Comprehensive Annual Financial Report

Year ended June 30, 2017

Discover Chemeketa Community College

Salem, Oregon

CHEMEKETA COMMUNITY COLLEGE

SALEM • OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2017

Prepared by: Business Services Department

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INTRODUCTORY SECTION

Discover Chemeketa Community College

December 20, 2017

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, 2017, 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, 2017, 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, required 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 the 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 29,207 students during the 2016-2017 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 2016-2017 academic year was 10,572.

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 96 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 Facility 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 including College Credit Now

(CCN), Early College programs, Winema high school partnerships, and Expanded Options. Chemeketa has partnerships and articulation agreements with several universities, both in and out-of state, to offer bachelors 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 in 1972. The College has retained accreditation since that time. The College completed a successful comprehensive accreditation visit in April 2006 and a *Year Three Resources and Capacity Evaluation* along with the new Yamhill Valley campus review in spring 2012. The accreditation of Chemeketa Community College was reaffirmed based on the spring 2015 *Year Seven Mission Fulfillment and Sustainability Evaluation*. A Year One Self-Evaluation Report was completed in March 2016. 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

The state's revenue forecast remains stable with growth expected to slow as the economic expansion continues to mature and possibly even become the longest on record. State General Fund revenues for the 2015-2017 biennium saw double-digit growth, which increased the size of state kicker payments and reduced expected revenue growth for the 2017-2019 biennium.

Local unemployment rates have improved over the past year with the average unemployment rate within the College's district falling from 5.5% to 4.6%. Although still above the state average of 3.8%, local job growth remains steady with an increase in the number of jobs and improvements in underemployment and labor force participation.

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

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 the lowest of the 17 Oregon community colleges, an improving economy leads to less enrollment as more individuals return to the workforce. During 2016-2017, the College experienced its sixth consecutive year of enrollment decline since experiencing its peak in 2010-2011. As the local economy nears full employment, it is expected that enrollment will stabilize.

Independent Audits

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

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, 2017 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, 2016. This was the 25th 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,

Julie Huckestein

Julie Huckestein, President/Chief Executive Officer

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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, 2016

Executive Director/CEO

LISTING OF PRINCIPAL OFFICIALS
JUNE 30, 2017

BOARD OF EDUCATION

Zone		Term Expires
1	Ed Dodson, Director	June 30, 2019
2	Ron Pittman, Chairperson	June 30, 2021
3	Neva J. Hutchinson, Director	June 30, 2019
4	Ken Hector, Vice Chairperson	June 30, 2021
5	Jackie Franke, Director	June 30, 2021
6	Diane Watson, Director	June 30, 2019
7	Betsy Earls, Director	June 30, 2019

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

Julie Huckestein, President/Chief Executive Officer

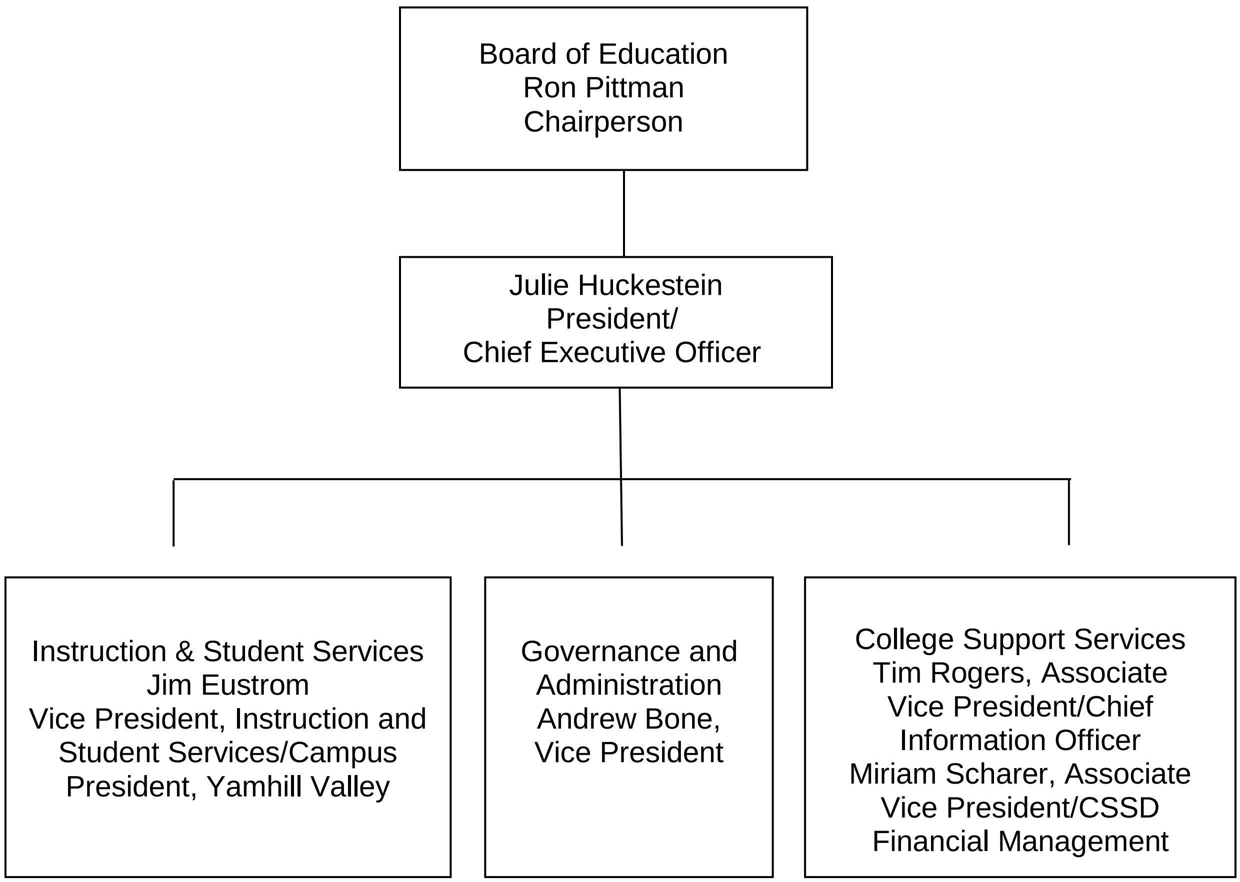
Tim Rogers, Associate Vice President/ Chief Information Officer

Miriam Scharer, Associate Vice President/ CSSD Financial Management

Andrew Bone, Vice President

Jim Eustrom, Vice President/Campus President, Yamhill Valley

ORGANIZATION CHART
Year Ended June 30, 2017



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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

November 28, 2017

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, 2017, 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, 2017, 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 22 and the required supplementary information on pages 50 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 November 28, 2017 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 November 28, 2017 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, 2017. 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, 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, 2017 that impacted the College's financial statements are as follows:

- State community college support revenue decreased from $37.8 million in 2016 to $23.8 million in 2017. This change reflects the receipt of 3 state appropriation payments for the second year of the biennium.

- Full-time equivalent students (FTE) decreased from 11,131 in 2016 to 10,572 in 2017. More information is available in the Statistical Section of this CAFR.

- The College, in partnership with Wells Fargo Bank, completed the 7-year compliance period related to the New Market Tax Credit transaction that was entered into in December 2009. By using New Market Tax Credits, the College was able to secure additional financing for its Chemeketa Center for Business and Industry building. In 2017, Wells Fargo exercised its option to close out the transaction and unwind the structure put in place to ensure compliance with federal tax laws. In the process, the $11.7 million leverage loan, as previously reported in the College's financial statements, was forgiven.

- As valued by PERS and an independent actuary, the College's share of the system-wide PERS unfunded liability (UAL), increased from a $5.6 million liability at June 30, 2016 to a $47.8 million liability at June 30, 2017. The pension reporting requirements of GASB 68 and 71 impacted the financial statements by decreasing deferred inflows of resources and net position and by increasing expenses and other non-current liabilities. The system-wide increase in the UAL was a result of the *Moro* decision, updates to the mortality tables and a decrease in the assumed rate. More information can be found in Note 4 of this report and in Required Supplementary Information.

<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 machinery 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 $134.5 million in fiscal year 2016 to $119.5 million in fiscal year 2017.

As a result of GASB Statements No. 68 and 71, the Statement of Net Position now includes the following:

- *Net pension liability* – The College's proportionate share of the system-wide PERS unfunded actuarial liability, net of the College's side account.
- *Deferred outflows* – The subsequent contributions from the College to PERS, made after the net pension liability measurement date of June 30, 2016 and differences between expected and actual experience. These amounts will be a future reduction of the net PERS liability.
- *Transition liability* – The College's allocated share of a separate liability created in 2004 when community colleges moved into the State and Local Government Rate Pool.
- *Deferred inflows* – The College's proportionate share of (1) system-wide differences between employer contributions, and (2) changes in the proportionate share.

Comparative information about the College's net position is as follows:

		2017		2016
Assets				
Current assets	$	82,814,261	$	95,879,633
Capital assets, net of depreciation		208,197,320		208,821,929
Other noncurrent assets		1,550,727		13,644,914
Total assets	$	292,562,308	$	318,346,476
Deferred outflows of resources	$	39,316,688	$	11,685,691
Liabilities				
Current liabilities	$	23,161,771	$	22,262,782
Long-term debt		126,762,214		136,889,551
Other noncurrent liabilities		54,930,101		24,822,650
Total liabilities	$	204,854,086	$	183,974,983
Deferred inflows of resources	$	7,475,820	$	11,561,704
Net Position				
Net investment in capital assets	$	126,462,303	$	120,345,397
Restricted		29,418,828		29,643,104
Unrestricted		(36,332,041)		(15,493,021)
Total net position	$	119,549,090	$	134,495,480

Total assets decreased by 8.1% in fiscal year 2017. 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 $82.8 million are sufficient to cover its current liabilities of $23.2 million; a current ratio of 3.6.

The College's capital assets are valued at approximately $208.2 million which represents a decrease of .3% in fiscal year 2017. Investment in capital assets includes land, buildings, improvements, machinery and equipment, art and historical treasures, vehicles, library collections and land improvements. During the year, the College spent funds to make improvements to land and buildings and to complete significant remodels of current structures. Equipment, art and vehicle purchases, as well as the annual depreciation, also contributed to the change in value.

Other noncurrent assets represent receivables that are due to the college beyond one year. Prior to 2017, the leverage loan associated with the College's new market tax credit transaction was included in this total. With the unwind of the new market tax credit transaction in February 2017, the leverage loan was forgiven, resulting in $11.7 million of the decrease in noncurrent assets.

Total liabilities of the College increased 11.3% during the fiscal year, mostly due to the increase in the net pension liability. 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, compensated absences, and other postemployment benefit obligations that are due or estimated to be unused after a period of one year. Other noncurrent liabilities include the net pension liability and the transition liability related to pensions.

Total net position decreased by approximately 11.1% in fiscal year 2017. The largest portion of the College's net position is the $126.5 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 actuarial unfunded liability. The large fluctuation in recent valuations resulted in the college reporting a negative unrestricted net position of $36.3 million at June 30, 2017.

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

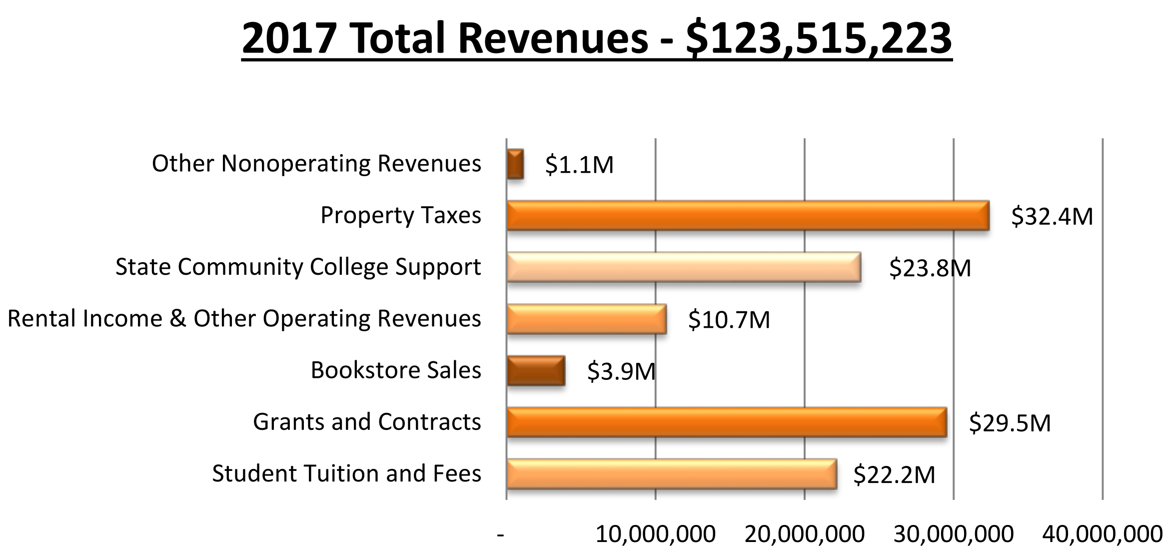
The Statement of Revenues, Expenses and Changes in Net Position present the operating results of the College as well as the nonoperating revenues and expenses. The following shows a two-year comparison:

	2017	2016
Operating revenues		
Student tuition and fees	$ 22,163,943	$ 23,613,807
Grants and contracts	29,525,862	28,779,949
Bookstore sales	3,916,797	4,445,037
Rental income	4,177,237	3,847,903
Other operating revenues	6,511,849	8,549,926
Total operating revenues	66,295,688	69,236,622
Nonoperating revenues		
State community college support	23,759,227	37,774,756
Other state sources	286,369	177,931
Property taxes	32,361,579	31,559,365
Investment income	812,360	657,411
Total revenues	123,515,223	139,406,085
Operating expenses		
President's office	5,212,541	6,021,062
College support services	17,089,623	18,863,550
Instruction and student services	47,707,170	57,477,998
College facilities	2,622,641	3,666,689
Grants and scholarships	22,213,593	22,074,710
Self-supporting services	20,698,046	22,813,182
Intra-college services	3,511,219	2,882,706
Regional library	3,074,361	3,170,890
Bookstore	3,874,286	4,495,697
Depreciation expense	6,245,057	5,877,700
Total operating expenses	132,248,537	147,344,184
Nonoperating expenses		
Interest expense	6,135,333	6,534,937
Debt issuance costs	60,200	-
Loss on sale of capital assets	33,999	67,253
Total expenses	138,478,069	153,946,374
Loss before contributions	(14,962,846)	(14,540,289)
Capital contributions	16,456	171,552
Change in net position	(14,946,390)	(14,368,737)
Net position, beginning of the year	134,495,480	148,864,217
Net position, end of year	$ 119,549,090	$ 134,495,480

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. The decline in student enrollment during 2016-2017 impacted operating revenues with an overall decrease of 4.2%.

