



Clackamas
Community College

Clackamas County, Oregon

**Comprehensive
Annual Financial Report**

For the Fiscal Year Ended June 30, 2016

CLACKAMAS COMMUNITY COLLEGE

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2016

Prepared by the Business Office
Clackamas Community College
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CLACKAMAS COMMUNITY COLLEGE
TABLE OF CONTENTS
June 30, 2016

	<u>Page</u>
INTRODUCTORY SECTION	
Board of Education	2
Organization Chart	3
Letter of Transmittal	4
Certificate of Achievement	6
 FINANCIAL SECTION	
Independent Auditor's Report	8
Management's Discussion and Analysis	11
Basic Financial Statements	
Clackamas Community College	
Statement of Net Position	17
Statement of Revenue, Expenses, and Changes in Net Position	18
Statement of Cash Flows	19
Clackamas Community College Foundation	
Statement of Financial Position	21
Statement of Activities	22
Clackamas Community College	
Notes to Basic Financial Statements	23
Clackamas Community College Foundation	
Notes to Financial Statements	41
Required Supplementary Information	
Schedule of the Proportionate Share of the Net Pension Liability - OPERS	48
Schedule of Contributions - OPERS	49
Notes to Required Supplementary Information - OPERS	50
Schedule of Funding Progress for Other Post Employment Benefits.	51
 STATISTICAL SECTION	
Financial Trends	
Net Position.	54
Changes in Net Position	55
Fund Balance - Governmental Funds	57
Change in Fund Balance - Governmental Funds	59
Revenue Capacity	
Property Tax Rates, Assessed Valuation, and True Cash Value	61
Direct and Overlapping Property Tax Rates	63
Largest Taxpayers	64
Property Tax Levies and Collections	65
Debt Capacity	
Debt Ratios.	67
Direct and Overlapping Bonded Debt.	69
Debt Limitation.	70
Demographic and Economic Information	
Population, Personal Income, and Unemployment.	71
Largest Employers.	72
Operating Information	
Employees.	73
Students.	74
Buildings.	75

CLACKAMAS COMMUNITY COLLEGE
 TABLE OF CONTENTS
 June 30, 2016

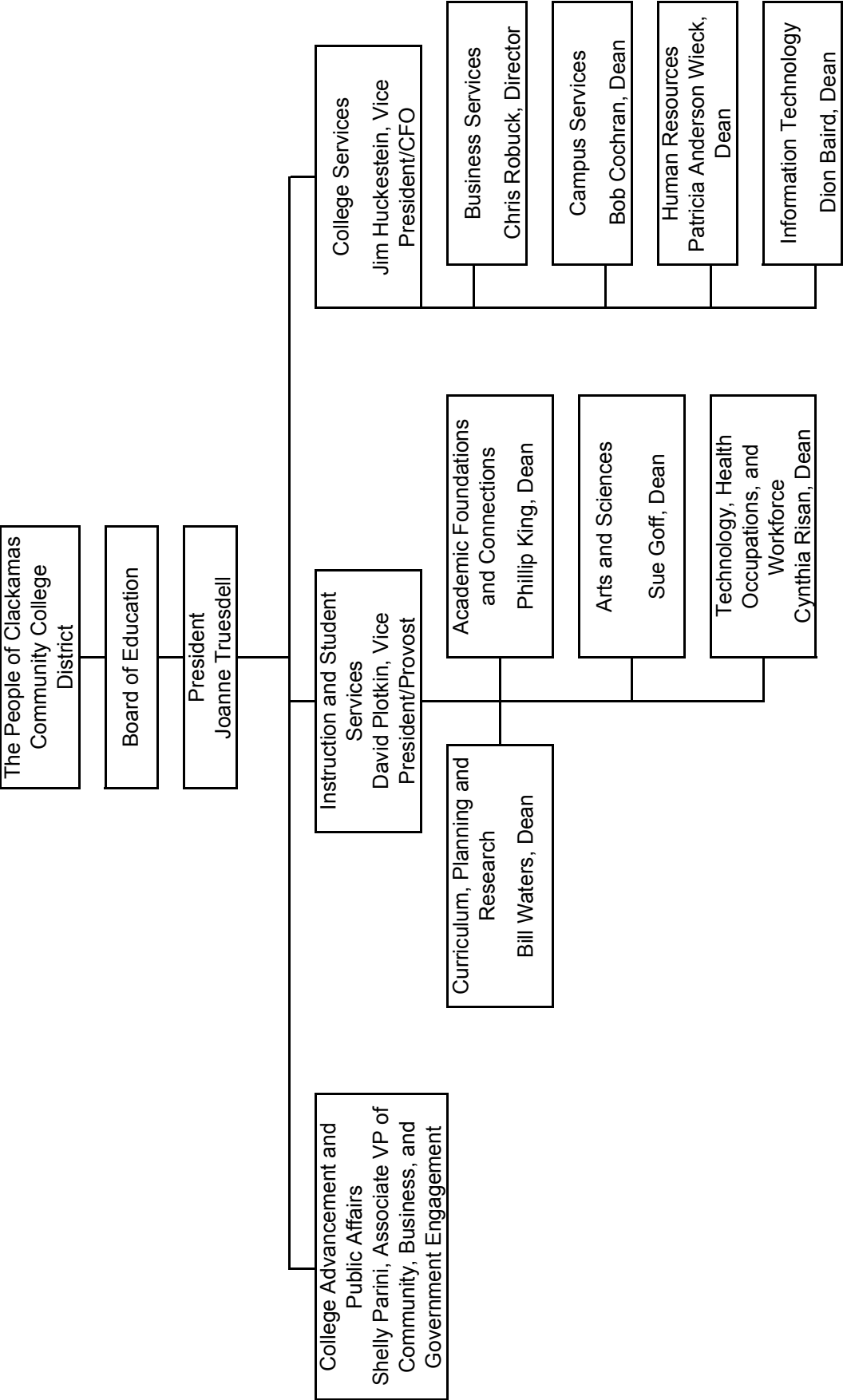
	Page
AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS	
Independent Auditor's Comments Required by Oregon State Regulations	77
GRANT COMPLIANCE	
Independent Auditor's Report on the Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	80
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.	82
Schedule of Expenditures of Federal Awards	84
Notes to Schedule of Expenditures of Federal Awards	88
Schedule of Findings and Questioned Costs	89
OTHER SUPPLEMENTARY INFORMATION	
Fund Descriptions	92
Balance Sheet	93
Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund.	97
Special Revenue Funds - Unrestricted Operations	99
Special Revenue Funds - Dedicated Student Fees	101
Special Revenue Funds - Externally Restricted	103
Special Revenue Funds - Reserve Funds	105
Debt Service Fund.	107
Capital Projects Funds - Unrestricted Operations	109
Capital Projects Funds - Externally Restricted.	111
Proprietary Funds - Enterprise Funds	113
Proprietary Funds - Internal Service Fund	115

INTRODUCTORY SECTION

CLACKAMAS COMMUNITY COLLEGE
BOARD OF EDUCATION
June 30, 2016

<u>Name</u>	<u>Address</u>	<u>Zone</u>	<u>Term Expires</u>
Chairperson: Jean Bidstrup	14385 SE Thelma Circle Milwaukie, OR 97267	Zone 2	6/30/2017
Vice Chairperson: Richard Oathes	PO Box 1226 334 SE 10th Canby, OR 97013	Zone 7	6/30/2017
Board Members: Greg Chaimov	12323 SE 2th Avenue Milwaukie, OR 97222-7882	Zone 1	6/30/2019
Dave Hunt	16655 SE Kingsridge Ct. Milwaukie, OR 97267	Zone 3	6/30/2017
Chris Groener	PO Box 1961 201 Woodfield Ct. Oregon City, OR 97045	Zone 4	6/30/2019
Ron Adams	1494 Braemar Drive West Linn, OR 97068	Zone 5	6/30/2019
Jane Reid	PO Box 556 32795 SE Coupland Road Estacada, OR 97023	Zone 6	6/30/2017
Clerk: Dr. Joanne Truesdell	19600 Molalla Avenue Oregon City OR 97045		

CLACKAMAS COMMUNITY COLLEGE
 ORGANIZATION CHART
 June 30, 2016



October 19, 2016

To the Board of Education and Executive Team
Clackamas Community College

Transmittal

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Clackamas Community College (the College) for the fiscal year ended June 30, 2016.

This annual audited financial report is required by Oregon Revised Statutes 297.425 through 297.555, and by various grant awards and debt covenants. The CAFR has been prepared in conformance with the financial reporting standards applicable to governmental entities set forth by the Governmental Accounting Standards Board, as well as the financial reporting standards of the Government Finance Officers Association. The College is required to undergo an annual single audit in conformity with the provisions of Title 2, Code of Federal Regulations, Part 200, Subpart F, and the consequent schedules and reports are included in this CAFR.

This report was prepared by the College's Business Office. Responsibility for the data presented, as well as accompanying disclosures, rests with the College. We believe the report is accurate and complete in all material respects and presents fairly the financial position and results of operations of the College at June 30, 2016, and for the year then ended.

We believe internal controls as designed are adequate and that they are functioning as intended. Internal controls are the attitudes, policies and procedures designed to prevent or detect material errors or irregularities in recording and reporting financial activity. Examples include approval of transactions, routine reconciliation of accounts, and managerial review of account balances and financial reports. Because the costs of internal controls should not outweigh their benefits, controls have been designed to provide reasonable, but not absolute, assurance that the financial statements are free from material misstatement.

The CAFR has been audited by Kenneth Kuhns & Co., independent Certified Public Accountants, whose opinions and reports appear in the Financial and Grant Compliance sections.

Management's discussion and analysis (MD&A), included in the Financial section, highlights the financial status of the College and explains the structure of the financial statements.

Profile of the College

Clackamas Community College was formed in 1966 to provide educational opportunities and vocational training to the residents of Clackamas County. Accredited by the Northwest Commission on Colleges and Universities since 1971, the College is a public two-year institution offering comprehensive programs in college transfer, professional technical training, continuing education, and developmental learning skills. The College's purpose is to create lifetime opportunities for success through responsive education. Campuses include the main site in Oregon City, the Harmony Road campus six miles north of Oregon City, and the utility training alliance facility in Wilsonville.

The Clackamas Community College district is essentially Clackamas County, excluding the cities of Lake Oswego and Sandy. Clackamas County is located south and south east of the city of Portland. The

College district is in the Portland-Vancouver-Beaverton, OR-WA Metropolitan Statistical Area, which includes Clackamas, Columbia, Multnomah, Washington and Yamhill counties in Oregon and Clark and Skamania counties in Washington. The five Oregon counties contain nearly half of Oregon's population. The economy of the Portland metropolitan area is broad and widely diversified.

The College is governed by a seven member Board of Education, elected by zones. The Board of Education is responsible for all activities of the College. The Board appoints the College President, who delegates administrative responsibilities to college staff.

In accordance with Oregon budget law for public corporations, the Budget Committee includes the Board and seven citizens appointed by the Board. The Budget Committee receives the budget proposed by the College President, makes any changes deemed necessary, and approves the budget. The Board of Education adopts the budget in June, prior to the start of the fiscal year, and makes appropriations for all funds, at the functional level. The budget is available to the public on the College website, as is this financial report.

The college maintains a multi-year financial forecast for the General Fund, our main operating fund. The forecast is routinely updated for changes in projected enrollment, tuition, state support, staffing and other expenditures. The forecast is monitored by the executive team and presented periodically to the Board of Education and to College staff. Board financial policies require a minimum contingency in the General Fund and allow long-term debt to be issued only for capital projects.

The Clackamas Community College Foundation is a legally separate nonprofit corporation organized with the mission of "friend raising and fundraising" for the College. The Foundation raises and donates funds to assist the College in various programs and facility construction, and for direct aid to students in the form of scholarships. The Foundation's Board of Directors is independent of the College's Board of Education. For financial reporting purposes, the Foundation is a component unit of the College and its financial statements are included in this CAFR.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the College for its CAFR for the fiscal year ended June 30, 2015. This was the 24th consecutive year that the College has received the award. In order to be awarded a Certificate of Achievement a government must publish an easily readable and efficiently organized CAFR. 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 CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Business Office staff are to be commended for the work that underlies this report. We would also like to thank the Board of Education for their continued support and dedication to the financial operations of the College.

Respectfully submitted,



Chris Robuck, CPA (inactive, licensed in Montana)
Director of Fiscal Services



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Clackamas Community College
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

October 14, 2016

Board of Education
Clackamas Community College
Oregon City, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Clackamas Community College as of and for the year ended June 30, 2016, and Clackamas Community College Foundation, its discretely presented component unit, as of and for the six months ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Clackamas 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 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, the financial statements referred to above present fairly, in all material respects, the financial position of Clackamas Community College as of June 30, 2016, and the changes in its financial position and its cash flows for the year then ended, and the financial position of Clackamas Community College Foundation as of December 31, 2015, and the changes in its net assets for the six months then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 6 to the basic financial statements under the caption “Plan Changes Reflected in 2015-16 Financial Statements,” an Oregon Supreme Court decision modified COLA-related benefits for certain members participating in the Oregon Public Employees Retirement System (PERS) Pension Plan. This change in projected benefits is reflected in the College’s net pension liability at June 30, 2016 and resulted in an additional \$13.6 million of operating expenses in the College’s statement of revenue, expenses, and changes in net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management’s discussion and analysis on pages 11 through 15 and the required supplementary information on pages 48 through 51 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 Clackamas Community College’s basic financial statements. The other supplementary 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 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 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 October 14, 2016 on our consideration of Clackamas 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 Clackamas 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 October 14, 2016 on our consideration of Clackamas 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.

CLACKAMAS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2016

Structure of Financial Reports

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

<u>Information</u>	<u>Measurement Focus</u>	<u>Basis of Accounting</u>	<u>Location in this Report</u>
Basic financial statements	Economic resources	Full accrual	Financial section
Fund balance sheet and schedules of budget and actual	Current financial resources	Modified accrual	Other supplementary information

The basic financial statements essentially combine all of the college's funds and convert the total to what it would be if the college had been accounted for as a for-profit business since inception. These statements are designed for comparing Clackamas to other educational institutions.

The fund information reflects how the college plans, accounts for, and manages its operations. Each fund is a distinct accounting entity which segregates resources in accordance with specific restrictions or managerial purposes. Fund accounting is required by generally accepted accounting principles and Oregon budget law. All funds are accounted for as governmental funds, which measure available spendable resources.

Measurement focus defines what types of transactions are recorded. The economic resources measurement focus is similar to private-sector businesses, recording all economic events. The current financial resources focus records transactions relevant to near-term liquidity; fund balance represents available spendable resources.

The major differences between the basic financial statements and the fund information include the following.

1. In the funds and budget, purchase of capital assets is an expenditure. In the basic financial statements, purchase of capital assets does not affect the operating statement, but depreciation expense is recorded as capital assets are exhausted through use over time.
2. In the funds, issuance of and principal payments on long-term debt appear in the operating statement as other financing sources and expenditures, respectively. In the basic financial statements, changes in long-term debt principal do not affect the operating statement.
3. In the funds, PERS expenditures are the amounts paid to PERS during the fiscal year. In the basic financial statements, expenditures are adjusted for the effect of recording assets, liabilities, deferred outflows and deferred inflows related to PERS.
4. The state appropriation payment is treated differently, as detailed on the next page.

CLACKAMAS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2016

State Appropriation Revenue

The state appropriation is allocated annually to each of the 17 Oregon community colleges based largely on full time student enrollment. Payments are made quarterly. In 2003, the Oregon legislature reduced funding by eliminating that year's April payment. At the same time, they amended Oregon budget law and allowed community colleges to accrue in place of the lost payment the first payment in the following biennium. Clackamas chose to accrue the payment in the General Fund. About half of the colleges chose not to accrue the payment; that treatment is required for the basic financial statements, where payments are recognized as revenue in the year received. The effect of accrual is illustrated below.

<i>With accrual</i>	<i>Date of receipt</i>	<i>Without accrual</i>	
2001-02 4 payments	August 2001 October 2001 January 2002 April 2002	2001-02 4 payments	In 2001-03, Clackamas recognized 8 payments. Colleges that did not accrue recognized 7.
2002-03 4 payments	August 2002 October 2002 January 2003 July 2003	2002-03 3 payments	
2003-04 4 payments	August 2003 October 2003 January 2004 April 2004	2003-04 5 payments	In 2003-05 and subsequent bienniums, all colleges recognize 8 payments, but the pattern is 4/4 for those who accrue and 5/3 for those who do not.
2004-05 4 payments	August 2004 October 2004 January 2005 July 2005	2004-05 3 payments	

In the fund statements, state appropriation revenue is smoothed by accrual, with four payments recorded in each fiscal year. In the basic financial statements, state appropriation revenue is erratic because it includes payments received during the year, the 5/3 pattern created without accrual.

Historical revenue and the statewide Community College Support Fund (CCSF) appropriation follow.

	Number of payments		Amount (in millions)		Statewide Appropriation for Biennium
	General Fund	Basic Financial Statements	General Fund	Basic Financial Statements	
2007-08	4	5	\$19.9	\$24.0	\$494 million
2008-09	4	3	18.6	13.9	\$431 million
2009-10	4	5	14.6	19.3	\$396 million
2010-11	4	3	11.8	8.4	\$396 million
2011-12	4	5	11.2	14.5	\$450 million
2012-13	4	3	10.0	7.4	\$450 million
2013-14	4	5	12.8	15.4	\$550 million
2014-15	4	3	13.0	10.0	\$550 million
2015-16	4	5	14.7	17.6	\$550 million
2016-17	4	3			

CLACKAMAS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2016

Fund Financial Information

In June 2015, the college issued \$45 million of the \$90 million in general obligation bonds authorized by district voters in November 2014 to construct buildings, modernize classrooms and equipment, and perform deferred maintenance and infrastructure projects. During the fiscal year ended June 30, 2016, planning was completed for the first new building, at the Harmony community campus; construction will begin in the summer of 2016, with projected opening for fall term 2017. Significant information technology upgrades were completed, and planning is also under way for a new Industrial Technology Center and various improvements to existing buildings.

The General Fund balance increased from \$15.7 to \$18.7 million during 2015-16. Total public resources – the sum of the state appropriation and property taxes – increased \$2.6 million over 2014-15, while tuition and fee revenue held steady. Personnel costs increased \$1.5 million as careful restorations and expansions were made in light of the additional revenue.

