

UMPQUA COMMUNITY COLLEGE
Roseburg, Oregon



ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ending June 30, 2022

Prepared by:
UMPQUA COMMUNITY COLLEGE
Office of Business Services
1140 Umpqua College Road
Roseburg, Oregon 97470

**Natalya Brown Chief
Financial Officer**





**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

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ROSEBURG, OREGON**

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INTRODUCTORY SECTION





December 6, 2022

To the Board of Education
Umpqua Community College

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of Umpqua Community College for the fiscal year ended June 30, 2022. The ACFR is prepared in accordance with Oregon Revised Statutes (ORS) 297.405 to 297.555 and 297.990, known as Municipal Audit Law. This report has been prepared in conformance with the financial reporting standards applicable to governmental entities set 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 ACFR.

The report was prepared by the College's Office of Business Services. Responsibility for the completeness and fairness of the data presented and all accompanying disclosures rest with the management of Umpqua Community College. We believe the report and its data are accurate and complete in all material aspects in disclosing the financial position and results of operations of Umpqua Community College as of June 30, 2022, and for the year then ended.

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

COLLEGE INFORMATION

Umpqua Community College is a comprehensive public community college located in Douglas County in southwestern Oregon. The College District was established in 1964 by a vote of its residents. The college offers transfer programs, career and technical training, community education, adult basic education, workforce development, and serves as a cultural and recreational center.

The Umpqua College District comprises 111,694 residents within the 5,071 square mile area of Douglas County. Douglas County is located in rural southwestern Oregon. The largest incorporated city near the college is Roseburg (pop. 23,701), followed by the city of Sutherlin (pop. 8,909) located 12 minutes north of campus, and the city of Winston (pop. 5,628) located 17 minutes south. The remaining residents in the district live throughout the county in towns with populations less than 4,000 or in rural unincorporated areas between the small towns.

The college serves nearly 9,668 unique students a year with over 3,275 students attending for credit. The main campus is comprised of 19 buildings located in a park-like setting on a portion of 100 acres of donated land overlooking the North Umpqua River. The H. Woolley Adult Basic Education Center is located at 1634 W Harvard Ave, Roseburg near the VA Hospital. The Small Business Development

Center is located at 522 SE Washington Ave, Roseburg near city center. The Commercial Truck Driving Center is located at 6482 Dole Rd, Myrtle Creek, and UCC South County campus is located at 560 Chadwick Lane, Myrtle Creek.

COLLEGE MISSION

Umpqua Community College transforms lives and enriches communities.

PROGRAMS

Umpqua Community College provides five major areas of study:

1. Career and Technical Education (CTE) programs provide knowledge and skills needed to find employment in a wide variety of occupations.
2. College Transfer courses are designed to meet the first two years of academic work at a college or university.
3. Developmental skill-building classes for people who want to earn their GED or learn basic reading, writing, math and study skills for success in academic programs.
4. Lifelong learning opportunities through both credit and non-credit courses and workshops.
5. Workforce training and small business development: In cooperation with district businesses and agencies, Umpqua offers job-related training customized to the organization's needs. In addition, Umpqua offers training and support for the areas small businesses.

ECONOMY

The state's revenue forecast continues to outperform expectations. Both personal and corporate tax collections remain strong, in keeping up with income gains seen in the underlying economy. That said, the slower economic growth in combination with high inflation, and rising interest rates alarm the state economists as they start the recession watch.

The state funding, set at \$703 million for community colleges, will expire at the end of fiscal year 2023. As we are heading into the budget development season, the state funding for the next 2024-25 biennium will be impacted by the change in leadership as the new governor, and introduction of new and revised policies takes place. The risk of recession might play a role in the state resource allocation if the future forecasts shape pessimistically. Nearing over half of the general fund resources, state allocation funding is pivotal to the College's financial stability.

The labor market remains extremely tight. In June 2022, there were 1.6 job openings for every unemployed Oregonian. Unemployment Rate in Oregon was 3.80% in September of 2022, according to the United States Federal Reserve. The local unemployment rates trend higher compared to the state at 5.4%. The local largest industries are health care and social assistance, retail trade, manufacturing, and timber.

Community college enrollment demand is counter-cyclical to changes in the labor market, as enrollments rise during periods of weak economic conditions and fall in tight labor markets. Consistent with this trend, the College's enrollment levels are impacted, but the early fall data suggests that enrollment is starting to improve as the College centers its efforts on student activities and programs.

The college sets a number of financial policies in place that provide guidance for planning of resources and maintaining adequate reserve levels to aide with the revenue shortfalls or unforeseen expenditure needs.

We will continue building our budgets with sustainability in mind. Additional detail regarding next year's budget and economic factors is available in the MD&A in the Financial Section of this report.

GOVERNING BODIES

The members of the Board of Education of Umpqua Community College are duly elected representatives of the people, pursuant to the statutes of Oregon and consistent with the rules of the Oregon State Board of Education. The Umpqua Community College Board of Education has statutory charge and control of all activities, operations and programs of the college including its property, personnel, and finances. The college is not a component unit of any other entity. The college has one discretely presented component unit, Umpqua Community College Foundation, for which the college is considered to be financially accountable. The Board of Education comprises seven qualified members elected for four-year terms. Members are elected from established zones within the community college district.

HIGHER EDUCATION COORDINATING COMMISSION (HECC)

The Higher Education Coordinating Commission is the single state entity responsible for ensuring pathways to higher educational success for Oregonians statewide. HECC is the agency that provides state-level regulations for Oregon's community college system. It establishes state standards for educational programs and facilities, creates tools to develop faculty and staff knowledge and expertise, approves courses of study with academic credit, and more. In 1999, the Office of Community Colleges and Workforce Development (CCWD) was established, and in 2015, it was integrated into the HECC agency. CCWD serves as an administrative office for community college matters by providing coordination, leadership and resources to Oregon's 17 locally governed community colleges.

COLLEGE MANAGEMENT

The President, appointed by the local Board of Education, is the Clerk of the Board. The President and senior leadership team of the college administer policies set by the Umpqua Community College Board of Education.

ACCREDITATION

Umpqua Community College is accredited by the Northwest Commission on Colleges and Universities. Accreditation of an institution of higher education by the Northwest Commission on Colleges and Universities indicates that it meets or exceeds criteria for the assessment of institutional quality evaluated through a peer review process. An accredited college or university is one which has available the necessary resources to achieve its stated purposes through appropriate educational programs, is substantially doing so, and gives reasonable evidence that it will continue to do so in the foreseeable future. Institutional integrity is also addressed through accreditation. Accreditation by the Northwest Commission on Colleges and Universities is not partial but applies to the institution as a whole. As such, it is not a guarantee of every course or program offered, or the competence of individual graduates. Rather, it provides reasonable assurance about the quality of opportunities available to students who

attend the institution. Inquiries regarding an institution's accredited status by the Northwest Commission on Colleges and Universities should be directed to the administrative staff of the institution. Individuals may also contact:

Northwest Commission on Colleges and Universities

8060 165th Avenue N.E., Suite 100

Redmond, WA 98052 **(425) 558-4224**

www.nwccu.org

UCC's programs, certificates, and courses are also approved by the Oregon Office of Community Colleges and Workforce Development (CCWD) and the Oregon Higher Education Coordinating Commission (HECC).

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. Umpqua Community College selected the accounting firm of Moss Adams LLP, as its auditors. In addition to meeting the requirements set forth in Oregon statutes, the audit also was designed to meet the requirements of the federal Single Audit Amendment of 1996 and related Uniform Guidance.

As a recipient of state and federal assistance, Umpqua Community College is responsible for ensuring that adequate internal controls are established to comply with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management and outside auditors. As a part of Umpqua's single audit, tests are made to determine the adequacy of internal controls, including that portion related to federal financial assistance programs, as well as to determine that Umpqua has complied with Applicable laws and regulations. The results of Umpqua's single audit for the fiscal year ended June 30, 2022 provided no instances of material weaknesses in the internal controls or significant violations of applicable laws and regulations.

LONG-TERM FINANCIAL PLANNING

Umpqua Community College conducts long-range financial planning with the goal of maintaining financial sustainability. The forecast is frequently updated for changes in any of the primary revenue sources or operating expenses. Impacted by several years of declining enrollments accelerated by the COVID-19 pandemic, the college anticipates a rebound in enrollment by focusing our efforts on supporting the economy of the region with partnership opportunities, and opportunities for students that lead to a family supporting wage jobs.

As the college is poised to bounce back from the pandemic, we are focusing on investments that best serve students. Those investments include software that will make the student interface more accessible and supportive, a remodeled and reimagined student support center with increased tutoring and learning assistance, the development of new programs that lead to family wage supporting jobs, increased number of courses with no-cost textbooks, and several student focused physical spaces to increase engagement on campus.

Several significant challenges that will continue to impact UCC include the aging of capital assets, a volatility of state funding, and legislative mandates. In addition, the increasing cost of labor and

associated costs will increase disproportionately to the amount of state funding. The college is committed to maintaining adequate level of reserves to help manage the volatility of General Fund revenues as well as continue strategic efforts in containing costs, seeking opportunities for capital infrastructure maintenance and replacement, and raising new revenues.

INTERNAL CONTROLS AND FINANCIAL POLICIES

Umpqua Community College management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the college are protected from loss, theft, or misuse and to ensure adequate accounting information is available for the preparation of the financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

The college maintains a comprehensive set of financial policies, procedures and guidelines. They direct the development of the balanced annual budget, and describe general financial planning and practices of the college. The college met the requirements set by the administrative procedures on Fiscal Responsibility Asset Protection by maintaining current ratio, cash reserves and ending fund balance not to drop below established limits.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Umpqua Community College for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. It was the fifth consecutive year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

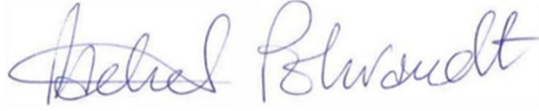
Umpqua Community College also received the GFOA's Distinguished Budget Presentation Award for its annual budget document beginning July 1, 2022. To qualify for the Distinguished Budget Presentation Award, UCC's budget document had to be judged proficient as a policy document, a financial plan, and operations guide, and a communications device.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Office of Business Services. We wish to thank all College's departments for their assistance in providing data necessary to prepare this report. We further extend our thanks to the staff of Moss Adams LLP for their efforts during the audit. We also thank the members of the Umpqua

Community College Board of Education for their support and dedication to the financial operations of the college.