Nonoperating revenues show a decline of approximately $12.9 million during the fiscal year. The state community college support 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, 2017, the College received three payments totaling $23,759,227.

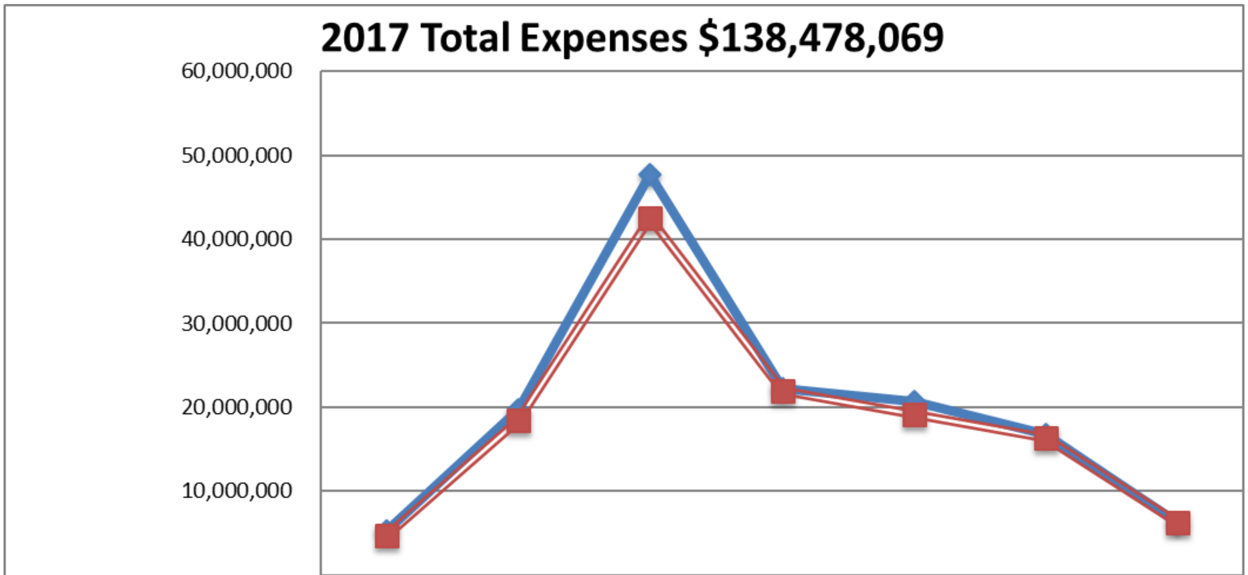
The following graph shows the sources of revenue for the College at 6/30/17:



Expenses:
Operating expenses totaling $132,248,537 include salaries and benefits, materials and services, utilities, grants and scholarships and depreciation. Nonoperating expenses totaled $6,229,532 and include interest expense, debt issuance costs and the loss on the sale or disposal of capital assets. Instruction and student services, along with college support services account for 46.8% of total expenses. These two categories account for the majority of the College's general fund expenses. Grants and scholarship expenses comprise 16.0% 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, including the new Oregon Promise Grant are represented in this total.

The College's operating expenses decreased by $15.1 million as a result of a decrease in pension expense of approximately $18.3 million and an increase in other expenses of approximately $3.2 million.

The following graph shows the expense categories at June 30, 2017 with and without the pension reporting adjustments:



	President's office	College Sprt Serv & Facilities	Instruction & Student Services	Grants & Scholar	Self-Supporting Services	Other Operating Expenses	Interest Exp & Other Non-Oper
As Currently Reported	5,212,541	19,712,264	47,707,170	22,213,593	20,698,046	16,704,923	6,229,532
Without GASB 68	4,720,950	18,444,930	42,511,902	21,904,256	19,118,584	16,352,673	6,229,532

The following shows a two-year comparison of expenses without the pension reporting adjustments required by GASB 68 and GASB 71.

Operating Expenses (net of Pension adjustments):

	2017	2016
President's office	$ 4,720,950	$ 4,570,122
College support services & Facilities	18,444,930	18,824,510
Instruction and student services	42,511,902	41,723,966
Grants and scholarships	21,904,256	21,221,878
Self-supporting services	19,118,584	18,309,544
Intra-college services	3,359,628	2,445,473
Regional library	2,981,163	2,960,251
Bookstore	3,766,825	4,183,241
Depreciation expense	6,245,057	5,877,700
	$ 123,053,295	$ 120,116,685

Operating expenses (net of pension adjustments), increased by 2.4% during fiscal year 2017. This slight growth in expenses can be attributed to compensation adjustments, increased maintenance costs, upgrades to technology, and other inflationary factors. One area that saw a reduction in expenses was the Bookstore. The offering of Chemeketa Press texts, the access to online course materials, and the streamlined procurement of textbooks, all contributed to a cost savings for the Bookstore and for students.

<u>Capital Contributions:</u>

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. The College last received capital grant funds in 2015-2016 which accounts for the difference between fiscal years. Capital contributions reported for fiscal year 2017 represent donated items only.

<u>Analysis of the Statement of Cash Flows</u>

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:

	2017	2016
Cash Provided By (Used in):		
Operating activities	$ (51,385,402)	$ (45,793,949)
Noncapital financing activities	42,646,894	55,792,484
Capital financing activities	(6,267,177)	(1,018,935)
Investing activities	865,656	657,411
Net increase (decrease) in cash	(14,140,029)	9,637,011
Cash - Beginning of year	89,194,212	79,557,201
Cash - End of year	$ 75,054,183	$ 89,194,212

The major sources of funds included 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.

Total cash decreased by $14.1 million during fiscal year 2017. Lower enrollment along with increased costs impacted the cash flow for operating 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. Cash provided by capital financing activities had normal activity with the decline due to having received final amounts from capital grants in the prior fiscal year.

Capital Assets and Debt Administration

<u>Capital Assets</u>

The College's capital assets decreased by approximately $.6 million during the current fiscal year. Work was completed on several building projects, including the Building 42 remodel, the addition of the Building 3 Math Lounge, and the remodel of the Building 1 entry. Significant land improvements included work on College athletic fields and the construction of a farm access road on the Salem campus. Work continued on multiple tenant improvement projects and machinery and equipment were upgraded or replaced. Annual depreciation for buildings, equipment, vehicles and land improvements amounted to approximately $6.2 million. Additional information about the College's capital assets can be found in Note 4 of this report.

<u>Long Term Debt</u>

At the end of the fiscal year, the College had total debt outstanding of $138,683,551. Of this amount $44,687,155 are in pension obligation bonds; $76,460,000 comprises general obligation debt; $3,726,466 are in full faith and credit obligations; and $8,738,017 consists of related debt premiums and discounts. The remaining balance is comprised of compensated absences and other postemployment benefits.

The Colleges total debt decreased by approximately $9.1 million during the current fiscal year. Debt activity included a current refunding of the Series 2007 full faith and credit obligations in April 2017. Regular biannual debt payments were made, which combined with the refunding and the annual increase in other postemployment benefits, accounts for the overall decrease.

State statutes limit the amount of the general obligation debt the College may issue to 1.5% of Real Market Value of properties within the College district. The current legal debt limit is $820,838,305, which is significantly higher than the College's outstanding general obligation debt. The College's outstanding debt is approximately 9% of the legal debt limit. The College currently maintains an AA rating from Standard & Poor's. Additional information about the College's long term debt can be found in Notes 5 and 7 of this report.

Economic Factors and Next Year's Budget

When preparing for the College's upcoming budget year, revenue and expenditure forecasts are prepared within the context of current economic conditions. The local economy has significantly improved over the past several years and as employment improves, there is a corresponding decline in enrollment. The College anticipated an approximate 2% enrollment decline for 2017-2018 but is seeing early indications of a higher rate of decline. After the tremendous increase from 2005-2006 to 2010-2011, enrollment has now reverted back to the long-term growth trend. As it appears the local economy is close to full employment, the college is hopeful that it is nearing the bottom of the steady enrollment decline.

When preparing the Colleges proposed budget for 2017-2018, there was some level of uncertainty regarding State funding. The Governor's recommended budget included $550 million for community colleges. The co-chairs of the Ways and Means committee included approximately $556 million in their budget. Based on the level of commitments for the State, an approximate 7% cut overall would have needed to happen to balance the State budget. Given this environment, the community colleges fared well and were funded at $570.2 million for the 2017-2019 biennium.

To balance the College's 2017-2018 budget, the board approved a tiered approach to a tuition increase for 2017-2018 based on the final level of funding from the State. Since State funding came in at $570.2 million, the tuition rate increase was $4 per credit with a $1 per credit increase in the universal fee. Even with this increase, Chemeketa has the lowest annualized cost among all of the community colleges throughout the State.

The combined effect of the changes to state funding and tuition and universal fee increases has allowed the College to maintain its current level of services and programs to students. However, there are several mandates and growing concerns over other cost pressures that may have a significant impact in the future. Some of the mandates include paid sick leave for part-time employees, costs associated with the Clery Act and Title IX compliance, an escalating Oregon minimum wage, and most significantly, forecasted employer rates for the Public Employees Retirement System. Other concerns include maintaining qualified and talented employees in this competitive labor market and the rapidly increasing cost of health care.

Looking forward, the trajectory of expenditures outpaces forecasted revenues. We anticipate a need for strong contingency planning and thorough reassessment during each budget year to position the college to meet changing needs and contain costs to match the revenue sources.

Chemeketa has a proven history of strong financial management. It weathered the great recession on a solid financial foundation, and is well-positioned to adapt to the changing needs of students as industry and educational environments change. The College has a reputation for pursuing alternative forms of revenue to help provide services and opportunities that would not otherwise be available to our students and community. Chemeketa's pursuit of nontraditional revenue sources and desire to create a sustainable model will allow the College to maintain its promise to students and the community.

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

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
June 30, 2017

	Chemeketa Community College	Chemeketa Foundation
ASSETS		
Current assets:		
Cash and cash equivalents	$ 75,054,183	$ 1,111,212
Investments	-	5,655,647
Receivables, net of allowance for uncollectibles	6,601,858	186,800
Inventories	943,416	64,498
Prepaid items	214,804	72,335
Total current assets	82,814,261	7,090,492
Noncurrent assets:		
Receivables, net of allowance for uncollectibles	1,550,727	-
Capital assets, not being depreciated	22,515,698	-
Capital assets, net of accumulated depreciation	185,681,622	-
Total noncurrent assets	209,748,047	-
Total assets	292,562,308	7,090,492
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	7,221,963	-
Related to pensions	32,094,725	-
Total deferred outflows of resources	39,316,688	-
LIABILITIES		
Current liabilities:		
Accounts payable	2,770,087	56,331
Payroll and payroll taxes payable	5,708,400	-
Accrued interest payable	147,626	-
Contracts payable	17,792	31,761
Due to others	1,107,180	-
Other liabilities	-	72,013
Current portion of unearned revenue	1,489,349	16,379
Current portion of long-term debt	11,921,337	-
Total current liabilities	23,161,771	176,484
Noncurrent liabilities:		
Transition liability related to pensions	7,091,348	-
Net pension liability	47,838,753	-
Long-term debt, net of current portion	126,762,214	-
Notes payable	-	147,000
Total noncurrent liabilities	181,692,315	147,000
Total liabilities	204,854,086	323,484
DEFERRED INFLOWS OF RESOURCES		
Related to pensions	7,475,820	-
Total deferred inflows of resources	7,475,820	-
NET POSITION		
Net investment in capital assets	126,462,303	-
Restricted for debt service	26,056,641	-
Restricted for student financial aid grants and loans	1,946,026	-
Restricted for regional library	1,322,737	-
Restricted for grants and contracts	93,424	-
Restricted for Foundation	-	5,964,898
Unrestricted	(36,332,041)	802,110
Total net position	$ 119,549,090	$ 6,767,008