Basic Financial Statements

Governmental Accounting Standards Board (GASB) statements require that the basic financial statements incorporate the College's relative share of amounts related to PERS, Oregon's public employee retirement system. Amounts in the statement of net position for PERS represent the following.

- Net pension asset or net pension liability The college's proportionate share of the total system-wide unfunded actuarial liability/asset, net of the side account, is shown as a net pension asset or liability. The side account was created when proceeds from the 2004 and 2005 pension bonds were invested with PERS; the side account and investment earnings on it partially fund the college's contributions to PERS, reducing the rate it would otherwise pay on wages.
- Deferred outflows include payments to PERS made after the date that the net pension liability/asset was measured, which was June 30, 2015. These will be future reductions in the net PERS liability. Deferred outflows also include differences between expected and actual experience of the plan.
- The pension transition liability was created in 2004 when community colleges moved into the State and Local Government (SLG) Rate Pool. It is distinct from the College's share of the system-wide unfunded actuarial liability/asset and represents its account prior to joining the SLG rate pool.
- Deferred inflows represents the college's proportionate share of the amount by which PERS's investment earnings are less than assumed earnings, the college's proportionate share of system contributions in excess of actual payments to PERS, and the change in the proportionate share percent between the prior and current measurement dates.

The intent of the GASB requirement is to capture the long-term liability for pension costs; the actual result is extreme volatility. With variable annual investment returns, the system-wide unfunded actuarial liability or asset can change dramatically, profoundly affecting the College's net position from year to year. While inclusion of PERS amounts reflects a long-term financial reality, it is beyond the influence of any one employer and obscures the results attributable to College operations and management. The following comparisons segregate the effect of PERS.

CLACKAMAS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2016

	<i>Fiscal Year Ended June 30, in Millions</i>					
	Exclusive of PERS			PERS		
	2015	2016	Change	2015	2016	Change
STATEMENT OF NET POSITION						
ASSETS AND DEFERRED OUTFLOWS						
Current assets	\$ 65.9	\$ 64.1	\$ (1.8)			
Noncurrent assets						
Net pension asset				\$ 16.2	\$ -	\$ (16.2)
Capital assets, net of depreciation	65.3	71.1	5.8			
Deferred outflows						
Deferred outflows related to pensions				2.0	2.4	0.4
Deferred outflow on refunding of long-term debt	0.4	-	(0.4)			
Total assets and deferred outflows	<u>\$131.6</u>	<u>\$135.2</u>	<u>\$ 3.6</u>	<u>\$ 18.2</u>	<u>\$ 2.4</u>	<u>\$ (15.8)</u>
LIABILITIES AND DEFERRED INFLOWS						
Current liabilities, excluding current portion of debt	\$ 3.8	\$ 4.1	\$ 0.3			
Liabilities for long-term debt, with current portion						
Bonds and full faith and credit obligations	97.1	92.7	(4.4)			
Compensated absences and early retirement	5.6	5.8	0.2			
Pension transition liability				\$ 4.9	\$ 4.4	\$ (0.5)
Net pension liability				-	6.0	6.0
Deferred inflows related to pensions				13.4	6.8	(6.6)
Total liabilities and deferred inflows	<u>106.5</u>	<u>102.6</u>	<u>(3.9)</u>	<u>18.3</u>	<u>17.2</u>	<u>(1.1)</u>
NET POSITION						
Net position	<u>25.1</u>	<u>32.6</u>	<u>7.5</u>	<u>(0.1)</u>	<u>(14.8)</u>	<u>(14.7)</u>
Total liabilities, deferred inflows and net position	<u>\$131.6</u>	<u>\$135.2</u>	<u>\$ 3.6</u>	<u>\$ 18.2</u>	<u>\$ 2.4</u>	<u>\$ (15.8)</u>
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION						
REVENUE						
Tuition and fees	\$ 17.3	\$ 17.0	\$ (0.3)			
State appropriations	10.1	17.6	7.5			
Property taxes	20.5	22.8	2.3			
All other revenue	21.7	19.3	(2.4)			
Total revenue	<u>69.6</u>	<u>76.7</u>	<u>7.1</u>			
EXPENSES						
Instruction	25.0	24.9		(5.5)	8.2	
Instructional support	6.7	6.3		(1.0)	1.7	
Student services	5.0	5.5		(1.1)	1.8	
College support	10.2	9.1		(1.8)	2.4	
Plant operations and maintenance	2.9	3.1		(0.3)	0.6	
Plant additions	0.8	2.4				
Financial aid	8.5	7.9				
All other expenses	9.3	10.0				
Total expenses	<u>68.4</u>	<u>69.2</u>	<u>0.8</u>	<u>(9.7)</u>	<u>14.7</u>	<u>24.4</u>
CHANGE IN NET POSITION	<u>\$ 1.2</u>	<u>\$ 7.5</u>	<u>\$ 6.3</u>	<u>\$ 9.7</u>	<u>\$ (14.7)</u>	<u>\$ (24.4)</u>

CLACKAMAS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2016

Basic Financial Statements - Exclusive of PERS

Exclusive of PERS, net position increased \$7.5 million. Of that, \$2.9 million was due to recognition of five state appropriations payments during the fiscal year, explained earlier. As to the remainder, the increase in the state appropriation for the biennium and in property taxes exceeded the increase in expenses; reinvestment in additional staff and service capacity has been considered and deliberate.

Basic Financial Statements - PERS

Net position decreased \$14.7 million for the College's share of PERS, as the system-wide unfunded actuarial liability has grown largely due to insufficient investment returns and a ruling by the Oregon Supreme Court that re-instated certain post-retirement COLA benefits. Employer rates are projected to increase substantially for both the 2017-19 and 2019-21 bienniums.

Capital Assets and Long-term Debt

The College's investment in capital assets increased by \$5.8 million, net of accumulated depreciation, with investments in equipment and construction in progress. Details of the changes in capital assets are in Note 3.

The principal amount of general obligation and other full faith and credit debt outstanding at June 30, and repayment sources, follow.

<u>Debt</u>	<u>Amount (in millions)</u>	<u>Repayment Source</u>	<u>Repayment Method</u>
General obligation (GO) bonds	\$63.2	Annual property tax levy	Scheduled payments to trustee
Pension bonds	25.5	General college operations	Trustee intercepts a portion of state appropriation paid to the college
2009 full faith & credit obligations	1.5	Clackamas County	Scheduled payments to trustee

State statutes limit the amount of general obligation debt the college may issue to 1.5% of real market value of properties within the College district. The outstanding general obligation bonds are 10% of the legal debt limit.

Known Items of Future Significance

A portion of the state appropriation may be distributed based on outcomes in the future. The measures and timing are yet to be determined.

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CLACKAMAS COMMUNITY COLLEGE
STATEMENT OF NET POSITION
June 30, 2016

ASSETS

Current assets

Cash and investments	\$ 59,532,609
Receivables, net	
Accounts	3,202,325
Property taxes	819,860
Inventories	488,682
Prepaid expenses and other current assets	107,852
Total current assets	64,151,328

Noncurrent assets

Non-depreciable capital assets	9,988,626
Depreciable capital assets	95,609,126
Less accumulated depreciation	(34,515,369)
Total noncurrent assets	71,082,383
Total assets	135,233,711

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	2,402,169
Total assets and deferred outflows	\$ 137,635,880

LIABILITIES

Current liabilities

Accounts payable	\$ 1,488,922
Wages, taxes and benefits	1,928,306
Unearned revenue	629,827
Accrued interest	116,258
Current portion of long-term debt	6,766,095
Total current liabilities	10,929,408

Noncurrent liabilities

General obligation bonds	65,740,186
Pension bonds	25,416,157
Full faith and credit obligations	1,505,117
Compensated absences	1,051,095
Obligations for early retirement	4,749,555
Pension transition liability	4,454,681
Net pension liability	5,964,232
Less current portion of long-term debt	(6,766,095)
Total noncurrent liabilities	102,114,928
Total liabilities	113,044,336

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	6,755,831
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NET POSITION

Net investment in capital assets	26,981,461
Restricted for debt service and student financial aid	414,249
Unrestricted	(9,559,997)
Total net position	17,835,713
Total liabilities, deferred inflows and net position	\$ 137,635,880

The Accompanying Notes to the Basic Financial Statements are an Integral Part of This Statement

CLACKAMAS COMMUNITY COLLEGE
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
Year Ended June 30, 2016

OPERATING REVENUE	
Tuition and fees	\$ 16,953,358
Operating grants and contracts	
State	1,619,443
Local	2,357,140
Federal	11,281,962
Auxiliary enterprises	
Bookstore	2,023,075
Customized Training	671,304
Other operating revenue	<u>945,858</u>
Total operating revenue	<u>35,852,140</u>
OPERATING EXPENSES	
Instruction	33,056,620
Instructional support	7,978,310
Student services	7,286,477
College support	11,516,983
Plant operations and maintenance	3,650,200
Plant additions	2,421,154
Financial aid	7,868,277
Auxiliary enterprises	
Bookstore	1,992,989
Customized Training	531,138
Depreciation expense	<u>2,270,817</u>
Total operating expenses	<u>78,572,965</u>
Operating loss	<u>(42,720,825)</u>
NONOPERATING REVENUE (EXPENSES)	
State appropriation	17,640,158
Property taxes	22,795,401
Interest income	408,960
Interest expense	(4,259,702)
Gain (loss) on disposal of capital assets	<u>(986,796)</u>
Net nonoperating revenue (expenses)	<u>35,598,021</u>
Decrease in net position	(7,122,804)
NET POSITION	
Net position - beginning of the year	<u>24,958,517</u>
Net position - end of the year	<u><u>\$ 17,835,713</u></u>

The Accompanying Notes to the Basic Financial Statements are an Integral Part of This Statement

CLACKAMAS COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
Year Ended June 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 36,087,564
Cash payments to suppliers for goods and services	(17,912,511)
Cash payments to employees for services	<u>(43,389,098)</u>
Net cash provided (used) by operating activities	<u>(25,214,045)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from state appropriation	17,640,158
Cash received from property taxes	16,948,184
Principal paid on pension bonds	(1,000,000)
Interest paid on pension bonds	<u>(1,359,884)</u>
Net cash provided (used) by noncapital financing activities	<u>32,228,458</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	(8,544,186)
Proceeds from sale of capital assets	11,939
Cash received from property taxes levied for capital debt	5,864,276
Principal paid on capital-related long-term debt	(4,170,000)
Interest paid on capital-related long-term debt	<u>(1,809,470)</u>
Net cash provided (used) by capital financing activities	<u>(8,647,441)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>408,960</u>
Increase (decrease) in cash and investments	(1,224,068)
Beginning cash and investments	<u>60,756,677</u>
Ending cash and investments	<u><u>\$ 59,532,609</u></u>
Cash and cash equivalents	\$ 203,611
Investments	<u>59,328,998</u>
Cash and investments per Statement of Net Position	<u><u>\$ 59,532,609</u></u>

The Accompanying Notes to the Basic Financial Statements are an Integral part of This Statement

CLACKAMAS COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS (continued)
Year Ended June 30, 2016

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Income (loss) from operations	<u>\$ (42,720,825)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	2,270,817
(Increase) decrease in:	
Receivables, net of allowance for uncollectibles	328,833
Inventories	(23,792)
Prepaid expenses and other current assets	240,998
Net pension asset	16,207,218
Deferred outflows related to pensions	(405,591)
Increase (decrease) in:	
Accounts payable	(134,414)
Wages, taxes and benefits	33,171
Unearned revenue	(93,409)
Compensated absences	26,593
Obligations for early retirement	190,480
Pension transition liability	(422,919)
Net pension liability	5,964,232
Deferred inflows related to pensions	<u>(6,675,437)</u>
Net adjustments	<u>17,506,780</u>
Net cash provided (used) by operating activities	<u><u>\$ (25,214,045)</u></u>

NONCASH CAPITAL, FINANCING AND INVESTING ACTIVITIES

Disposition of capital assets	\$ 998,735
Loss on disposition of capital assets	(998,735)
Amortization of deferred on refunding of long-term debt	369,143
Amortization of premium/discount on long-term debt	(351,549)
Amortization of deferred interest bonds	1,106,335
Interest expense	<u>(1,123,929)</u>
Total noncash capital, financing and investing activities	<u><u>\$ -</u></u>

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
December 31, 2015

Assets

Cash and cash equivalents	\$ 441,312
Unconditional promises to give	765,562
Prepaid expenses	10,570
Investments	14,881,062
Historical letter	<u>11,250</u>
 Total assets	 <u><u>\$ 16,109,756</u></u>

Liabilities and Net Assets

Liabilities:	
Accounts payable	\$ 246,834
Deferred revenue	<u>6,537</u>
 Total liabilities	 <u>253,371</u>
 Net assets:	
Unrestricted	705,297
Temporarily restricted	1,172,553
Permanently restricted	<u>13,978,535</u>
 Total net assets	 <u>15,856,385</u>
 Total liabilities and net assets	 <u><u>\$ 16,109,756</u></u>

The accompanying notes are an integral part of this statement.

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
Six Months Ended December 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues and other support:				
Contributions	\$ 236,788	\$ 245,655	\$ 207,508	\$ 689,951
Donated services	176,767	-	-	176,767
Donated materials	25,973	-	-	25,973
Investment earnings	15,750	409,970	-	425,720
Net unrealized gains(losses) on investments	(39,498)	(1,169,220)	-	(1,208,718)
Realized loss on investment	-	(19,974)	-	(19,974)
Other income	56,996	86,152	20	143,168
Net assets reclassified due to change in policy for endowed funds	-	849,245	(849,245)	-
Net assets released from restrictions for scholarships and program activities	249,257	(249,257)	-	-
Net assets released from restrictions for general administration	528,862	(528,862)	-	-
Net assets reclassified per donor request	-	(8,000)	8,000	-
	<u>1,250,895</u>	<u>(384,291)</u>	<u>(633,717)</u>	<u>232,887</u>
Total revenues and other support				
Expenses:				
Program services:				
Scholarships and grants	189,541	-	-	189,541
Programs and instruction support	59,791	-	-	59,791
Materials donated to the College	25,973	-	-	25,973
	<u>275,305</u>	<u>-</u>	<u>-</u>	<u>275,305</u>
Total program services				
Supporting services:				
General administration	452,088	-	-	452,088
Donated services	176,767	-	-	176,767
	<u>628,855</u>	<u>-</u>	<u>-</u>	<u>628,855</u>
Total supporting services				
Total expenses	<u>904,160</u>	<u>-</u>	<u>-</u>	<u>904,160</u>
Change in net assets	346,735	(384,291)	(633,717)	(671,273)
Net assets, July 1, 2015	<u>358,562</u>	<u>1,556,844</u>	<u>14,612,252</u>	<u>16,527,658</u>
Net assets, December 31, 2015	<u>\$ 705,297</u>	<u>\$ 1,172,553</u>	<u>\$ 13,978,535</u>	<u>\$ 15,856,385</u>

The accompanying notes are an integral part of this statement.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

1. Summary of Significant Accounting Policies

The Reporting Entity

Clackamas Community College (the College), a municipal corporation under the laws of the State of Oregon, is governed by an elected seven-member board. As required by generally accepted accounting principles, all significant activities and organizations have been included in the financial statements. For financial reporting purposes, the College's financial statements include all funds for which the College is financially accountable.

The Clackamas Community College Foundation is a legally separate nonprofit 501(c)(3) corporation with the purpose of providing funds to support the mission and students of the College. Although the Foundation selects its Board of Directors independently of the College Board of Education, the Foundation is a component unit as defined in Governmental Accounting Standards Board Statement No. 39 because of the nature and significance of its financial relationship with the College and its students. During 2016, the Foundation changed from a fiscal year to a calendar year for financial reporting purposes. The financial statements and notes for the Foundation's six-month transition period ended December 31, 2015 follow the College's basic financial statements in this report.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements -- and Management's Discussion and Analysis -- 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 No. 35 that provides a comprehensive one-column look at the College's financial activities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting

The basic financial statements are accounted for on the flow of economic resources measurement focus and are prepared on the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Property taxes are recognized as revenues in the years for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the grantor have been met.

Use of Estimates

The preparation of basic financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect 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.

Use of Restricted Resources

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

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

1. Summary of Significant Accounting Policies (Continued)

When an expense is incurred for purposes for which both restricted and unrestricted assets are available, the College uses restricted resources first.

Cash and Cash Equivalents

Cash includes amounts in demand deposits and the Oregon State Treasury's Local Government Investment Pool.

State statutes authorize the College to invest in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the U.S. Treasury and its agencies, the agencies and instrumentalities of the United States and the States of Oregon, Washington, Idaho, and California, the Oregon State Treasury's Local Government Investment Pool, demand deposits, and fixed or variable life insurance or annuity contracts for funding deferred compensation.

Investments are stated at fair value.

Receivables

All accounts, grants, and property taxes receivable are shown net of an allowance for uncollectible accounts. Accounts receivable include amounts due from local, state, and federal agencies for programs and from students for the balance of tuition and fees.

Ad valorem property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on November 15. 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.

Inventory

Inventory is valued at the lower of cost or market, with cost on the first-in first-out basis.

Capital Assets

Capital assets include land; construction in progress; buildings, building improvements, land improvements and infrastructure; equipment, vehicles, furniture and artwork; and library collections, with a useful life of more than one year. The College's capitalization threshold is \$5,000 except that all licensed vehicles are capitalized regardless of cost. Donated capital assets are recorded at fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value or functionality of the assets' lives are not capitalized, but are expensed as incurred.

Capital assets other than land and construction in progress are depreciated using the straight-line method over the following useful lives:

Buildings and building improvements	45 - 60	years
Land improvements	15 - 25	years
Infrastructure		100 years
Equipment	5 - 25	years
Library collections		10 years

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

1. Summary of Significant Accounting Policies (Continued)

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 represents 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.

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.

Compensated Absences

At June 30, vacation hours in excess of 176 for classified employees are lost. Vacation accrual ceases for exempt employees when the balance exceeds 384 hours. Unused vacation is payable at termination. Vacation pay is accrued when earned in the Statement of Net Position. The College has included the hourly pay rate and the related social security and pension obligations for all hours accrued at June 30. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvested accumulated rights to receive sick pay benefits.

