
Polk Cty RFPD 1	100.00%		1,580,000
Polk Cty SD 13J (Central)	99.72%		69,747,303
Polk Cty SD 2 (Dallas)	100.00%		10,269,272
Polk Cty SD 21 (Perrydale)	100.00%		105,000
Polk Cty SD 57 (Falls City)	100.00%		2,011,538
Portland Community College	0.01%		70,563
Silverton RFPD	95.07%		3,546,993
Stayton RFPD	88.69%		204,499
Sublimity RFPD	100.00%		840,000
SW Polk Fire District	100.00%		5,085,000
Tillamook Cty SD 101 (Nestucca Valley)	10.00%		33,969
Tualatin Valley Fire Rescue District	0.03%		11,132
Washington Cty SD 1J (Hillsboro)	1.00%		47,523
Washington Cty SD 511J (Gaston)	18.16%		2,691,014
Washington Cty SD 88J (Sherwood)	11.00%		356,518
Willamette ESD	89.56%		18,636,639
Woodburn RFPD 6	100.00%		1,125,000
Yamhill County	59.72%		4,544,020
Yamhill Cty SD 1 (Yamhill-Carlton)	100.00%		23,508,237
Yamhill Cty SD 29J (Newberg)	0.44%		129,872
Yamhill Cty SD 30J (Willamina)	99.25%		3,200,793
Yamhill Cty SD 40 (McMinnville)	100.00%		144,322,490
Yamhill Cty SD 48J (Sheridan)	100.00%		2,850,000
Yamhill Cty SD 4J (Amity)	100.00%		6,798,966
Yamhill Cty SD 8 (Dayton)	100.00%		15,566,277
Yamhill RFPD	99.49%		125,858
Total Overlapping Debt			1,829,141,263
TOTAL DIRECT AND OVERLAPPING DEBT		$	1,892,241,263

Note: Gross bonded debt includes all bonds backed by a general obligation pledge including Bancroft Act general obligation improvement bonds and self-supporting general obligation bonds. Net direct debt includes all tax-supported bonds. Bancroft Act general obligation bonds and self-supporting bonds are excluded.

Source: Oregon State Treasury

SALEM MSA AVERAGE ANNUAL EMPLOYMENT
LAST TEN CALENDAR YEARS

	2018	2017	2016	2015
Manufacturing				
Durable Goods	6,400	6,400	6,200	5,900
Food Products	4,500	4,800	4,800	5,000
Other Nondurable Goods	2,300	2,100	2,200	2,100
Total Manufacturing	13,200	13,300	13,200	13,000
Non-manufacturing				
Natural Resources and Mining	700	600	700	700
Construction	11,200	10,200	9,400	8,700
Transportation, Warehousing, and Utilities	5,300	5,000	4,700	4,500
Trade	23,200	23,000	22,500	21,900
Information	1,300	1,200	1,200	1,000
Financial Activities	7,300	7,000	7,000	6,800
Professional and Business Services	15,100	14,300	13,900	13,100
Educational and Health Services	28,800	26,200	25,500	24,600
Leisure and Hospitality	15,700	15,200	14,700	14,300
Other Services	5,500	5,400	5,400	5,200
Government	41,200	43,000	42,800	41,700
Total Non-manufacturing	155,300	151,100	147,800	142,500
Other	26,088	28,891	31,897	21,907
Total Employment	194,588	193,291	192,897	177,407
Civilian Labor Force	203,043	201,998	195,890	189,222
Unemployed	8,455	8,707	9,875	11,217
Percentage of Unemployed (Annual Average)	4.2%	4.3%	5.1%	5.9%

Note: Salem MSA (Metropolitan Statistical Area) consists of Marion and Polk Counties. Data represents calendar year totals, January through December. Numbers for previous years have been updated with current data.