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended June 30, 2017

	Chemeketa Community College	Chemeketa Foundation
OPERATING REVENUES		
Student tuition and fees, net of scholarship allowances	$ 22,163,943	$ -
Grants and contracts	29,525,862	-
Bookstore sales	3,916,797	-
Rental income	4,177,237	783,385
Other operating revenues	6,511,849	4,468,800
Total operating revenues	66,295,688	5,252,185
OPERATING EXPENSES		
President's office	5,212,541	-
College support services	17,089,623	-
Instruction and student services	47,707,170	-
College facilities	2,622,641	-
Grants and scholarships	22,213,593	-
Self-supporting services	20,698,046	-
Intra-college services	3,511,219	-
Regional library	3,074,361	-
Bookstore	3,874,286	-
Foundation	-	4,986,657
Depreciation expense	6,245,057	262,361
Total operating expenses	132,248,537	5,249,018
OPERATING INCOME (LOSS)	(65,952,849)	3,167
NONOPERATING REVENUES (EXPENSES)		
State community college support	23,759,227	-
Other state sources	286,369	-
Property taxes	32,361,579	-
Investment income	812,360	511,223
Gain on transfer of assets	-	5,341,146
Loss on sale of assets	(33,999)	-
Debt issuance costs	(60,200)	-
Interest expense	(6,135,333)	(544,199)
Total nonoperating revenues (expenses)	50,990,003	5,308,170
INCOME (LOSS) BEFORE CONTRIBUTIONS	(14,962,846)	5,311,337
CAPITAL CONTRIBUTIONS	16,456	-
CHANGE IN NET POSITION	(14,946,390)	5,311,337
Net position - beginning of the year	134,495,480	1,455,671
Net position - end of the year	$ 119,549,090	$ 6,767,008

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH FLOWS
Year Ended June 30, 2017

		Chemeketa Community College
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tuition and fees	$	20,635,482
Cash received from grants and contracts		29,391,295
Bookstore receipts from customers		3,999,633
Other cash receipts		10,500,133
Payments to suppliers for good and services		(23,465,201)
Payments to employees		(73,694,822)
Payments for student financial aid		(15,982,959)
Bookstore payments to suppliers for resale materials		(2,768,963)
Net cash used in operating activities		(51,385,402)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from property taxes		23,129,771
Cash received from State community college support		23,759,227
Cash received from other state sources		286,369
Principal paid on pension bonds		(2,530,000)
Interest paid on pension bonds		(1,998,473)
Net cash provided by noncapital financing activities		42,646,894
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from refunding of full faith and credit obligations		3,782,645
Payment to refunding escrow agent		(3,722,445)
Debt issuance costs		(60,200)
Cash received from property taxes levied for capital debt		9,282,038
Proceeds from sale of capital assets		1,899
Cash received from capital grants		400,000
Purchase of capital assets		(5,639,890)
Principal paid on long-term debt		(6,561,179)
Interest paid on long-term debt		(3,750,045)
Net cash used in capital and related financing activities		(6,267,177)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments		865,656
Purchase of investments		(24,314,250)
Proceeds from sales of investments		24,314,250
Net cash provided by investing activities		865,656
NET DECREASE IN CASH AND CASH EQUIVALENTS		(14,140,029)
Cash and cash equivalents - beginning of year		89,194,212
Cash and cash equivalents - end of year	$	75,054,183

(Continues)

The accompanying notes are in integral part of this statement.

STATEMENT OF CASH FLOWS
Year Ended June 30, 2017 (Continued)

		Chemeketa Community College
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	$	(65,952,849)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		6,245,057
Insurance expense (OPEB)		242,796
Decreases (increases) in assets:		
Accounts receivable		(1,833,884)
Loans receivable		12,044,062
Contacts receivable		18,000
Inventories		85,219
Prepaid items		202,607
Deferred outflows related to pensions		(28,412,754)
Increases (decreases) in liabilities:		
Accounts payable		320,845
Payroll and payroll taxes payable		101,452
Contracts payable		(4,899)
Termination benefits		(8,687)
Due to others		(158,846)
Unearned revenue		(11,997,323)
Compensated absences		115,806
Net pension liability		42,168,029
Transition liability related to pensions		(474,149)
Deferred inflows related to pensions		(4,085,884)
Net cash used in operating activities	$	(51,385,402)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Amortization of deferred interest bonds	$	642,721
Amortization of deferred on refunding of long-term debt		801,301
Amortization of premium/discount on bonds payable		(1,028,302)
Amortization of premium on full faith and credit obligations payable		(10,580)
Interest expense		(405,140)
Capital contributions		(383,544)
Contributions receivable		400,000
Acquistion of capital assets		(16,456)
Book value of capital assets disposed		35,898
Loss on disposition of capital assets		(35,898)
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, 2017

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, 2017, the Foundation provided scholarships and support of $688,099 and capital asset donations and improvement funds of $296,250, for the benefit of the College. The College provided personnel and administrative contributions to the Foundation totaling $381,444 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, 2017

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 and with corporate debt, both 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 is required by Oregon law to insure its deposits with financial institutions through Federal depository insurance funds coverage or 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 – Inventory is 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 fair market value on the date donated. Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add value or functionality to the asset are not capitalized, but are expensed as incurred.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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 – The College implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, for the fiscal year ending June 30, 2009. The net OPEB obligation is actuarially determined and is recognized as a long-term liability in the Statement of Net Position.

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 $24,373 were charged in the year ended June 30, 2017.

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 $10,309,548 for the year ended June 30, 2017.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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, 2017:

Cash on hand and other	$	235,718
Deposits with financial institutions		38,801,656
Investments		36,016,809
Total cash and investments	$	75,054,183

Deposits – Deposits with financial institutions are bank demand deposits. The total bank balance, as shown on the banks' records at June 30, 2017, is $39,825,491. Of these deposits, $398,780 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 to it. 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, 2017, 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, commercial paper and the Oregon Local Government Investment Pool, among others. The College has no investment policy that would further limit its investment choices.

At June 30, 2017, the College's investments of $36,016,809 were invested in the Oregon Local Government Investment Pool.

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.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Oregon Short-Term Fund manages this risk by limiting the maturity of the investments held by the fund. Weighted average maturities of the investments in the Oregon Short-Term Fund at June 30, 2017 were: 64.9% mature within 93 days, 19.8% mature from 94 days to one year, and 15.3% mature beyond one year. The College does not have a policy for interest rate risk.

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 debt securities and investments in 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, 2017 were as follows:

	Total Receivables	Allowance for Uncollectables	Net Receivables	Due Within One Year
Property taxes	$ 1,746,573	$ -	$ 1,746,573	$ 1,746,573
Accounts	7,345,267	2,837,705	4,507,562	4,507,562
Loans	2,398,600	638,150	1,760,450	329,723
Contract	138,000	-	138,000	18,000
Total	$ 11,628,440	$ 3,475,855	$ 8,152,585	$ 6,601,858

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
Capital assets not being depreciated:				
Land	$ 20,319,900	$ -	$ -	$ 20,319,900
Art and historical treasures	426,854	13,540	-	440,394
Construction in progress	22,266,686	4,507,304	25,018,586	1,755,404
Total capital assets not being depreciated	43,013,440	4,520,844	25,018,586	22,515,698
Capital assets being depreciated:				
Buildings and improvements	211,350,422	24,704,468	-	236,054,890
Equipment & Library books	11,466,958	1,035,696	219,533	12,283,121
Vehicles	1,743,765	99,806	25,276	1,818,295
Land improvements	13,443,759	314,118	-	13,757,877
Total capital assets being depreciated	238,004,904	26,154,088	244,809	263,914,183
Less accumulated depreciation for:				
Buildings and improvements	59,146,711	4,724,711	-	63,871,422
Equipment & Library Books	7,130,939	798,614	189,044	7,740,509
Vehicles	1,225,497	113,259	19,867	1,318,889
Land improvements	4,693,268	608,473	-	5,301,741
Total accumulated depreciation	72,196,415	6,245,057	208,911	78,232,561
Total capital assets being depreciated, net	165,808,489	19,909,031	35,898	185,681,622
Total capital assets	$ 208,821,929	$ 24,429,875	$ 25,054,484	$ 208,197,320

5. LONG-TERM DEBT

During the fiscal year ended June 30, 2017 the following changes occurred related to long-term debt obligations:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due within One Year	Interest Paid
GO, Series 2008	$ 5,760,000	$ -	$ 2,745,000	$ 3,015,000	$ 3,015,000	$ 276,970
GO, Series 2011A	4,095,000	-	-	4,095,000	-	190,762
GO, Series 2014	46,635,000	-	2,445,000	44,190,000	2,665,000	2,269,376
GO, Series 2015	25,825,000	-	665,000	25,160,000	710,000	903,145
Pension Bonds, Series 2003:						
Deferred interest bonds	10,429,434	642,721	1,545,000	9,527,155	1,660,000	-
Current interest bonds	13,305,000	-	-	13,305,000	-	750,937
Pension Bonds, Series 2004	22,840,000	-	985,000	21,855,000	1,125,000	1,247,536
Bond premiums/discounts	9,766,319	2,955	1,031,257	8,738,017	-	-
Obligations, Series 2007	4,300,000	-	4,300,000	-	-	98,413
Obligations, Series 2017	-	3,782,645	56,179	3,726,466	718,222	11,379
Obligations premium	63,481	-	63,481	-	-	-
Vested compensated absences	2,098,079	1,947,961	1,832,155	2,213,885	2,028,115	-
Termination benefits	8,687	-	8,687	-	-	-
Net OPEB obligation	2,615,232	242,796	-	2,858,028	-	-
Total	$ 147,741,232	$ 6,619,078	$ 15,676,759	$ 138,683,551	$ 11,921,337	$ 5,748,518

NOTES TO BASIC FINANCIAL STATEMENTS
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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% to 6.25%.

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 5.20% to 5.53%.

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
2017-18	$ 1,125,000	$ 1,197,370	$ 1,660,000	$ 750,937	$ 4,733,307
2018-19	1,285,000	1,138,904	1,780,000	750,937	4,954,841
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	21,855,000	8,118,349	25,165,000	6,695,876	61,834,225
Less deferred interest	-	-	(2,332,845)	-	(2,332,845)
Carrying amount	$ 21,855,000	$ 8,118,349	$ 22,832,155	$ 6,695,876	$ 59,501,380

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. The interest rate on the remaining bonds ranges from 4.75% to 5.0% with the final maturity 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 4.5% to 5% 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

NOTES TO BASIC FINANCIAL STATEMENTS
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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, 2017, $37,510,000 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, 2017, $23,905,000 in Series 2011A bonds were outstanding and considered defeased.

Annual requirements to repay General Obligation Bonds are shown below:

Fiscal Year	Series 2008 Principal	Series 2008 Interest	Series 2011A Principal	Series 2011A Interest	Series 2014 Principal	Series 2014 Interest	Series 2015 Principal	Series 2015 Interest
2017-18	$ 3,015,000	$ 148,687	$ -	$ 190,775	$ 2,665,000	$ 2,172,000	$ 710,000	$ 889,957
2018-19	-	-	-	190,775	6,230,000	2,038,750	740,000	868,656
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	$ 3,015,000	$ 148,687	$ 4,095,000	$ 698,100	$ 44,190,000	$ 11,054,000	$ 25,160,000	$ 5,847,938

Full Faith and Credit Obligations

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.

NOTES TO BASIC FINANCIAL STATEMENTS
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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
2017-18	$ 718,222	$ 70,803	$ 789,025
2018-19	724,869	57,157	782,026
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	$ 3,726,466	$ 215,301	$ 3,941,767

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 and as of June 30, 2017 there were no eligible employees. As outlined in the collective bargaining agreement between the College and the Chemeketa Education Association this benefit will expire, with all stipends paid by June 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

NOTES TO BASIC FINANCIAL STATEMENTS
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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: http://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.

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.

NOTES TO BASIC FINANCIAL STATEMENTS
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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%.

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.

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%.

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.

NOTES TO BASIC FINANCIAL STATEMENTS
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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, 2013 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2017 were $2,621,410, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2017 were 8.36 percent for Tier One/Tier Two General Service Members and 2.89 percent for OPSRP Pension Program General Service Members, net of 11.40 percent of side account rate relief. An additional 6 percent contribution is required for the OPSRP Individual Account Program.

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

At June 30, 2017, the College reported a liability of $47,838,753 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to June 30, 2016. 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, 2016, the College's proportion was 0.44226033%.

NOTES TO BASIC FINANCIAL STATEMENTS
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For the year ended June 30, 2017, the College recognized pension expense of approximately $12.29 million. At June 30, 2017, 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	$ 2,196,588	$ -
Changes in assumptions	14,160,149	-
Net difference between projected and actual earnings on investments	13,116,578	-
Changes in proportionate share	-	3,012,159
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	4,463,661
College's contributions subsequent to the measurement date	2,621,410	-
Deferred outflows/inflows at June 30, 2017	$ 32,094,725	$ 7,475,820

Contributions subsequent to the measurement date of $2,621,410 reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other deferred outflows of resources totaling $29,473,315 less deferred inflows of resources of $7,475,820 related to pensions will be recognized in pension expense as follows:

Year Ending, June 30,	Amount
2018	$ (3,186,153)
2019	(3,186,153)
2020	(8,180,793)
2021	(6,574,261)
2022	(870,135)
Total	$ (21,997,495)

Actuarial assumptions

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

NOTES TO BASIC FINANCIAL STATEMENTS
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The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2014 rolled forward to June 30, 2016
Experience Study Report	2014, published September 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Investment Rate of Return	7.50 percent
Discount Rate	7.50 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-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.
	Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.
	Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

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 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in September 2015 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
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Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.31%	6.99%
Micro Cap US Equities	1.31%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Market Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equities	17.50%	7.97%
Real Estate (Property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	2.50%	4.64%
Hedge Fund - Event-driven	0.63%	6.72%
Timber	1.88%	5.85%
Farmland	1.88%	6.37%
Infrastructure	3.75%	7.13%
Commodities	1.88%	4.58%
Total	100.00%	
Assumed Inflation - Mean		2.50%

Discount rate

The discount rate used to measure the total pension liability was 7.50 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 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.