Sincerely,

A handwritten signature in blue ink that reads "Rachel Pokrandt". The signature is fluid and cursive, with the first name "Rachel" written in a larger, more prominent script than the last name "Pokrandt".

Dr. Rachel Pokrandt
President

A handwritten signature in blue ink that reads "N. Brown". The signature is very stylized and abbreviated, with the first name "Natalya" represented by a single letter "N" and the last name "Brown" represented by a few loops.

Natalya Brown
Chief Finance Officer

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

OFFICIALS AS OF JUNE 30, 2022

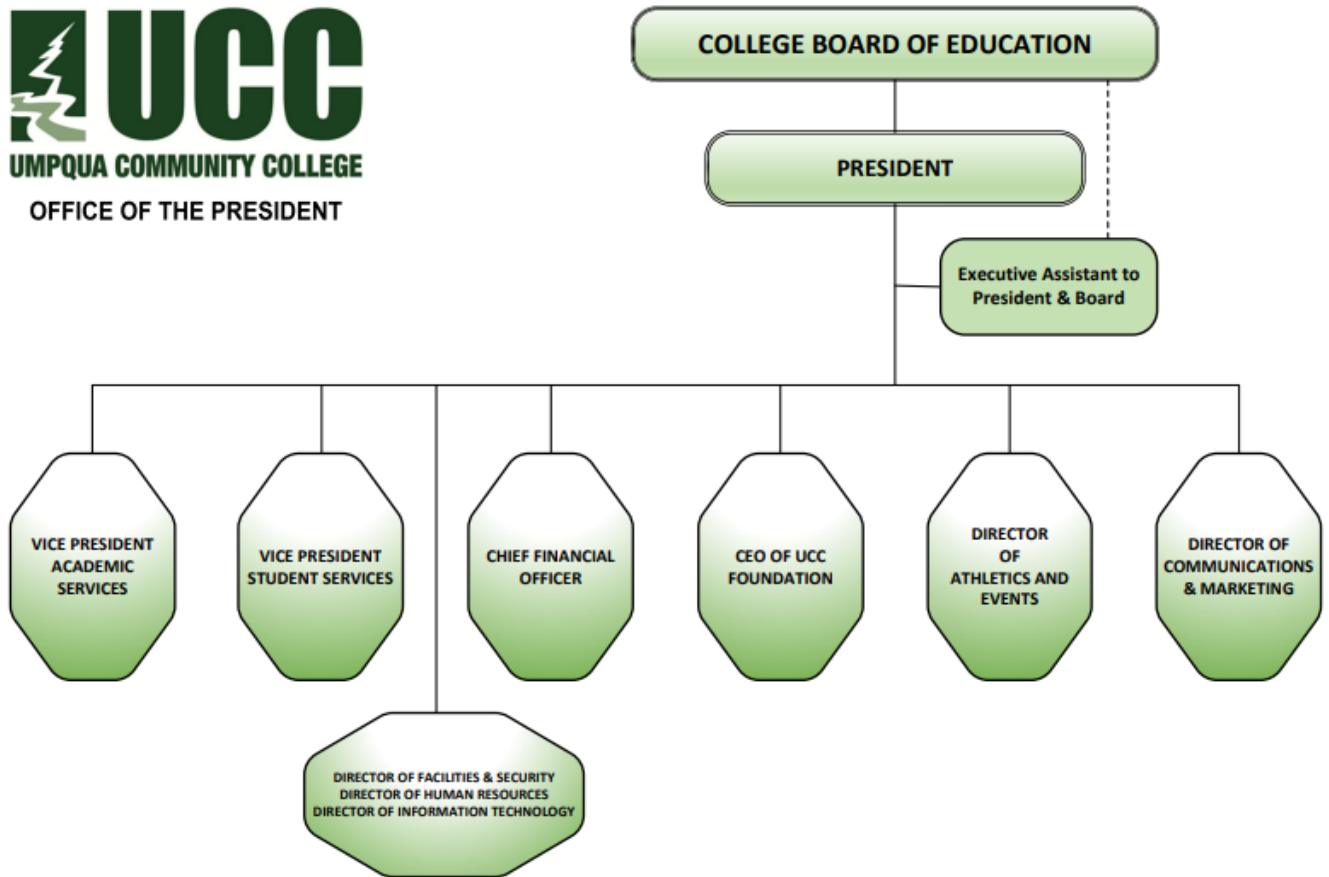
BOARD OF EDUCATION

| Official | Term Expires June 30 |
|-----------------------------|-----------------------------|
| Twila McDonald | 2023 |
| David Littlejohn | 2023 |
| Erica Mills | 2025 |
| Guy N. Kennerly | 2025 |
| Randy Richardson | 2023 |
| Melvin "Bud" Smith | 2023 |
| Steve Loosley (Board Chair) | 2025 |

ADMINISTRATION

| | |
|---------------------|-----------|
| Dr. Rachel Pokrandt | President |
| Natalya Brown | CFO |

MAILING ADDRESS
Umpqua Community College
1140 Umpqua College Rd
Roseburg, Oregon 97470-0226





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Umpqua Community College
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Monell

Executive Director/CEO

FINANCIAL SECTION



Report of Independent Auditors

The Board of Education
Umpqua Community College
Roseburg, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of Umpqua Community College (the “College”), and its discretely presented component unit, Umpqua Community College Foundation (the “Foundation”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the College and its discretely presented component unit, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States (*Government Auditing Standards*). The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16, and the schedules of proportionate share of net pension liability – PERS, pension contributions – PERS, total OPEB liability, proportionate share of the net OPEB liability – RHIA, and OPEB contributions – RHIA on pages 54 through 56 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The budgetary information on pages 57 through 58, schedules of revenues, expenditures, and changes in fund balance – budget to actual on pages 59 through 68, schedule of property tax transactions and balances of taxes uncollected on page 69, and the schedule of expenditures of federal awards and notes to schedule of expenditures of federal awards, on pages 94 through 95, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (collectively, the supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2022 on our consideration of College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering College's internal control over financial reporting and compliance.

Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 7, 2022, on our consideration of the Colleges' compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Portland, Oregon
December 7, 2022

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2022

This section of Umpqua Community College's ("College") Annual Comprehensive Financial Report (ACFR) presents an analysis of the financial activities of the College for the fiscal years ended June 30, 2022 and 2021. This discussion is prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with them. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. This discussion is designed to focus on current activities and known facts, and any resulting changes.

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

| <u>Information</u> | <u>Measurement Focus</u> | <u>Basis of Accounting</u> | <u>Location in Report</u> |
|--------------------------------|-----------------------------|----------------------------|---------------------------|
| Basic financial statements | Economic resources | Full accrual | Financial Section |
| Schedules of budget and actual | Current financial resources | Modified accrual | Supplementary Information |

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

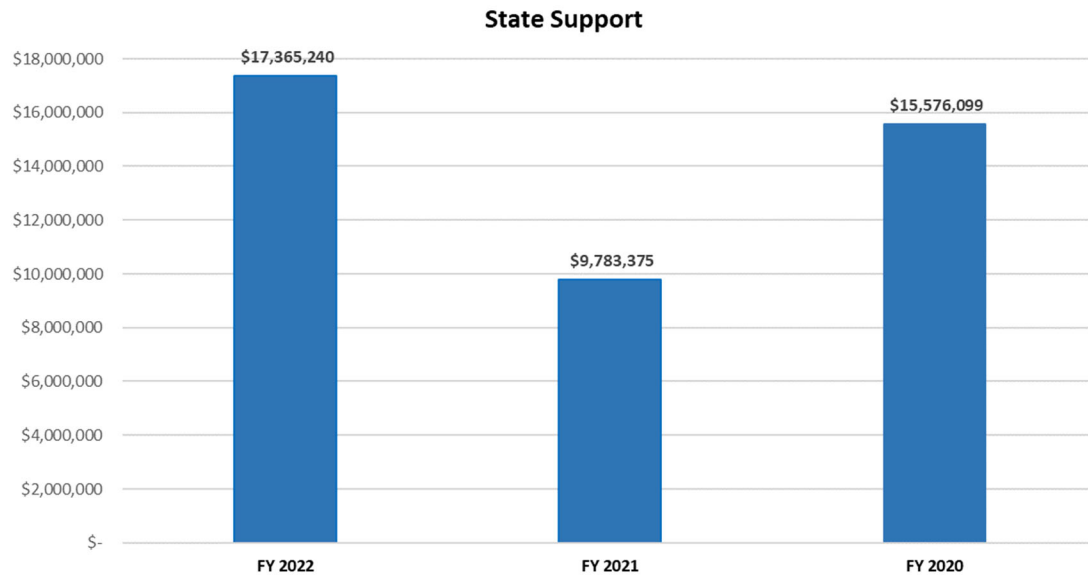
FINANCIAL HIGHLIGHTS

The significant events of the fiscal year ended June 30, 2022, that impacted the College's financial statements are as follows:

- Full-time equivalent students (FTE) decreased by 143 from 2,105 in FY 2021 to 1,962 in FY 2022 due to tight labor market and pandemic. More information is available in the Statistical Section of this ACFR.
- The College issued \$17.8 million of Limited Tax Pension bonds 2021 to cover the College's share of the cost sharing plan's unfunded actuarial liability. The resulting pension asset is being used to pay a portion of the annual required contribution. The unrestricted net position increased by about \$11.5 million partially as a result of the measure.
- The College's financial position continues to be affected by the implementation of GASB Statement No. 68 and 71 related to financial reporting for pensions. Due to variable annual investment returns, the actuarially determined pension assets or liabilities can change enough to greatly influence net position on a year-to-year basis. Both deferred outflows (224% increase) and deferred inflows (331% increase) of resources changed dramatically in FY22 as a result of these fluctuations.
- State support, a non-operating revenue, increased by \$7.6 million in fiscal year 2021-22 or 37% when compared to last year. This fluctuation is due to the timing of the fourth payment received from the state, which on alternating years is not received until July 15th of the next year. The delayed payment strategy for state funds produces 5 of the 8 biennial payments in the first year of the biennium. The deferral was enacted in 2003 and is scheduled to occur on alternative years so that the State can balance its biennial budget.