Source: State of Oregon Employment Department

2014	2013	2012	2011	2010	2009
5,400	5,100	4,900	4,800	5,000	5,300
4,700	4,600	4,600	4,900	4,800	5,000
2,100	2,100	2,000	1,900	2,000	2,000
12,200	11,800	11,500	11,600	11,800	12,300
700	700	700	700	700	700
7,800	6,800	6,400	6,400	6,600	7,100
4,400	4,300	4,200	4,000	3,800	3,900
21,300	20,500	20,000	20,000	19,900	20,200
1,000	1,000	1,100	1,100	1,200	1,300
7,100	7,100	7,100	7,200	7,100	7,200
12,800	12,200	11,600	11,000	11,400	12,100
23,600	22,600	22,100	21,700	21,200	20,800
13,600	13,000	12,400	12,100	11,900	12,200
5,100	5,000	5,100	5,100	5,300	5,300
40,800	39,800	39,800	40,900	42,700	42,600
138,200	133,000	130,500	130,200	131,800	133,400
20,719	21,094	25,501	29,308	27,074	30,985
171,119	165,894	167,501	171,108	170,674	176,685
184,537	182,009	185,794	190,887	191,735	198,299
13,395	15,812	18,153	19,579	20,861	21,414
7.3%	8.7%	9.8%	10.3%	10.9%	10.8%

MAJOR EMPLOYERS
LINN, MARION, POLK AND YAMHILL COUNTIES
CURRENT YEAR AND NINE YEARS AGO

	2019			2010		
Company Name	Total Employees	Rank	Percentage of Total	Total Employees	Rank	Percentage of Total
State of Oregon	19,350	1	7.64%	22,000	1	8.24%
Salem-Keizer School District	4,622	2	1.83%	5,292	2	1.98%
Salem Health (Hospital)	4,600	3	1.82%	3,500	3	1.31%
Marion County	1,652	4	0.65%	1,542	7	0.58%
ATI-Specialty Alloys and Components	1,600	5	0.63%	1,296	9	0.49%
Confederated Tribes/Spirit Mt Casino	1,462	6	0.58%	1,892	4	0.71%
Federal Government	1,415	7	0.56%	-	-	-
Chemeketa Community College	1,412	8	0.56%	1,598	6	0.60%
City of Salem	1,330	9	0.53%	1,436	8	0.54%
State Accident Insurance Fund (SAIF)	1,024	10	0.40%	-	-	-
Samartian Health Care	-	-	-	1,862	5	0.70%
GAPS-Albany Public Schools	-	-	-	1,136	10	0.43%

Note: Percentage of total is based on number of persons employed in all four counties as of June of the fiscal year. Data for 2010 is as reported in Chemeketa's June 30, 2010 Comprehensive Annual Financial Report.

Sources: City of Salem, City of Albany, Salem-Keizer School District, Polk County, Yamhill County, Individual employers, State of Oregon Employment Department

DEMOGRAPHIC AND ECONOMIC INDICATORS
LINN, MARION, POLK, AND YAMHILL COUNTIES
LAST TEN FISCAL YEARS

Fiscal Year	Estimated Combined Population	Average Per Capita Income	Total Personal Income (In Thousands)	Average Unemployment Rate
2018-2019	666,439	$ -	$ -	4.35
2017-2018	655,517	43,198	28,784,581	4.21
2016-2017	644,278	41,217	27,024,573	4.55
2015-2016	629,971	39,794	25,638,877	5.50
2014-2015	622,145	38,806	24,376,357	6.97
2013-2014	616,433	36,462	22,641,412	7.56
2012-2013	614,305	34,508	21,149,037	8.97
2011-2012	611,811	33,865	20,689,616	9.48
2010-2011	607,683	32,761	19,973,174	10.58
2009-2010	602,971	31,871	19,258,794	11.29

Note: Average per capita and personal income for 2018-2019 is not yet available. Combined population estimates are as of July 1st of the fiscal year. Average unemployment rate represents average for all counties between July and June of the fiscal year.