NOTES TO BASIC FINANCIAL STATEMENTS
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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 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
College's proportionate share of the net pension liability	$ 88,648,644	$ 47,838,753	$ 13,728,822

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 $7.09 million at June 30, 2017. The liability represents the College’s allocated share of the pre-SLGRP pooled liability. The College is being assessed an employer contribution rate of 1.85 percent of covered payroll for payment of this transition liability.

7. POSTEMPLOYMENT HEALTHCARE PLAN

The College implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions,* for the fiscal year ending June 30, 2009.

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. This “plan” is not a stand-alone plan and therefore does not issue its own financial statements. 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. 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.

Annual OPEB Cost and Net OPEB Obligation - The College’s annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the College (ARC), an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) over a period not to exceed 30 years.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

The following table shows the components of the College's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the College's net OPEB obligation:

		Fiscal Year Ending June 30, 2017
Determination of Annual Required Contribution:		
Normal Cost at year end	$	249,422
Amortization of UAAL		501,462
Annual Required Contribution (ARC)	$	750,884
Determination of Net OPEB Obligation:		
Annual Required Contribution (ARC)	$	750,884
Interest on prior year Net OPEB Obligation		91,533
Adjustment to ARC		(314,459)
Annual OPEB cost		527,958
Less estimated benefit payments		(285,162)
Increase in Net OPEB Obligation		242,796
Net OPEB Obligation - beginning of year		2,615,232
Net OPEB Obligation - end of year	$	2,858,028

The College's historical annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Fiscal Year Ended	OPEB Cost	Cost Contributed	OPEB Obligation
6/30/2015	$520,706	60%	$2,398,586
6/30/2016	$519,404	58%	$2,615,232
6/30/2017	$527,958	54%	$2,858,028

Funding Status and Funding Progress – The funding status of the plan is as follows:

Valuation Date	Value of Assets	AAL Unit Credit	UAAL	Funded Ratio	Covered Payroll	UAAL % of Covered Payroll
7/1/2011	$ -	$ 5,186,348	$ 5,186,348	0%	$ 42,780,513	12.1%
7/1/2013	$ -	$ 3,869,037	$ 3,869,037	0%	$ 44,817,535	8.6%
7/1/2015	$ -	$ 4,029,434	$ 4,029,434	0%	$ 46,420,291	8.7%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

In the most recent actuarial valuation, July 1, 2015, the projected unit credit cost method was used. This method attempts to track the actual economic pattern of benefit accrual over an employee's working lifetime. A discount rate of 3.5% was used based on long term expectations of return for the Oregon Local Government Investment Pool. The valuation assumes an annual healthcare cost trend rate of 13% in the first year, 7% in the second year, 7.25% in the third year, and 5.5% in the fourth year. Rates thereafter vary between 5.0% and 6.25%. General inflation of 2.75% per year was used to develop other economic assumptions. The UAAL is being amortized as a level dollar amount over a rolling period of ten years.

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 2016-2017. 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 1989-90 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, 2017 is $98,454. The college also has an outstanding note receivable with Northwest Innovations in the amount of $138,000. 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, 2017

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 $30,096 under agreements entered into by three of the counties within the College's district. The amounts abated by county are as follows:

	Year Ended June 30, 2017
Marion County	$ 9,636
Polk County	13,540
Yamhill County	6,920
	$ 30,096

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 FOR THE LAST FOUR FISCAL YEARS

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
2017	0.44226033%	$ 47,838,753	$ 48,130,768	99.39%	80.53%
2016	0.45298593%	5,670,724	46,420,291	12.22%	91.88%
2015	0.48892925%	(35,476,696)	44,840,619	-79.12%	103.60%
2014	0.48892925%	1,912,270	44,817,535	4.27%	91.97%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

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
FOR THE LAST FOUR FISCAL YEARS

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
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.

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
YEAR ENDED JUNE 30, 2017

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: http://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: http://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: http://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: http://www.oregon.gov/PERS/Documents/Financials/Actuarial/2015/Experience-Study.pdf

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 certificates of participation, general obligation bonds, and limited tax pension obligation bonds.
- ***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, 2017

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Property taxes:				
Current year's levy	$ 19,200,000	$ 19,200,000	$ 19,830,974	$ 630,974
Prior year's levy	700,000	700,000	604,679	(95,321)
Total property taxes	19,900,000	19,900,000	20,435,653	535,653
Tuition	17,850,000	17,850,000	17,149,220	(700,780)
Fees	2,000,000	2,000,000	1,675,614	(324,386)
State community college support	31,330,000	31,330,000	23,759,227	(7,570,773)
Other sources:				
Interest	100,000	100,000	426,134	326,134
Indirect recovery	2,000,000	2,000,000	1,926,732	(73,268)
Miscellaneous	240,000	240,000	193,216	(46,784)
Total revenues	73,420,000	73,420,000	65,565,796	(7,854,204)
EXPENDITURES:				
President's Office				
Personnel services	4,167,525	4,155,725	3,991,313	164,412
Materials and services	1,117,991	1,111,991	1,107,555	4,436
Capital outlay	300	300	160	140
Total president's office	5,285,816	5,268,016	5,099,028	168,988
College Support Services				
Personnel services	11,657,006	11,763,093	11,403,888	359,205
Materials and services	5,497,981	5,634,857	5,615,516	19,341
Capital outlay	58,545	58,545	35,018	23,527
Agency fund support	15,000	15,000	15,000	-
Contingency	4,200,000	3,925,000	-	3,925,000
Total college support services	21,428,532	21,396,495	17,069,422	4,327,073
Instruction & Student Services				
Personnel services	46,572,151	46,621,988	44,391,846	2,230,142
Materials and services	2,437,932	2,418,650	2,122,521	296,129
Capital outlay	85,069	104,351	102,872	1,479
Total instruction & student services	49,095,152	49,144,989	46,617,239	2,527,750
Total expenditures	75,809,500	75,809,500	68,785,689	7,023,811
REVENUES OVER (UNDER) EXPENDITURES	(2,389,500)	(2,389,500)	(3,219,893)	(830,393)
OTHER FINANCING SOURCES (USES):				
Transfers in	500,000	500,000	-	(500,000)
Transfers out	(4,760,500)	(4,760,500)	(4,154,793)	605,707
Total other financing sources (uses)	(4,260,500)	(4,260,500)	(4,154,793)	105,707
NET CHANGE IN FUND BALANCE	(6,650,000)	(6,650,000)	(7,374,686)	(724,686)
FUND BALANCE, beginning	8,300,000	8,300,000	16,414,560	8,114,560
FUND BALANCE, ending	$ 1,650,000	$ 1,650,000	$ 9,039,874	$ 7,389,874

STUDENT FINANCIAL AID FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2017

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Grants and scholarships:				
Federal sources	$ 70,000,000	$ 70,000,000	$ 34,066,745	$ (35,933,255)
State sources	10,000,000	10,000,000	6,239,665	(3,760,335)
Local scholarship funds	2,000,000	2,000,000	995,176	(1,004,824)
Loan collections, including interest	1,250,000	1,250,000	393,242	(856,758)
Off-campus CWS employers	5,000	5,000	-	(5,000)
Total revenues	83,255,000	83,255,000	41,694,828	(41,560,172)
EXPENDITURES:				
Grants and scholarships, including administrative expenditures:				
Federal funds, including matching funds	70,000,000	70,000,000	34,334,734	35,665,266
State funds	10,000,000	10,000,000	6,242,752	3,757,248
Local scholarship and loan funds	3,322,000	3,322,000	1,005,183	2,316,817
Loan program	330,000	330,000	665,339	(335,339)
Tuition grants	2,820,000	2,820,000	2,299,137	520,863
Total expenditures	86,472,000	86,472,000	44,547,145	41,924,855
REVENUES OVER (UNDER) EXPENDITURES	(3,217,000)	(3,217,000)	(2,852,317)	364,683
OTHER FINANCING SOURCES:				
Transfers in	3,217,000	3,217,000	2,561,036	(655,964)
NET CHANGE IN FUND BALANCE	-	-	(291,281)	(291,281)
FUND BALANCE, beginning	-	-	690,701	690,701
FUND BALANCE, ending	$ -	$ -	$ 399,420	$ 399,420

SPECIAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2017

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Federal sources	$ 4,000,000	$ 4,000,000	$ 2,003,102	$ (1,996,898)
Federal pass through	4,000,000	4,000,000	2,021,958	(1,978,042)
State sources	6,000,000	6,000,000	1,022,040	(4,977,960)
Local/Private sources	1,200,000	1,200,000	18,475	(1,181,525)
Miscellaneous	50,000	50,000	43,500	(6,500)
Total revenues	15,250,000	15,250,000	5,109,075	(10,140,925)
EXPENDITURES:				
Personnel services	6,600,000	6,600,000	2,803,811	3,796,189
Materials and services	7,900,000	7,900,000	1,985,757	5,914,243
Capital outlay	1,000,000	1,000,000	316,627	683,373
Total expenditures	15,500,000	15,500,000	5,106,195	10,393,805
NET CHANGE IN FUND BALANCE	(250,000)	(250,000)	2,880	252,880
FUND BALANCE, beginning	250,000	250,000	-	(250,000)
FUND BALANCE, ending	$ -	$ -	$ 2,880	$ 2,880

SELF-SUPPORTING SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2017

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Self-supporting services	$ 19,750,000	$ 19,750,000	$ 17,636,598	$ (2,113,402)
EXPENDITURES:				
Personnel services	19,150,000	19,150,000	14,325,922	4,824,078
Materials and services	11,899,500	11,899,500	6,071,286	5,828,214
Capital outlay	250,000	250,000	180,931	69,069
Total expenditures	31,299,500	31,299,500	20,578,139	10,721,361
REVENUES OVER (UNDER) EXPENDITURES	(11,549,500)	(11,549,500)	(2,941,541)	8,607,959
OTHER FINANCING SOURCES (USES):				
Transfers in	1,404,500	1,404,500	1,289,975	(114,525)
Transfers out	(855,000)	(855,000)	(151,008)	703,992
Total other financing sources (uses)	549,500	549,500	1,138,967	589,467
NET CHANGE IN FUND BALANCE	(11,000,000)	(11,000,000)	(1,802,574)	9,197,426
FUND BALANCE, beginning	11,000,000	11,000,000	12,025,350	1,025,350
FUND BALANCE, ending	$ -	$ -	$ 10,222,776	$ 10,222,776

INTRA-COLLEGE SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2017

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Intra-college services	$ 5,500,000	$ 5,500,000	$ 4,786,427	$ (713,573)
EXPENDITURES:				
Personnel services	2,085,000	2,485,000	1,947,175	537,825
Materials and services	6,480,000	6,080,000	4,049,301	2,030,699
Debt service	109,000	109,000	-	109,000
Contingency	7,500,000	7,500,000	-	7,500,000
Capital outlay	1,000,000	1,000,000	416,909	583,091
Total expenditures	17,174,000	17,174,000	6,413,385	10,760,615
REVENUES OVER (UNDER) EXPENDITURES	(11,674,000)	(11,674,000)	(1,626,958)	10,047,042
OTHER FINANCING SOURCES (USES):				
Transfers in	774,000	774,000	574,000	(200,000)
Transfers out	(150,000)	(150,000)	(125,000)	25,000
Total other financing sources (uses)	624,000	624,000	449,000	(175,000)
NET CHANGE IN FUND BALANCE	(11,050,000)	(11,050,000)	(1,177,958)	9,872,042
FUND BALANCE, beginning	11,050,000	11,050,000	10,633,397	(416,603)
FUND BALANCE, ending	$ -	$ -	$ 9,455,439	$ 9,455,439

REGIONAL LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2017

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Current taxes	$ 2,550,000	$ 2,550,000	$ 2,614,071	$ 64,071
Prior year taxes	100,000	100,000	80,047	(19,953)
State sources	29,565	29,565	34,502	4,937
Local sources	149,861	149,861	134,893	(14,968)
Miscellaneous	233,500	233,500	184,316	(49,184)
Total revenues	3,062,926	3,062,926	3,047,829	(15,097)
EXPENDITURES:				
Personnel services	851,274	901,274	803,241	98,033
Materials and services	2,547,576	2,538,546	2,197,837	340,709
Capital outlay	5,000	14,030	14,030	-
Contingency	369,076	369,076	-	369,076
Total expenditures	3,772,926	3,822,926	3,015,108	807,818
REVENUES OVER (UNDER) EXPENDITURES	(710,000)	(760,000)	32,721	792,721
OTHER FINANCING USES:				
Transfers out	(65,000)	(15,000)	(15,000)	-
NET CHANGE IN FUND BALANCE	(775,000)	(775,000)	17,721	792,721
FUND BALANCE, beginning	775,000	775,000	955,934	180,934
FUND BALANCE, ending	$ -	$ -	$ 973,655	$ 973,655

REGIONAL LIBRARY RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2017

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
EXPENDITURES:				
Materials and services	$ 300,000	$ 300,000	$ 32,315	$ 267,685
Capital outlay	50,000	50,000	-	50,000
Total expenditures	350,000	350,000	32,315	317,685
OTHER FINANCING SOURCES:				
Transfers in	65,000	65,000	15,000	(50,000)
NET CHANGE IN FUND BALANCE	(285,000)	(285,000)	(17,315)	267,685
FUND BALANCE, beginning	285,000	285,000	220,279	(64,721)
FUND BALANCE, ending	$ -	$ -	$ 202,964	$ 202,964