The graph below illustrates the state payments received in fiscal years 2022, 2021 and 2020.

**UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2022**



OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to Umpqua Community College's basic financial statements, which includes entity-wide financial statements prepared in accordance with the accrual basis of accounting and notes to the basic financial statements. This report also contains the Required Supplementary Information and Other Supplementary Information sections, followed by the Statistical Section and the state and federal Compliance Section.

The *entity-wide financial statements* are designed to provide the reader with a broad overview of the College's finances, in a manner similar to a private-sector business. These statements focus on the financial condition of the College, the results of operations, and cash flows of the College as a whole. The *entity-wide financial statements* consist of comparative statements including: *Statement of Net Position*, *Statement of Revenues, Expenses and Changes in Net Position*, and the *Statement of Cash Flows*. The *Notes to the Basic Financial Statements* provide additional information essential to a full understanding of the data provided in the entity-wide financial statements.

Analysis of Statement of Net Position as of June 30, 2022

The *Statement of Net Position* presents information on all of the College's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, using the accrual basis of accounting with the difference between the two reported as net position. The term "net position" refers to the difference between (a) combined assets and deferred outflows of resources and (b) combined liabilities and deferred inflows of resources, and is an indicator of the College's current financial condition. Over time, increases and decreases in net position can indicate the improvement or decline of the College's overall financial health when considered along with other non-financial facts such as enrollment levels and the condition of the facilities.

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2022

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

| | 2022 | 2021 | Total Dollar Change | Percent Change |
|--|----------------------|----------------------|---------------------------|-------------------|
| ASSETS | | | | |
| Current assets | \$ 31,901,834 | \$ 20,676,074 | \$ 11,225,760 | 54% |
| Noncurrent Assets | | | | |
| Other assets | 227,377 | 161,944 | 65,433 | 40% |
| Capital assets, net of depreciation | 32,922,966 | 33,680,663 | (757,697) | -2% |
| Total Noncurrent Assets | 33,150,342 | 33,842,607 | (692,265) | -2% |
| TOTAL CURRENT AND NONCURRENT ASSETS | 65,052,177 | 54,518,681 | 10,533,495 | 19% |
| DEFERRED OUTFLOWS OF RESOURCES | 22,786,838 | 7,027,588 | 15,759,250 | 224% |
| LIABILITIES | | | | |
| Current liabilities | 6,667,143 | 5,663,898 | 1,003,245 | 18% |
| Noncurrent liabilities | 38,932,663 | 32,891,323 | 6,041,340 | 18% |
| TOTAL LIABILITIES | 45,599,806 | 38,555,222 | 7,044,584 | 18% |
| DEFERRED INFLOWS OF RESOURCES | 11,105,444 | 2,577,627 | 8,527,817 | 331% |
| NET POSITION | | | | |
| Net investment in capital assets | 27,947,932 | 28,872,496 | (924,564) | -3% |
| Restricted | 1,322,690 | 1,134,963 | 187,727 | 17% |
| Unrestricted | 1,863,142 | (9,594,039) | 11,457,181 | -119% |
| TOTAL NET POSITION | \$ 31,133,765 | \$ 20,413,421 | \$ 10,720,344 | 53% |

Current Assets

On June 30, 2022, the College's current assets of \$31.9 million were sufficient to cover current liabilities of \$6.7 million. This represents a current ratio of 4.8. Current assets consist of cash and cash equivalents, investments, receivables, inventories, and prepaid expenses. Receivables consist of property taxes, student accounts, grants and contracts, accounts receivable – due from Foundation, lease, and various operating receivables. During FY 2022 cash and cash equivalents increased by 68% as the College received 5 support payments from the state compared to the three in the year before as a result of the deferral. Prepaids increased by 54% respectively due to the timing execution of several contracts.

Noncurrent Assets

The College's noncurrent assets consist of lease receivable, other postemployment benefits and investments in capital assets net of accumulated depreciation. Capital assets valued at \$32.9 million are reported at net depreciation. The total noncurrent assets decreased by 2% for fiscal year 2022 as a result of the disposal of the asset and outpacing depreciation.

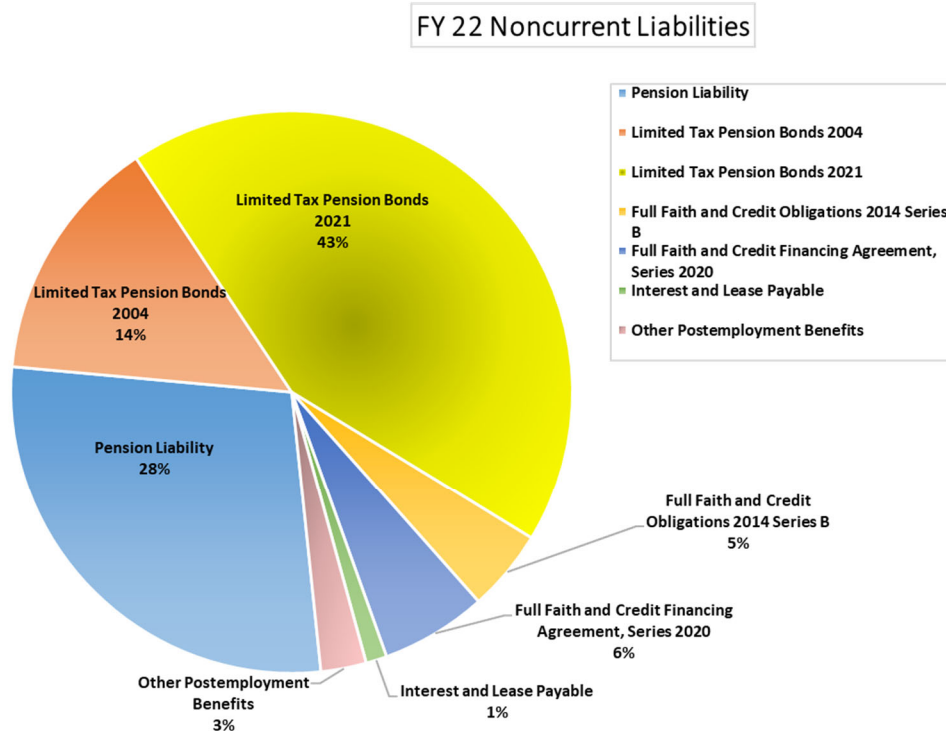
Current Liabilities

The College's current liabilities consist primarily of accrued payroll, various accounts payable for operations, unearned revenue, and the current portion of long-term debt. During FY 2022, the total current liabilities increased by 18% over the prior year. The increase is mainly attributable to the change in the current portion of debt payable compared to the last year due to the new debt service issue in FY 2022.

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2022

Noncurrent Liabilities

The following graph illustrates types of noncurrent liabilities.



In FY 2022, the College's noncurrent liabilities were mainly from pension related debt commitments with 28% coming from the State of Oregon Public Employee Retirees (PERS) pension liabilities and 57% from the Limited Tax Pension bonds 2004 and 2021 series. The issuance of the Limited Tax Pension bonds largely contributed to the increase of the noncurrent liabilities by 18%. Other noncurrent liabilities include the liability for other postemployment benefits (OPEB) as further explained in Note 8.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows and inflows of resources are related to the implementation of GASB Statement No. 68, No. 71 for pension liability reporting, GASB Statement No. 75 for accounting and financial reporting for postemployment benefits, and GASB 87, Lease Accounting. Deferred outflows of resources represent a consumption of net assets that applies to future periods. Deferred outflows increased by \$15.8 million or 224% from prior year. Deferred inflows of resources represent an acquisition of net assets that applies to future periods. Deferred inflows of resources increased by \$8.5 million, or 331% from the prior year. Both changes are due to pension differences recognized through actuarial studies of the pension system and the lump-sum payment into a side-account to PERS described on page 38. Both deferred outflows and inflows related to pensions and other postemployment benefits represent a net amount attributable to the various components that impact pension changes, OPEB changes and can include investment changes, changes due to actuarial assumptions, and differences between expected and actual experience.

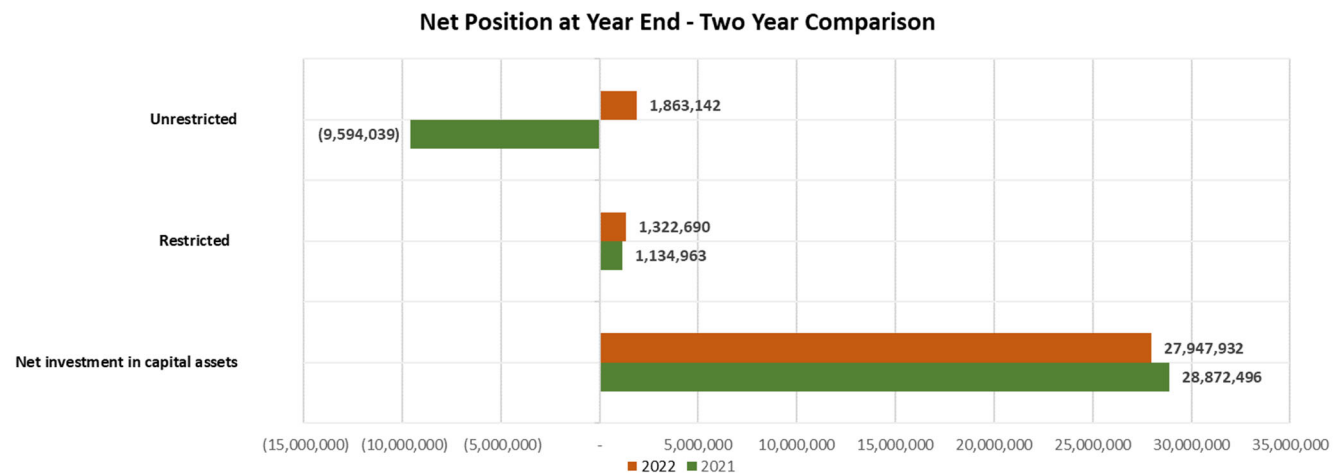
UMPQUA COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

Year Ended June 30, 2022

Net Position

- \$27,947,932 is the College's investment in capital assets, which represent its land, buildings, equipment, net of accumulated depreciation and related debt. The College uses these capital assets to provide educational services to students; consequently, these assets are not available for future spending. Net investment in capital assets decreased by 3% as a result of a slight decrease in capital assets.
- \$1,322,690 is available for the College's ongoing obligations related to programs with external restrictions. The restricted net position increased 17% due to the increase in the debt service restriction during fiscal year 2022.
- \$1,863,142 of unrestricted position increased by \$11.5 million as a result of cumulative changes and the new PERS side-account mentioned above.