Long-term Debt

Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method, which approximates the effective interest method.

Operating and Non-operating Revenues and Expenses

Operating revenues and expenses generally result from providing services to students. Principal operating revenues include tuition and fees, grants and contracts for educational services, and charges for goods and services. Operating expenses include the cost of faculty, student services and financial aid, administration, facility operations and maintenance, bookstore operations and depreciation. All other revenues, including state community college support and property taxes, and expenses not meeting this definition are reported as non-operating revenues and expenses.

Federal Financial Assistance Programs

The College participates in federally funded direct loans, Work-Study, Pell grants, and SEOG grants. Federal programs are audited in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

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

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

1. Summary of Significant Accounting Policies (Continued)

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 reduce 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. Tuition and fees are shown net of scholarship allowances of \$2,658,105 for the year ended June 30, 2016. Under the alternative method, these amounts are computed by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third party aid.

Net Position

GASB Statement No. 63 reports equity as "Net Position" rather than "Net Assets". The net position balance of \$17,835,713 at June 30, 2016 includes \$26,981,461 invested in capital assets, \$414,249 of restricted net position, and a deficit unrestricted amount of (\$9,559,997).

Budget

The College's legal spending authority is defined in the resolution passed by the Board of Education making appropriations and adopting the budget. The legally adopted appropriations are by fund and object category. One or more funds which are maintained for accounting purposes may be considered as a single fund for the purposes of appropriation. Categories defined in Oregon local budget law include personnel services, materials and services, capital outlay, debt service, transfers out, and contingency.

The College budgets and accounts for all funds, including proprietary funds, using the current financial resources measurement focus and the modified accrual basis of accounting, consistent with Oregon local budget law. In contrast, the basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Schedules comparing actual to budget on the budget basis are provided for all funds.

The College begins its budget process in the fall of each year with the establishment of the budget committee. Recommendations are developed through winter and early spring. The budget committee receives and approves the budget in late spring. Public notices of the budget committee meetings and the public hearing prior to adoption are published in accordance with Oregon local budget law. The Board of Education may amend the budget prior to adoption; however, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is adopted, appropriations are made and the tax levy is declared by the Board of Education no later than June 30.

Expenditures cannot legally exceed appropriations. The Board of Education can change the budget throughout the year by appropriation transfers and supplemental budgets as authorized by Oregon Revised Statutes. The budget basis financial schedules display the original adopted budget, and the final budget including all appropriation transfers and supplemental budgets. Management may amend line items in the budget without approval by the Board of Education as long as appropriation levels (the legal level of control) are not changed. The College's appropriations lapse at year end. The College had no outstanding encumbrances at June 30, 2016.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

2. Cash and Investments

Cash (stated at cost) and investments (fair value) on June 30, 2016 included the following:

Cash on hand	\$ 25,552
Deposits with financial institutions	178,059
Investments	<u>59,328,998</u>
Total cash and investments	<u>\$ 59,532,609</u>

Deposits with Financial Institutions

Deposits with financial institutions are bank demand deposits. According to the College's records, these accounts total \$178,059 on June 30, 2016. The bank statements reflect a balance of \$1,839,080 at year end. Of this amount, \$250,000 is covered by federal depository insurance.

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

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned. The College follows state law with respect to custodial credit risk and has not adopted a separate policy. Of the College's bank balance, \$1,589,080 was exposed to custodial credit risk at June 30, 2016 because deposits in excess of FDIC insurance were uncollateralized and/or were collateralized but not held by the third-party custodian bank in the College's name.

Investments

The College's investments at June 30, 2016 were in the Oregon State Treasury Local Government Investment Pool (LGIP), with maturities as follows:

Percent of portfolio to mature within 93 days	72%
Percent of portfolio to mature over one year	16%

Amounts in the LGIP are not required by law to be collateralized. They are part of the Oregon Short-Term Fund (Fund) that is approved for the investment of State of Oregon (State) funds. The Oregon Short-Term Fund is not registered with the U.S. Securities and Exchange Commission as an investment company. The Fund currently has no credit rating as assigned by the credit rating agencies. At June 30, 2016 the fund's composite weighted average rating was equivalent to S&P's AA. The State's investment policies are governed by Oregon Revised Statutes and the Oregon Investment Council. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund.

As of June 30, 2016 and for the year then ended, the College was in compliance with State of Oregon statutes regarding investments. State statutes authorize the College to invest in certain types of investments as discussed in Note 1. The College has no investment policy that would further limit its investment choices.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

3. Capital Assets

Changes in capital assets during the year ended June 30, 2016 are as follows:

	Balance June 30, 2015	Increases	Decreases	Balance June 30, 2016
Capital assets not being depreciated:				
Land	\$ 3,194,504	\$ 4,208,741	\$ -	\$ 7,403,245
Construction in progress	-	2,585,381	-	2,585,381
Total capital assets not being depreciated	<u>3,194,504</u>	<u>6,794,122</u>	<u>-</u>	<u>9,988,626</u>
Capital assets being depreciated:				
Buildings & building improvements	88,215,498	-	(1,319,342)	86,896,156
Equipment	5,027,643	2,188,941	(420,935)	6,795,649
Library collection	1,856,969	102,781	(42,429)	1,917,321
Total capital assets being depreciated	<u>95,100,110</u>	<u>2,291,722</u>	<u>(1,782,706)</u>	<u>95,609,126</u>
Less accumulated depreciation for:				
Buildings & building improvements	28,442,576	1,796,354	(343,028)	29,895,902
Equipment	3,356,736	362,464	(398,514)	3,320,686
Library collection	1,229,211	111,999	(42,429)	1,298,781
Total accumulated depreciation	<u>33,028,523</u>	<u>2,270,817</u>	<u>(783,971)</u>	<u>34,515,369</u>
Total capital assets being depreciated, net	<u>62,071,587</u>	<u>20,905</u>	<u>(998,735)</u>	<u>61,093,757</u>
Total capital assets, net	<u>\$ 65,266,091</u>	<u>\$ 6,815,027</u>	<u>\$ (998,735)</u>	<u>\$ 71,082,383</u>

4. Long-Term Debt

On November 4, 2014, Clackamas Community College district voters approved a \$90 million bond measure. On June 2, 2015, the College issued General Obligation Bonds, Series A in the amount of \$16,605,000 and deferred interest General Obligation Bonds, Series B in the amount of \$28,391,012 (\$51,385,000 final maturity amount). The remaining \$45,003,988 approved by the 2014 bond measure has not yet been issued. The 2015 bonds refunded a 2006 Full Faith and Credit Obligation and are being used to expand and update equipment and facilities.

General Obligation Bonds and the 2009 FFCO Refunding 1998 COPs (Certificates of Participation) are direct obligations and pledge the full faith and credit of the College. Funds provided by these debt issues are used for the acquisition and construction of major capital facilities.

On February 14, 2004, the College issued \$15,695,000 of limited tax pension obligation bonds to finance its portion of the unfunded actuarial liability (UAL) with the Oregon Public Employees Retirement System (PERS) as of December 31, 2001. This issue was considered an advance refunding of the College's UAL and resulted in an estimated present value savings of approximately \$4 million over the life of the bonds based on a true interest cost of 5.48%. On June 28, 2005, the College issued an additional \$14,620,000 of limited tax pension obligation bonds to finance its portion of the UAL with PERS as of December 31, 2003. This issue was also considered an advance refunding of the College's UAL and resulted in an estimated present value savings of approximately \$4.8 million over the life of the bonds based on a true interest cost of 4.80%. The actual savings or loss realized by the College over the life of the Pension

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

Obligation Bonds cannot be determined because of uncertainty regarding the ultimate investment earnings of the advance refunding relative to the amount of interest expense that will be paid on the bonds, the various legislative changes to PERS, and legal issues pending with PERS which could impact the College's future required contribution rate.

Changes in Long-Term Debt

The following shows long-term debt activity during the year. Interest rates were fixed at issuance; the rate range shows coupon rates on individual bonds and certificates. The interest paid column shows interest matured and paid during the year, a requirement of Oregon Administrative Regulation 162-010-0160. There was no matured interest due at July 1, 2015 or June 30, 2016.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

4. Long-Term Debt (Continued)

	Original Amount	Interest Rates	Principal					Interest Paid
			Balance July 1, 2015	Additions	Payments	Balance June 30, 2016	Due Within One Year	
General obligation bonds:								
2007 refunding of 2001	31,850,000	4.00-5.00%	\$ 21,120,000	\$ -	\$ 3,540,000	\$ 17,580,000	\$ 3,865,000	\$ 1,056,000
2015A	16,605,000	2.00-5.00%	16,605,000	-	515,000	16,090,000	585,000	692,070
2015B (Note A)	28,391,012	2.38-4.60%	28,430,041	1,106,335	-	29,536,376	-	-
Principal amount			66,155,041	1,106,335	4,055,000	63,206,376	4,450,000	1,748,070
Plus unamortized premium			2,884,522	-	350,712	2,533,810	-	-
Total GO bonds			69,039,563	1,106,335	4,405,712	65,740,186	4,450,000	1,748,070
Pension bonds:								
2004	15,695,000	3.35-5.50%	13,875,000	-	495,000	13,380,000	575,000	755,588
2005	14,620,000	4.64-4.83%	12,635,000	-	505,000	12,130,000	570,000	604,296
Principal amount			26,510,000	-	1,000,000	25,510,000	1,145,000	1,359,884
Less unamortized discount			(101,662)	7,819	-	(93,843)	-	-
Total pension bonds			26,408,338	7,819	1,000,000	25,416,157	1,145,000	1,359,884
Full faith & credit obligations:								
2009 refunding 1998 COPs	2,770,000	3.00-4.00%	1,535,000	-	115,000	1,420,000	120,000	61,400
Plus unamortized premium			93,773	-	8,656	85,117	-	-
Total FFCOs			1,628,773	-	123,656	1,505,117	120,000	61,400
Compensated absences		n/a	1,024,502	1,092,619	1,066,026	1,051,095	1,051,095	-
Obligations for early retirement		5.25%	4,559,075	1,034,731	844,251	4,749,555	-	-
Pension transition liability			4,877,600	-	422,919	4,454,681	-	-
Net pension liability (Note B)			-	5,964,232	-	5,964,232	-	-
Total noncurrent liabilities			\$ 107,537,851	\$ 9,205,736	\$ 7,862,564	\$ 108,881,023	\$ 6,766,095	\$ 3,169,354

Notes

- A Additions to general obligation bonds include accreted interest of \$1,106,335.
- B Amount was reported as an asset at June 30, 2015.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

4. Long-Term Debt (Continued)

Future maturities of long-term debt are as follows.

Year Ending June 30	General Obligation Bonds					
	2007 Refunding of 2001		2015A		2015B	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 3,865,000	\$ 879,000	\$ 585,000	\$ 657,650	\$ -	\$ -
2018	4,205,000	685,750	-	640,100	-	-
2019	4,565,000	475,500	-	640,100	-	-
2020	4,945,000	247,250	-	640,100	-	-
2021	-	-	-	640,100	2,736,364	343,636
2022	-	-	-	640,100	2,741,557	463,443
2023	-	-	-	640,100	2,731,566	598,434
2024	-	-	3,455,000	640,100	-	-
2025	-	-	3,750,000	477,350	-	-
2026	-	-	4,010,000	354,850	-	-
2027	-	-	4,290,000	214,500	-	-
2028	-	-	-	-	2,887,310	1,767,690
2029	-	-	-	-	2,827,791	1,977,209
2030	-	-	-	-	2,759,398	2,205,602
2031	-	-	-	-	2,695,391	2,429,609
2032	-	-	-	-	2,628,231	2,661,769
2033	-	-	-	-	2,568,932	2,896,068
2034	-	-	-	-	2,505,006	3,134,994
2035	-	-	-	-	2,454,830	3,370,170
Total	\$ 17,580,000	\$ 2,287,500	\$ 16,090,000	\$ 6,185,050	\$ 29,536,376	\$ 21,848,624
						\$ 51,385,000

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

4. Long-Term Debt (Continued)

Year Ending June 30	2004		2005		Full Faith & Credit Obligations 2009 Refunding 1998 COPs	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 575,000	\$ 730,852	\$ 570,000	\$ 580,849	\$ 120,000	\$ 56,800
2018	660,000	701,545	645,000	554,384	120,000	52,000
2019	750,000	667,244	720,000	524,437	130,000	47,200
2020	855,000	626,445	805,000	491,007	130,000	42,000
2021	965,000	579,933	895,000	453,631	140,000	36,800
2022	1,080,000	527,436	990,000	410,393	145,000	31,200
2023	1,210,000	468,685	1,095,000	362,567	150,000	25,400
2024	1,345,000	402,860	1,205,000	309,667	155,000	19,400
2025	1,495,000	328,482	1,325,000	251,454	160,000	13,200
2026	1,655,000	245,808	1,450,000	187,443	170,000	6,800
2027	1,825,000	154,287	1,590,000	117,393	-	-
2028	965,000	53,364	840,000	40,580	-	-
Total	\$ 13,380,000	\$ 5,486,941	\$ 12,130,000	\$ 4,283,805	\$ 1,420,000	\$ 330,800

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

5. 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; and natural disasters for which the College carries commercial insurance. Insurance coverage is reviewed by the College each year, and there have been no reductions in insurance coverage from the prior year. After customary deductibles, there have been no settlements paid by the College in excess of amounts covered by insurance for the last three years.

6. Pension Plan

Plans

The College contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP), a hybrid successor to the OPERF, includes a defined benefit plan and the Individual Account Program (IAP), a defined contribution portion. Membership depends on when an individual began working for a covered employer, as follows:

	Individual began working:
OPERF Tier I	prior to January 1, 1996
OPERF Tier II	from January 1, 1996 to August 29, 2003
OPSRP	after August 29, 2003
IAP (Individual Account Program)	6% employee contributions for all members beginning January 1, 2004

PERS is authorized and administered under Oregon Revised Statutes (ORS) Chapter 238, which established the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report which can be obtained at http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

Benefits

PERS provides retirement and disability benefits, post employment health care benefits and death benefits to plan members and beneficiaries.

OPERF Tier I and Tier II

A member is vested and if they have a contribution in each of five calendar years or have reached at least 50 years of age before ceasing employment with a participating employer. General service employees may retire after reaching age 55. Tier I general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier II members are eligible for full benefits at age 60. The PERS retirement allowance is payable monthly for life. 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. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

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 if statutory conditions are met.

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 benefits regardless of the length of PERS-covered service.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

6. Pension Plan (Continued)

OPSRP

A member OPSRP 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. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. OPSRP provides a life pension for general service members equal to 1.5 percent multiplied by the number of years of service and the final average salary. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes.

A member who has accrued 10 or more years of retirement credits before becoming disabled or a member who becomes disabled due to job-related injury may receive a disability benefit.

IAP (Individual Account Program)

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. Upon retirement, a member may receive the amounts in their employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a selected period options.

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

Contributions

Members of PERS are required to contribute 6% of their salary covered by the plan, which is then invested in the Individual Account Program (IAP). The College pays this on behalf of all employees.

The College is required to contribute at an actuarially determined employer rate. The rate during the fiscal year ended June 30, 2016 was 9.63% of covered salary for OPERF members and 4.16% of covered salary for OPSRP members (exclusive of health insurance contribution rates of .53% and .45%, respectively). The contribution requirements are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. The rates include a credit for use of pension bond proceeds invested with PERS. Pension bond debt service is in addition to the rate paid to PERS. Employer contributions for the year ended June 30, 2016 were \$1,616,475, excluding amounts to fund employer-specific liabilities.

Net Pension Liability, Transition Liability, Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to PERS

At June 30, 2016, the College reported a liability of \$6 million for its proportionate share of the total PERS net pension liability. The actuarial valuation at December 31, 2013 was rolled forward to the measurement date of June 30, 2015 to calculate the net pension liability. The College's proportionate share 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, and the balance of the side account which was established from the proceeds of pension bonds issued in 2004 and 2005. 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, 2015, the College's proportion was .25%.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

6. Pension Plan (Continued)

Community colleges moved from a rate pool with the State to the State and Local Government Rate Pool (SLGRP) in 2004. At that point, a liability or surplus was calculated for each member of the SLGRP such that every member of the pool was on an equal basis in the pool and paid the same unfunded actuarial liability rate. The pension transition liability of \$4.5 million represents the balance at June 30, 2016.

For the year ended June 30, 2016, the College recognized pension expense of \$16.7 million.

At June 30, 2016, 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	\$ 785,694	\$ -
Net difference between projected and actual earnings on investments	-	3,054,224
Changes in proportionate share	-	2,233,243
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,468,364
Contributions subsequent to the measurement date	1,616,475	-
Deferred outflows/inflows at June 30, 2016	\$ 2,402,169	\$ 6,755,831

Contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Deferred inflows of resources totaling \$6,755,831 less other deferred outflows of resources of \$785,694 related to pensions will be recognized in pension expense as follows.

Year Ending June 30	Amount
2017	\$ (2,153,148)
2018	(2,153,148)
2019	(2,153,148)
2020	694,692
2021	(205,385)
Total	\$ (5,970,137)

Actuarial Assumptions

Employer contribution rates effective July 1, 2015, through June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier I /Tier II component, 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), and (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 component, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount

CLACKAMAS COMMUNITY COLLEGE
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2016

6. Pension Plan (Continued)

necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions.

Valuation date	December 31, 2013 rolled forward to June 30, 2015
Experience study report	2014, published September 2015
Actuarial cost method	Entry age normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period. Tier I / Tier II 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	2.75 percent
Investment rate of return	7.75 percent
Projected salary increases	3.75 percent overall payroll growth
Mortality	Health retirees and beneficiaries: PF-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-back 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 of the RP-2000 static combined disabled mortality sex-distinct 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 July 2013 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

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

6. Pension Plan (Continued)

assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00%	3.70%
Intermediate-Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equities	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	1.25%	6.07%
Total	<u>100.00%</u>	
Assumed inflation - mean		2.75%

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent. 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 was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.75%, as well as what the College's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate.