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2017

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Current taxes	$ 9,500,000	$ 9,500,000	$ 9,010,552	$ (489,448)
Prior year taxes	260,000	260,000	271,486	11,486
Miscellaneous	50,000	50,000	87,180	37,180
PERS adjustment revenue	4,000,000	4,000,000	5,268,476	1,268,476
Total revenues	13,810,000	13,810,000	14,637,694	827,694
EXPENDITURES:				
Debt service	39,460,000	39,460,000	14,899,897	24,560,103
REVENUES OVER (UNDER) EXPENDITURES	(25,650,000)	(25,650,000)	(262,203)	25,387,797
OTHER FINANCING SOURCES (USES):				
Transfers in	1,150,000	1,150,000	815,967	(334,033)
Proceeds from refunding of COP's	-	-	3,782,645	3,782,645
Payment to escrow	-	-	(3,722,445)	(3,722,445)
Total other financing sources (uses)	1,150,000	1,150,000	876,167	(273,833)
NET CHANGE IN FUND BALANCE	(24,500,000)	(24,500,000)	613,964	25,113,964
FUND BALANCE, beginning	24,500,000	24,500,000	25,094,473	594,473
FUND BALANCE, ending	$ -	$ -	$ 25,708,437	$ 25,708,437

CAPITAL DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2017

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Fees	$ 1,750,000	$ 1,750,000	$ 1,425,386	$ (324,614)
State sources	400,000	400,000	286,369	(113,631)
Other sources:				
Interest revenue	250,000	250,000	100,335	(149,665)
Rental income	2,000,000	2,000,000	2,630,507	630,507
Miscellaneous	1,000,000	1,000,000	357,251	(642,749)
Total revenues	5,400,000	5,400,000	4,799,848	(600,152)
EXPENDITURES:				
Personnel services	200,000	200,000	-	200,000
Materials and services	5,000,000	5,000,000	3,020,069	1,979,931
Noncurrent:				
Capital outlay	20,000,000	20,000,000	4,119,989	15,880,011
Total expenditures	25,200,000	25,200,000	7,140,058	18,059,942
REVENUES OVER (UNDER) EXPENDITURES	(19,800,000)	(19,800,000)	(2,340,210)	17,459,790
OTHER FINANCING SOURCES (USES):				
Transfers in	100,000	100,000	151,008	51,008
Transfers out	(1,300,000)	(1,300,000)	(865,966)	434,034
Proceeds from sale of certificates of participation	6,000,000	6,000,000	-	(6,000,000)
Total other financing sources (uses)	4,800,000	4,800,000	(714,958)	(5,514,958)
NET CHANGE IN FUND BALANCE	(15,000,000)	(15,000,000)	(3,055,168)	11,944,832
FUND BALANCE, beginning	15,000,000	15,000,000	11,310,540	(3,689,460)
FUND BALANCE, ending	$ -	$ -	$ 8,255,372	$ 8,255,372

PLANT EMERGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2017

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
EXPENDITURES:				
Materials and services	$ 475,000	$ 475,000	$ 13,849	$ 461,151
Capital outlay	275,000	275,000	-	275,000
Total expenditures	750,000	750,000	13,849	736,151
OTHER FINANCING SOURCES:				
Transfers in	75,000	75,000	64,781	(10,219)
NET CHANGE IN FUND BALANCE	(675,000)	(675,000)	50,932	725,932
FUND BALANCE, beginning	675,000	675,000	699,068	24,068
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, 2017

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Bookstore sales	$ 6,000,000	$ 6,000,000	$ 4,555,673	$ (1,444,327)
EXPENDITURES:				
Personnel services	1,275,000	1,275,000	1,017,018	257,982
Materials and services	9,125,000	9,125,000	3,474,898	5,650,102
Capital outlay	40,000	40,000	-	40,000
Total expenditures	10,440,000	10,440,000	4,491,916	5,948,084
REVENUES OVER (UNDER) EXPENDITURES	(4,440,000)	(4,440,000)	63,757	4,503,757
OTHER FINANCING SOURCES (USES):				
Transfers out	(160,000)	(160,000)	(160,000)	-
NET CHANGE IN FUND BALANCE	(4,600,000)	(4,600,000)	(96,243)	4,503,757
FUND BALANCE, beginning	4,600,000	4,600,000	5,015,744	415,744
FUND BALANCE, ending	$ -	$ -	$ 4,919,501	$ 4,919,501

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, 2017

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Student government	$ 5,000	$ 5,000	$ 6,687	$ 1,687
Student clubs	60,000	60,000	38,373	(21,627)
Student newspaper	20,000	20,000	-	(20,000)
College support transfers	20,000	20,000	15,000	(5,000)
Total revenues	105,000	105,000	60,060	(44,940)
EXPENDITURES:				
Personnel services	1,000	1,000	217	783
Materials and services	274,000	274,000	70,056	203,944
Total expenditures	275,000	275,000	70,273	204,727
NET CHANGE IN DUE TO OTHERS	(170,000)	(170,000)	(10,213)	159,787
DUE TO OTHERS, beginning	170,000	170,000	156,232	(13,768)
DUE TO OTHERS, ending	$ -	$ -	$ 146,019	$ 146,019

ATHLETICS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE DUE TO OTHERS-BUDGET AND ACTUAL
Year Ended June 30, 2017

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Fees	$ 300,000	$ 300,000	$ 261,689	$ (38,311)
Fundraising	35,000	35,000	35,000	-
Miscellaneous	5,000	5,000	-	(5,000)
Total revenues	340,000	340,000	296,689	(43,311)
EXPENDITURES:				
Personnel services	148,500	148,500	120,481	28,019
Materials and services	441,500	441,500	191,872	249,628
Contingency	50,000	50,000	-	50,000
Total expenditures	640,000	640,000	312,353	327,647
NET CHANGE IN DUE TO OTHERS	(300,000)	(300,000)	(15,664)	284,336
DUE TO OTHERS, beginning	300,000	300,000	312,114	12,114
DUE TO OTHERS, ending	$ -	$ -	$ 296,450	$ 296,450

EXTERNAL ORGANIZATIONS BILLING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE DUE TO OTHERS-BUDGET AND ACTUAL
Year Ended June 30, 2017

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Miscellaneous	$ 500,000	$ 500,000	$ 337,308	$ (162,692)
EXPENDITURES:				
Personnel services	90,000	90,000	141	89,859
Materials and services	430,000	430,000	326,142	103,858
Capital outlay	5,000	5,000	103	4,897
Total expenditures	525,000	525,000	326,386	198,614
NET CHANGE IN DUE TO OTHERS	(25,000)	(25,000)	10,922	35,922
DUE TO OTHERS, beginning	25,000	25,000	46,539	21,539
DUE TO OTHERS, ending	$ -	$ -	$ 57,461	$ 57,461

STATISTICAL SECTION

STATISTICAL SECTION
NARRATIVE

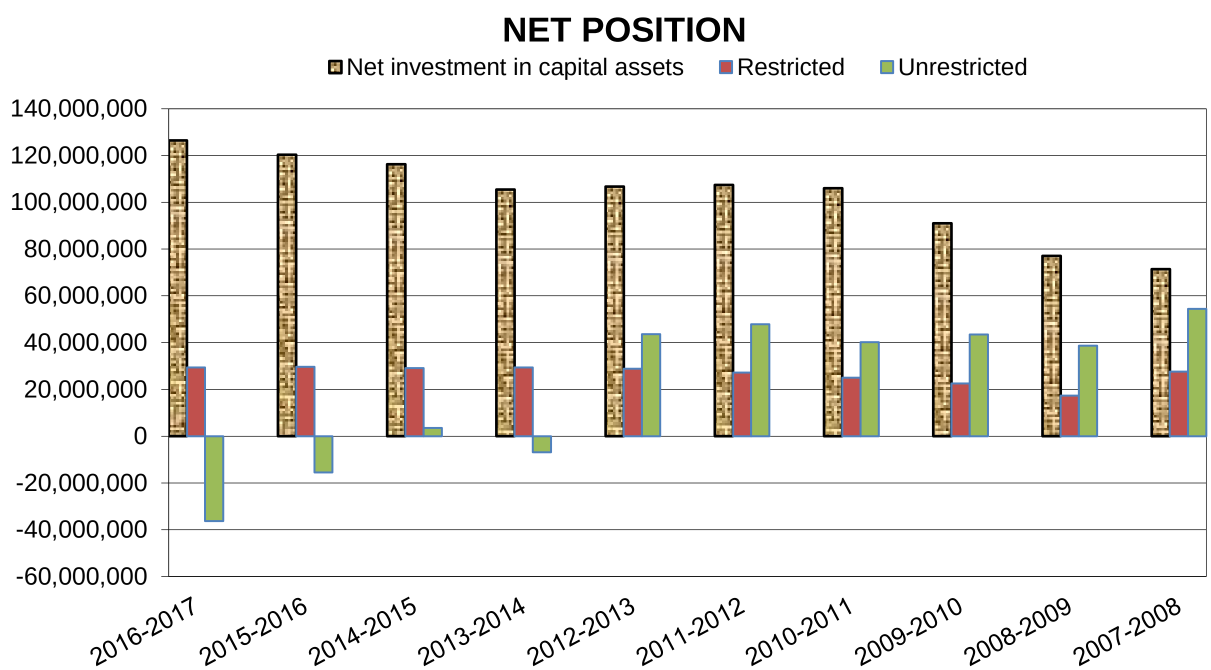
This section of Chemeketa Community College's Comprehensive Annual Financial Report presents detailed information as a basis for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the College's overall financial health.

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

		2016-2017		2015-2016		2014-2015		2013-2014
Net investment in capital assets	$	126,462,303	$	120,345,397	$	116,274,920	$	105,459,693
Restricted		29,418,828		29,643,104		29,056,964		29,344,769
Unrestricted		(36,332,041)		(15,493,021)		3,532,333		(6,866,148)
Total net position	$	119,549,090	$	134,495,480	$	148,864,217	$	127,938,314



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. Net position at June 30, 2014, as originally reported, was $191,606,511.

	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
	$ 106,724,945	$ 107,423,876	$ 106,021,287	$ 91,024,657	$ 77,076,106	$ 71,411,320
	28,819,609	27,150,510	24,988,835	22,530,671	17,371,026	27,604,641
	43,562,493	47,807,014	40,209,594	43,532,429	38,653,089	54,377,949
	$ 179,107,047	$ 182,381,400	$ 171,219,716	$ 157,087,757	$ 133,100,221	$ 153,393,910

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2016-2017	2015-2016	2014-2015	2013-2014
Operating Revenues				
Student tuition and fees	$ 22,163,943	$ 23,613,807	$ 35,214,098	$ 38,073,043
Grants and contracts	29,525,862	28,779,949	32,296,012	35,364,450
Bookstore sales	3,916,797	4,445,037	4,766,127	4,761,251
Rental income	4,177,237	3,847,903	3,532,732	3,647,087
Other operating revenues	6,511,849	8,549,926	7,928,103	6,787,051
Total operating revenues	66,295,688	69,236,622	83,737,072	88,632,882
Operating Expenses				
President's office	5,212,541	6,021,062	3,490,453	2,690,172
College support services	17,089,623	18,863,550	12,291,216	15,871,095
Instruction and student services	47,707,170	57,477,998	31,446,449	42,094,026
College facilities	2,622,641	3,666,689	2,369,854	2,505,767
Grants and scholarships	22,213,593	22,074,710	34,049,861	37,681,633
Self-supporting services	20,698,046	22,813,182	15,997,170	19,123,390
Intra-college services	3,511,219	2,882,706	2,711,110	2,298,427
Regional library	3,074,361	3,170,890	2,540,548	2,654,461
Bookstore	3,874,286	4,495,697	4,256,311	4,693,582
Depreciation expense	6,245,057	5,877,700	5,480,316	5,275,235
Total operating expenses	132,248,537	147,344,184	114,633,288	134,887,788
Operating income (loss)	(65,952,849)	(78,107,562)	(30,896,216)	(46,254,906)
Nonoperating Revenues (Expenses)				
State community college support	23,759,227	37,774,756	20,152,851	28,717,709
Other state sources	286,369	177,931	171,601	242,163
Property taxes	32,361,579	31,559,365	29,570,587	26,880,384
Investment income	812,360	657,411	520,301	9,685,384
Loss on investments	-	-	-	-
Interest expense	(6,135,333)	(6,534,937)	(6,490,482)	(6,977,743)
Issuance costs	(60,200)	-	(216,562)	(326,782)
Gain (loss) on sale of capital assets	(33,999)	(67,253)	(190,597)	(13,786)
Total nonoperating revenues (expenses)	50,990,003	63,567,273	43,517,699	58,207,329
Income (loss) before contributions	(14,962,846)	(14,540,289)	12,621,483	11,952,423
Capital Contributions	16,456	171,552	8,304,420	547,041
Total change in net position	$ (14,946,390)	$ (14,368,737)	$ 20,925,903	$ 12,499,464

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.