Analysis of Statement of Revenues, Expenses and Changes in Net Position for the Year Ended June 30, 2022

The *Statement of Revenues, Expenses and Changes in Net Position* presents the operating results of the College, as well as the non-operating revenues and expenses. Annual state reimbursements and property taxes, while budgeted for operations, are considered non-operating revenues according to Generally Accepted Accounting Principles ("GAAP") in the United States.

The *Statement of Revenues, Expenses and Changes in Net Position* presents the revenues earned and the expenses incurred during the year. All changes in net position are reported under the accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs, regardless of the timing when the cash is received or disbursed. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The utilization of long-lived assets is reflected in the financial statements as depreciation which amortizes the cost of the capital assets over the expected useful life. Revenues and expenses are reported as either operating or non-operating, with operating revenues primarily coming from tuition, grants, and contracts. State appropriations and property taxes are classified as non-operating revenues. The College is dependent on state aid and property tax revenue, and while this statement presents an operating loss, the overall net position remains positive.

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2022

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

| | | | Total | |
|--|----------------------|----------------------|----------------------|----------------|
| | | | Dollar | Percent |
| | 2022 | 2021 | Change | Change |
| OPERATING REVENUE | | | | |
| Tuition and fees, net of scholarship allowances | \$ 3,985,884 | \$ 4,319,646 | \$ (333,762) | -8% |
| Federal student financial aid | 4,853,400 | 5,056,998 | (203,598) | -4% |
| Grants and Contracts | 9,396,381 | 10,813,575 | (1,417,194) | -13% |
| Auxiliary Sales (bookstore, special events, incubator program) | 505,915 | 790,522 | (284,607) | -36% |
| Other operating revenue | 752,411 | 596,183 | 156,228 | 26% |
| Total operating revenue | 19,493,991 | 21,576,924 | (2,082,933) | -10% |
| OPERATING EXPENSES | | | | |
| Instruction | 10,330,226 | 10,991,016 | (660,790) | -6% |
| Instructional support | 2,374,097 | 2,297,745 | 76,352 | 3% |
| Student services | 5,608,501 | 6,451,146 | (842,645) | -13% |
| College support services | 8,376,814 | 7,664,507 | 712,307 | 9% |
| Community services | 167,822 | 423,588 | (255,766) | -60% |
| Student financial aid | 4,884,183 | 3,026,703 | 1,857,480 | 61% |
| Facilities acquisition / construction | 796,610 | 539,667 | 256,943 | 48% |
| Depreciation | 1,247,567 | 1,199,590 | 47,977 | 4% |
| Total operating expenses | 33,785,820 | 32,593,962 | 1,191,858 | 4% |
| Operating income (loss) | (14,291,830) | (11,017,038) | (3,274,792) | 30% |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Other Federal Revenue - Employee Retention Tax Credit | 3,380,030 | - | 3,380,030 | 100% |
| State community college support | 17,365,240 | 9,783,375 | 7,581,865 | 77% |
| Property taxes | 4,409,640 | 4,197,491 | 212,149 | 5% |
| Other nonoperating revenues, net | 16,557 | - | 16,557 | 100% |
| Investment Income | 107,645 | 99,517 | 8,128 | 8% |
| Amortization of debt | (110,979) | 9,825 | (120,804) | -1230% |
| Interest expense | (855,099) | (572,510) | (282,589) | 49% |
| Bond issue costs | (198,135) | - | (198,135) | 100% |
| Gain (Loss) on disposition of capital assets | 196,982 | 18,347 | 178,635 | 0% |
| Total nonoperating revenues (expenses) | 24,311,880 | 13,536,044 | 10,775,836 | 80% |
| Gain (Loss) before capital contributions | 10,020,050 | 2,519,006 | 7,501,044 | 298% |
| Capital Gifts and Grants | 697,445 | 400,000 | 297,445 | 74% |
| Change in net position | 10,717,495 | 2,919,006 | 7,798,489 | 267% |
| Net position, beginning of year | 20,413,421 | 17,494,414 | 2,919,007 | 17% |
| Restatement (see Note 1) | 2,848 | - | 2,848 | |
| Net position, end of year | \$ 31,133,765 | \$ 20,413,421 | \$ 10,720,344 | 53% |

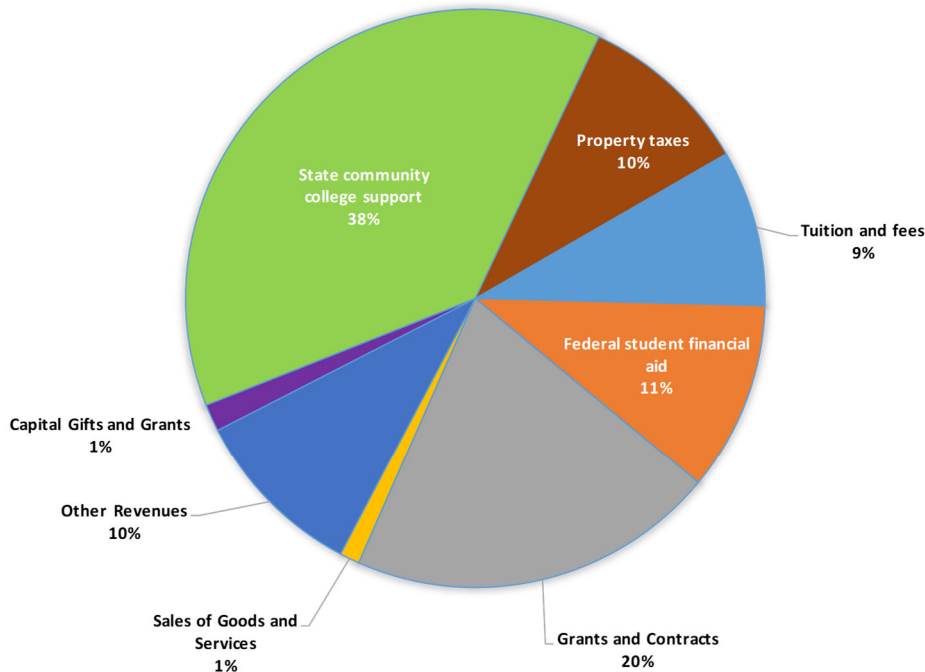
REVENUES

Total revenues received in FY2022 were \$45,667,530 and are depicted below without distinction as

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2022

to whether they are classified as operating or non-operating on the *Statement of Revenues, Expenses and Changes in Net Position*.

FY 2022 TOTAL REVENUES



Operating Revenues

The most significant sources of operating revenue for the College are federal, state and local grants and contracts, including student financial aid, student tuition and fees, and sales of goods and services. During fiscal year 2021-22, the operating revenues decreased by 10% as the College continued to be impacted by the aftermath of the pandemic, and slow student engagement through the campus re-opening. The Higher Education Emergency Relief Funding (HEERF) started to gradually sunset. Tuition and fees declined 8%. They include all amounts paid for education purposes throughout the year.

Non-operating revenues

The non-operating revenues increased by over \$11.4 million in 2021-22 when compared to the prior fiscal year due to several factors. State community college support funding increase by \$7.6 due to the timing difference in recognizing revenue received from the State of Oregon. During the current year of the biennium, the Oregon Legislature deferred the fourth quarter state reimbursement owed to the College to July 15, 2021. In accordance with accounting standards, the College recognized the deferred payment when it was received which resulted in the current year revenues reflecting five support payments whereas the previous year reflected three. In addition, the College recognized \$3.4 million in employee retention tax credit through the federal Consolidated Appropriations Act (CAA) and American Rescue Plan Act programs.

Capital Gifts and Grants

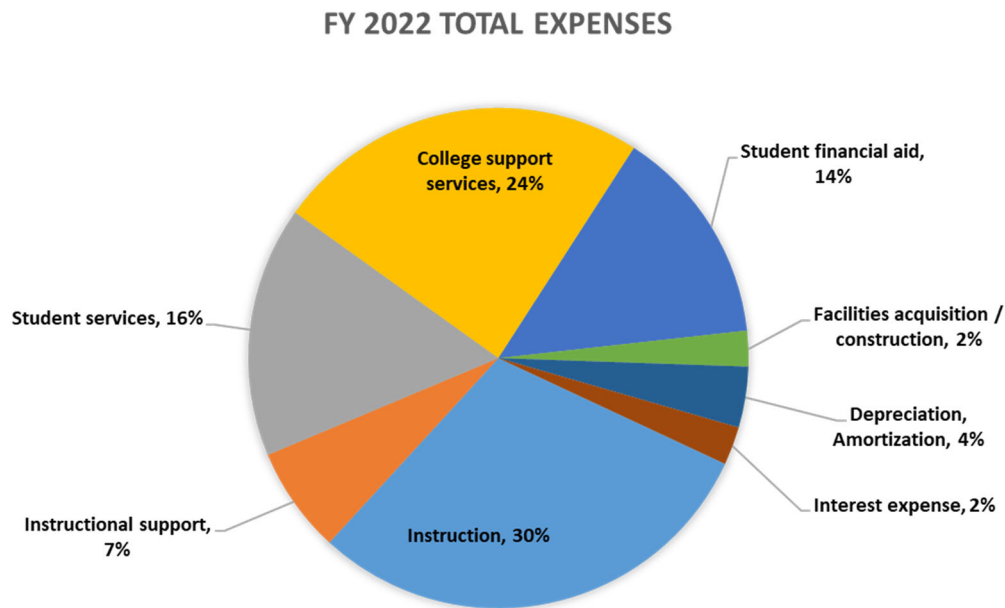
Capital Gifts and Grants represent the value of capital items donated the College as well as grant resources and contributions restricted for capital purposes. The College saw a slight increase in

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2022

Capital Grants compared to last year as the College received the state funding for landslide repair.

EXPENSES

Total Expenses for FY 2022 were \$34,950,033 and are illustrated in the chart below without distinction as to whether they are classified as operating or non-operating on the *Statement of Revenues, Expenses and Changes in Net Position*.