	<u>1% Decrease 6.75%</u>	<u>Discount Rate 7.75%</u>	<u>1% Increase 8.75%</u>
College's proportionate share of the net pension liability (asset)	\$ 26,558,531	\$ 5,964,232	\$ (11,391,353)

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

6. Pension Plan (Continued)

Plan Changes Reflected in 2015-16 Financial Statements

The Oregon Supreme Court decision in *Moro v. State of Oregon* (issued on April 30, 2015) occurred after the December 31, 2013 valuation date but affected the plan provisions reflected for financial reporting purposes. The *Moro* decision modified the COLA-related changes of Senate Bills 822 and 861, creating a blended COLA for members who earned service both before and after the effective dates of the legislation. For GASB 68, the benefits valued in the Total Pension Liability must be in accordance with the benefit terms legally in effect as of the relevant fiscal year-end for the System. Due to the timing of the Supreme Court decision, this means the COLA change due to *Moro* is reflected in the June 30, 2015 Total Pension Liability, but was not reflected in the June 30, 2014 Total Pension Liability. The College's proportionate share of the increase in the Total Pension Liability resulting from the *Moro* decision, measured as of June 30, 2015 (reflected in 2015-16 financial statements), is approximately \$13.6 million.

7. Other Post Employment Benefits

The College maintains a defined-benefit single employer early retirement supplement program. The program covers exempt, full time classified, and full time faculty employees who were hired prior to July 1, 2011, have completed twelve consecutive years of service with the College just prior to retirement, are not yet 65 years of age, and elect the option of early retirement. For eligible early retirees, the College contributes a set monthly amount toward health insurance premiums; the retiree pays any premium for their selected coverage which is in excess of the College contribution. The health insurance contribution ceases at age 65. Additionally, Oregon Revised Statutes require that the College make the same health care benefit plans offered to current employees available to retirees and their dependents until such time as the retirees are eligible for Medicare. Although the College does not pay any portion of the plan premiums, there is an implicit subsidy because a) the greater claims associated with retirees are reflected in the plan rates and b) those who opt to be covered by the College plans pay lesser premiums than they would have if they bought coverage elsewhere.

The College also pays a monthly stipend for eligible retirees, which ceases after a maximum of 48 months or when the employee reaches age 62. The stipend amount is fixed given the employee's hire date at salary grade at retirement.

There is no obligation on the part of the College to fund the benefits in advance. The College pays these benefits as they come due and may accumulate reserves in the Retirement Fund toward future payments. The College Board of Education authorizes the plan and may change the benefits, in conjunction with collective bargaining. The College does not issue a stand-alone report for this plan.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

7. Other Post Employment Benefits (Continued)

Amounts using the actuarial valuation prepared as of July 1, 2015 follow.

	Total	Medical Plan	Stipend Plan
Annual OPEB cost:			
Annual required contribution (ARC)	\$ 1,688,296	\$ 1,447,148	\$ 241,148
Interest on net obligation	182,195	170,166	12,029
Adjustment to net pension obligation	<u>(835,760)</u>	<u>(780,578)</u>	<u>(55,182)</u>
Annual OPEB cost	1,034,731	836,736	197,995
Contributions made	<u>(844,251)</u>	<u>(598,573)</u>	<u>(245,678)</u>
Net change in OPEB obligation	190,480	238,163	(47,683)
OPEB obligation at June 30, 2015	<u>4,559,075</u>	<u>4,265,842</u>	<u>293,233</u>
OPEB obligation at June 30, 2016	<u><u>\$ 4,749,555</u></u>	<u><u>\$ 4,504,005</u></u>	<u><u>\$ 245,550</u></u>

Contributions made as percent of annual cost:

2015-16	72%	124%
2014-15	85%	110%
2013-14	89%	121%

Annual OPEB cost for prior fiscal years:

2014-15	\$ 993,295	\$ 745,984	\$ 247,311
2013-14	993,295	745,984	247,311

OPEB obligation for prior fiscal years:

At June 30, 2014	4,471,808	4,154,043	317,765
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In the most recent valuation, the projected unit credit actuarial cost method was used for the valuation of the ARC and annual OPEB cost. The amortization method was level dollar, and the amortization period is an open six year period for the stipend and explicit medical benefits, and an open thirty year period for the implicit medical benefits. The actuarial assumptions include an interest rate of 4% per annum and no changes in program provisions. The consumer price inflation was assumed to be 2% per year. For the stipend program, no inflation assumption was necessary because benefits are fixed, and no salary increase assumption was necessary because funding is over future years of service and not future payroll. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and are subject to revision.

The College does not accumulate assets in a dedicated trust, or equivalent arrangement, for purposes of funding the retiree healthcare obligation. Therefore, as of July 1, 2015, the most recent actuarial valuation date, the medical plan and the stipend plan are both considered 0% funded. The actuarial accrued liability of benefits was \$7,861,971 for the medical plan and \$1,055,122 for the stipend plan and the actuarial value of assets was \$0 for each plan, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,861,971 for the medical plan and \$1,055,122 for the stipend plan. The covered payroll (actual payroll for active employees covered by the plans) was \$22,632,097, and the ratio of the UAAL to the covered payroll was 35% for the medical plan and 5% for the stipend plan.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2016

7. Other Post Employment Benefits (Continued)

The required schedule of funding progress in the section immediately following the notes to the financial statements present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Calculations are based on the types of benefits provided under the terms of the plan at the time of the valuation. Actuarial calculations reflect a long-term perspective.

8. Contingencies

Grant revenue reflected in the financial statements is subject to audit and adjustment by grantor agencies, principally the federal government. Any costs which are questioned or recommended to be disallowed which ultimately result in disallowed claims may become a liability of the College.

Various claims are pending against the College. In the opinion of College management, after consultation with legal counsel, the potential loss on these claims will not materially affect the College's financial position.

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Six Months Ended December 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Clackamas Community College Foundation (the Foundation) is a not-for-profit corporation which was organized with the mission of “friendraising and fundraising” for Clackamas Community College (the College). The Foundation raises and donates funds to assist the College in various program and facilities construction activities. The chief revenue sources for the Foundation are donor contributions and fundraising activities.

The Foundation changed its year end from June 30 to December 31. Hence, these financial statements are for a six months “short period.”

Basis of Accounting

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

Basis of Financial Statement Presentation

The financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) in FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under FASB ASC 958, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Policy for Endowed Funds

The accounting procedure for endowed funds has been changed to conform to a change in the Foundation’s policy for endowed funds. Previously, endowment gifts (corpus), investment earnings and scholarship payouts were recorded as permanently restricted. Currently, endowment gifts (corpus) are being recorded as permanently restricted, and investment earnings and scholarship payouts are being recorded as temporarily restricted. Additionally, investment earnings and scholarship payouts since 2007 have been reclassified from permanently restricted net assets to temporarily restricted net assets. Research on endowment gifts received prior to 2007 will be done over the coming year so that activity can be reclassified as well.

Use of Estimates

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

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Six Months Ended December 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd)

Investment Policy/Spending Policy

The Foundation uses an “Investment Policy Statement” for managing its investments and establishing its spending policy. The investment objective of the Foundation is to provide for the inflation-adjusted distribution and expense needs of the portfolio over time.

The “Investment Policy Statement” is intended to assist the Foundation in meeting its fiduciary obligations by effectively constructing, supervising, and evaluating the investment program established for the Foundation by:

1. Establishing a framework for developing and managing the asset allocation of the Foundation’s assets;
2. Establishing a process for measuring and assessing the Foundation’s investment portfolio performance; and
3. Establishing a process for selecting, monitoring, and evaluating the Investment Funds utilized in the management of Foundation assets.

The Foundation follows a spending policy that allows for up to seven and one-half percent (7.5%) based on the average of total assets over the prior twelve (12) quarters, valued as of December 31, each year. The Foundation used 7% as its spending guideline during the six months ended December 31, 2015. On an annual basis, the Foundation Board of Directors may determine the allocation within the spending amount, deciding the percent to be used for the purpose specified by the endowments, as well as for any non-investment related administrative costs.

Oregon Revised Statutes 128.305 to 128.336 cited as the Uniform Prudent Management of Institutional Funds Act establishes requirements for the management and expenditure of endowment funds. The Foundation’s investment policy and spending policy related to its endowments is stated in its “Investment Policy Statement.”

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in a financial institution.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Realized and unrealized gains and losses are reflected in the statement of activities. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized.

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Six Months Ended December 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Promises to give which are, in substance, unconditional are recorded as unrestricted, temporarily restricted, or permanently restricted support at the time the promise is made.

All donor-restricted support is reported as an increase in temporarily restricted or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished) restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Services

The Foundation receives donated services from the College in the form of management and administrative personnel support. Revenues and expenses for these services are reflected in the statement of activities based on compensation and fringe benefits paid to College personnel. The College also provides facilities for the operation and administration of the Foundation's activities. The estimated fair value for the use of these facilities is not reflected in the financial statements.

Donated Materials

The Foundation receives donated materials which are then donated to the College for use in the College's instructional programs. These donations are recorded at their estimated fair value, and are reflected as revenues and expenses in the statement of activities.

Deferred Revenue

Revenue that has been raised for future events is deferred and recognized in the period to which it relates.

Derivative Instruments

The Foundation, in consultation with its investment advisor, seeks an optimum mix of investments to produce flexibility and diversification in its portfolio. To that end, the Foundation includes a hedge fund in its balanced portfolio with the goal of reducing portfolio risk and volatility and increasing portfolio returns.

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Six Months Ended December 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd)

Derivative Instruments (Contd)

The Foundation has investments in Rimrock Low Volatility (Cayman) Fund, Ltd. Rimrock uses derivative instruments including futures contracts, options contracts, interest rate swaps, credit default swaps, and forward foreign currency contracts. While these derivatives are generally used as economic hedges as part of the investment company's investment objectives, the derivatives may increase, decrease or change the level or types of exposure to certain risk factors like credit risk, interest rate risk and foreign currency risk. Because investment companies value their derivatives at fair value and recognize changes in fair value through the statement of operations, they do not qualify for hedge accounting under ASC topic 815.

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is exempt from Oregon excise taxes under applicable state law. The Foundation's tax returns for years prior to 2012 are generally no longer subject to examination by taxing authorities.

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents totaled \$441,312 at December 31, 2015. The Foundation maintains two accounts at a financial institution insured by the National Credit Union Share Insurance Fund (NCUSIF). Amounts on deposit may sometimes exceed NCUSIF coverage.

3. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following at December 31, 2015:

Unrestricted promises to give	\$ 51,895
Temporarily restricted promises to give	194,523
Permanently restricted promises to give	<u>606,618</u>
Total unconditional promises to give	853,036
Less discount to net present value	<u>(87,474)</u>
Net unconditional promises to give	<u><u>\$ 765,562</u></u>

Promises to give totaling \$244,596 are due within one year and promises to give totaling \$608,440 are due within two to five years.

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Six Months Ended December 31, 2015

4. INVESTMENTS

Investments are stated at fair value and consist of the following at December 31, 2015:

Cash and money market funds	\$ 147,036
Equity and debt mutual funds	13,997,180
Hedge fund	<u>736,846</u>
Total investments	<u>\$ 14,881,062</u>

The following summary summarizes the investment return and its classification in the statement of activities. Investment earnings include revenues from cash and money market funds, equity and debt mutual funds and hedge funds.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investment earnings, net of \$17,128 of investment expenses	\$ 15,750	\$ 409,970	\$ -	\$ 425,720
Net unrealized gains(losses) on investments	(39,498)	(1,169,220)	-	(1,208,718)
Realized loss on investment	<u>-</u>	<u>(19,974)</u>	<u>-</u>	<u>(19,974)</u>
Total	<u>\$ (23,748)</u>	<u>\$ (779,224)</u>	<u>\$ -</u>	<u>\$ (802,972)</u>

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

5. TEMPORARILY RESTRICTED NET ASSETS

Net assets include temporarily restricted funds. Temporarily restricted net assets consist of the following at December 31, 2015:

Endowment accounts:	
Restricted for scholarships and program activities	\$ (591,941)
Non-endowment accounts:	
Restricted for scholarships and program activities	1,709,154
Restricted for capital projects	<u>55,340</u>
Total	<u>\$ 1,172,553</u>

During the six months ended December 31, 2015, \$778,119 was released from temporarily restricted net assets because purpose restrictions were satisfied.

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Six Months Ended December 31, 2015

6. PERMANENTLY RESTRICTED NET ASSETS

Net assets include permanently restricted funds for endowments. The purpose of these funds is to provide investment earnings for scholarships and instructional programs. Permanently restricted net assets totaled \$13,978,535 at December 31, 2015.

7. ENDOWMENT FUNDS

Endowment funds activity during the six months ended December 31, 2015 was as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment funds, July 1, 2015	\$ -	\$ 14,612,252	\$ 14,612,252
Contributions	-	207,508	207,508
Investment earnings	409,970	-	409,970
Net unrealized gains (losses) on investments	(1,169,220)	-	(1,169,220)
Realized loss on investment	(19,974)	-	(19,974)
Other income	-	20	20
Endowments reclassified due to change in policy for endowed funds	849,245	(849,245)	-
Endowments released from restrictions for scholarships and program activities	(328,660)	-	(328,660)
Endowments released from restrictions for general administration	(333,302)	-	(333,302)
Endowments reclassified per donor request	-	8,000	8,000
Endowment funds, December 31, 2015	<u>\$ (591,941)</u>	<u>\$ 13,978,535</u>	<u>\$ 13,386,594</u>

8. FAIR VALUE MEASUREMENTS

The Foundation follows the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*. In accordance with FASB ASC 820, the fair value of a financial instrument is the price that would be received to sell an asset or paid to satisfy a liability in an orderly transaction between market participants at the measurement date. Accounting standards establish a framework for measuring fair value and a three level hierarchy for fair value measurements based upon observable and unobservable input valuation techniques. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect significant market assumptions including those made by the reporting entity. The three level hierarchy is summarized as follows:

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 Six Months Ended December 31, 2015

8. FAIR VALUE MEASUREMENTS (Contd)

Level 1 - Quoted prices in active markets for identical securities

Level 2 - Other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.)

Level 3 - Significant unobservable inputs (including the reporting entity's own assumptions in determining the fair value of investments)

Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The Foundation's investments at December 31, 2015 consist of \$147,036 in cash and money market funds, \$13,997,180 in equity and debt mutual funds, and \$736,846 in a hedge fund.

The Foundation's investments in equity and debt mutual funds are reported at fair value using quoted market prices in active markets for identical securities. This measurement is a Level 1 input which is considered to be the most objective standard for fair value measurement.

The Foundation's investment in the hedge fund is not valued using quoted market prices in active markets and is not redeemable at net asset value in the near term of the measurement date. Therefore, the hedge fund investment is not classified as Level 1 or Level 2.

The hedge fund investment is classified as Level 3. Changes in Level 3 hedge fund investments during the six months ended December 31, 2015 were as follows:

Balance, July 1, 2015	\$	778,355
Net unrealized gains(losses) on investments		(21,535)
Realized loss on investment		(19,974)

Balance, December 31, 2015	\$	736,846

The Foundation's investment in the hedge fund may be redeemed quarterly with 45 days advance notice.

9. SUBSEQUENT EVENTS

The Foundation evaluated subsequent events for potential required disclosure through June 8, 2016, which is the date the financial statements were available to be issued.

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM PENSION PLAN
For the last three 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
2016	0.2538%	\$ 5,964,232	\$ 26,252,668	22.72%	91.88%
2015	0.2879%	(16,207,218)	25,138,162	-64.47%	103.60%
2014	0.2879%	5,933,351	23,690,248	25.05%	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 ten years. However, until a full ten-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM PENSION PLAN
For the last three 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
2016	\$ 1,616,475	\$ 1,616,475	\$ -	\$ 26,252,668	6.16%
2015	1,996,578	1,996,578	-	25,138,162	7.94%
2014	1,636,396	1,636,396	-	23,690,248	6.91%

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 ten years. However, until a full ten-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM PENSION PLAN
Year Ended June 30, 2016

Changes in Plan Provisions

A summary of key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at:

http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.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/docs/gasb_68-2_er_reporting.pdf

Changes of assumptions

A summary of key changes implemented since the December 31, 2011 valuation are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at:

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

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2012 Experience Study for the System, which was published on September 18, 2013, and can be found at:

<http://www.oregon.gov/pers/docs/2012%20Exp%20Study%20Updated.pdf>

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF FUNDING PROGRESS FOR OTHER POST EMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (Projected Unit Credit)	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
Medical Plan: 7/1/2015	\$0	\$7,861,971	\$7,861,971	0%	\$22,632,097	35%
Stipend Plan: 7/1/2015	\$0	\$1,055,122	\$1,055,122	0%	\$22,632,097	5%
Medical Plan: 7/1/2013	\$0	\$5,622,529	\$5,622,529	0%	\$20,763,022	27%
Stipend Plan: 7/1/2013	\$0	\$1,283,234	\$1,283,234	0%	\$20,763,022	6%
Medical Plan: 7/1/2011	\$0	\$5,865,797 *	\$5,865,797	0%	\$21,112,018	28%
Stipend Plan: 7/1/2011	\$0	\$1,796,229 *	\$1,796,229	0%	\$21,112,018	9%

* The annual required contribution for these valuations is calculated using the aggregate actuarial cost method. Information for these valuations in this schedule is calculated using the entry age actuarial cost method as a surrogate for the funding progress of the plan.

In accordance with Governmental Accounting Standards Board statements, the actuarial values of assets includes only those in a dedicated trust or equivalent arrangement. Cash that the College has set aside in a separate fund in its accounting system do not meet this criteria because the Board of Education is able to chose at any time to use those assets for other purposes.

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STATISTICAL SECTION

This section presents detailed and historical information as a context for understanding what the College financial statements, note disclosures, and required supplementary information say about its overall financial status. The information is categorized as follows.

Financial trend schedules show information over time.

- Net Position
- Changes in Net Position
- Fund Balance - Governmental Funds
- Change in Fund Balance - Governmental Funds

Revenue capacity schedules show details about property taxes, which provide a significant portion of the revenue used for College operations.

- Property Tax Rates, Assessed Valuation, and True Cash Value
- Direct and Overlapping Property Tax Rates
- Largest Taxpayers
- Property Tax Levies and Collections

Debt capacity tables are intended to help the reader assess the affordability of the College's current levels of outstanding debt and its ability to issue additional debt in the future.

- Debt Ratios
- Direct and Overlapping Bonded Debt
- Debt Limitation

Demographic and economic information provides background on the environment in which the College operates.

- Population, Personal Income, and Unemployment
- Largest Employers

Operating information includes historical data on the number of students served, and the resources used to deliver those services.