2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
$ 39,195,722	$ 38,260,629	$ 35,985,783	$ 33,019,066	$ 24,952,735	$ 21,086,334
37,302,219	38,155,453	37,568,924	43,858,889	35,605,669	30,897,675
5,437,040	5,638,982	6,267,520	6,911,914	6,225,231	5,528,332
3,483,468	3,381,571	3,013,840	2,878,722	2,460,386	2,569,551
7,093,187	6,243,125	7,234,378	7,585,696	6,566,763	5,526,761
92,511,636	91,679,760	90,070,445	94,254,287	75,810,784	65,608,653
2,686,916	2,406,671	1,380,601	1,310,396	1,332,543	1,627,554
15,414,373	15,270,580	16,677,401	16,526,976	17,342,965	16,795,880
40,923,826	38,813,921	37,187,179	36,174,893	37,282,649	33,776,812
3,047,730	2,217,450	2,185,613	2,766,113	251,546	484,878
39,724,882	40,134,982	39,365,043	45,443,467	36,623,360	31,617,252
19,815,632	18,507,315	16,266,755	15,845,527	15,436,288	13,955,114
2,163,403	2,168,059	2,742,236	2,105,944	2,259,232	2,031,773
2,579,348	2,507,560	2,399,696	2,389,704	2,083,031	2,036,213
5,242,740	5,413,376	5,764,964	6,132,617	5,749,539	4,830,411
4,844,575	3,926,540	3,683,800	3,560,428	2,895,477	2,774,494
136,443,425	131,366,454	127,653,288	132,256,065	121,256,630	109,930,381
(43,931,789)	(39,686,694)	(37,582,843)	(38,001,778)	(45,445,846)	(44,321,728)
13,866,214	26,777,332	15,541,953	31,039,809	20,359,653	33,829,617
109,762	102,800	217,314	189,425	274,434	432,818
27,476,520	26,604,404	23,527,943	25,971,585	20,034,884	18,797,877
6,239,566	2,792,448	9,892,075	9,028,850	1,747,937	3,158,256
-	-	-	-	(14,677,151)	(1,086,135)
(7,124,558)	(7,245,793)	(6,496,206)	(8,256,278)	(4,177,667)	(4,153,635)
-	-	-	-	-	-
(34,458)	(45,591)	(67,402)	(4,937)	704	(15,869)
40,533,046	48,985,600	42,615,677	57,968,454	23,562,794	50,962,929
(3,398,743)	9,298,906	5,032,834	19,966,676	(21,883,052)	6,641,201
124,390	2,759,855	9,099,125	4,020,860	1,589,363	13,650
$ (3,274,353)	$ 12,058,761	$ 14,131,959	$ 23,987,536	$ (20,293,689)	$ 6,654,851

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

Fiscal Year	Real Market Value	Assessed Value	Assessed Value Increase (Decrease)	Assessed Value Percentage Change	Total Direct Rate
Linn County:					
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
2008-2009	452,978,900	290,996,636	23,046,814	8.60%	0.79
2007-2008	426,600,220	267,949,822	14,298,253	5.64%	0.78
Marion County:					
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
2008-2009	37,002,690,937	17,608,432,571	776,413,457	4.61%	0.79
2007-2008	35,276,496,141	16,832,019,114	887,070,562	5.56%	0.78

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	Assessed Value	Assessed Value Increase (Decrease)	Assessed Value Percentage Change	Total Direct Rate
Polk County:					
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
2008-2009	8,138,295,299	4,295,311,141	213,021,867	5.22%	0.79
2007-2008	7,715,738,285	4,082,289,274	276,874,352	7.28%	0.78
Yamhill County:					
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
2008-2009	6,567,134,948	3,875,175,274	286,630,374	7.99%	0.79
2007-2008	6,298,434,038	3,588,544,900	222,337,670	6.60%	0.78

PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Company Name	2017 Assessed Value	2017 Rank	2017 Percent of Total District Assessed Value	2008 Assessed Value	2008 Rank	2008 Percent of Total District Assessed Value
Linn County:						
Freres Lumber Co	$ 28,310,920	1	7.65%	$ 20,956,668	1	7.82%
Weyerhaeuser (Willamette)	12,060,266	2	3.26%	9,376,821	2	3.50%
PacifiCorp (PP&L)	10,112,000	3	2.73%	5,498,000	4	2.05%
Frank Lumber Co	8,039,310	4	2.18%	6,814,867	3	2.54%
Longview Timberlands LLC	6,094,216	5	1.65%	4,561,280	5	1.70%
Follansbee Rogers V ET AL	5,235,215	6	1.42%	3,980,716	6	1.49%
Evergreen Biopower LLC	4,971,520	7	1.35%	-	-	-
Stayton Coop Telephone Co	3,497,170	8	0.95%	2,045,400	10	0.76%
Frank Pellets LLC	2,845,370	9	0.77%	-	-	-
NW Natural Gas	2,839,000	10	0.77%	2,056,000	9	0.77%
Butte Development Co	-	-	-	2,619,175	7	0.98%
Baughman, Scott - Property Owner	-	-	-	2,138,513	8	0.79%
	84,004,987		22.73%	60,047,440		22.40%
ALL OTHER TAXPAYERS	285,553,571		77.27%	207,902,382		77.60%
TOTAL	$ 369,558,558		100.00%	$ 267,949,822		100.00%

Company Name	2017 Assessed Value	2017 Rank	2017 Percent of Total District Assessed Value	2008 Assessed Value	2008 Rank	2008 Percent of Total District Assessed Value
Marion County:						
Portland General Electric	$ 257,780,798	1	1.13%	$ 204,242,050	1	1.17%
NW Natural Gas	143,292,600	2	0.63%	111,271,200	2	0.64%
WinCo Foods	100,080,762	3	0.44%	78,121,357	4	0.45%
Century Link	69,974,320	4	0.31%	-	-	-
Norpac Foods Inc	69,047,262	5	0.30%	57,090,429	5	0.33%
Woodburn Premium Outlets LLC	62,473,396	6	0.27%	-	-	-
Donahue Schriber Realty Group	59,975,400	7	0.26%	-	-	-
Lancaster Development Co	56,428,400	8	0.25%	53,453,429	6	0.31%
Wal-Mart Real Estate	50,818,350	9	0.22%	38,481,100	8	0.22%
Metropolitan Life Insurance Co	46,093,960	10	0.20%	35,395,980	9	0.20%
Qwest Corporation (US West)	-	-	-	87,459,550	3	0.50%
Craig Realty Group Woodburn	-	-	-	41,245,830	7	0.24%
Food Services of America	-	-	-	31,566,560	10	0.18%
	915,965,248		4.02%	738,327,485		4.24%
ALL OTHER TAXPAYERS	21,852,029,243		95.98%	16,699,019,217		95.76%
TOTAL	$ 22,767,994,491		100.00%	$ 17,437,346,702		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	2017 Assessed Value	2017 Rank	2017 Percent of Total District Assessed Value	2008 Assessed Value	2008 Rank	2008 Percent of Total District Assessed Value
Polk County:						
NW Natural Gas	$ 68,971,400	1	1.23%	$ 37,161,900	1	0.92%
Comcast Corp	47,106,900	2	0.84%	-	-	-
Portland General Electric	27,159,300	3	0.48%	16,211,350	6	0.40%
Weyerhaeuser (Willamette)	17,679,436	4	0.31%	33,989,585	2	0.83%
PacifiCorp (PP&L)	17,635,000	5	0.31%	-	-	-
riverplace Apartment Homes LLC	15,964,390	6	0.28%	-	-	-
Capital Manor	15,735,420	7	0.28%	11,962,090	7	0.29%
Willamette Park Villas LLC	13,038,620	8	0.23%	-	-	-
Orchard Ridge Apartments LLC	12,806,030	9	0.23%	-	-	-
PRT Investors LLC ETAL	10,480,300	10	0.19%	-	-	-
Roth IGA Foodliner	-	-	-	8,617,180	10	0.21%
TTM Printed Circuit Group, Inc	-	-	-	16,796,260	5	0.41%
Meriwether NW Land Mgmt	-	-	-	24,620,782	3	0.60%
Medallion Cabinetry, Inc	-	-	-	9,069,340	9	0.22%
Qwest Corporation (US West)	-	-	-	17,005,001	4	0.42%
Wyant Family Trust	-	-	-	11,486,310	8	0.28%
	246,576,796		4.38%	186,919,798		4.58%
ALL OTHER TAXPAYERS	5,375,347,066		95.62%	3,895,369,476		95.42%
TOTAL	$ 5,621,923,862		100.00%	$ 4,082,289,274		100.00%
Yamhill County:						
Portland General Electric	$ 79,119,000	1	1.55%	$ 45,891,000	2	0.82%
Cascade Steel Rolling Mills	58,462,356	2	1.14%	54,804,072	1	0.99%
MPT of McMinnville-Capella LLC	54,122,981	3	1.06%	-	-	-
Riverbend Landfill Co	32,898,641	4	0.64%	-	-	-
Comcast Corp	23,409,600	5	0.46%	-	-	-
Falls at MicMinnville LLC	21,660,430	6	0.42%	-	-	-
HCP SH ELP1 Properties LLC	18,811,218	7	0.37%	-	-	-
NW Natural Gas	18,262,000	8	0.36%	-	-	-
Lowes HIW Inc	17,129,164	9	0.34%	18,312,700	6	0.33%
Hampton Lumber Mills	16,558,195	10	0.32%	13,139,718	8	0.24%
Willamette Valley Med Center	-	-	-	40,878,036	3	0.74%
Willamina Lumber Co	-	-	-	37,893,582	4	0.68%
Hillside Senior Living Community	-	-	-	14,265,083	7	0.26%
Verizon NW	-	-	-	26,503,800	5	0.48%
Monrovia Nursery	-	-	-	10,499,660	10	0.19%
Air Liquide Industrial	-	-	-	11,060,536	9	0.20%
	340,433,585		6.66%	273,248,187		4.93%
ALL OTHER TAXPAYERS	4,768,527,403		93.34%	5,269,000,662		95.07%
TOTAL	$ 5,108,960,988		100.00%	$ 5,542,248,849		100.00%

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND RATES
LAST TEN FISCAL YEARS

	2016-2017	2015-2016	2014-2015	2013-2014
Levy extended by assessor	$ 32,977,920	$ 32,399,179	$ 30,306,146	$ 27,774,436
Reduction of taxes receivable:				
Current year	32,304,805	31,488,147	29,150,571	26,706,977
Tax roll adjustments	145,653	(52,769)	(283,852)	(171,072)
Beginning taxes receivable:				
Prior year	1,796,803	1,846,085	1,936,189	2,130,103
Reduction of taxes receivable:				
Prior years	824,658	781,038	937,841	1,003,663
Tax roll adjustments	(44,340)	(126,507)	(23,986)	(86,638)
Total taxes receivable, end of year	$ 1,746,573	$ 1,796,803	$ 1,846,085	$ 1,936,189
Collections				
Current year	$ 32,304,805	$ 31,488,147	$ 29,150,571	$ 26,706,977
Prior year	824,658	781,038	937,841	1,003,663
Electric cooperative revenue tax/foreclosure	5,113	19,058	38,488	22,081
Discounts & Interest	(722,767)	(679,596)	(599,927)	(524,705)
Total received by college	$ 32,411,809	$ 31,608,647	$ 29,526,973	$ 27,208,016
Total collections as a percentage of of current levy	98.3%	97.6%	97.4%	98.0%
Delinquent taxes by levy year :				
1st year prior	$ 384,858	$ 401,415	$ 423,579	$ 596,533
2nd year prior	245,080	238,799	281,986	342,665
3rd year prior	111,549	126,333	121,006	143,981
4th year prior	51,394	53,814	51,858	75,464
5th year prior	41,313	39,003	47,406	19,187
6th year prior and earlier	93,610	79,176	48,527	66,673
Tax levy rates:				
Chemeketa Community College	0.90	0.92	0.90	0.86
Chemeketa Cooperative Regional Library	0.08	0.08	0.08	0.08
Total direct rate	0.98	1.00	0.98	0.94

Source: Chemeketa Community College financial records

2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
$ 28,116,181	$ 27,266,465	$ 24,294,908	$ 26,390,086	$ 20,496,834	$ 19,233,307
26,950,741	26,043,934	23,271,345	25,156,778	19,494,524	18,488,991
(109,096)	(164,122)	28,918	53,079	(86,969)	(32,418)
2,131,243	2,044,950	2,145,776	1,503,596	1,284,568	1,278,350
996,427	910,422	802,739	703,517	715,891	689,257
(61,057)	(61,694)	(350,568)	59,310	19,578	(16,423)
$ 2,130,103	$ 2,131,243	$ 2,044,950	$ 2,145,776	$ 1,503,596	$ 1,284,568
$ 26,950,741	$ 26,043,934	$ 23,271,345	$ 25,156,778	$ 19,494,524	$ 18,488,991
996,427	910,422	802,739	703,517	715,891	689,257
34,287	24,849	18,871	14,828	14,642	-
(503,795)	(461,094)	(464,186)	(545,718)	(409,201)	(386,589)
$ 27,477,660	$ 26,518,111	$ 23,628,769	$ 25,329,405	$ 19,815,856	$ 18,791,659
97.7%	97.3%	97.3%	96.0%	96.7%	97.7%
$ 529,438	$ 534,259	$ 579,180	$ 509,881	$ 428,793	$ 478,760
303,687	361,080	255,707	140,631	191,764	131,513
134,479	86,638	77,005	100,935	113,422	102,448
29,387	24,013	23,722	37,464	56,774	55,022
16,846	16,488	13,401	1,526	4,057	(172)
59,922	50,358	43,454	8,208	7,124	6,602
0.80	0.88	0.79	0.89	0.71	0.70
0.08	0.08	0.08	0.08	0.08	0.08
0.88	0.96	0.87	0.97	0.79	0.78

RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS

	2016-2017	2015-2016	2014-2015	2013-2014
Outstanding Debt:				
General obligation bonds	$ 85,230,514	$ 92,116,771	$ 98,498,028	$ 99,906,721
Limited tax pension bonds	44,654,658	46,538,982	48,137,749	49,475,404
Full faith and credit obligations	3,726,466	4,363,481	4,999,061	5,609,641
Total Outstanding Debt	$ 133,611,638	$ 143,019,234	$ 151,634,838	$ 154,991,766
Ratios of Outstanding Debt:				
Actual property value	$ 54,722,553,649	51,218,206,968	$ 48,328,037,785	$ 46,037,504,833
Percentage of actual property value	0.24%	0.28%	0.31%	0.34%
Population (estimate)	640,985	632,830	629,115	620,010
Outstanding debt per capita	$ 208	226	$ 241	$ 250

Note: Population estimates are as of July 1st of the fiscal year. Outstanding debt is reported net of 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

2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
$ 81,194,566	$ 83,978,483	$ 86,482,400	$ 58,889,938	$ 61,662,419	$ 12,201,728
50,575,902	51,462,338	52,151,618	52,659,758	53,007,525	53,205,133
6,195,221	6,760,801	7,306,381	7,831,961	8,337,541	9,283,121
$ 137,965,689	$ 142,201,622	$ 145,940,399	$ 119,381,657	$ 123,007,485	$ 74,689,982
$ 45,333,562,798	$ 46,612,430,153	$ 49,180,403,428	$ 51,150,513,489	$ 52,161,100,084	$ 49,717,268,684
0.30%	0.31%	0.30%	0.23%	0.24%	0.15%
615,705	611,305	607,640	593,070	587,610	580,980
$ 224	$ 233	$ 240	$ 201	$ 209	$ 129

RATIOS OF GENERAL BONDED DEBT
LAST TEN FISCAL YEARS

	2016-2017	2015-2016	2014-2015	2013-2014
General Bonded Debt Outstanding:				
General obligation bonds	$ 85,230,514	$ 92,116,771	$ 98,498,028	$ 99,906,721
Limited tax pension bonds	44,654,658	46,538,982	48,137,749	49,475,404
Full faith and credit obligations	3,726,466	4,363,481	4,999,061	5,609,641
Total general bonded debt	$ 133,611,638	$ 143,019,234	$ 151,634,838	$ 154,991,766
Less: Amounts set aside to repay general debt	(1,061,726)	(1,215,202)	(954,475)	(1,403,826)
Net General Bonded Debt	$ 132,549,912	$ 141,804,032	$ 150,680,363	$ 153,587,940
Ratios of General Bonded Debt:				
Real market value	$ 54,722,553,649	$ 51,218,206,968	$ 48,328,037,785	$ 46,037,504,833
Population (estimate)	640,985	632,830	629,115	620,010
Percentage of actual property value	0.24%	0.28%	0.31%	0.33%
Net bonded debt per capita	$ 207	$ 224	$ 240	$ 248

Note: Population estimates are as of July 1st of the fiscal year. Outstanding debt is reported net of 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

2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
$ 81,194,566	$ 83,978,483	$ 86,482,400	$ 58,889,938	$ 61,662,419	$ 12,201,728
50,575,902	51,462,338	52,151,618	52,659,758	53,007,525	53,205,133
6,195,221	6,760,801	7,306,381	7,831,961	8,337,541	9,283,121
$ 137,965,689	$ 142,201,622	$ 145,940,399	$ 119,381,657	$ 123,007,485	$ 74,689,982
(1,327,188)	(242,762)	(136,586)	(332,036)	(533,557)	(474,018)
$ 136,638,501	$ 141,958,860	$ 145,803,813	$ 119,049,621	$ 122,473,928	$ 74,215,964
$ 45,333,562,798	$ 46,612,430,153	$ 49,180,403,428	$ 51,150,513,489	$ 52,161,100,084	$ 49,717,268,684
615,705	611,305	607,640	593,070	587,610	580,980
0.30%	0.30%	0.30%	0.23%	0.23%	0.15%
$ 222	$ 232	$ 240	$ 201	$ 208	$ 128

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	2016-2017	2015-2016	2014-2015	2013-2014
Legal Debt:				
Legal debt limit	$ 820,838,305	$ 768,273,105	$ 724,920,567	$ 690,562,572
Less: Net general bonded debt applicable to debt limit	(132,549,912)	(141,804,032)	(150,680,363)	(153,587,940)
Legal Debt Margin	$ 688,288,393	$ 626,469,073	$ 574,240,204	$ 536,974,632
Legal debt margin as a percentage of the debt limit	83.9%	81.5%	79.2%	77.8%
Legal Debt Limit Calculation:				
Real market value	$ 54,722,553,649	$ 51,218,206,968	$ 48,328,037,785	$ 46,037,504,833
Applicable %	1.5%	1.5%	1.5%	1.5%
Legal Debt Limit	$ 820,838,305	$ 768,273,105	$ 724,920,567	$ 690,562,572

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

2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
$ 680,003,442	$ 699,186,452	$ 737,706,051	$ 767,257,702	$ 782,416,501	$ 745,759,030
(136,638,501)	(141,958,860)	(145,803,813)	(119,049,621)	(122,473,928)	(74,215,964)
$ 543,364,941	$ 557,227,592	$ 591,902,238	$ 648,208,081	$ 659,942,573	$ 671,543,066
79.9%	79.7%	80.2%	84.5%	84.3%	90.0%
$ 45,333,562,798	$ 46,612,430,153	$ 49,180,403,428	$ 51,150,513,489	$ 52,161,100,084	$ 49,717,268,684
1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
$ 680,003,442	$ 699,186,452	$ 737,706,051	$ 767,257,702	$ 782,416,501	$ 745,759,030

DIRECT AND OVERLAPPING GROSS BONDED DEBT
June 30, 2017

OVERLAPPING DISTRICT	Percent Overlap	Overlapping Gross Bonded Debt
Direct Debt:		
Chemeketa Community College	100.0000%	$ 76,460,000
Overlapping Debt:		
Amity RFPD	100.0000%	3,035,000
Aumsville RFPD	100.0000%	1,730,000
Benton County SD 17J (Philomath)	0.7200%	224,740
City Of Amity	100.0000%	2,806,415
City of Aumsville	100.0000%	2,108,943
City of Aurora	100.0000%	2,365,065
City of Carlton	100.0000%	3,965,581
City of Dallas	100.0000%	11,424,338
City of Dayton	100.0000%	5,835,009
City of Detroit	100.0000%	1,380,354
City of Donald	100.0000%	405,000
City of Falls City	100.0000%	60,470
City of Gates	100.0000%	529,979
City of Gervais	100.0000%	490,343
City of Idanha	100.0000%	28,040
City of Independence	100.0000%	30,296,919
City of Jefferson	100.0000%	3,544,381
City of Keizer	100.0000%	14,685,000
City of Lafayette	100.0000%	1,536,642
City of McMinnville	99.9600%	32,084,155
City of Mill City	100.0000%	4,885,892
City of Monmouth	100.0000%	32,021,891
City of Salem	100.0000%	196,316,555
City of Sheridan	100.0000%	2,225,000
City of Silverton	100.0000%	5,211,030
City of St Paul	100.0000%	672,250
City of Stayton	100.0000%	20,000,703
City of Willamina	100.0000%	1,639,758
City of Woodburn	100.0000%	14,275,297
City of Yamhill	100.0000%	1,139,892
Dayton RFPD	100.0000%	890,000
Dundee RFPD	12.7700%	146,178
Hoskins-Kings Valley RFPD	19.9500%	11,972
Hubbard RFPD	100.0000%	648,387
Idhanha-Detroit RFPD	100.0000%	75,000
Jefferson RFPD (Marion-Linn Counties)	59.1700%	115,389
Keizer RFPD	100.0000%	3,625,000
Linn Cty SD 129J (Santiam Canyon)	100.0000%	3,942,217
Lyons RFPD 10	94.3200%	555,185
Lyons-Mehama Water District	100.0000%	465,000
Marion County	100.0000%	52,785,533
Marion Cty RFPD 1	100.0000%	4,875,990
Marion Cty SD 1 (Gervais)	100.0000%	9,477,238

DIRECT AND OVERLAPPING GROSS BONDED DEBT
June 30, 2017 (Continued)

OVERLAPPING DISTRICT	Percent Overlap		Overlapping Gross Bonded Debt
Marion Cty SD 103 (Woodburn)	100.0000%	$	62,456,754
Marion Cty SD 14J (Jefferson)	93.1000%		4,964,358
Marion Cty SD 15 (North Marion)	100.0000%		9,500,721
Marion Cty SD 24J (Salem/Keizer)	100.0000%		398,867,517
Marion Cty SD 29J (North Santiam)	92.4500%		31,149,533
Marion Cty SD 45 (St Paul)	100.0000%		8,035,000
Marion Cty SD 4J (Silver Falls)	91.3500%		43,676,000
Marion Cty SD 5 (Cascade)	100.0000%		23,655,221
Marion Cty SD 91 (Mt Angel)	100.0000%		12,072,814
Mt Angel RFPD	100.0000%		595,000
New Carlton RFPD	100.0000%		935,000
Northwest Regional ESD	0.0700%		2,925
Polk County	100.0000%		2,105,559
Polk Cty RFPD 1	100.0000%		1,780,000
Polk Cty SD 13J (Central)	99.6800%		74,875,180
Polk Cty SD 2 (Dallas)	100.0000%		7,474,940
Polk Cty SD 21 (Perrydale)	100.0000%		290,000
Polk Cty SD 57 (Falls City)	100.0000%		1,418,470
Portland Community College	0.0100%		40,872
Silverton RFPD	94.8400%		4,062,661
Stayton RFPD	89.8100%		592,350
Sublimity RFPD	100.0000%		1,046,238
Tillamook Cty SD 101 (Nestucca Valley)	0.1100%		11,469
Washington Cty SD 1J (Hillsboro)	0.0100%		23,168
Washington Cty SD 511J (Gaston)	17.7500%		2,583,181
Washington Cty SD 88J (Sherwood)	0.0900%		196,882
West Valley Fire District	100.0000%		285,000
Willamette ESD	89.4200%		20,735,658
Woodburn RFPD 6	100.0000%		1,765,000
Yamhill County	59.7400%		1,804,956
Yamhill Cty SD 1 (Yamhill-Carlton)	100.0000%		23,953,654
Yamhill Cty SD 29J (Newberg)	0.4400%		206,821
Yamhill Cty SD 30J (Willamina)	99.1500%		3,673,622
Yamhill Cty SD 40 (McMinnville)	100.0000%		152,629,739
Yamhill Cty SD 48J (Sheridan)	100.0000%		4,480,000
Yamhill Cty SD 4J (Amity)	100.0000%		7,622,253
Yamhill Cty SD 8 (Dayton)	100.0000%		17,763,707
Yamhill RFPD	99.5500%		129,410
Total Overlapping Debt			1,401,999,364
TOTAL DIRECT AND OVERLAPPING DEBT		$	1,478,459,364

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

	2016	2015	2014	2013
Manufacturing				
Durable Goods	6,200	5,900	5,400	5,100
Food Products	4,800	5,000	4,700	4,600
Other Nondurable Goods	2,200	2,100	2,100	2,100
Total Manufacturing	13,200	13,000	12,200	11,800
Non-manufacturing				
Natural Resources and Mining	1,000	1,200	1,200	1,200
Construction	9,400	8,700	7,800	6,800
Transportation, Warehousing, and Utilities	4,300	4,000	3,800	3,800
Trade	22,500	21,900	21,300	20,500
Information	1,200	1,000	1,000	1,000
Financial Activities	7,000	6,800	7,100	7,100
Professional and Business Services	14,000	13,100	12,800	12,200
Educational and Health Services	25,600	24,700	23,800	22,800
Leisure and Hospitality	14,700	14,300	13,600	13,000
Other Services	5,500	5,200	5,100	5,000
Government	42,800	41,600	41,000	39,800
Total Non-manufacturing	148,000	142,500	138,500	133,200
Other	31,897	21,907	20,719	21,094
Total Employment	193,097	177,407	171,419	166,094
Civilian Labor Force	203,416	188,784	184,893	181,937
Unemployed	10,060	11,377	13,474	15,843
Percentage of Unemployed (Annual Average)	5.1%	6.0%	7.3%	8.7%

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

Source: State of Oregon Employment Department

2012	2011	2010	2009	2008	2007
4,900	4,800	5,000	5,300	6,600	7,300
4,600	4,900	4,800	5,000	5,000	5,000
2,000	1,900	2,000	2,000	2,400	2,500
11,500	11,600	11,800	12,300	14,000	14,800
1,200	1,100	1,100	1,000	1,200	1,300
6,400	6,400	6,600	7,100	9,200	10,200
3,700	3,600	3,400	3,600	3,800	3,700
20,000	20,000	19,900	20,200	21,800	22,100
1,100	1,100	1,200	1,300	1,400	1,500
7,100	7,200	7,100	7,200	7,600	7,500
11,600	11,000	11,400	12,100	13,100	13,400
22,300	21,900	21,400	21,000	20,300	19,500
12,400	12,100	11,900	12,200	12,700	12,500
5,100	5,100	5,300	5,300	5,400	5,300
39,800	40,900	42,700	42,600	42,200	40,500
130,700	130,400	132,000	133,600	138,700	137,500
25,501	29,308	27,074	30,985	29,835	27,865
167,701	171,308	170,874	176,885	182,535	180,165
185,857	190,887	191,735	198,299	195,082	190,237
18,156	19,579	20,861	21,414	12,547	10,072
9.8%	10.3%	10.9%	10.8%	6.4%	5.3%

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

	2017			2008		
Company Name	Total Employees	Rank	Percentage of Total	Total Employees	Rank	Percentage of Total
State of Oregon	23,510	1	53.13%	19,900	1	51.53%
Salem-Keizer School District (Regular staff)	5,723	2	12.93%	3,794	2	9.82%
Salem Health (Hospital)	3,900	3	8.81%	3,400	3	8.80%
US Government	2,180	4	4.93%	-	-	-
ATI-Wah Chang	1,600	5	3.62%	1,544	8	4.00%
Confederated Tribes/Spirit Mt Casino	1,578	6	3.57%	1,611	5	4.17%
Marion County	1,511	7	3.41%	1,582	7	4.10%
Western Oregon University	1,500	8	3.39%	1,500	9	3.88%
Chemeketa Community College	1,421	9	3.21%	1,593	6	4.12%
City of Salem	1,327	10	3.00%	1,231	10	3.20%
Norpac (Seasonal)	-	-	-	2,465	4	6.38%

Note: Percentage of total is based on number of persons employed in all four counties as of June of the fiscal year.