Operating expenses

Operating expenses for fiscal year 2021-22 totaling \$33,785,820 include costs of salaries and benefits, materials and services, utilities, grants and scholarships, and depreciation. Instruction, Student Services, College Support Services and Student Financial Aid represent 84% as a majority of entity-wide expenses for a total \$29,199,724.

Total reported operating expenses during the year increased by \$1.2M or 4%. Additionally, student financial aid expenses increased by 61% due to increase in federal financial student funding.

Non-operating expenses

Non-operating expenses consist of interest and bond issue expenses incurred for debt service further described in Note 14. Interest expense, the College's most significant non-operating expense, represents \$855,099, or 2% of total expenses.

Analysis of Statement of Cash Flows for the Year Ended June 30, 2022

This statement provides an assessment of the financial health of the College. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the College during a

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2022

period. The *Statement of Cash Flows* also helps users assess the ability to meet obligations as they come due, and the need for external financing.

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

| | | | Total | |
|--|----------------------|----------------------|----------------------|-----------------------|
| | 2022 | 2021 | Dollar Change | Percent Change |
| Cash Provided by (Used in): | | | | |
| Operating activities | \$ (28,674,943) | \$ (9,519,963) | \$ (19,154,980) | 201% |
| Noncapital financing activities | 37,350,430 | 12,904,366 | 24,446,064 | 189% |
| Capital and related financing activities | 470,734 | (2,519,031) | 2,989,765 | -119% |
| Investing activities | 105,071 | 99,517 | 5,554 | 6% |
| Net increase in cash and cash equivalents | 9,251,292 | 964,889 | 8,286,403 | 859% |
| Cash and cash equivalents - beginning of year | 13,628,009 | 12,663,120 | 964,889 | 8% |
| Cash and cash equivalents - end of year | \$ 22,879,301 | \$ 13,628,009 | \$ 9,251,292 | 68% |

Operating activities

The major sources of cash in operating activities include student tuition and fees, federal financial aid, grants and contracts, and auxiliary enterprises (Bookstore, Special Events, and Incubator program). Major uses of cash were payments to employees, vendors, and students for financial aid and scholarships. The net change in cash flow from operating activities for FY 2022 was a 201% increase in operating spending due to \$17.8 million transfer of Limited Tax Pension bonds 2021 proceeds to the State of Oregon to fund PERS side account.

Non-capital financing activities

State reimbursements, and property are the primary sources of non-capital financing activities. The property taxes are assessed to property owners within the College's tax base. The current accounting standards require that we reflect these sources of revenue as non-operating even though the College's budget depends on these revenues for operations. The increase of \$24.4 million or 189% in non-capital financing activities was due in large part to the receipt of newly issued Limited Tax Pension bonds 2021 this year and increase in number of state community college support payments received in the first year of the biennium as explained earlier.

Capital and related financing activities

The other change is reflected in cash provided for capital and related financing activities. The 119% decline in cash used in capital financing activities is due to the decrease in the purchase of capital assets compared to the prior year.

Investing activities

The primary source of investing activities is interest income. The cash provided by investing activities increased by 8% from the slight increase in interest rates and amounts invested.

Capital Assets and Debt Administration

Capital Assets

The College's investment in capital assets as of June 30, 2022, amounts to \$32,922,966 net of accumulated depreciation of \$26.5 million. Investment in capital assets includes land, art collection, musical instrument collection, construction in progress, buildings and improvements, land improvements, infrastructure, equipment, vineyard development and intangible assets. Details of these assets are shown below:

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2022

Capital Assets, Net, At Year-End

| <u>Capital Assets</u> | <u>June 30, 2022</u> | <u>June 30, 2021</u> |
|---------------------------------|----------------------|----------------------|
| Land and Collections | \$ 523,860 | \$ 531,573 |
| Construction in Progress | 59,245 | 1,863,694 |
| Depreciable Capital Assets, net | <u>32,339,861</u> | <u>31,285,396</u> |
| Total | \$ 32,922,966 | \$ 33,680,663 |

Major capital changes during the fiscal year included sale of a building that was constructed as part of the Construction Technology program in 2009, and purchase of machinery and equipment. The seismic rehabilitation work completed on the Whipple Fine Arts building. Several upgrades finished for the Lockwood Hall building housing welding, apprenticeship and automotive programs. Jackson Hall building received much needed classroom upgrades. More detailed information about the College's capital assets is included in Note 5 to the financial statements.

Long-term Debt

At June 30, 2022 and 2021, the College had approximately \$26.5 million and \$11 million in long-term debt outstanding, respectively. The table below summarizes long-term debt service requirements at fiscal year-end.

| <u>Long Term Debt</u> | <u>June 30, 2022</u> | <u>June 30, 2021</u> |
|--|----------------------|----------------------|
| 2004 Limited Tax Pension Bonds | \$ 5,530,000 | \$ 6,445,000 |
| 2021 Limited Tax Pension Bonds | 16,765,000 | - |
| 2014 Full Faith and Credit Obligations, Series B | 1,827,895 | 1,952,895 |
| 2020 Full Faith and Credit Financing Agreement | <u>2,376,197</u> | <u>2,552,544</u> |
| Total | <u>\$ 26,499,092</u> | <u>\$ 10,950,439</u> |

The College added \$17.8 million of Limited Tax Pension Bonds in August 2021 to cover a portion of the College's pension share of the cost sharing plan's unfunded actuarial liability. The resulting pension asset is being used to pay a portion of the annual required contribution.

At the end of the current fiscal year, the College had total debt outstanding of \$ 28,295,439 as follows with \$1,796,347 due within one year:

UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2022

| Debt | Amount | Repayment Source |
|---|----------------------|---|
| 2004 Limited Tax Pension Bonds | \$ 6,445,000 | General College Operations |
| 2021 Limited Tax Pension Bonds | \$ 17,345,000 | General College Operations |
| 2014 Full Faith and Credit Obligations Series B | 1,952,895 | General College Operations (Legacy Fee) |
| 2020 Full Faith and Credit Financing Agreement | 2,552,544 | General College Operations |
| | <u>\$ 28,295,439</u> | |

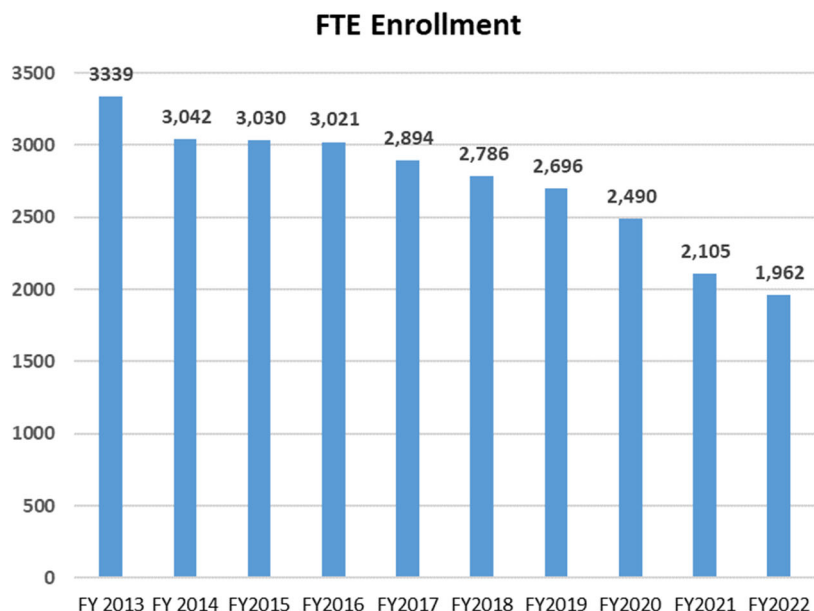
Additional information regarding the College's long-term debt structure is located in Note 14 of these financial statements.

Economic Factors and Next Year's Budget

Economic Outlook

Funding for the major activities of the College comes from a variety of sources, including tuition and fees, financial aid programs, state appropriations, local property taxes, grants, private and government contracts, donor gifts, and investment earnings. The economic and financial condition of the State, and its appropriation for community colleges, Douglas County's economy and enrollment levels are significant factors that could impact these revenue sources and the financial position of the College. State of Oregon economists are taking precautions as the combination of slower economic growth, high inflation and rising interest rates indicate a possibility of an upcoming recession. The more optimistic outlook boils to a coin flip between the latter and the soft landing. Employment market continues to be extremely tight as Oregon appears to be at full employment. The economists indicate that the labor force participation rate is higher today than before the pandemic began. And yet, a labor shortage remains.

As the community colleges tend to have counter-cyclical relationship to the labor markets, like most, Umpqua experienced a decline in enrolment. The pandemic further impacted enrollment in fiscal years 2021 and 2022 as illustrated by the graph below.



UMPQUA COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Year Ended June 30, 2022

The College continues to concentrate a lot of effort into student centered activities and programs, and the enrollment is starting to improve based on Fall 2022 data. The College is hopeful that enrollment will bounce back in the upcoming future.

With the economic outlook changing shape from outperforming expectations to possibly entering recession, the state funding for community colleges for the next biennium 2023-25 will be set in the next legislative session. Although some uncertainty exists, the College is optimistic that the state funding will support the essential funding levels necessary for the College's operations.

Next Year's Budget

The College prepared a balanced budget for fiscal year 2022-23 centered around the organizational needs of the campus, strengthening academic programs, updating infrastructure and re-engaging campus as a community partner.

The 2022-23 budget took into consideration the long-term effect of the current economic conditions and the financial health of the College with a commitment to balancing resources and requirements without depleting reserves as set by the College's policy.

We continue to focus our efforts on student retention, recruitment, and fiscal sustainability. The College introduced a new 3-year tuition model with a tuition increase of \$5 per credit in 2022-23. The new model guarantees a full-time student's tuition rate for 3 years if they do not fall below 12 credits per term. Through reorganization and resource allocation, the College was able to fund a few new and previously frozen positions to improve academic programming, athletics, human resources as well as address compliance issues as identified by strategic priorities. Additionally, the college is investing in a campus wide digital transformation. Federal government helped mitigate the on-going negative impact of COVID-19 by providing emergency funding for both students and colleges.