- Employees
- Students
- Buildings

CLACKAMAS COMMUNITY COLLEGE
NET POSITION
Last Ten Fiscal Years

Fiscal Year	Net Investment in Capital Assets	Restricted - Expendable	Unrestricted	Total
2015-16	\$ 26,981,461	\$ 414,249	\$ (9,559,997)	\$ 17,835,713
2014-15	26,534,908	247,858	(1,824,249)	24,958,517
2013-14	24,956,166	371,351	(11,184,114)	14,143,403
2012-13	22,366,431	541,512	16,721,959	39,629,902
2011-12	20,395,473	587,359	18,661,158	39,643,990
2010-11	18,845,119	1,455,381	16,298,975	36,599,475
2009-10	16,875,233	5,373,616	14,006,002	36,254,851
2008-09	21,344,293	2,255,669	4,044,016	27,643,978
2007-08	15,138,058	4,960,140	15,612,143	35,710,341
2006-07	12,832,085	8,058,516	11,160,603	32,051,204

Note: GASB Statements No. 68 & 71 implemented in 2014-15 affected the presentation of pension costs and hence the unrestricted net position. Restatement for years prior to 2013-14 was not required and is not presented.

CLACKAMAS COMMUNITY COLLEGE
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2015-16	2014-15	2013-14	2012-13
OPERATING REVENUE				
Tuition and fees	\$ 16,953,358	\$ 17,327,507	\$ 17,282,884	\$ 17,765,226
Operating grants and contracts				
State	1,619,443	2,299,451	1,625,348	1,593,032
Local	2,357,140	2,053,416	2,028,599	2,367,387
Federal	11,281,962	12,965,660	14,620,741	15,339,172
Auxiliary enterprises				
Bookstore	2,023,075	2,190,285	2,181,915	2,453,055
Technical mechanical	-	148,138	143,850	211,340
Customized training	671,304	439,915	461,754	475,006
Other operating revenues	945,858	1,399,954	1,642,295	1,112,714
Total operating revenues	<u>35,852,140</u>	<u>38,824,326</u>	<u>39,987,386</u>	<u>41,316,932</u>
OPERATING EXPENSES				
Instruction	33,056,620	19,500,877	25,049,681	25,479,458
Instructional support	7,978,310	5,675,648	6,523,625	6,802,102
Student services	7,286,477	3,929,072	5,025,345	5,080,006
Community services	-	-	-	-
College support	11,516,983	8,403,192	10,267,702	9,624,031
Plant operations and maintenance	3,650,200	2,605,043	2,933,696	2,942,046
Plant additions	2,421,154	831,825	569,637	682,686
Financial aid	7,868,277	8,462,789	8,511,295	9,997,927
Auxiliary enterprises				
Bookstore	1,992,989	2,135,088	2,130,845	2,375,302
Technical mechanical	-	152,964	175,924	160,254
Customized training	531,138	338,811	349,165	506,363
Depreciation expense	2,270,817	2,182,883	2,174,660	2,204,765
Total operating expenses	<u>78,572,965</u>	<u>54,218,192</u>	<u>63,711,575</u>	<u>65,854,940</u>
Operating loss	<u>(42,720,825)</u>	<u>(15,393,866)</u>	<u>(23,724,189)</u>	<u>(24,538,008)</u>
NONOPERATING REVENUE (EXPENSES)				
State appropriation	17,640,158	10,070,636	15,460,383	7,389,486
Property taxes	22,795,401	20,474,920	18,900,671	18,426,030
Interest income	408,960	183,045	165,623	159,115
Investment gain (loss) on pension asset	-	-	3,596,854	2,274,164
Interest expense	(4,259,702)	(4,038,082)	(3,514,698)	(3,713,240)
Cost of long-term debt issuance	-	(386,747)	-	-
Gain (loss) on disposition of capital assets	(986,796)	(94,792)	11,718	(11,635)
Net nonoperating revenue (expenses)	<u>35,598,021</u>	<u>26,208,980</u>	<u>34,620,551</u>	<u>24,523,920</u>
CONTRIBUTED CAPITAL				
Increase (decrease) in net position	<u>(7,122,804)</u>	<u>10,815,114</u>	<u>10,896,362</u>	<u>(14,088)</u>
NET POSITION				
Net position - beginning of the year	24,958,517	14,143,403	39,629,902	39,643,990
Prior period adjustment	-	-	(36,382,861)	-
Net position - end of the year	<u>\$17,835,713</u>	<u>\$24,958,517</u>	<u>\$14,143,403</u>	<u>\$39,629,902</u>

2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
\$ 14,529,352	\$ 15,925,463	\$ 19,070,108	\$ 14,650,380	\$12,152,102	\$11,696,518
1,770,704	970,945	3,400,965	2,572,179	851,658	925,752
2,591,059	2,801,232	3,118,674	3,414,620	3,126,910	3,098,397
16,155,833	16,008,245	24,379,394	13,744,580	10,397,418	11,172,871
2,661,229	2,818,601	2,872,400	2,610,122	2,563,605	2,557,035
206,117	212,496	182,784	121,787	118,944	72,879
391,039	382,441	291,377	345,470	503,259	699,887
1,168,092	859,662	826,273	864,215	1,032,414	1,348,621
<u>39,473,425</u>	<u>39,979,085</u>	<u>54,141,975</u>	<u>38,323,353</u>	<u>30,746,310</u>	<u>31,571,960</u>
25,814,031	26,498,142	26,293,988	29,470,478	28,296,256	27,343,536
6,395,826	6,389,920	5,711,534	5,314,671	4,718,107	2,720,153
4,926,136	4,435,037	5,495,297	5,316,701	5,022,534	4,096,238
-	-	-	20,757	17,645	19,456
9,636,825	9,447,665	8,374,819	8,661,971	8,910,404	9,609,824
2,895,829	2,889,008	3,996,102	4,407,992	4,051,840	4,132,810
1,104,388	724,004	1,722,960	1,664,345	429,282	1,447,682
8,813,399	9,884,871	24,376,854	12,929,847	8,526,527	9,117,751
2,541,610	2,620,870	2,658,600	2,557,283	2,430,904	2,422,917
223,299	222,098	219,102	103,144	100,519	75,522
395,630	296,335	291,662	373,983	563,952	651,279
2,292,984	2,237,465	2,253,522	2,231,260	1,871,632	1,834,569
<u>65,039,957</u>	<u>65,645,415</u>	<u>81,394,440</u>	<u>73,052,432</u>	<u>64,939,602</u>	<u>63,471,737</u>
<u>(25,566,532)</u>	<u>(25,666,330)</u>	<u>(27,252,465)</u>	<u>(34,729,079)</u>	<u>(34,193,292)</u>	<u>(31,899,777)</u>
14,480,460	8,441,565	19,353,062	13,865,009	24,023,876	12,815,673
18,015,405	18,027,570	18,187,372	18,065,374	17,174,732	15,890,682
147,695	133,096	161,316	531,514	1,831,871	2,003,288
(165,290)	3,451,685	2,994,004	(6,471,832)	(1,150,994)	(4,631,862)
(3,879,380)	(4,055,984)	(4,167,191)	(4,408,854)	(4,552,655)	-
-	-	-	-	-	-
12,157	13,022	(48,500)	310	(84,241)	-
<u>28,611,047</u>	<u>26,010,954</u>	<u>36,480,063</u>	<u>21,581,521</u>	<u>37,242,589</u>	<u>26,077,781</u>
-	-	-	5,081,195	609,840	-
3,044,515	344,624	9,227,598	(8,066,363)	3,659,137	(5,821,996)
36,599,475	36,871,576	27,643,978	35,710,341	19,647,462	25,485,419
-	(616,725)	-	-	12,403,742	(15,961)
<u>\$39,643,990</u>	<u>\$36,599,475</u>	<u>\$36,871,576</u>	<u>\$27,643,978</u>	<u>\$35,710,341</u>	<u>\$19,647,462</u>

CLACKAMAS COMMUNITY COLLEGE
 FUND BALANCE - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

Fiscal Year	General Fund Unreserved	Other Governmental Funds			Total
		Special Revenue	Debt Service	Capital Projects	
2015-16	\$ 18,670,488	\$ 6,599,963	\$ 2,444,082	\$ 29,585,035	\$ 38,629,080
2014-15	15,710,997	5,638,848	2,602,461	38,345,847	46,587,156
2013-14	12,180,027	6,090,469	9,437,348	1,493,498	17,021,315
2012-13	9,734,053	6,234,501	5,378,495	1,350,659	12,963,655
2011-12	9,435,521	6,631,340	5,325,570	1,461,273	13,418,183
2010-11	11,886,417	6,363,563	3,429,598	1,348,674	11,141,835
2009-10	10,017,054	6,270,189	5,296,136	1,255,001	12,821,326
2008-09	8,905,161	4,222,322	6,633,335	1,620,149	12,475,806
2007-08	8,229,233	3,651,928	3,179,604	5,959,388	12,790,920
2006-07	7,448,321	3,786,412	3,330,733	19,729,912	26,847,057

Note: The State appropriation is allocated annually to each of the 17 Oregon community colleges. The support was historically received quarterly. In 2003, the Oregon Legislature reduced funding by eliminating that year's April payment. At the same time, they amended local budget law and allowed community colleges to accrue in place of the lost payment the first payment in the following biennium. Unreserved General Fund balance includes that accrued payment, as follows.

Fiscal Year	General Fund		
	Accrued Appropriation	Remainder	Total Unreserved
2015-16	\$ -	\$ 18,670,488	\$ 18,670,488
2014-15	2,965,027	12,745,970	15,710,997
2013-14	-	12,180,027	12,180,027
2012-13	2,611,789	7,122,264	9,734,053
2011-12	-	9,435,521	9,435,521
2010-11	3,313,799	8,572,618	11,886,417
2009-10	-	10,017,054	10,017,054
2008-09	4,726,216	4,178,945	8,905,161
2007-08	-	8,229,233	8,229,233
2006-07	4,118,787	3,329,534	7,448,321

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CLACKAMAS COMMUNITY COLLEGE
CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
REVENUE				
From state sources				
State appropriation	14,675,131	\$ 13,035,663	\$ 12,848,594	\$ 10,001,275
Operating grants and contracts	175,976	1,117,954	511,628	486,268
Student financial aid	1,443,750	1,189,084	1,114,026	1,109,609
Other state revenue	-	-	-	361
From local sources				
Property taxes	22,853,259	20,474,354	19,294,610	18,422,912
Tuition and fees	20,006,594	20,045,425	20,822,470	21,348,366
Operating grants and contracts	1,263,877	1,109,529	1,178,225	1,538,797
Student financial aid	1,093,263	945,566	850,374	828,964
Interest income	408,960	183,045	165,623	159,115
Other local revenue	3,306,942	3,645,121	6,196,366	3,183,024
From federal sources				
Operating grants and contracts	3,406,574	7,364,186	10,772,505	7,994,862
Student financial aid	8,003,312	8,880,539	23,226,954	29,171,405
Other federal revenue	21,106	18,991	20,791	22,320
Total revenue	<u>76,658,744</u>	<u>78,009,457</u>	<u>97,002,166</u>	<u>94,267,278</u>
EXPENDITURES				
Personal services	42,541,095	43,955,776	44,361,916	44,269,265
Materials and services	24,064,173	23,389,142	36,959,298	41,575,084
Capital outlay	6,794,646	909,571	904,727	532,849
Debt service - principal	5,170,000	5,180,000	4,760,000	4,350,000
Debt service - interest	3,169,354	3,407,188	3,604,788	3,803,927
Total expenditures	<u>81,739,268</u>	<u>76,841,677</u>	<u>90,590,729</u>	<u>94,531,125</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(5,080,524)</u>	<u>1,167,780</u>	<u>6,411,437</u>	<u>(263,847)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	11,939	1,250	22,197	47,851
Proceeds from long-term debt	-	44,996,012	-	-
Premium (discount) on debt issuance	-	1,952,257	-	-
Refunding of long-term debt	-	(14,717,927)	-	-
Costs of debt issuance	-	(386,747)	-	-
Transfers in from other funds	2,613,420	7,331,040	9,597,451	4,548,638
Transfers (out to) other funds	<u>(2,543,420)</u>	<u>(7,246,854)</u>	<u>(9,527,451)</u>	<u>(4,488,638)</u>
Total other financing sources (uses)	<u>81,939</u>	<u>31,929,031</u>	<u>92,197</u>	<u>107,851</u>
Excess (deficiency) of revenue & other sources (uses) over (under) expenditures	<u>(4,998,585)</u>	<u>33,096,811</u>	<u>6,503,634</u>	<u>(155,996)</u>
FUND BALANCE				
Beginning fund balance	62,298,153	29,201,342	22,697,708	22,853,704
Prior period adjustment	-	-	-	-
Ending fund balance	<u><u>57,299,568</u></u>	<u><u>\$ 62,298,153</u></u>	<u><u>\$ 29,201,342</u></u>	<u><u>\$ 22,697,708</u></u>
Debt service as % of noncapital expenditures	13%	13%	10%	9%

2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
\$ 11,166,661	\$ 11,755,364	\$ 14,626,846	\$ 18,591,225	\$ 19,905,089	\$ 16,934,460
828,024	659,243	1,235,714	6,162,384	42,744	139,680
945,861	312,627	2,181,455	1,558,059	809,367	786,072
195,587	1,133	1,000	6,560	4,552	-
17,866,383	18,129,351	18,150,627	17,802,289	16,995,602	15,832,739
21,165,843	20,267,253	19,070,108	14,650,380	12,152,102	11,696,518
1,607,782	1,901,710	2,217,073	2,646,197	2,439,860	2,740,202
983,277	907,441	905,888	772,483	709,307	490,053
147,695	133,096	161,316	531,514	1,831,871	2,003,288
2,955,764	2,766,558	2,653,407	2,570,850	2,576,464	2,733,915
5,103,426	4,111,052	4,442,773	3,260,336	3,271,051	3,571,017
30,969,863	28,657,293	19,994,654	10,535,725	7,168,322	7,608,226
15,686	13,927	14,478	33,179	9,463	-
<u>93,951,852</u>	<u>89,616,048</u>	<u>85,655,339</u>	<u>79,121,181</u>	<u>67,915,794</u>	<u>64,536,170</u>
42,086,067	39,223,289	39,235,754	42,330,960	41,318,395	38,996,599
43,411,912	41,551,046	36,520,857	27,005,997	29,707,412	21,506,032
767,273	609,295	266,722	1,002,895	2,066,877	1,440,635
3,965,000	3,945,000	3,955,000	4,325,000	3,198,140	3,217,331
3,968,305	4,145,821	4,257,470	4,496,729	4,634,885	4,683,214
<u>94,198,557</u>	<u>89,474,451</u>	<u>84,235,803</u>	<u>79,161,581</u>	<u>80,925,709</u>	<u>69,843,811</u>
<u>(246,705)</u>	<u>141,597</u>	<u>1,419,536</u>	<u>(40,400)</u>	<u>(13,009,915)</u>	<u>(5,307,641)</u>
12,157	13,275	461	1,214	-	-
-	-	2,770,000	-	-	31,850,000
-	-	142,099	-	-	2,553,512
-	-	(2,852,134)	-	-	(34,105,219)
-	-	(57,549)	-	-	(293,871)
6,299,698	2,376,142	5,877,000	3,849,511	2,712,659	4,497,190
<u>(6,239,698)</u>	<u>(2,341,142)</u>	<u>(5,842,000)</u>	<u>(3,449,511)</u>	<u>(2,677,969)</u>	<u>(3,796,647)</u>
<u>72,157</u>	<u>48,275</u>	<u>37,877</u>	<u>401,214</u>	<u>34,690</u>	<u>704,965</u>
<u>(174,548)</u>	<u>189,872</u>	<u>1,457,413</u>	<u>360,814</u>	<u>(12,975,225)</u>	<u>(4,602,676)</u>
23,028,252	22,838,380	21,380,967	21,020,153	34,295,378	38,898,054
-	-	-	-	(300,000)	-
<u>\$ 22,853,704</u>	<u>\$ 23,028,252</u>	<u>\$ 22,838,380</u>	<u>\$ 21,380,967</u>	<u>\$ 21,020,153</u>	<u>\$ 34,295,378</u>
9%	10%	11%	13%	11%	13%

CLACKAMAS COMMUNITY COLLEGE
PROPERTY TAX RATES, ASSESSED VALUATION, AND TRUE CASH VALUE
Last Ten Fiscal Years

Fiscal Year	Permanent Rate	General Obligation Bond Rate	Total Rate	Assessed Valuation by Property Type	
				Real Property	Manufactured Structures
2015-16	\$ 0.5582	0.1881	\$ 0.7463	\$ 30,854,212,703	\$ 121,449,200
2014-15	0.5582	0.1497	0.7079	29,532,124,849	114,900,888
2013-14	0.5582	0.1500	0.7082	28,114,981,194	110,433,279
2012-13	0.5582	0.1588	0.7170	26,992,148,145	112,629,866
2011-12	0.5582	0.1391	0.6973	26,414,056,848	112,538,178
2010-11	0.5582	0.1598	0.7180	25,742,593,312	117,401,264
2009-10	0.5582	0.1772	0.7354	24,985,368,070	146,471,096
2008-09	0.5582	0.2002	0.7584	23,979,458,325	154,218,440
2007-08	0.5582	0.1968	0.7550	22,626,435,707	156,709,038
2006-07	0.5582	0.1824	0.7406	21,214,011,477	160,361,942

Source: Clackamas County Department of Assessment and Taxation,
Summary of Assessment and Tax Roll

Note: The permanent rate for operations is fixed and cannot be changed by the College.
The levy for voter-approved general obligation bonds is requested for the amount needed to pay debt service. The County assessor converts the requested amount into the general obligation bond rate shown above.