Sources: Portland State University's Population Research Center, State of Oregon Employment Department, Bureau of Economic Analysis

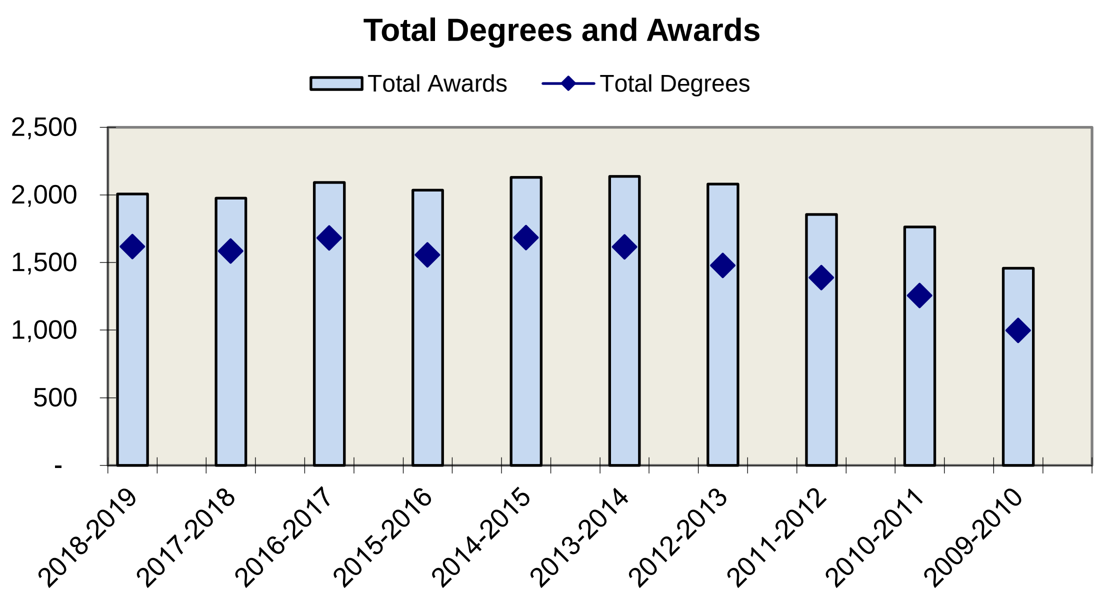
AVERAGE NUMBER OF EMPLOYEES
LAST TEN FISCAL YEARS

Fiscal Year	Exempt	Classified	Hourly	Faculty	Adjunct Faculty	Students	Total
2018-2019	109	345	150	231	337	172	1,344
2017-2018	108	358	160	236	358	181	1,401
2016-2017	107	358	168	235	373	180	1,421
2015-2016	103	355	174	226	396	193	1,447
2014-2015	99	359	198	227	466	274	1,623
2013-2014	97	357	198	220	458	196	1,526
2012-2013	92	348	192	220	499	206	1,557
2011-2012	98	361	186	217	511	203	1,576
2010-2011	105	365	187	214	468	182	1,521
2009-2010	105	383	206	218	470	216	1,598

Source: Human Resources Department at Chemeketa Community College

CERTIFICATES AND DEGREES AWARDED
LAST TEN FISCAL YEARS

	Degrees			Total			Total
Fiscal Year	AS/AAS	AA/AAOT	AGS	Degrees	Certificates	HSC	Awards
2018-2019	481	686	451	1,618	385	3	2,006
2017-2018	463	692	431	1,586	389	1	1,976
2016-2017	526	750	407	1,683	408	-	2,091
2015-2016	541	770	247	1,558	478	-	2,036
2014-2015	530	783	371	1,684	444	2	2,130
2013-2014	564	712	340	1,616	514	7	2,137
2012-2013	555	717	208	1,480	592	9	2,081
2011-2012	543	661	184	1,388	443	24	1,855
2010-2011	511	621	125	1,257	460	46	1,763
2009-2010	388	468	143	999	414	45	1,458



Note: AS = Associate of Science; AAS = Associate of Applied Science; AA = Associate of Arts
AAOT = Associate of Arts Oregon Transfer; AGS = Associate of General Studies; HSC = High School Completion
Degrees and award totals from 2015 to 2018 have been updated.

Source: Institutional Research Department at Chemeketa Community College

This page intentionally left blank.