The College remains committed to meeting the challenges ahead, ensuring the institution's long-term financial health, and carrying out its core mission of transforming lives and enriching communities.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of Umpqua Community College's finances, and to demonstrate the College's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of Business Services
Umpqua Community College
PO Box 967
Roseburg, OR 97470

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



BASIC FINANCIAL STATEMENTS

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Statement of Net Position
JUNE 30, 2022**

ASSETS

Current assets:

| | |
|--|-------------------|
| Cash and Cash Equivalents | \$ 22,879,301 |
| Accounts and Interest Receivable, net of allowance for uncollectible | 7,883,096 |
| Inventories | 219,825 |
| Prepaid expenses | 919,612 |
| Total current assets | <u>31,901,834</u> |

Noncurrent assets:

| | |
|-----------------------------------|-------------------|
| Lease Receivable | 77,962 |
| Net OPEB asset - RHIA | 149,415 |
| Capital assets - non-depreciable | 1,178,793 |
| Capital assets - depreciable, net | 31,744,173 |
| Total noncurrent assets | <u>33,150,342</u> |
| Total assets | <u>65,052,177</u> |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|--|-------------------|
| Deferred Outflows of Resources - pension amounts | 22,505,505 |
| Deferred Outflows of Resources - OPEB | 223,384 |
| Deferred Outflows of Resources - OPEB RHIA amounts | 57,949 |
| Total deferred outflows of resources | <u>22,786,838</u> |

LIABILITIES

Current liabilities:

| | |
|------------------------------------|------------------|
| Accounts payable | 281,677 |
| Payroll liabilities | 1,796,766 |
| Compensated absences | 593,828 |
| Unearned revenue | 2,057,855 |
| Current maturities of debt payable | 1,937,016 |
| Total current liabilities | <u>6,667,143</u> |

Noncurrent liabilities:

| | |
|------------------------------|-------------------|
| Bonds payable | 26,499,092 |
| Total OPEB liability | 1,017,537 |
| Net pension liability | 10,945,629 |
| Interest and Lease Payable | 470,405 |
| Total noncurrent liabilities | <u>38,932,663</u> |
| Total liabilities | <u>45,599,806</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|---|-------------------|
| Deferred Inflows of Resources - leases | 82,784 |
| Deferred Inflows of Resources - pension amounts | 10,587,306 |
| Deferred Inflows of Resources - OPEB | 393,465 |
| Deferred Inflows of Resources - OPEB RHIA amounts | 41,889 |
| Total deferred inflows of resources | <u>11,105,444</u> |

NET POSITION

| | |
|----------------------------------|----------------------|
| Net investment in capital assets | 27,947,932 |
| Restricted for: | |
| Debt service | 1,023,993 |
| Grants and contracts | 298,697 |
| Unrestricted | 1,863,142 |
| Total net position | <u>\$ 31,133,765</u> |

The accompanying notes are an integral part of the financial statements

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Statement of Revenues, Expenses, and Changes in Net Position
YEAR END JUNE 30, 2022**

OPERATING REVENUES

| | |
|---|-------------------|
| Tuition and fees, net of scholarship allowances | \$ 3,985,884 |
| Federal student financial aid grants | 4,853,400 |
| Grants and contracts | 9,396,381 |
| Bookstore sales | 444,402 |
| Auxiliary sales (special events, incubator program) | 61,513 |
| Other operating revenue | <u>752,411</u> |
| Total operating revenues | <u>19,493,991</u> |

OPERATING EXPENSES

| | |
|--------------------------------------|---------------------|
| Instruction | 10,330,226 |
| Instructional support | 2,374,097 |
| Student services | 5,608,501 |
| College support services | 8,376,814 |
| Community services | 167,822 |
| Student financial aid | 4,884,183 |
| Facilities acquisition /construction | 796,610 |
| Depreciation | <u>1,247,567</u> |
| Total operating expenses | <u>33,785,821</u> |
| Operating income (loss) | <u>(14,291,830)</u> |

NONOPERATING REVENUES (EXPENSES)

| | |
|---|-------------------|
| Other Federal Revenue - Employee Retention Tax Credit | 3,380,030 |
| State community college support | 17,365,240 |
| Property taxes | 4,409,640 |
| Other nonoperating revenues, net | 16,557 |
| Investment income | 107,645 |
| Amortization of bond premium | 9,825 |
| Amortization of Lease | (120,804) |
| Interest expense | (855,099) |
| Bond issue costs | (198,135) |
| Gain (loss) on disposition of capital assets | <u>196,982</u> |
| Net nonoperating revenue (expenses) | <u>24,311,880</u> |
| Income before contributions | 10,020,050 |

CAPITAL ADDITIONS

| | |
|-----------------------------|----------------|
| Capital state grants | <u>697,445</u> |
| Total capital contributions | <u>697,445</u> |
| Change in net position | 10,717,495 |

NET POSITION

| | |
|---|----------------------|
| Net position - beginning of year | <u>20,413,421</u> |
| Restatement (See Note 1) | <u>2,848</u> |
| Restated net position - beginning of year | <u>20,416,269</u> |
| Net position - end of year | <u>\$ 31,133,765</u> |

The accompanying notes are an integral part of the financial statements

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Statement of Cash Flows
YEAR END JUNE 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|--------------|
| Cash received from tuition and fees | \$ 3,984,437 |
| Cash received from grants and contracts | 17,007,706 |
| Cash received from auxiliary enterprise operations | 509,052 |
| Other operating receipts | 802,903 |
| Payments to employees for compensation and benefits | (38,564,605) |
| Payments to suppliers for goods and services | (7,263,031) |
| Payments for student financial aid | (5,151,406) |
| | <hr/> |
| Net cash used in operating activities | (28,674,943) |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

| | |
|--|-------------|
| Cash received from State community college support | 17,365,240 |
| Cash received from property taxes | 4,369,384 |
| Proceeds from pension bonds | 17,805,000 |
| Principal paid on pension bonds | (1,280,000) |
| Interest paid on pension bonds | (711,059) |
| Pension bonds issue costs | (198,135) |
| | <hr/> |
| Net cash provided by noncapital financing activities | 37,350,430 |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|---|-----------|
| Proceeds from capital gifts and grants | 697,445 |
| Proceeds from sale of capital assets | 302,801 |
| Proceeds from leases | 10,000 |
| Payments - leases | (122,091) |
| Principal paid on long-term debt | (292,903) |
| Interest paid on long-term debt | (124,518) |
| | <hr/> |
| Net cash used in capital and related financing activities | 470,734 |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|-------------------|---------|
| Investment income | 105,071 |
| | <hr/> |

NET INCREASE IN CASH AND CASH EQUIVALENTS

| | |
|---|---------------|
| Cash and cash equivalents - beginning of year | 13,628,009 |
| | <hr/> |
| Cash and cash equivalents - end of year | \$ 22,879,301 |
| | <hr/> |

**RECONCILIATION TO AMOUNTS SHOWN ON
STATEMENTS OF NET POSITION**

| | |
|----------------------|---------------|
| Cash and investments | \$ 22,879,301 |
| | <hr/> |

The accompanying notes are an integral part of the financial statements

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Statement of Cash Flows (Continued)
YEAR END JUNE 30, 2022**

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED IN OPERATING ACTIVITIES**

| | |
|--|-------------------------------|
| Operating Loss | \$ (14,291,830) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | |
| Depreciation Expense | 1,247,567 |
| Decreases (increases) in assets and deferred outflows: | |
| Accounts Receivable | 1,838,997 |
| Inventory | (57,349) |
| Prepaid expenses | (321,879) |
| Other postemployment benefits | 12,529 |
| Deferred outflows of resources related to pensions and OPEB | (15,759,250) |
| Increases (decreases) in liabilities and deferred inflows: | |
| Accounts payable | (714,595) |
| Payroll liabilities | (77,384) |
| Net pension liability | (9,605,515) |
| Deferred inflows of resources related to pensions and OPEB | 8,445,033 |
| Net OPEB liability | (362,378) |
| Unearned Revenue | 971,110 |
| Total adjustments | <u>(14,383,113)</u> |
| Net cash used in operating activities | <u><u>\$ (28,674,943)</u></u> |

NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:

| | |
|---|------------------------|
| Unamortized bond premium | \$ 9,825 |
| Amortization of bond premium | (9,825) |
| Capital contributions | 56,500 |
| Acquisition of capital assets | (56,500) |
| Book value of capital assets disposed | 196,982 |
| Gain on disposition of capital assets | <u>(196,982)</u> |
| Total non-cash investing, capital, and financing activities | <u><u>\$ -</u></u> |

The accompanying notes are an integral part of the financial statements

**UMPQUA COMMUNITY COLLEGE FOUNDATION
ROSEBURG, OREGON
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2022
With Comparative Totals for 2021**

| | 2022 | 2021 |
|--|----------------------|----------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 366,146 | \$ 264,942 |
| Cash Held in Investment Accounts | 266,632 | 172,539 |
| Total Cash and Cash Equivalents | 632,778 | 437,481 |
| Other Receivables - UCC Foundation Holding Company, Inc. | 40,956 | 39,290 |
| Other Receivables | - | 120 |
| Total Current Assets | 673,734 | 476,891 |
| OTHER ASSETS | | |
| Investments, at Fair Value | 12,362,277 | 14,447,186 |
| Accrued Interest - Investments | 14,993 | 20,712 |
| Investment in UCC Foundation Holding Co., Inc. | 984,504 | 880,754 |
| Inventory - Donated Autos | 31,215 | 31,215 |
| Total Other Assets | 13,392,989 | 15,379,867 |
| TOTAL ASSETS | \$ 14,066,723 | \$ 15,856,758 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ 27,929 | \$ 7,784 |
| Accounts Payable - Due to UCC | 181,156 | 108,479 |
| Accounts Payable - Due to Related Party | - | 107 |
| Scholarships Payable - Due to UCC | 134,161 | 117,582 |
| Current Portion - Due to UCC - HNS Pledges Payable | 100,000 | 50,000 |
| Total Current Liabilities | 443,246 | 283,952 |
| LONG-TERM LIABILITIES | | |
| Due to UCC - HNS Pledges Payable, net of Current Portion | 100,000 | 150,000 |
| Total Long-Term Liabilities | 100,000 | 150,000 |
| TOTAL LIABILITIES | 543,246 | 433,952 |
| NET ASSETS | | |
| Without Donor Restrictions | 667,509 | 539,659 |
| With Donor Restrictions | 12,855,968 | 14,883,147 |
| TOTAL NET ASSETS | 13,523,477 | 15,422,806 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 14,066,723 | \$ 15,856,758 |