Assessed Valuation by Property Type (continued)			True Cash Valuation	Ratio of Assessed Valuation to True Cash Valuation
Personal Property	Public Utility	Total		
\$ 675,425,326	\$ 1,187,424,660	\$ 32,838,511,889	\$ 41,093,604,637	80%
635,154,193	1,070,179,674	31,352,359,604	37,127,451,547	84%
626,366,109	1,046,600,404	29,898,380,986	33,436,732,244	89%
610,969,398	1,008,144,740	28,723,892,149	31,790,623,553	90%
596,055,667	1,030,071,324	28,152,722,017	32,963,246,020	85%
625,801,508	1,010,528,329	27,496,324,413	35,334,250,182	78%
660,952,788	987,783,853	26,780,575,807	39,196,423,165	68%
675,696,573	835,774,480	25,645,147,818	43,265,033,919	59%
639,273,223	805,373,210	24,227,791,178	41,295,048,861	59%
626,725,177	761,450,560	22,762,549,156	35,370,060,628	64%

CLACKAMAS COMMUNITY COLLEGE
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 Last Ten Fiscal Years

Fiscal Year	Clackamas Community College	Overlapping Rates			
		Cities	Fire Districts	School Districts	Other
2015-16	0.7463	.5894 - 7.7626	.5341 - 2.6385	4.3039 - 9.3304	.0315 - 3.2246
2014-15	0.7079	.5894 - 7.8915	.5341 - 2.6385	4.7001 - 9.3439	.0315 - 3.2246
2013-14	0.7082	.5679 - 7.9801	.5341 - 2.6385	4.7001 - 9.3426	.0315 - 3.2246
2012-13	0.7170	.5894 - 7.8119	.5341 - 2.4655	.2608 - 9.4142	.1089 - 3.2246
2011-12	0.6973	.5894 - 7.6880	.7833 - 2.6385	.1914 - 9.3641	.0315 - 3.2246
2010-11	0.7180	.6101 - 7.7788	.7833 - 2.4678	.5949 - 9.3429	.0315 - 3.2246
2009-10	0.7354	.5894 - 7.8235	.7833 - 2.6385	.0901 - 9.2236	.0315 - 3.2246
2008-09	0.7584	.5894 - 7.3924	.7833 - 2.6385	.0828 - 9.1795	.0038 - 3.2246
2007-08	0.7550	.5894 - 7.9024	.7833 - 2.5232	.0831 - 9.1279	.0592 - 3.2246
2006-07	0.7406	.5894 - 7.9028	.7833 - 2.5373	.0949 - 9.2359	.0614 - 2.9766

Source: Clackamas County Department of Assessment and Taxation,
 Summary of Assessment and Tax Roll

Note: Overlapping rates are those that apply to property owners within the College taxing district.
 Not all overlapping rates apply to all owners in the College district. For example, certain property subject to the Clackamas County tax rate are not in the College district.

CLACKAMAS COMMUNITY COLLEGE
LARGEST TAXPAYERS
Current Year and Nine Years Ago

Taxpayer	2015-16			2006-07		
	Taxes Billed	Rank	Percentage of Total County Taxes Billed	Taxes Billed	Rank	Percentage of Total County Taxes Billed
Portland General Electric	\$ 8,290,831	1	1.21%	\$ 6,918,841	1	1.46%
General Growth Properties	3,829,614	2	0.56%	1,823,551	4	0.38%
Clackamas Baking Plant	2,954,902	3	0.43%			
Comcast Corporation	2,741,342	4	0.40%			
Northwest Natural Gas	2,351,662	5	0.34%	2,301,978	3	0.49%
PCC Structurals Inc.	2,162,645	6	0.32%	1,120,816	6	0.24%
Mentor Graphics Corp.	1,258,359	7	0.18%	838,304	9	0.18%
ROIC Oregon LLC	1,241,913	8	0.18%			
Marvin F Poer & Company	1,183,058	9	0.17%			
Xerox Corporation	1,177,929	10	0.17%	1,106,391	7	0.23%
Shorenstein Properties				1,162,209	5	0.25%
Fred Meyer Stores, Inc.				2,443,584	2	0.52%
Qwest Corporation				994,397	8	0.21%
Safeway Stores				815,791	10	0.17%
Total	<u>\$27,192,255</u>		<u>3.97%</u>	<u>\$ 19,525,862</u>		<u>4.13%</u>

Source: Clackamas County Department of Assessment and Taxation

CLACKAMAS COMMUNITY COLLEGE
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Certified Tax Levies			Current Tax Collections	Current Tax Collected as a % of Current Levy
	General Fund	Debt Service Fund	Total		
2015-16	\$ 17,382,335	\$ 6,052,953	\$ 23,435,288	\$ 22,286,638	95.10%
2014-15	16,482,611	4,540,949	21,023,560	19,964,169	94.96%
2013-14	15,313,694	4,336,679	19,650,373	18,625,365	94.78%
2012-13	14,519,921	4,320,790	18,840,711	17,775,708	94.35%
2011-12	14,573,668	3,729,789	18,303,457	17,196,425	93.95%
2010-11	14,396,804	4,176,990	18,573,794	17,380,805	93.58%
2009-10	13,430,804	5,166,476	18,597,280	17,417,522	93.66%
2008-09	13,578,278	4,905,754	18,484,032	17,208,503	93.10%
2007-08	12,903,549	4,581,584	17,485,133	16,435,586	94.00%
2006-07	12,164,188	4,005,291	16,169,479	15,310,316	94.69%

Source: Clackamas County Department of Assessment and Taxation

<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Tax Collected as a % of Current Levy</u>	<u>Uncollected Taxes</u>	<u>Uncollected Taxes as a % of Current Levy</u>
\$ 406,578	\$ 22,693,216	96.83%	\$ 1,302,630	5.56%
466,649	20,430,818	97.18%	1,208,356	5.75%
535,558	19,160,923	97.51%	1,203,459	6.12%
506,115	18,281,823	97.03%	1,236,015	6.56%
494,365	17,690,790	96.65%	1,228,974	6.71%
628,555	18,009,360	96.96%	1,090,448	5.87%
627,521	18,045,043	97.03%	1,196,797	6.44%
476,945	17,685,448	95.68%	1,161,032	6.28%
394,930	16,830,516	96.26%	863,800	4.94%
368,976	15,679,292	96.97%	673,592	4.17%

CLACKAMAS COMMUNITY COLLEGE
DEBT RATIOS
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Pension Bonds	Full Faith and Credit Obligations	Capital Lease	Total Debt
2015-16	\$ 65,740,186	\$ 25,416,157	\$ 1,505,117	\$ -	\$ 92,661,460
2014-15	69,039,563	26,408,338	1,628,773	-	97,076,674
2013-14	25,504,876	27,265,519	17,075,674	-	69,846,069
2012-13	28,689,022	27,997,700	18,135,433	-	74,822,155
2011-12	31,613,168	28,619,881	19,155,192	-	79,388,241
2010-11	34,307,314	29,127,062	20,134,951	-	83,569,327
2009-10	35,394,259	29,539,243	21,339,781	-	86,273,283
2008-09	37,959,685	29,861,424	22,483,760	-	90,304,869
2007-08	40,870,111	30,098,605	23,734,863	-	94,703,579
2006-07	43,530,537	30,150,786	24,220,966	73,140	97,975,429

Sources: Portland State University Population Research Center
Clackamas County Department of Assessment and Taxation

General Obligation Bonds		Total Debt		
Percentage of Assessed Valuation	GO Bonds Per Capita	Percentage of Assessed Valuation	Total Debt per Capita	Percentage of Personal Income
0.20%	\$ 188	0.28%	\$ 265	not available
0.22%	199	0.31%	280	0.50%
0.09%	75	0.23%	204	0.36%
0.10%	85	0.26%	222	0.40%
0.11%	94	0.28%	237	0.45%
0.12%	104	0.30%	253	0.49%
0.13%	106	0.32%	258	0.51%
0.15%	114	0.35%	270	0.53%
0.17%	124	0.39%	286	0.57%
0.19%	134	0.43%	301	0.64%

CLACKAMAS COMMUNITY COLLEGE
DIRECT AND OVERLAPPING BONDED DEBT
June 30, 2016

Governmental Unit	Net Property- Tax Backed Direct Debt (1)	Percent of Real Market Value in College District	Net Property- Tax Backed Overlapping Direct Debt (1)
DIRECT			
Clackamas Community College	\$ 65,740,186	100.00%	\$ 65,740,186
OVERLAPPING			
Cities			
City of Canby	25,645,496	100.00%	25,645,496
City of Estacada	2,997,186	100.00%	2,997,186
City of Gladstone	1,614,000	100.00%	1,614,000
City of Happy Valley	3,530,000	98.38%	3,472,680
City of Lake Oswego	13,550,000	0.99%	133,711
City of Milwaukie	4,938,244	99.18%	4,897,923
City of Molalla	95,000	100.00%	95,000
City of Oregon City	385,000	100.00%	385,000
City of Portland	194,580,568	0.08%	152,746
City of Tualatin	6,892,166	13.10%	902,798
City of West Linn	17,740,000	99.13%	17,586,372
Fire Districts			
Canby	243,750	100.00%	243,750
Clackamas Cty #1	16,700,000	99.47%	16,611,507
Molalla	3,345,000	100.00%	3,345,000
Silverton	4,493,575	5.18%	232,547
Tualatin Valley Fire and Rescue	52,000,000	15.34%	7,975,708
School Districts			
108 Estacada	28,060,000	100.00%	28,060,000
115 Gladstone	49,095,891	100.00%	49,095,891
12 North Clackamas	306,389,340	100.00%	306,389,340
35 Molalla River	15,653,212	100.00%	15,653,212
3J West Linn/ Wilsonville	241,545,453	98.56%	238,056,087
46 Oregon Trail	105,330,487	0.09%	95,745
53 Colton	1,468,656	100.00%	1,468,656
62 Oregon City	81,569,276	100.00%	81,569,276
7J Lake Oswego	96,022,877	1.36%	1,303,799
86 Canby	66,658,030	100.00%	66,658,030
4J Silver Falls	50,573,104	8.57%	4,331,687
10J Gresham-Barlow	75,331,492	0.02%	12,204
23J Tigard-Tualatin	86,394,152	4.75%	4,103,636
88J Sherwood	99,865,170	6.39%	6,382,683
29J Newberg	56,392,118	1.83%	1,032,314
Other			
Metro	199,855,000	13.49%	26,965,636
Rivergrove Water District	627,528	11.68%	73,264
Willamette ESD	10,750,000	0.63%	67,381
Clackamas City ESD	22,960,637	74.71%	17,153,455
Clackamas County	101,775,136	73.13%	74,430,294
Total overlapping	<u>2,045,067,544</u>		<u>1,009,194,014</u>
Total direct and overlapping	<u>\$ 2,110,807,730</u>		<u>\$ 1,074,934,200</u>

Source: Oregon State Treasury, Municipal Debt Advisory Commission

Note (1): Net property-tax backed debt is the outstanding principal of general obligation bonds, and certain full faith and credit obligations, particularly for Tri-met.

CLACKAMAS COMMUNITY COLLEGE
DEBT LIMITATION
Last Ten Fiscal Years

Fiscal Year	Legal Debt Limitation (1)	Bonded Indebtedness (2)	Debt Margin
2015-16	\$ 616,404,070	\$ 63,206,376	\$ 553,197,694
2014-15	556,911,773	66,155,041	490,756,732
2013-14	501,550,984	24,370,000	477,180,984
2012-13	476,859,353	27,365,000	449,494,353
2011-12	494,448,690	30,100,000	464,348,690
2010-11	530,013,753	32,605,000	497,408,753
2009-10	587,946,347	34,840,000	553,106,347
2008-09	648,975,509	37,350,000	611,625,509
2007-08	619,425,733	40,205,000	579,220,733
2006-07	530,550,909	42,810,000	487,740,909

Notes:

- (1) The legal debt limitation in Oregon Revised Statutes 341.675 is 1.5% of the real market value of property, which is titled True Cash Valuation on the table of Property Tax Rates, Assessed Valuation, and True Cash Value.
- (2) Bonded indebtedness is the outstanding principal amount of general obligation bonds. The College may levy property taxes in the amount necessary to pay debt service on these bonds.

CLACKAMAS COMMUNITY COLLEGE
POPULATION, PERSONAL INCOME, AND UNEMPLOYMENT
Last Ten Fiscal Years

Fiscal Year	District Population (1)	Clackamas County		
		Personal Income (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2015-16	349,690	not available	not available	5.2%
2014-15	346,817	\$19,240,407,000	\$ 48,713	6.3%
2013-14	341,663	19,200,727,000	49,453	6.8%
2012-13	337,594	18,535,004,000	48,286	8.1%
2011-12	334,535	17,457,115,000	45,915	8.6%
2010-11	330,505	16,945,867,000	44,954	10.1%
2009-10	334,885	16,853,655,000	43,646	10.2%
2008-09	334,400	17,080,392,000	44,803	5.5%
2007-08	330,665	16,491,610,000	43,965	4.6%
2006-07	325,955	15,371,418,000	41,378	4.8%

- Sources: (1) Portland State University Population Research Center
Data is for Clackamas County, excluding the cities of Lake Oswego and Sandy.
- (2) Bureau of Economic Analysis, US Department of Commerce.
Data is for Clackamas County, in thousands of dollars.
- (3) Oregon Employment Department
Data is for Clackamas County.

Note: The College district includes all of Clackamas County except the cities of Lake Oswego and Sandy.

CLACKAMAS COMMUNITY COLLEGE
LARGEST EMPLOYERS
Current Year and Nine Years Ago

Employer	2015-16	2006-07		
	Number of Employees	Number of Employees	Rank	Percentage of Total County Employment
Kaiser Sunnyside	2,000 +	1,290	3	0.90%
PCC Structurals	1,400 +			
Oregon Cutting Systems	1,200 +			
Providence	900 +			
Mentor Graphics	900 +	650	10	0.45%
Legacy Meridian Park	900 +	700	9	0.49%
Xerox Corporation	800 +	1,720	2	1.20%
Kroger	800 +			
Safeway	700 +			0.45%
Rockwell Collins	500 +			
Sysco	400 +			
United Grocers		890	6	0.62%
Blount International Inc.		1,000	4	0.70%
InFocus Group		980	5	0.68%
Tyco		800	7	0.56%
Willamette Falls Hospital		780	8	0.54%
Precision Castparts Inc.		2,000	1	1.39%
Total Clackamas County employment	149,400			

Source: Clackamas County.

CLACKAMAS COMMUNITY COLLEGE
EMPLOYEES
Last Ten Fiscal Years

Fiscal Year	Employee FTE (full-time equivalents)			
	Administrative	Full-time Faculty	Classified	Total
2015-16	43	133	192	368
2014-15	42	130	187	359
2013-14	41	128	173	342
2012-13	42	133	180	355
2011-12	37	141	169	347
2010-11	37	150	188	375
2009-10	37	152	193	382
2008-09	40	166	213	419
2007-08	40	166	217	423
2006-07	39	166	213	418

Source: Schedule of personnel FTEs in the adopted budget.

Note: Administrative employees are those who are exempt from the overtime provisions of the Fair Labor Standards Act. Full-time faculty are faculty in that bargaining unit. Classified includes support staff in the bargaining unit, and confidential and grant-funded non-exempt employees working half-time or more who are excluded from the classified bargaining unit. Includes all funds.

CLACKAMAS COMMUNITY COLLEGE
STUDENTS
Last Ten Fiscal Years

Fiscal Year	Reimbursable Student FTE	Total Student FTE	Student Headcount
2015-16	6,917	7,036	26,034
2014-15	7,138	7,259	25,793
2013-14	7,249	7,366	27,235
2012-13	7,991	8,102	30,375
2011-12	8,528	8,748	35,191
2010-11	8,761	8,942	36,163
2009-10	8,834	9,127	38,639
2008-09	7,760	7,969	37,548
2007-08	7,416	7,722	35,008
2006-07	7,201	7,437	30,914

Note: Reimbursable FTEs are used in calculating the annual state appropriation. Total FTEs include nonreimbursable courses, such as community education.

CLACKAMAS COMMUNITY COLLEGE
BUILDINGS
June 30, 2016

	Year Built	Square Feet	Major Use
Oregon City campus			
Barlow	1970	100,819	Administration, technical career education
Clairmont	1969	30,150	Horticulture
Community Center	1975	29,005	Student services
Dejardin	2004	18,216	Customized training, sciences
Dye Learning Center	1992	29,215	Library, extended learning
Environmental Learning Center	1997	1,080	Environmental education
Family Resource Center	1992	16,994	Child care, workforce development
Gregory Forum	1992	10,371	Meeting rooms
Lewelling	1971	5,765	Campus services and warehouse
McLoughlin	1972	52,292	Humanities, bookstore
Neimeyer	2005	47,000	Music and theatre
Pauling	1981	41,030	Sciences
Randall	1972	60,775	Physical education and athletics
Roger Rook	2004	30,072	Enrollment services, English
Streeter	1991	14,992	Computer science, Business
Streeter Annex	2003	6,191	Computer science, Business
Studio Art	2003	11,407	Art
Total Oregon City campus		505,374	
Harmony Road campus			
Harmony Center	2008	46,000	Health sciences, outreach, adult education, Small Business Development Center
Wilsonville			
Wilsonville Training Center - original portion	1992	15,071	Utility training alliance
Wilsonville Training Center - addition	2001	34,980	Utility training alliance

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

INDEPENDENT AUDITOR'S COMMENTS
REQUIRED BY OREGON STATE REGULATIONS

October 14, 2016

Board of Education
Clackamas Community College
Oregon City, 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 Clackamas Community College as of and for the year ended June 30, 2016, and have issued our report thereon dated October 14, 2016.

Internal Control Over Financial Reporting

Our report on Clackamas 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 Clackamas 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 Clackamas 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, except as described in the following paragraph.

ORS 294.810 establishes limits on the total amount a local government may invest in the Oregon State Treasury's Local Government Investment Pool (LGIP). The College's investment in the LGIP exceeded these limits during the entire fiscal year.

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.

GRANT COMPLIANCE

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

October 14, 2016

Board of Education
Clackamas Community College
Oregon City, 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 Clackamas Community College as of and for the year ended June 30, 2016, and have issued our report thereon dated October 14, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Clackamas 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 Clackamas Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Clackamas 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.

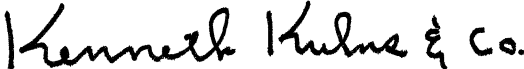
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clackamas 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.

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

October 14, 2016

Board of Education
Clackamas Community College
Oregon City, Oregon

Report on Compliance for Each Major Federal Program

We have audited Clackamas 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 Clackamas Community College's major federal programs for the year ended June 30, 2016. Clackamas 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 Clackamas 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 Clackamas 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 Clackamas Community College's compliance.