TUITION RATES, UNIVERSAL FEES AND ENROLLMENT STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Tuition Rate Per Credit Hour	Universal Fee Per Credit Hour	Total FTE	Hold Harmless Adjusted FTE	Unduplicated Headcount
2018-2019	$ 87	$ 18	9,817.63	10,106.57	24,809
2017-2018	84	15	10,217.20	10,508.73	27,222
2016-2017	80	14	10,571.89	10,877.58	29,207
2015-2016	80	14	11,130.76	11,450.88	29,802
2014-2015	80	14	11,802.03	12,130.46	31,800
2013-2014	80	14	12,491.93	12,837.00	36,369
2012-2013	80	10	13,561.59	13,925.77	38,881
2011-2012	77	10	13,579.58	13,945.17	41,804
2010-2011	72	9	13,929.12	14,311.22	45,272
2009-2010	70	8	13,609.93	13,982.59	50,899

Note: Information above is historical FTE (Full-Time Equivalency) information as officially reported to and audited by the State. Hold harmless adjusted FTE is calculated and applied by the Higher Education Coordinating Commission for colleges that offer an 11 week Fall term.

Source: Institutional Research Department at Chemeketa Community College

FULL-TIME EQUIVALENT STUDENTS BY COURSE ACTIVITY
LAST TEN FISCAL YEARS

	2018-2019	2017-2018	2016-2017	2015-2016
Lower Division Transfer Courses	5,239.69	5,415.23	5,600.96	5,827.56
CTE Preparatory	2,184.26	2,207.83	2,287.72	2,451.79
Standalone CTE Prep	-	-	9.12	29.07
CTE Supplementary	261.24	251.77	247.11	228.21
CTE Apprenticeship	154.84	141.64	126.40	117.29
English as a Second Language	449.08	471.72	481.53	477.89
Adult Basic Education	164.77	160.76	115.80	127.79
General Equivalency Diploma	405.06	262.67	246.82	301.90
Adult High School	179.50	424.48	480.83	501.19
Post Secondary Remedial	853.65	907.09	977.45	1,071.42
Adult Continuing Ed	67.17	85.62	94.18	98.24
Other Non-reimbursable	147.31	179.92	209.66	218.53
Student FTE	10,106.57	10,508.73	10,877.58	11,450.88

Note: Information above is historical FTE (Full-Time Equivalency) information as officially reported to and audited by the State. Due to reporting changes, FTE amounts per activity reflect "hold harmless adjusted FTE" beginning in 2015-2016 as calculated and applied by the Higher Education Coordinating Commission. Standalone CTE Prep added in 2012-2013.

Source: Institutional Research Department at Chemeketa Community College

2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
5,949.33	6,314.18	6,653.01	6,551.44	6,404.13	5,913.52
2,506.48	2,739.01	2,973.93	2,920.05	3,125.32	3,179.69
23.09	34.05	39.81	-	-	-
216.94	223.50	245.00	486.72	628.89	518.49
90.78	66.68	54.41	52.91	70.88	76.72
491.09	540.71	503.94	541.26	612.28	789.29
84.97	64.81	70.49	105.00	179.34	258.26
398.69	440.91	785.67	560.34	573.91	696.36
527.88	480.35	441.54	452.54	357.86	271.58
1,235.33	1,371.01	1,598.83	1,707.36	1,660.67	1,567.36
89.19	77.27	72.88	80.19	152.06	136.00
188.26	139.27	122.08	121.75	163.78	202.66
11,802.03	12,491.75	13,561.59	13,579.56	13,929.12	13,609.93

CAMPUS FACILITIES AND OPERATING INFORMATION
LAST TEN FISCAL YEARS

	2018-2019	2017-2018	2016-2017	2015-2016
Salem				
Buildings	43	43	43	43
Net square feet	937,847	937,847	937,847	937,847
Campus student count	13,878	14,833	15,682	16,186
Yamhill Valley (Hill Street & Tanger)				
Buildings	6	6	6	6
Net square feet	196,015	196,015	195,522	195,522
Campus student count	1,779	1,904	2,410	2,609
Santiam				
Buildings	1	1	1	1
Net square feet	29,828	29,828	29,828	29,828
Campus student count	-	-	-	-
Woodburn				
Buildings	2	2	2	2
Net square feet	48,370	48,370	48,370	48,370
Campus student count	1,515	1,642	1,628	1,727
Dallas				
Buildings	1	1	1	1
Net square feet	7,870	7,870	7,870	7,870
Campus student count	832	960	887	1,150
Brooks				
Buildings	11	11	11	11
Net square feet	80,393	80,393	80,393	80,393
Campus student count	887	847	944	785
Chemeketa Center for Business and Industry				
Buildings (leased space prior to Fall 2009)	1	1	1	1
Net square feet	53,374	53,374	53,374	53,374
Campus student count	960	1,118	2,009	1,358
Salem - Other				
Buildings	5	5	5	5
Net square feet	22,749	22,749	22,749	22,749
Campus student count	5,430	6,259	6,860	7,437