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

**UMPQUA COMMUNITY COLLEGE FOUNDATION
ROSEBURG, OREGON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
With Comparative Totals for 2021**

| | Without Donor Restrictions | With Donor Restrictions | 2022 Totals | 2021 Totals |
|---|---|------------------------------------|----------------------|----------------------|
| SUPPORT AND REVENUE: | | | | |
| Donations & Pledges | \$ 12,186 | \$ 503,484 | \$ 515,670 | \$ 371,023 |
| In-Kind Donations of Non-Financial Assets | 105,750 | 56,493 | 162,243 | 7,750 |
| Investment Return (Loss), Net of Expense | (2,336) | (1,291,620) | (1,293,956) | 3,670,287 |
| Investment Income (Loss) from Affiliates | 5,569 | 35,387 | 40,956 | 39,290 |
| Other Income | 31 | 14,999 | 15,030 | 4,379 |
| Fundraising Income | 7,839 | - | 7,839 | - |
| Sponsorships | 88,050 | - | 88,050 | 19,500 |
| In-Kind Support from UCC | 42,889 | - | 42,889 | 18,000 |
| | <u>259,978</u> | <u>(681,257)</u> | <u>(421,279)</u> | <u>4,130,229</u> |
| Net Assets Released from Restrictions | 1,345,922 | (1,345,922) | - | - |
| TOTAL SUPPORT AND REVENUE | <u>1,605,900</u> | <u>(2,027,179)</u> | <u>(421,279)</u> | <u>4,130,229</u> |
| EXPENSES AND OTHER LOSSES: | | | | |
| Scholarships & Student Support | 491,866 | - | 491,866 | 423,145 |
| Program Support | 560,242 | - | 560,242 | 181,796 |
| Management & General | 286,432 | - | 286,432 | 231,515 |
| Fundraising & Special Events | 139,510 | - | 139,510 | 21,640 |
| TOTAL EXPENSES | <u>1,478,050</u> | <u>-</u> | <u>1,478,050</u> | <u>858,096</u> |
| TOTAL EXPENSES AND OTHER LOSSES | <u>1,478,050</u> | <u>-</u> | <u>1,478,050</u> | <u>858,096</u> |
| CHANGE IN NET ASSETS | 127,850 | (2,027,179) | (1,899,329) | 3,272,133 |
| NET ASSETS, BEGINNING OF YEAR | <u>539,659</u> | <u>14,883,147</u> | <u>15,422,806</u> | <u>12,150,673</u> |
| NET ASSETS, END OF YEAR | <u>\$ 667,509</u> | <u>\$ 12,855,968</u> | <u>\$ 13,523,477</u> | <u>\$ 15,422,806</u> |

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

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

Umpqua Community College (the College) was established in 1964 under ORS Chapter 341. The College is a public institution under the general supervision of Higher Education Coordinating Commission (HECC) through the Office of Community Colleges and Workforce Development. The College is governed by a seven-member Board of Education whose members are elected independently.

The financial statements of the College present the College and its component unit, Umpqua Community College Foundation (the Foundation).

The Foundation is a legally separate, tax-exempt entity and acts primarily as a fundraising organization to supplement the resources that are available to the College in support of its programs. The Foundation is governed by a board of directors composed of up to 40 volunteers selected by the Foundation board from communities served by the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests, are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

The Foundation reports as a not-for-profit organization under Financial Accounting Standards Board (FASB) standards. As a result, certain revenue recognition criteria and presentation features are different from GASB revenue recognition and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences.

Significant accounting policies used in the preparation of the basic financial statements are described below:

Basis of presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis of Public College and Universities*, issued in June and November, 1999, as amended by Statement No.63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The College follows the "business-type activities" reporting requirements of GASB Statement No. 35 that provides a comprehensive one-column look at the College's financial activities. Business-type activities are financed in whole or in part by fees charged to external parties.

Basis of Accounting

The basic financial statements are accounted for on the flow of economic resources measurement focus and are prepared on the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in the *Statement of Net Position*. The *Statement of Revenues, Expenses and Changes in Net Position* present increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The College maintains ten individual funds for state legal compliance that are combined and reported as a unitary enterprise similar to a commercial entity organized for profit for financial reporting.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

Cash and Cash Equivalents

The cash and cash equivalents are considered to be cash on hand, cash with fiscal agent, demand deposits, the State of Oregon Treasurer's Local Government Investment Pool (LGIP) and short-term investments with original maturities of three months or less from the date of acquisition.

The Oregon Local Government Investment Pool (LGIP) is administered by the Oregon State Treasury and is not registered with the U.S. Securities and Exchange Commission as an investment company. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the State, who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. The Oregon Short-Term Fund Board, established by the Oregon Legislature, advises the Oregon State Treasury in the management and investment of the LGIP.

The College maintains depository insurance under Federal depository insurance funds and state and financial institution collateral pools for its cash deposits and investments, except the Local Government Investment Pool, which is exempt from statutes requiring such insurance.

For purposes of the *Statement of Cash Flows*, cash and cash equivalents include all cash and investments held by the College, since it has the general characteristics of a demand deposit (i.e., deposits of additional cash may be made at any time and cash may be withdrawn at any time without prior notice or penalty).

Investments

Oregon Revised Statutes authorize investment in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, repurchase agreements, and bankers' acceptances. The College has an investment policy that is in compliance with the Oregon Revised Statutes (ORS) Chapter 294. As of June 30, 2022, and for the year then ended, the College was in compliance with the aforementioned State of Oregon statutes and its own internal investment policies. Investments are stated at fair value, which is based on the individual investment's quoted market price as of June 30, 2022.

Receivables

All receivables are shown net of an allowance for uncollectible accounts.

Property taxes - Uncollected real and personal property taxes are reflected on the *Statement of Net Position* as receivables. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens. All property taxes receivable are due from property owners within the County. Property taxes are recognized as non-operating revenue in the years for which they are levied.

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic distributions of collections to entities levying taxes. Property taxes become a lien against the property when levied on July 1 of each year and are payable in three installments due on November 15, February 15 and May 15. Property tax collections are distributed monthly except for November, when disbursements occur weekly.

Grants - Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the *Statement of Net Position*. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the grantor have been met.

Inventories

Inventories held for resale, primarily books and supplies, are valued at the lower of cost (first-in/first-out method) or market and are charged to expense as sold or used. Inventories of supplies are reported at cost.

Capital Assets

Capital assets include land and land improvements, buildings and building improvements, construction in process, infrastructure (includes utility systems), library collections, art, and furniture and equipment. The College's capitalization threshold is \$5,000 for all capital assets with a life of one year or more. Donated assets are recorded at their acquisition value on the date donated. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. The cost of normal maintenance and repairs that do not significantly extend the useful life of an asset are not capitalized but are expensed as incurred. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

| | |
|-----------------------------------|-------------|
| Buildings | 50 years |
| Improvements other than buildings | 10-15 years |
| Equipment | 5-20 years |
| Land Improvements | 50 years |
| Infrastructure | 50 years |
| Vineyard Development | 7 years |
| Intangible Assets | 3 years |

Intangible assets include purchased and internally developed software and easements of a stipulated life (non-permanent). These assets are stated at cost, less accumulated amortization. Amortization is provided using the straight-line method over the life.

Compensated absences

Employees of the College are permitted to accumulate earned but unused compensated absences: sick leave and up to two years of unused vacation pay. Unused vacation pay is recorded as a liability and an expense when earned. A liability does not exist for unpaid accumulated sick leave, since the College policy does not allow payment upon separation of service. The College recognizes all compensated absences as current liabilities.

| Balance at June 30, 2021 | Earned | Used | Balance at June 30, 2022 | Amount due within a year |
|-----------------------------|------------|------------|-----------------------------|-----------------------------|
| \$ 593,828 | \$ 322,447 | \$ 322,447 | \$ 593,828 | \$ 593,828 |

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Bonds

During the 1996-1997 fiscal year, the State legislature passed HB 2610 that allows community colleges to incur bonded indebtedness. Bond premiums and discounts are amortized over the life of the associated bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized fully and expensed in the period which they were incurred.

Leases

Lessee: The College is a lessee for a noncancellable leases of equipment, vehicle and buildings. The College recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The College recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the College initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the College determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The College uses the estimated incremental borrowing rate as the discount rate for leases, when the interest rate charged by lessor is not provided.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the College is reasonably certain to exercise.

The College monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The College is a lessor for a noncancellable lease of a building. The College recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of the lease, the College initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow or resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the College determines (1) the discount rate it uses to discount, the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The College uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The College monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Use of Restricted Resources

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

Deferred Outflows / Inflows of Resources

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

Retirement Plan

Substantially all of the College's employees are participants in the Oregon Public Employees Retirement Fund ("OPERF"), a statewide cost sharing defined benefit pension plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits ("OPEB")

The College offers a voluntary early retirement health care and life insurance program to employees who were hired prior to July 1, 2007 and meet certain service criteria. The College pays the employee's and their spouse's premium amount equal to that of active members under the current benefit plan. Such premium payments for the retiree continues for the life of the retiree or until the retiree becomes Medicare eligible, whichever comes first. Such benefits/premium payments for the retiree's spouse/domestic partner continues for six months beyond the life of the retiree or until the spouse/domestic partner becomes Medicare eligible, whichever comes first. The College's total OPEB liability is recognized as a long-term liability in the financial statements, the amount of which is actuarially determined.

Net position

Net position comprises the various net earnings from operating and nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three components:

Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of any lease liabilities, bonds, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Debt related to unspent proceeds or other restricted cash and investment is excluded from the determination.

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unrestricted net position – consists of all other assets that are not included in the other categories previously mentioned.

The College's policy is to consider restricted net position to be depleted before using any components of unrestricted net position.

Operating and Nonoperating Revenues and Expenses

Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the College's ongoing operations. The principal operating revenues of the College are charges to students for tuition and fees, grants and contracts for specific operating activities of the College and bookstore sales. Operating expenses include the cost of faculty, administration and support expenses, bookstore operations, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Contributions represent capital gifts and grants contributions by governments and donors.