Opinion on Each Major Federal Program

In our opinion, Clackamas Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Clackamas 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 Clackamas 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 Clackamas 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.

CLACKAMAS COMMUNITY COLLEGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2016

Federal Grantor/Pass-through Grantor/ Program Title	Pass-Through Grantor's Number	Federal CFDA Number	Program Award	Receivable or (Unearned Revenue) July 1, 2015	Revenue Recog- nized (1)	Expenditures	Receivable or (Unearned Revenue) June 30, 2016
U.S. Department of Education							
Student Financial Aid Programs cluster							
PELL Grants		84 . 063	\$ 7,627,288	-	\$ 7,639,944	\$ 7,630,800	-
Direct Loans		84 . 268	10,050,544	-	10,029,164	10,020,544	-
Federal Work Study		84 . 033	187,904	-	244,709	244,669	-
Supplemental Education Opportunity Grants		84 . 007	160,000	-	110,039	111,575	-
Student Financial Aid Programs cluster			18,025,736	-	18,023,856	18,007,588	-
Clackamas Education Service District							
Perkins Basic Allocation 2015-2016	36400	84 . 048	217,649	-	217,649	217,649	81,013
Perkins Mini Grant 2015-2016	36400	84 . 048	2,995	-	2,995	2,995	-
Perkins ACTE Region V Conference 2015-2016	36400	84 . 048	3,885	-	3,885	3,885	1,155
Perkins Late Award 2014-2015	36426	84 . 048	42,897	-	42,897	42,897	-
Perkins Basic Allocation 2014-2015	31753	84 . 048	211,269	81,258	-	-	-
Perkins Mini Grants 2014-2015	31753	84 . 048	3,271	2,921	-	-	-
Perkins ESD		84 . 048A		3,390	-	-	-
Community Colleges & Workforce Development							
IGRA0777 Future Leaders Program	IGRA0777	84 . 048	30,000	(3,828)	1,336	1,336	- (2)
			511,966	83,740	268,762	268,762	82,167
Community Colleges & Workforce Development							
Title II Comprehensive	EE151607BG	84 . 002A	169,437	-	169,437	169,437	66,076
Title II Accountability Set-Aside	EE151607AG	84 . 002A	63,536	-	63,536	63,536	18,453
Title II Program Improvement Set-Aside	EE151607PG	84 . 002A	1,018	-	10,018	10,018	2,682
Title II Tutoring	EE151607TG	84 . 002A	1,704	-	1,703	1,703	1,313
Title II Corrections	EE151607CG	84 . 002A	26,800	-	26,800	26,800	9,472
Title II Comprehensive	EE141707 BG	84 . 002A	161,499	7,919	-	-	-

CLACKAMAS COMMUNITY COLLEGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2016

Federal Grantor/Pass-through Grantor/ Program Title	Pass-Through Grantor's Number	Federal CFDA Number	Program Award	Receivable or (Unearned Revenue) July 1, 2015	Revenue Recog- nized (1)	Expenditures	Receivable or (Unearned Revenue) June 30, 2016
Title II Accountability Set-Aside	EE141507AG	84 . 002A	55,561	14,624	-	-	-
Title II Program Improvement Set-Aside	EE141507PG	84 . 002A	6,841	2,111	-	-	-
Title II Tutoring	EE141507TG	84 . 002A	9,933	2,549	-	-	-
Title II Corrections	EE141507CG	84 . 002A	24,120	4,583	-	-	-
IGRA0843 Learning Standards 15-16	IGRA0843	84 . 002	1,500	-	371	371	-
			521,949	31,786	271,866	271,866	97,996
Total U.S. Department of Education			19,059,651	115,526	18,564,485	18,548,217	180,163
U.S. Department of Labor							
WIA Cluster							
Workforce Investment Council of Clackamas County							
Formula Adult		17 . 258	83,526	-	83,526	83,526	-
Formula Adult WIOA		17 . 258	320,000	-	319,506	319,506	81,150
Formula Adult		17 . 258	596,676	153,866	-	-	-
			1,000,202	153,866	403,032	403,032	81,150
Formula Dislocated Worker		17 . 278	225,872	-	225,872	225,872	-
Formula Dislocated Worker WIOA		17 . 278	493,508	-	493,508	483,508	103,002
Formula Dislocated Worker		17 . 278	642,955	109,749	-	-	-
			1,362,335	109,749	719,380	709,380	103,002
Clackamas Education Service District							
Youth Services Operational		17 . 259	18,523	-	18,015	18,015	2,756
Youth Services Operational		17 . 259	32,784	3,164	-	-	-
Sage Alternative School							
Youth Services Sage Alternative		17 . 259	5,400	(98)	-	-	(98)
			56,707	3,065	18,015	18,015	2,657
Total WIA Cluster			2,419,244	266,680	1,140,427	1,130,427	186,809
Workforce Investment Council of Clackamas County							
H1B ReBoot Northwest	14-60590	17 . 268	822,720	4,180	222,739	222,729	75,486
H1B Clean Technology	11-70568 fund 369	17 . 268	90,480	1,446	4,722	4,722	-

CLACKAMAS COMMUNITY COLLEGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2016

Federal Grantor/Pass-through Grantor/ Program Title	Pass-Through Grantor's Number	Federal CFDA Number	Program Award	Receivable or (Unearned Revenue) July 1, 2015	Revenue Recog- nized (1)	Expenditures	Receivable or (Unearned Revenue) June 30, 2016
H1B Metro STEP	11-70568 fund 364	17 . 268	567,903	23,486	59,048	59,048	-
Jobs & Innovation Accelerator Challenge	WDC 13-20	17 . 268	40,588	8,241	13,867	13,867	-
NEG Sector Partnership	GGA0025	17 . 277	1,521,691	37,353	300,376	300,366	75,486
Job Driven NEG	GGA0015	17 . 277	605,000	-	204,831	204,831	89,585
NEG Dislocated Worker	GGA0009	17 . 277	541,057	28,112	293,123	293,123	65,259
NEG Blount	GGA0013	17 . 277	211,453	91,213	5,576	5,576	-
			244,302	14,197	28,508	28,508	-
			1,601,812	133,522	532,038	532,038	154,844
U.S. Department of Labor							
TAACCCT CASE Grant	TC-22511-11-60-A-41	17 . 282	4,660,315	70,683	121,113	121,113	-
Tyler Junior College							
ACT-On Retail Management	TC-23812-12-60-A-48	17 . 282	2,913,798	88,101	460,154	460,154	37,494
			7,574,113	158,784	581,266	581,266	37,494
Total U.S. Department of Labor			13,116,860	596,339	2,554,107	2,544,097	454,633
U.S. Department of Health and Human Services							
Local Area High Schools							
Children's Commission Summer School		93 . 667	1,790	(1,025)	-	-	(1,025)
Total U.S. Department of Health and Human Services			1,790	(1,025)	-	-	(1,025)
U.S. Department of Transportation							
Metro & Federal Transit Administration							
Metro Regional Travel Options	933334	20 . 507	85,018	-	47,401	47,401	14,308
Tri-County Metropolitan Transportation District (Tri-Met)							
Tri-Met Towncenter Express	JP150290BW	20 . 516	90,000	15,000	45,000	45,000	15,000
Total U.S. Department of Transportation			175,018	15,000	92,401	92,401	29,308

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2016

Federal Grantor/Pass-through Grantor/ Program Title	Pass-Through Grantor's Number	Federal CFDA Number	Program Award	Receivable or (Unearned Revenue) July 1, 2015	Revenue Recognized (1)	Expenditures	Receivable or (Unearned Revenue) June 30, 2016
Small Business Administration							
Lane Community College							
SBC / SBA Project 2016	SBA-2016-143	59 . 037	30,250	-	12,001	12,001	12,001
SBC / SBA Project 2015	15-143	59 . 037	38,250	15,187	23,063	23,063	-
Total Small Business Administration			68,500	15,187	35,064	35,064	12,001
U.S. Department of Justice							
Office of Justice Programs							
Bulletproof Vest Partnership Grant		16 . 607	1,030	-	1,030	1,030	-
Bulletproof Vest Partnership Grant		16 . 607	1,735	-	63	63	-
Total U.S. Department of Justice			2,765	-	1,093	1,093	-
National Institute of Health							
Portland State University							
Trans-NIH Research Support (EXITO - Administrative Core)	205CRE490	93 . 310	26,344	-	25,315	25,315	25,315
Trans-NIH Research Support (EXITO - Research Core)	205CRE489	93 . 310	55,682	-	30,040	30,040	30,040
Trans-NIH Research Support (EXITO - Administrative Core)	205CRE490	93 . 310	45,839	10,769	-	-	-
Trans-NIH Research Support (EXITO - Research Core)	205CRE489	93 . 310	4,320	4,320	-	-	-
Total National Institute of Health			132,185	15,089	55,355	55,355	55,355
General Services Administration							
Oregon Department of Administrative Services							
Donated Federal Surplus Property		39 . 003	-	-	6,377	6,377	-
Total Federal Awards			\$ 32,556,769	\$ 756,116	\$ 21,308,882	\$ 21,282,604	\$ 730,435

(1) Revenues are recognized when measurable and available.

(2) \$2,492 previously received for award was not used and returned to grantor.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWRDS
Year Ended June 30, 2016

Purpose of the Schedule

The accompanying schedule of expenditures of federal awards (the Schedule) is a supplementary schedule to Clackamas Community College's financial statements and is presented for purposes of additional analysis. 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 or changes in net position of the College.

Significant Accounting Policies

The Reporting Entity

The reporting entity is fully described in Note 1 to the College's financial statements. The Schedule includes all federal financial assistance programs administered by the College for the year ended June 30, 2016.

Basis of Presentation

The information in the 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).

Federal Financial Assistance

Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Basis of Accounting

The expenditures in the Schedule are recognized as incurred based on the accrual basis of accounting and the cost accounting principles contained in the Uniform Guidance. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. The College has elected not to use the ten percent de minimus indirect cost rate as allowed under the Uniform Guidance.

Matching Costs

The Schedule does not include matching expenditures.

CLACKAMAS COMMUNITY COLLEGE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2016

A - SUMMARY OF AUDIT RESULTS:

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

Program Name	CFDA Number
Student Financial Aid Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063
Federal Direct Student Loans	84.268
H1-B Job Training Grants	17.268

8. The threshold for distinguishing Type A programs from Type B programs was \$750,000.
9. Clackamas 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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OTHER SUPPLEMENTARY INFORMATION

Local budget law, found in Oregon Revised Statutes (ORS) 294, requires the College budget current financial resources, on a modified accrual basis, in all funds. This section presents financial results on a budget basis.

CLACKAMAS COMMUNITY COLLEGE
FUND DESCRIPTIONS
Year Ended June 30, 2016

The **General Fund** accounts for ongoing College operations, recording all activity not segregated in other funds.

Special Revenue funds account for revenue that is legally restricted to specific purposes by outside parties, or designated for specific purposes by the Board of Education.

Fee Fund	Accounts for course fees which cover costs beyond those of the normal classroom.
Innovation Fund	Pays for projects and purchases which advance strategic priorities.
Student Technology Fund	Purchases, replaces and upgrades student technology, software, and related infrastructure; and covers operating costs for maintenance of student technology.
Intramurals and Athletics Fund	Intercollegiate athletic teams, intramural activities, and sports clubs.
Student Life and Leadership Fund	Promotes student activities which stimulate social, physical, moral and intellectual life on campus.
Computer Lab Fund	The Streeter computer labs provide computers and tutorial assistance to students.
Student Financial Aid Fund	Receipt and award of financial aid to students from loans, grants, scholarships and work study.
Grants & Contracts Fund	Cost-reimbursable grants and contracts.
Retirement Fund	Early retirement stipends & post employment health insurance benefits.
Insurance Reserve Fund	Reserves for the cost of insurance claims within self-insured retention.
PERS Reserve Fund	Reserves which can be used to mitigate future increases in PERS rates.

The **Debt Service** fund accounts for payment of principal and interest on long-term debt.

Capital Projects funds account for the construction of buildings, land improvements, utility and other infrastructure; major repair and renovation; and the purchase of equipment, land or buildings.

Staff Computer Replacement Fund	Purchase current computers for staff use.
Equipment Replacement Fund	Purchase instructional and other equipment.
Major Maintenance Fund	Major repairs, remodeling, and preventative maintenance of buildings and infrastructure.
Capital Projects (Bond) Fund	Construct buildings, modernize classrooms and equipment, and perform deferred maintenance and infrastructure projects.
Lottery Bond Improvements Fund	State lottery bonds issued for equipment and facility improvements for industrial technology and health occupations. This fund ended June 30, 2016.

Proprietary funds account for operations that are similar to private businesses, where the intent is that costs be recovered primarily through charges to those who use the services.

Bookstore Fund	Provides textbooks, software, school supplies, and other merchandise.
Customized Training Fund	Contracted training provided to business, industry, and government organizations.
Internal Service Fund	Accounts for services provided to departments within the college on a cost-reimbursement basis.

CLACKAMAS COMMUNITY COLLEGE
BALANCE SHEET
June 30, 2016

	SPECIAL REVENUE FUNDS		
	Unrestricted Operations		
	General Fund	Fee Fund	Innovation Fund
ASSETS			
Cash and investments	\$21,554,199	\$ 1,918,866	\$ 13,681
Receivables:			
Accounts	1,900,323	141,756	-
Property taxes	1,022,240	-	-
Allowance for uncollectibles	(2,012,084)	-	-
Inventory	5,622	-	-
Prepaid expenses & other assets	65,540	20,845	-
TOTAL ASSETS	\$22,535,840	\$ 2,081,467	\$ 13,681
 LIABILITIES & FUND EQUITY			
Liabilities			
Accounts payable	\$ 925,920	\$ 16,244	\$ 13,681
Wages, taxes & benefits	1,928,306	-	-
Unearned revenue:			
Tuition and fees	513,231	64,254	-
Property taxes	497,407	-	-
Other unearned revenue	-	-	-
Other liabilities	488	-	-
Total liabilities	3,865,352	80,498	13,681
Fund equity	18,670,488	2,000,969	-
TOTAL LIABILITIES AND FUND EQUITY	\$22,535,840	\$ 2,081,467	\$ 13,681

SPECIAL REVENUE FUNDS (continued)

Dedicated Student Fees				Externally Restricted	
Student Technology Fund	Intramurals & Athletics Fund	Student Life & Leadership Fund	Computer Lab Fund	Student Financial Aid Fund	Grants & Contracts Fund
\$ 495,373	\$ 44,736	\$ 125,647	\$ 114,728	\$ (1,173,292)	\$ (515,534)
-	-	15,659	-	1,266,962	1,219,066
-	-	-	-	-	-
-	-	-	-	-	-
-	2,817	645	-	-	4,198
<u>\$ 495,373</u>	<u>\$ 47,553</u>	<u>\$ 141,951</u>	<u>\$ 114,728</u>	<u>\$ 93,670</u>	<u>\$ 707,730</u>
\$ -	\$ 5,092	\$ 726	\$ -	\$ 6,050	\$ 36,123
-	-	-	-	-	-
24,189	6,679	2,487	1,585	-	-
-	-	-	-	-	-
-	-	-	-	11,793	5,562
-	-	-	-	25,862	-
<u>24,189</u>	<u>11,771</u>	<u>3,213</u>	<u>1,585</u>	<u>43,705</u>	<u>41,685</u>
<u>471,184</u>	<u>35,782</u>	<u>138,738</u>	<u>113,143</u>	<u>49,965</u>	<u>666,045</u>
<u>\$ 495,373</u>	<u>\$ 47,553</u>	<u>\$ 141,951</u>	<u>\$ 114,728</u>	<u>\$ 93,670</u>	<u>\$ 707,730</u>

CLACKAMAS COMMUNITY COLLEGE
BALANCE SHEET
June 30, 2016

SPECIAL REVENUE FUNDS (continued)

	Reserve Funds			Debt Service Fund
	Retirement Fund	Insurance Reserve Fund	PERS Reserve Fund	
ASSETS				
Cash and investments	\$ 1,832,617	\$ 286,189	\$ 1,000,000	\$ 2,415,237
Receivables:				
Accounts	-	-	-	-
Property taxes	-	-	-	352,018
Allowance for uncollectibles	-	-	-	(122,314)
Inventory	-	-	-	-
Prepaid expenses & other assets	-	6,899	-	-
TOTAL ASSETS	<u>\$ 1,832,617</u>	<u>\$ 293,088</u>	<u>\$ 1,000,000</u>	<u>\$ 2,644,941</u>
LIABILITIES & FUND EQUITY				
Liabilities				
Accounts payable	\$ -	\$ 1,568	\$ -	\$ -
Unearned revenue:				
Tuition and fees	-	-	-	-
Property taxes	-	-	-	200,859
Other liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>1,568</u>	<u>-</u>	<u>200,859</u>
Fund equity	<u>1,832,617</u>	<u>291,520</u>	<u>1,000,000</u>	<u>2,444,082</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,832,617</u>	<u>\$ 293,088</u>	<u>\$ 1,000,000</u>	<u>\$ 2,644,941</u>

CAPITAL PROJECTS FUNDS			PROPRIETARY FUNDS		
Unrestricted Operations		Externally Restricted	Enterprise Funds		Internal Service Fund
Equipment Replacement Fund	Major Maintenance Fund	Capital Projects (Bond) Fund	Bookstore Fund	Customized Training Fund	
\$ 1,553,664	\$ 2,912,859	\$25,564,033	\$ 618,190	\$ 483,711	\$ 287,705
-	-	-	161,000	77,559	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	459,452	-	23,608
-	-	-	6,230	678	-
<u>\$ 1,553,664</u>	<u>\$ 2,912,859</u>	<u>\$25,564,033</u>	<u>\$ 1,244,872</u>	<u>\$ 561,948</u>	<u>\$ 311,313</u>
\$ 1,865	\$ 400	\$ 443,256	\$ 857	\$ 4,293	\$ 63
-	-	-	-	47	-
-	-	-	-	-	-
-	-	-	6,434	-	-
<u>1,865</u>	<u>400</u>	<u>443,256</u>	<u>7,291</u>	<u>4,340</u>	<u>63</u>
<u>1,551,799</u>	<u>2,912,459</u>	<u>25,120,777</u>	<u>1,237,581</u>	<u>557,608</u>	<u>311,250</u>
<u>\$ 1,553,664</u>	<u>\$ 2,912,859</u>	<u>\$25,564,033</u>	<u>\$ 1,244,872</u>	<u>\$ 561,948</u>	<u>\$ 311,313</u>