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
2016-2017	640,985	$ -	$ -	4.55
2015-2016	632,830	37,568	23,721,632	5.50
2014-2015	629,115	35,159	22,086,000	6.97
2013-2014	620,010	34,108	21,383,911	7.56
2012-2013	615,705	33,593	20,972,181	8.97
2011-2012	611,305	32,335	20,131,376	9.48
2010-2011	607,640	31,612	19,627,795	10.58
2009-2010	593,070	31,320	19,493,298	11.29
2008-2009	587,610	32,639	17,251,632	11.30
2007-2008	580,980	29,919	18,348,451	6.48

Note: Average per capita and personal income for 2016-2017 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 (personal income)

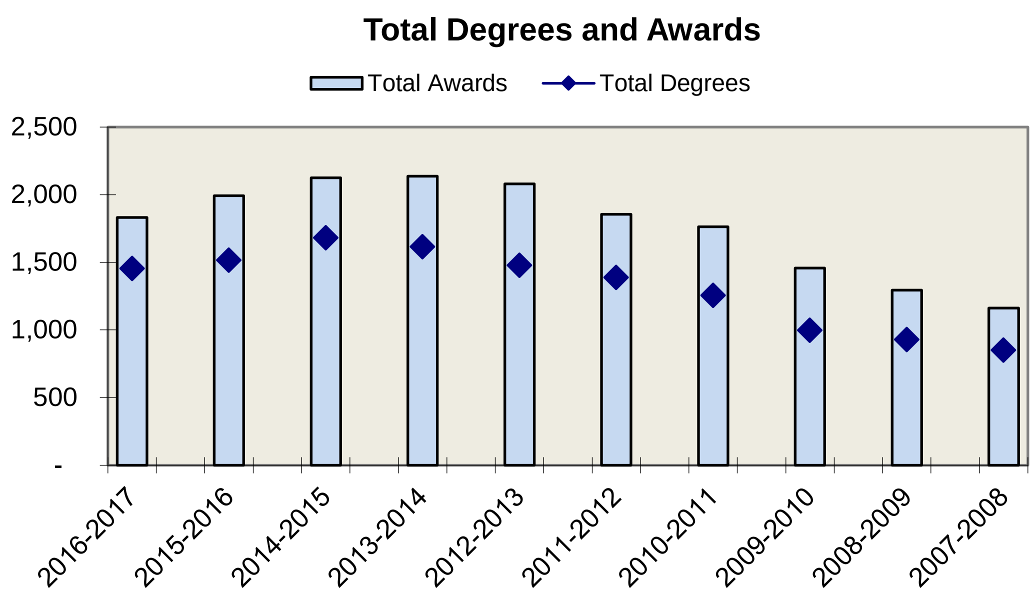
AVERAGE NUMBER OF EMPLOYEES
LAST TEN FISCAL YEARS

Fiscal Year	Exempt	Classified	Hourly	Faculty	Adjunct Faculty	Students	Total
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
2008-2009	105	420	205	224	402	229	1,585
2007-2008	99	422	218	222	378	254	1,593

Source: Human Resources Department at Chemeketa Community College

CERTIFICATES AND DEGREES AWARDED
LAST TEN FISCAL YEARS

Fiscal Year	Degrees AS/AAS	Degrees AA/AAOT	Degrees AGS	Total Degrees	Certificates	HSC	Total Awards
2016-2017	498	708	250	1,456	375	-	1,831
2015-2016	538	766	214	1,518	474	-	1,992
2014-2015	527	787	368	1,682	442	2	2,126
2013-2014	564	713	340	1,617	512	7	2,136
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
2008-2009	396	384	149	929	321	44	1,294
2007-2008	361	368	124	853	273	36	1,162



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 2011 to 2015 have been updated.

Source: Institutional Research Department at Chemeketa Community College

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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
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
2008-2009	61	6	12,169.85	12,503.60	59,593
2007-2008	58	6	11,108.78	11,405.13	71,614

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

	2016-2017	2015-2016 *	2014-2015	2013-2014
Lower Division Transfer Courses	5,600.96	5,827.56	5,949.33	6,314.18
CTE Preparatory	2,287.72	2,451.79	2,506.48	2,739.01
Standalone CTE Prep	9.12	29.07	23.09	34.05
CTE Supplemental	247.11	228.21	216.94	223.50
CTE Apprenticeship	126.40	117.29	90.78	66.68
English as a Second Language	481.53	477.89	491.09	540.71
Adult Basic Education	115.80	127.79	84.97	64.81
General Equivalency Diploma	246.82	301.90	398.69	440.91
Adult High School	480.83	501.19	527.88	480.35
Post Secondary Remedial	977.45	1,071.42	1,235.33	1,371.01
Adult Continuing Ed	94.18	98.24	89.19	77.27
Other Non-reimbursable	209.66	218.53	188.26	139.27
Student FTE	10,877.58	11,450.88	11,802.03	12,491.75

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. FTE categories in 2007-2008 may not be comparable to recent years due to a change in how numbers are reported. Standalone CTE Prep added in 2012-2013.

Source: Institutional Research Department at Chemeketa Community College

2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
6,653.01	6,551.44	6,404.13	5,913.52	4,992.68	4,118.91
2,973.93	2,920.05	3,125.32	3,179.69	2,799.81	2,539.11
39.81	-	-	-	-	-
245.00	486.72	628.89	518.49	590.49	551.54
54.41	52.91	70.88	76.72	103.13	109.15
503.94	541.26	612.28	789.29	789.10	806.95
70.49	105.00	179.34	258.26	463.15	429.86
785.67	560.34	573.91	696.36	571.21	352.04
441.54	452.54	357.86	271.58	210.16	201.95
1,598.83	1,707.36	1,660.67	1,567.36	1,310.54	1,040.26
72.88	80.19	152.06	136.00	140.56	133.77
122.08	121.75	163.78	202.66	199.02	825.25
13,561.59	13,579.56	13,929.12	13,609.93	12,169.85	11,108.79

CAMPUS FACILITIES AND OPERATING INFORMATION
LAST TEN FISCAL YEARS

	2016-2017	2015-2016	2014-2015	2013-2014
Salem				
Buildings	43	43	43	45
Net assignable square feet	942,142	942,142	882,446	877,630
Campus student count	15,682	16,186	16,763	17,797
Yamhill Valley (Hill Street & Tanger)				
Buildings	4	4	4	4
Net assignable square feet	86,494	86,494	86,494	86,494
Campus student count	2,410	2,609	2,940	3,683
Santiam				
Buildings	1	1	1	1
Net assignable square feet	29,298	29,298	29,298	29,298
Campus student count	-	-	-	-
Woodburn				
Buildings	2	2	2	2
Net assignable square feet	38,611	38,611	38,611	38,611
Campus student count	1,628	1,727	1,783	1,913
Dallas				
Buildings	1	1	1	1
Net assignable square feet	7,870	7,870	7,870	7,870
Campus student count	887	1,150	1,073	1,224
Brooks				
Buildings	9	9	9	9
Net assignable square feet	83,882	83,882	83,882	83,882
Campus student count	944	785	954	832
Chemeketa Center for Business and Industry				
Buildings (leased space prior to Fall 2009)	1	1	1	1
Net assignable square feet	53,374	53,374	53,374	53,374
Campus student count	2,009	1,358	2,306	5,681
Salem - Other				
Buildings	8	8	8	8
Net assignable square feet	54,117	54,117	54,117	54,117
Campus student count	6,860	7,437	7,476	7,520

Note: Student count is unduplicated per campus. Buildings used exclusively for storage are not included. Buildings and square footage represent college owned facilities. Prior to 2007-2008 Northwest Viticulture Center information was reported separately; now it is included in Salem - Other. Brooks campus opened in 2011-2012; acquistion of buildings began in 2007-2008.

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

2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
45	45	51	51	51	51
877,630	807,699	830,339	830,339	830,339	830,339
18,642	19,142	20,619	21,062	22,758	22,929
4	3	3	3	3	9
86,494	30,176	30,176	30,176	30,176	30,176
3,666	3,694	3,399	3,911	4,077	3,494
1	1	1	1	1	1
29,298	29,298	29,298	29,298	29,298	29,298
-	-	4	62	1,235	1,418
2	2	2	2	2	2
38,611	38,611	38,611	38,611	38,611	38,611
2,129	2,285	2,796	2,982	2,761	2,986
1	1	1	1	1	1
7,870	7,870	7,870	7,870	7,870	7,870
1,337	1,395	1,347	1,478	1,188	1,169
9	9	8	8	5	6
83,882	83,882	62,282	62,282	31,884	37,004
1,226	2,971	-	-	-	-
1	1	1	1	1	1
53,374	53,374	53,374	53,374	4,486	4,486
5,216	5,554	5,914	6,477	7,133	7,383
8	8	8	8	7	7
54,117	54,117	54,117	54,117	49,617	49,617
7,999	10,479	14,463	13,929	11,255	10,288

DISCLOSURES

GOVERNMENT AUDITING STANDARDS AND UNIFORM GUIDANCE DISCLOSURES SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2017

	Federal CFDA Number		Pass Through Number		Total Expenditures
US Department of Education:					
Direct programs:					
Student Financial Aid Cluster:					
Supplemental Educational Opportunity Grant	84.007	(a)	N/A	$	470,551
Perkins Loans	84.038	(a)	N/A		2,671,187
College Work Study	84.033	(a)	N/A		376,723
Pell Grant	84.063	(a)	N/A		16,208,777
Direct Student Loan Program	84.268	(a)	N/A		17,010,694
Total Student Financial Aid Cluster					36,737,932
TRIO Grant Cluster:					
Student Support Services	84.042		N/A		495,898
Talent Search	84.044		N/A		246,229
Upward Bound	84.047		N/A		272,311
Total TRIO Grant Cluster					1,014,438
High School Equivalency Program	84.141		N/A		449,239
College Assistance Migrant Program	84.149		N/A		414,991
Passed through State of Oregon, Department of Education:					
Carl Perkins Basic Grant	84.048		40306		1,133,577
Perkins Reserve	84.048		40330		128,002
					1,261,579
Passed through Salem Keizer Public Schools:					
Salem Keizer CTE Programs	84.048		A2012-114		7,484
Passed through State of Oregon, Higher Education Coordinating Commission, Office of Community Colleges and Workforce Development:					
Learning Standards	84.002		IGRA17-003		6,665
Adult Education - Basic Ed Grant	84.002		EE161706		482,288
					488,953
Total US Department of Education					**40,374,616**
National Science Foundation:					
Direct program:					
Education and Human Resources - DLL Lab for Physics	47.076		N/A		54,572
Passed through University of Washington					
Education and Human Resources - LSAMP	47.076		763702		5,572
Total National Science Foundation				**$**	**60,144**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2017 (Continued)

	Federal CFDA Number	Pass Through Number	Total Expenditures
US Department of Health and Human Services:			
Passed through Portland State University			
National Institutes of Health			
NIH EXITO Grant	93.310	205CRE484	$ **23,764**
General Services Administration:			
Passed through Oregon Department of General Services			
Federal Surplus Property	39.003	N/A	**10,504**
Small Business Administration:			
Passed through Lane Community College			
Small Business Development Center	59.037	SBA-2016-142	**81,910**
TOTAL FEDERAL ASSISTANCE			$ **40,550,938**

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

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, 2017. 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 2016-2017 fiscal year is as follows:

Balance - 7/1/2016	$ 2,549,390
Loan advances	121,797
Loan repayments, assignments and cancellations	(493,862)
Balance - 6/30/2017	$ 2,177,325

4. SUBRECIPIENTS

During the year ended June 30, 2017, the College made the following payments to a subrecipient:

CFDA	Subrecipient	Amount Provided to Subrecipient	Contract
47.076	Portland State University	$ 21,813	10285500

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

November 28, 2017

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, 2017, and have issued our report thereon dated November 28, 2017.

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.

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

November 28, 2017

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, 2017. 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, 2017.

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, 2017

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.

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INDEPENDENT AUDITORS COMMENTS SECTION

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INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY OREGON STATE REGULATIONS

November 28, 2017

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, 2017, and have issued our report thereon dated November 28, 2017.

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.

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