Note: Student count is unduplicated per campus. Buildings and square footage represent college owned facilities. Net square feet include area used by the college as well as area currently occupied by tenants. Salem-Other net square feet includes Eola Campus and campus student count includes classes taught in the community. Brooks campus opened in 2011-2012; acquisition of buildings began in 2007-2008.

Sources: Facilities, Business Services, and Institutional Effectiveness Departments at Chemeketa Community College

2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
44	45	47	47	53	54
890,707	882,505	884,873	884,873	850,188	852,749
16,763	17,797	18,642	19,142	20,619	21,062
6	6	5	5	4	4
195,522	195,522	157,822	157,822	101,504	101,504
2,940	3,683	3,666	3,694	3,399	3,911
1	1	1	1	1	1
29,828	29,828	29,828	29,828	29,828	29,828
-	-	-	-	4	62
2	2	2	2	2	2
48,370	48,370	48,370	48,370	48,370	48,370
1,783	1,913	2,129	2,285	2,796	2,982
1	1	1	1	1	1
7,870	7,870	7,870	7,870	7,870	7,870
1,073	1,224	1,337	1,395	1,347	1,478
11	11	11	11	11	8
80,393	80,393	80,393	80,393	60,955	46,957
954	832	1,226	2,971	-	-
1	1	1	1	1	1
53,374	53,374	53,374	53,374	53,374	53,374
2,306	5,681	5,216	5,554	5,914	6,477
5	5	5	5	5	5
22,749	22,749	22,749	22,749	22,749	22,749
7,476	7,520	7,999	10,479	14,463	13,929

This page intentionally left blank

DISCLOSURES

GOVERNMENT AUDITING STANDARDS AND UNIFORM GUIDANCE DISCLOSURES SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

	Federal CFDA Number		Pass Through Number		Total Expenditures
US Department of Education:					
Direct programs:					
Student Financial Aid Cluster:					
Federal Supplemental Educational Opportunity Grant	84.007	(a)	N/A	$	523,513
Federal Perkins Loans	84.038	(a)	N/A		1,645,748
Federal College Work Study	84.033	(a)	N/A		368,280
Federal Pell Grant	84.063	(a)	N/A		16,171,765
Federal Direct Student Loans	84.268	(a)	N/A		14,515,039
Total Student Financial Aid Cluster					33,224,345
TRIO Grant Cluster:					
TRIO Student Support Services	84.042		N/A		539,261
TRIO Talent Search	84.044		N/A		285,743
TRIO Upward Bound	84.047		N/A		393,459
Total TRIO Grant Cluster					1,218,463
Migrant Education High School Equivalency Program	84.141		N/A		508,645
Migrant Education College Assistance Migrant Program	84.149		N/A		426,380
Higher Education Institutional Aid - Accelerated Pathways to Success	84.031		N/A		298,728
Child Care Access Means Parents in School	84.335		N/A		48,495
Passed through State of Oregon, Department of Education:					
Career & Technical Education-Basic Grants to States - Perkins Basic	84.048		48918		1,251,927
Career & Technical Education-Basic Grants to States - Perkins Reserve	84.048		48937		151,139
Career & Technical Education-Basic Grants to States - Oregon Pipe	84.048		46102		4,446
					1,407,512
Passed through Salem Keizer Public Schools:					
Career & Technical Education-Basic Grants to States - Salem Keizer CTE	84.048		A2012-114		6,074
Passed through State of Oregon, Higher Education Coordinating Commission, Office of Community Colleges and Workforce Development					
Adult Education - Basic Grants to States - Learning Standards	84.002		18-056		8,185
Adult Education - Basic Grants to States - Adult Basic Skills	84.002		18-131		577,395
					585,580
Total US Department of Education				**$**	**37,724,222**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019 (Continued)