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CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Revenue from state sources				
State appropriation	\$ 12,844,886	\$ 12,844,886	\$ 14,675,131	\$ 1,830,245
State grants and contracts	2,000	2,000	283	(1,717)
Revenue from local sources				
Property taxes	16,795,698	16,795,698	16,977,596	181,898
Tuition	14,162,536	14,162,536	13,801,589	(360,947)
Fees	1,062,740	1,062,740	1,117,841	55,101
Local grants and contracts	259,595	259,595	261,493	1,898
Other local revenue	316,551	316,551	380,271	63,720
Revenue from federal sources				
Federal grants and contracts	100,000	100,000	71,034	(28,966)
Total revenue	<u>45,544,006</u>	<u>45,544,006</u>	<u>47,285,238</u>	<u>1,741,232</u>
EXPENDITURES				
Personnel services	36,372,056	36,717,121	35,292,418	1,424,703
Materials and services	6,289,467	6,406,467	6,375,218	31,249
Capital outlay	295,500	295,500	278,217	17,283
Total expenditures	<u>42,957,023</u>	<u>43,419,088</u>	<u>41,945,853</u>	<u>1,473,235</u>
Excess (deficiency) of revenue over (under) expenditures	<u>2,586,983</u>	<u>2,124,918</u>	<u>5,339,385</u>	<u>3,214,467</u>
OTHER FINANCING SOURCES (USES)				
Transfers in from other funds	70,000	70,000	70,000	-
Transfers (out to) other funds	(2,361,833)	(2,561,833)	(2,461,833)	100,000
Proceeds from sale of capital assets	27,355	27,355	11,939	(15,416)
Total other financing sources (uses)	<u>(2,264,478)</u>	<u>(2,464,478)</u>	<u>(2,379,894)</u>	<u>84,584</u>
Excess (deficiency) of revenue and other sources (uses) over (under) expenditures	322,505	(339,560)	2,959,491	3,299,051
FUND BALANCE				
Beginning fund balance	<u>15,117,000</u>	<u>15,117,000</u>	<u>15,710,997</u>	<u>593,997</u>
Ending fund balance	<u>\$ 15,439,505</u>	<u>\$ 14,777,440</u>	<u>\$ 18,670,488</u>	<u>\$ 3,893,048</u>

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - UNRESTRICTED OPERATIONS
Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Fee Fund
REVENUE			
Revenue from local sources			
Fees	\$ 3,832,433	\$ 3,832,433	\$ 3,870,609
Sales of goods and services	-	-	37,259
Local grants and contracts	20,000	20,000	130,337
Other local revenue	-	-	3,291
Total revenue	<u>3,852,433</u>	<u>3,852,433</u>	<u>4,041,496</u>
EXPENDITURES			
Personnel services	3,070,019	3,139,343	2,483,986
Materials and services	1,322,755	1,457,755	946,334
Capital outlay	82,063	111,063	-
Total expenditures	<u>4,474,837</u>	<u>4,708,161</u>	<u>3,430,320</u>
Excess (deficiency) of revenue over (under) expenditures	(622,404)	(855,728)	611,176
OTHER FINANCING SOURCES (USES)			
Transfers in from other funds	470,000	506,898	36,897
Excess (deficiency) of revenue and other sources (uses) over (under) expenditures	(152,404)	(348,830)	648,073
FUND BALANCE			
Beginning fund balance	<u>1,445,674</u>	<u>1,445,674</u>	<u>1,352,896</u>
Ending fund balance	<u>\$ 1,293,270</u>	<u>\$ 1,096,844</u>	<u>\$ 2,000,969</u>

Actual (continued)		
Innovation Fund	Total Actual	Variance Favorable (Unfavorable)
\$ -	\$ 3,870,609	\$ 38,176
-	37,259	37,259
-	130,337	110,337
-	3,291	3,291
-	4,041,496	189,063
207,120	2,691,106	448,237
468,082	1,414,416	43,339
-	-	111,063
675,202	4,105,522	602,639
(675,202)	(64,026)	791,702
470,000	506,897	(1)
(205,202)	442,871	791,701
205,202	1,558,098	112,424
<u>\$ -</u>	<u>\$ 2,000,969</u>	<u>\$ 904,125</u>

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - DEDICATED STUDENT FEES
Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	
			Student Technology Fund	Intramurals and Athletics Fund
REVENUE				
Revenue from local sources				
Fees	\$ 1,094,800	\$ 1,094,800	\$ 749,645	\$ 206,990
Sales of goods and services	-	-	-	-
Other local revenue	172,500	172,500	-	110,019
Total revenue	<u>1,267,300</u>	<u>1,267,300</u>	<u>749,645</u>	<u>317,009</u>
EXPENDITURES				
Personnel services	501,529	501,529	259,221	1,145
Materials and services	826,128	826,128	290,072	305,875
Total expenditures	<u>1,327,657</u>	<u>1,327,657</u>	<u>549,293</u>	<u>307,020</u>
Excess (deficiency) of revenue over (under) expenditures	(60,357)	(60,357)	200,352	9,989
OTHER FINANCING SOURCES (USES)				
Transfers in from other funds	15,213	15,213	-	15,213
Excess (deficiency) of revenue and other sources (uses) over (under) expenditures	(45,144)	(45,144)	200,352	25,202
FUND BALANCE				
Beginning fund balance	579,000	579,000	270,832	10,580
Ending fund balance	<u>\$ 533,856</u>	<u>\$ 533,856</u>	<u>\$ 471,184</u>	<u>\$ 35,782</u>

Actual (continued)			
Student Life and Leadership Fund	Computer Lab Fund	Total Actual	Variance Favorable (Unfavorable)
\$ 77,044	\$ 49,105	\$ 1,082,784	\$ (12,016)
2,875	-	2,875	2,875
111,692	-	221,711	49,211
<u>191,611</u>	<u>49,105</u>	<u>1,307,370</u>	<u>40,070</u>
88,735	49,628	398,729	102,800
133,390	2,208	731,545	94,583
<u>222,125</u>	<u>51,836</u>	<u>1,130,274</u>	<u>197,383</u>
(30,514)	(2,731)	177,096	237,453
<u>-</u>	<u>-</u>	<u>15,213</u>	<u>-</u>
(30,514)	(2,731)	192,309	237,453
<u>169,252</u>	<u>115,874</u>	<u>566,538</u>	<u>(12,462)</u>
<u>\$ 138,738</u>	<u>\$ 113,143</u>	<u>\$ 758,847</u>	<u>\$ 224,991</u>

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - EXTERNALLY RESTRICTED
Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Student Financial Aid Fund
REVENUE			
Revenue from state sources			
State grants and contracts	\$ 100,000	\$ 100,000	\$ -
State student financial aid	1,100,000	1,100,000	1,443,750
Revenue from local sources			
Fees	120,000	120,000	-
Local grants and contracts	500,000	500,000	-
Local student financial aid	950,000	950,000	1,093,263
Other local revenue	1,000,000	1,000,000	-
Revenue from federal sources			
Federal grants and contracts	4,816,000	4,816,000	-
Federal student financial aid	9,862,204	9,862,204	8,003,312
Other federal revenue	10,000	10,000	17,812
Total revenue	<u>18,458,204</u>	<u>18,458,204</u>	<u>10,558,137</u>
EXPENDITURES			
Personnel services	3,463,656	3,463,656	246,179
Materials and services	14,644,548	14,644,548	10,280,203
Capital outlay	350,000	350,000	-
Total expenditures	<u>18,458,204</u>	<u>18,458,204</u>	<u>10,526,382</u>
Excess (deficiency) of revenue over (under) expenditures	-	-	31,755
OTHER FINANCING SOURCES (USES)			
Transfers (out to) other funds	-	(36,898)	-
Excess (deficiency) of revenue and other sources (uses) over (under) expenditures	-	(36,898)	31,755
FUND BALANCE			
Beginning fund balance	500,000	500,000	18,210
Ending fund balance	<u>\$ 500,000</u>	<u>\$ 463,102</u>	<u>\$ 49,965</u>

Actual (continued)		
Grants and Contracts Fund	Total Actual	Variance Favorable (Unfavorable)
\$ 119,347	\$ 119,347	\$ 19,347
-	1,443,750	343,750
133,771	133,771	13,771
695,647	695,647	195,647
-	1,093,263	143,263
773,052	773,052	(226,948)
3,335,540	3,335,540	(1,480,460)
-	8,003,312	(1,858,892)
3,294	21,106	11,106
<u>5,060,651</u>	<u>15,618,788</u>	<u>(2,839,416)</u>
3,068,411	3,314,590	149,066
1,871,525	12,151,728	2,492,820
21,864	21,864	328,136
<u>4,961,800</u>	<u>15,488,182</u>	<u>2,970,022</u>
98,851	130,606	130,606
<u>(36,897)</u>	<u>(36,897)</u>	<u>1</u>
61,954	93,709	130,607
604,091	622,301	122,301
<u>\$ 666,045</u>	<u>\$ 716,010</u>	<u>\$ 252,908</u>

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - RESERVE FUNDS
Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Retirement Fund
EXPENDITURES			
Personnel services	\$ 834,344	\$ 884,344	\$ 844,252
Materials and services	200,000	200,000	-
Total expenditures	<u>1,034,344</u>	<u>1,084,344</u>	<u>844,252</u>
Excess (deficiency) of revenue over (under) expenditures	(1,034,344)	(1,084,344)	(844,252)
OTHER FINANCING SOURCES (USES)			
Transfers in from other funds	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,000,000</u>
Excess (deficiency) of revenue and other sources (uses) over (under) expenditures	65,656	15,656	155,748
FUND BALANCE			
Beginning fund balance	<u>2,830,000</u>	<u>2,830,000</u>	<u>1,676,869</u>
Ending fund balance	<u><u>\$ 2,895,656</u></u>	<u><u>\$ 2,845,656</u></u>	<u><u>\$ 1,832,617</u></u>

Actual (continued)			
Insurance Reserve Fund	PERS Reserve Fund	Total Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ 844,252	\$ 40,092
23,522	-	23,522	176,478
23,522	-	867,774	216,570
(23,522)	-	(867,774)	216,570
100,000	-	1,100,000	-
76,478	-	232,226	216,570
215,042	1,000,000	2,891,911	61,911
<u>\$ 291,520</u>	<u>\$ 1,000,000</u>	<u>\$ 3,124,137</u>	<u>\$ 278,481</u>

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CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Revenue from local sources				
Property taxes	\$ 5,801,072	\$ 5,801,072	\$ 5,875,663	\$ 74,591
Local grants and contracts	178,425	178,425	176,400	(2,025)
Interest income	-	-	262	262
Other local revenue	2,359,884	2,359,884	2,128,650	(231,234)
Total revenue	<u>8,339,381</u>	<u>8,339,381</u>	<u>8,180,975</u>	<u>(158,406)</u>
EXPENDITURES				
Debt service	<u>8,339,354</u>	<u>8,339,354</u>	<u>8,339,354</u>	<u>-</u>
Excess (deficiency) of revenue over (under) expenditures	27	27	(158,379)	(158,406)
FUND BALANCE				
Beginning fund balance	<u>2,600,808</u>	<u>2,600,808</u>	<u>2,602,461</u>	<u>1,653</u>
Ending fund balance	<u><u>\$ 2,600,835</u></u>	<u><u>\$ 2,600,835</u></u>	<u><u>\$ 2,444,082</u></u>	<u><u>\$ (156,753)</u></u>

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS - UNRESTRICTED OPERATIONS
Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Staff Computer Replacement Fund
REVENUE			
Revenue from local sources			
Other local revenue	\$ -	\$ -	\$ -
EXPENDITURES			
Materials and services	350,000	789,000	-
Capital outlay	440,000	640,000	150,000
Total expenditures	790,000	1,429,000	150,000
Excess (deficiency) of revenue over (under) expenditures	(790,000)	(1,429,000)	(150,000)
OTHER FINANCING SOURCES (USES)			
Transfers in from other funds	821,311	1,021,311	150,000
Excess (deficiency) of revenue and other sources (uses) over (under) expenditures	31,311	(407,689)	-
FUND BALANCE			
Beginning fund balance	4,759,475	4,759,475	-
Ending fund balance	\$ 4,790,786	\$ 4,351,786	\$ -

Actual (continued)			
Equipment Replacement Fund	Major Maintenance Fund	Total Actual	Variance Favorable (Unfavorable)
\$ -	\$ 200	\$ 200	\$ 200
69,467	480,377	549,844	239,156
166,863	310,272	627,135	12,865
236,330	790,649	1,176,979	252,021
(236,330)	(790,449)	(1,176,779)	252,221
250,000	521,310	921,310	(100,001)
13,670	(269,139)	(255,469)	152,220
1,538,129	3,181,598	4,719,727	(39,748)
<u>\$ 1,551,799</u>	<u>\$ 2,912,459</u>	<u>\$ 4,464,258</u>	<u>\$ 112,472</u>

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS - EXTERNALLY RESTRICTED
Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Capital Projects (Bond) Fund
REVENUE			
Revenue from state sources			
State grants and contracts	\$ 8,075,000	\$ 8,075,000	\$ -
Revenue from local sources			
Interest income	-	-	168,331
Other local revenue	2,800,000	2,800,000	-
Total revenue	<u>10,875,000</u>	<u>10,875,000</u>	<u>168,331</u>
EXPENDITURES			
Materials and services	5,050,000	5,050,000	2,761,553
Capital outlay	23,725,000	23,725,000	5,867,430
Total expenditures	<u>28,775,000</u>	<u>28,775,000</u>	<u>8,628,983</u>
Excess (deficiency) of revenue over (under) expenditures	(17,900,000)	(17,900,000)	(8,460,652)
OTHER FINANCING SOURCES (USES)			
Transfers (out to) other funds	(44,691)	(44,691)	-
Excess (deficiency) of revenue and other sources (uses) over (under) expenditures	(17,944,691)	(17,944,691)	(8,460,652)
FUND BALANCE			
Beginning fund balance	<u>32,891,485</u>	<u>32,891,485</u>	<u>33,581,429</u>
Ending fund balance	<u>\$ 14,946,794</u>	<u>\$ 14,946,794</u>	<u>\$ 25,120,777</u>

Actual (continued)			
Lottery Bond Improvements Fund	Total Actual	Variance Favorable (Unfavorable)	
\$ 56,346	\$ 56,346	\$ (8,018,654)	
-	168,331	168,331	
-	-	(2,800,000)	
<u>56,346</u>	<u>224,677</u>	<u>(10,650,323)</u>	
56,347	2,817,900	2,232,100	
-	5,867,430	17,857,570	
<u>56,347</u>	<u>8,685,330</u>	<u>20,089,670</u>	
(1)	(8,460,653)	9,439,347	
<u>(44,690)</u>	<u>(44,690)</u>	<u>1</u>	
(44,691)	(8,505,343)	9,439,348	
<u>44,691</u>	<u>33,626,120</u>	<u>734,635</u>	
<u>\$ -</u>	<u>\$ 25,120,777</u>	<u>\$ 10,173,983</u>	

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PROPRIETARY FUNDS - ENTERPRISE FUNDS
Year Ended June 30, 2016

	Original Budget	Final Budget	Actual Bookstore Fund
REVENUE			
Revenue from local sources			
Sales of goods and services	\$ 2,310,250	\$ 2,310,250	\$ 2,017,447
Local grants and contracts	400,000	400,000	-
Other local revenue	8,000	188,000	5,628
Total revenue	<u>2,718,250</u>	<u>2,898,250</u>	<u>2,023,075</u>
EXPENDITURES			
Personnel services	780,499	860,499	428,997
Materials and services	1,870,170	1,970,170	1,563,992
Capital outlay	27,000	27,000	-
Total expenditures	<u>2,677,669</u>	<u>2,857,669</u>	<u>1,992,989</u>
Excess (deficiency) of revenue over (under) expenditures	40,581	40,581	30,086
OTHER FINANCING SOURCES (USES)			
Transfers (out to) other funds	<u>(70,000)</u>	<u>(70,000)</u>	<u>(70,000)</u>
Excess (deficiency) of revenue and other sources (uses) over (under) expenditures	(29,419)	(29,419)	(39,914)
FUND BALANCE			
Beginning fund balance	<u>1,691,338</u>	<u>1,691,338</u>	<u>1,277,495</u>
Ending fund balance	<u><u>\$ 1,661,919</u></u>	<u><u>\$ 1,661,919</u></u>	<u><u>\$ 1,237,581</u></u>

Actual (continued)		
<u>Customized Training Fund</u>	<u>Total Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ -	\$ 2,017,447	\$ (292,803)
671,304	671,304	271,304
-	5,628	(182,372)
<u>671,304</u>	<u>2,694,379</u>	<u>(203,871)</u>
397,789	826,786	33,713
133,349	1,697,341	272,829
-	-	27,000
<u>531,138</u>	<u>2,524,127</u>	<u>333,542</u>
140,166	170,252	129,671
-	(70,000)	-
140,166	100,252	129,671
<u>417,442</u>	<u>1,694,937</u>	<u>3,599</u>
<u>\$ 557,608</u>	<u>\$ 1,795,189</u>	<u>\$ 133,270</u>

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PROPRIETARY FUNDS - INTERNAL SERVICE FUND
Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Revenue from local sources				
Sales of goods and services	\$ 272,000	\$ 272,000	\$ 252,221	\$ (19,779)
Other local revenue	-	-	356	356
Total revenue	<u>272,000</u>	<u>272,000</u>	<u>252,577</u>	<u>(19,423)</u>
EXPENDITURES				
Personnel services	79,575	94,575	86,035	8,540
Materials and services	153,500	168,500	168,500	-
Capital outlay	500,000	500,000	251,498	248,502
Total expenditures	<u>733,075</u>	<u>763,075</u>	<u>506,033</u>	<u>257,042</u>
Excess (deficiency) of revenue over (under) expenditures	(461,075)	(491,075)	(253,456)	237,619
FUND BALANCE				
Beginning fund balance	<u>571,000</u>	<u>571,000</u>	<u>564,706</u>	<u>(6,294)</u>
Ending fund balance	<u>\$ 109,925</u>	<u>\$ 79,925</u>	<u>\$ 311,250</u>	<u>\$ 231,325</u>