	Federal CFDA Number	Pass Through Number	Total Expenditures
National Science Foundation:			
Direct program:			
Education and Human Resources - Creating CP for MFG Systems Tech	47.076	N/A	$ 37,249
Passed through University of Washington			
Education and Human Resources - LSAMP	47.076	763702	12,596
Total National Science Foundation			**49,845**
US Department of Health and Human Services:			
Passed through Portland State University			
National Institutes of Health			
Trans-NIH Research Support - EXITO Grant	93.310	205CRE484	33,863
Passed through Oregon Health Authority			
Pregnancy Assistance Fund (PAF) - STEPP	93.500	155956	209,009
Total US Department of Health and Human Services:			**242,872**
US Department of Commerce			
Direct program:			
National Oceanic and Atmospheric Administration			
NOAA Mission-Related Education Awards - Planet Stewards Program	11.008	N/A	**359**
Small Business Administration:			
Passed through Lane Community College			
Small Business Development Centers	59.037	SBA-2019-142	**44,160**
TOTAL FEDERAL ASSISTANCE			**$ 38,061,458**

(a) Major programs as defined by the Uniform Guidance.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of Chemeketa Community College under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the activities of the College, it is not intended to and does not present either the financial position, changes in net position or cash flows of the College.

2. SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Direct loans (CFDA No. 84.268) are loans held by the Federal Government and are not included in loans receivable for the College. Direct loans disbursed during the year are included in the federal expenditures presented in the Schedule. Perkins Loans (CFDA No. 84.038) outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The College has elected not to use the ten percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. FEDERAL PERKINS LOANS

Activity of the College's Federal Perkins Loan program (CFDA # 84.038) during the 2018-2019 fiscal year is as follows:

Balance - 7/1/2018	$ 1,645,748
Loan advances	-
Loan repayments, assignments and cancellations	(643,942)
Balance - 6/30/2019	$ 1,001,806

KENNETH KUHNS & CO.

CERTIFIED PUBLIC ACCOUNTANTS

570 LIBERTY STREET S.E., SUITE 210
SALEM OREGON 97301-3594
TELEPHONE (503) 585-2550

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

December 4, 2019

Board of Education
Chemeketa Community College
Salem, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Chemeketa Community College as of and for the year ended June 30, 2019, and have issued our report thereon dated December 4, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

December 4, 2019

Board of Education
Chemeketa Community College
Salem, Oregon

Report on Compliance for Each Major Federal Program

We have audited Chemeketa 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 Chemeketa Community College's major federal programs for the year ended June 30, 2019. Chemeketa Community College's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Chemeketa 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, 2019.

Report on Internal Control Over Compliance

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

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

CHEMEKETA COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019

A - SUMMARY OF AUDIT RESULTS:

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

Program Name	CFDA Number
Student Financial Aid Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Perkins Loans	84.038
Federal Pell Grant Program	84.063
Federal Direct Loans	84.268

8. The threshold for distinguishing Type A programs from Type B programs was $750,000.
9. Chemeketa Community College was determined to be a low-risk auditee.

B - FINDINGS, FINANCIAL STATEMENTS AUDIT:

None.

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

None.

This page intentionally left blank.

INDEPENDENT AUDITORS COMMENTS SECTION

KENNETH KUHNS & CO.

CERTIFIED PUBLIC ACCOUNTANTS

570 LIBERTY STREET S.E., SUITE 210
SALEM OREGON 97301-3594
TELEPHONE (503) 585-2550

INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY OREGON STATE REGULATIONS

December 4, 2019

Board of Education
Chemeketa Community College
Salem, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Chemeketa Community College as of and for the year ended June 30, 2019, and have issued our report thereon dated December 4, 2019.

Internal Control Over Financial Reporting

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

Compliance

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

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

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

In connection with our testing nothing came to our attention that caused us to believe Chemeketa Community College was not in substantial compliance with certain provisions of laws, regulations, contracts and grant agreements, 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.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

This page intentionally left blank.


Chemeketa
Community College
POLK


CHEMEKETA YAMHILL VALLEY
1