Adoption of new GASB Pronouncements

During the fiscal year ended June 30, 2022, the College implemented the following GASB pronouncements: GASB Statement No. 87, *Leases*, Issued June 2017, and effective fiscal year 2022. The impact of implementation was an increase of \$2,848 to net position as of July 1, 2021. GASB Statement No. 92, *Omnibus 2020*, Issued January 2020, and effective fiscal year 2022. GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, Issued June 2020, and effective fiscal year 2022. GASB Statement No. 99, *Omnibus 2022*, Issued April 2022, and effective fiscal year 2022.

Future Adoption of new GASB Pronouncements

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2022: GASB Statement No. 91, *Conduit Debt Obligations*, Issued May 2019, and effective fiscal year 2023. GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, Issued March 2020, and effective fiscal year 2023. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, Issued May 2020, and effective fiscal year 2023. The College will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The College is currently evaluating if the above listed new GASB pronouncements will have a significant financial impact to the College or in issuing its financial statements. GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*, Issued June 2022, and effective fiscal year 2023. GASB Statement No. 101, *Compensated Absences*, Issued June 2022, and effective fiscal year 2023.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restatement

In implementing GASB Statement No. 87, The College has restated beginning net position in order to recognize the cumulative effect of the Statement.

Net position is restated as follows:

| | |
|---|---------------|
| Net position - beginning (as previously reported) | \$ 20,413,421 |
| Cumulative effect of applying GASB 87 | <u>2,848</u> |
| Net position - beginning (as restated) | \$ 20,416,269 |

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by the Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles, except the property taxes received after year-end are not considered budgetary resources in the funds, depreciation on capital assets is not an expenditure of the funds, amortization of long-term assets is not an expenditure of the funds, inventory is not capitalized in the funds, and principal on debt services is an expenditure of the funds.

The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are generally published in spring with a public hearing being held approximately two weeks later. The Board of Education may amend the budget prior to adoption. However, budgeted expenditures for each fund may not be increased by more than ten percent without re-publication. The budget is then adopted, appropriations are made, and the tax levy declared no later than June 30th.

Expenditure budgets are appropriated at the following levels for each fund:

LEVEL OF CONTROL

| | |
|---|---------------------------------------|
| Instruction | Instructional Support |
| Community Services | Student Services |
| College Support Services | Financial Aid |
| Other Uses – Debt Service and Interfund Transfers | Facilities Acquisition & Construction |
| Debt Service | Operating Contingency |

Budget amounts shown in the basic financial statements reflect the original budgeted appropriation amounts and final budgeted amounts including any changes that occurred during the year. Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2022. Expenditures cannot legally exceed the above appropriation levels. Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need which exists which was not determined at the time the budget was adopted, however none were necessary during the fiscal year.

UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The primary investment objectives of the College's investment activities are preservation of capital, liquidity, diversification and yield. The following schedule comprises the combined value of the College's cash and investment portfolio at June 30:

| | <u>Year Ended June 30, 2022</u> |
|--|-------------------------------------|
| Cash and Cash Equivalents: | |
| Cash on hand | \$ 10,920 |
| Demand Deposits | 2,711,872 |
| US Bank | 398 |
| Oregon Local Government Investment Pool (LGIP) | <u>20,156,112</u> |
| Total cash and cash equivalents | <u>\$ 22,879,301</u> |

The College is restricted by State of Oregon statutes in the types of investments in which it may invest. Authorized investments include general obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, certain corporate indebtedness, bank repurchase agreements, and the State Treasurer's Local Government Investment Pool. As of June 30, 2022, and for the year then ended, the College was in compliance with the aforementioned State of Oregon statutes.

Deposits

At year end the carrying amount of the College's demand for deposits with financial institutions was \$2,711,872 and the bank balance was \$3,105,911. As required by ORS, deposits in excess of federal depository insurance were held at qualified depositories for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the office of the State Treasurer.

Investments

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The Oregon Short-Term Fund does not receive credit quality ratings from nationally recognized statistical rating organizations. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2022. The LGIP seeks to exchange shares at \$1.00 per share; and investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments of \$1.00 per share, it is possible to lose money by investing in the pool. The College measures these investments at book value, as the LGIP's fair value approximates its amortized cost basis.

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ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

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

Fair value hierarchy

Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 - unadjusted price quotations in active markets/exchanges for identical assets or liabilities, that each Fund has the ability to access.

Level 2 - other observable inputs including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs.

Level 3 - unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each fund's own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The categorization of a value determined for investments is based on the pricing transparency of the investments and is not necessarily an indication of the risks associated with investing in those securities.

The College has the following recurring fair value measurements as of June 30, 2022:

| Investment Type | Totals as of 06/30/2022 | Fair Value Measurements Using | | | Cost Measurement Using Amortized Cost | |
|-------------------|----------------------------|---|---|--|--|--|
| | | Quoted Prices in Active Markets for Identical Assets Level One | Significant Other Observable Inputs Level Two | Significant Unobservable Inputs Level Three | Not measured at Fair Value | |
| LGIP | \$ 20,156,112 | \$ - | \$ - | \$ - | \$ 20,156,112 | |
| Total Investments | \$ 20,156,112 | \$ - | \$ - | \$ - | \$ 20,156,112 | |

Interest Rate Risk

ORS require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. The College does not have an

**UMPQUA COMMUNITY COLLEGE
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**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

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

interest rate risk policy. With all College investments held with Oregon LGIP as of June 30, 2022, the College is in compliance with these ORS statutes.

Credit Risk

ORS limit the types of investments the College may have to limit exposure to credit risk. The College does not have credit risk policy. With all College investments held with Oregon LGIP as of June 30, 2022, the College is in compliance with these ORS statutes. The Oregon LGIP is unrated.

Custodial Credit Risk

Custodial credit risk on deposits is the risk that in the event of a bank failure, the College's deposits may not be returned. In order to minimize this risk, state statutes require banks holding public funds be member of the Public Funds Collateralization Program (PFCP), a multiple financial institution collateral pool created and administered by the Office of the State Treasurer. To qualify, participating banks must pledge collateral against any public fund deposit in excess of deposit insurance. The amount of collateral is set by the PFCP between 10% and 110% of each bank's public fund deposits. The required pledge percentage is based in part on an individual bank's net worth and level of capitalization.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the government will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The College does not have an investment policy for custodial credit risk. As of June 30, 2022, all of the College deposits are insured or collateralized or covered under the Oregon collateral program as mentioned above, and therefore, are not subject to custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College does not have an investment policy for concentration of credit risk. As of June 30, 2022, all College investments were held with Oregon LGIP.

4. RECEIVABLES

Receivable balances are presented net of estimated allowance for doubtful accounts in the accompanying *Statement of Net Position*. Receivable balances are comprised of student accounts receivable from student tuition and fees, property taxes, claims for reimbursement of costs under various federal, state and local grant programs, and amounts outstanding from the Foundation for pledges raised to fund the Bonnie J. Ford Health, Nursing, and Science Building. Management has estimated an allowance for uncollectible accounts receivable from students in the amount of \$925,794. Management expects to collect all grants receivable.

Receivables consisted of the following as of June 30, 2022:

| | |
|---|--------------------------|
| Due from Foundation | \$ 515,317 |
| Grant receivables | 5,438,287 |
| Tuition and fees | 2,548,686 |
| Property tax receivable | 306,352 |
| Interest | 248 |
| | <hr/> 8,808,890 |
| Allowance for uncollectible receivables | <hr/> (925,794) |
| | <hr/> <hr/> \$ 7,883,096 |

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

| | Balance June 30, 2021 | Additions | Disposals | Transfers | Balance June 30, 2022 |
|---|--------------------------|--------------|--------------|-------------|--------------------------|
| Capital assets not being depreciated | | | | | |
| Land | \$ 256,873 | \$ - | \$ (47,713) | \$ - | \$ 209,160 |
| Construction in progress | 1,863,694 | 129,845 | (325,529) | (1,608,765) | 59,245 |
| Musical instrument collection | 109,200 | 40,000 | - | - | 149,200 |
| Art | 165,500 | - | - | - | 165,500 |
| Total capital assets not being depreciated | 2,395,267 | 169,845 | (373,242) | (1,608,765) | 583,105 |
| Capital assets being depreciated | | | | | |
| Land improvement | 761,080 | - | - | - | 761,080 |
| Infrastructure | 1,893,548 | - | - | - | 1,893,548 |
| Vineyard development | 35,902 | - | - | - | 35,902 |
| Buildings and improvements | 48,347,630 | - | (136,170) | 1,608,765 | 49,820,225 |
| Right-to-use leased buildings | - | 563,629 | - | - | 563,629 |
| Intangible assets | 484,991 | - | - | - | 484,991 |
| Equipment | 5,216,468 | 202,887 | (63,546) | - | 5,355,809 |
| Right-to-use leased equipment | - | 188,372 | - | - | 188,372 |
| Total capital assets being depreciated | 56,739,619 | 954,887 | (199,716) | 1,608,765 | 59,103,555 |
| Less accumulated depreciation and amortization | | | | | |
| Land improvement | 176,512 | 15,221 | - | - | 191,733 |
| Infrastructure | 454,452 | 37,871 | - | - | 492,323 |
| Vineyard development | 21,545 | 2,497 | - | - | 24,042 |
| Buildings and improvements | 19,700,737 | 925,450 | (30,861) | - | 20,595,326 |
| Right-to-use leased buildings | - | 83,386 | - | - | 83,386 |
| Intangible assets | 424,753 | 25,442 | - | - | 450,195 |
| Equipment | 4,676,224 | 241,086 | (63,546) | - | 4,853,764 |
| Right-to-use leased equipment | - | 72,927 | - | - | 72,927 |
| Total accumulated depreciation and amortization | 25,454,222 | 1,403,880 | (94,407) | - | 26,763,695 |
| Total capital assets being depreciated, net | 31,285,397 | (448,992) | (105,309) | 1,608,765 | 32,339,861 |
| Total capital assets, net | \$ 33,680,664 | \$ (279,147) | \$ (478,551) | \$ - | \$ 32,922,966 |

Depreciation and amortization expense for the year ended June 30, 2022, was \$1,403,880.

6. UNEARNED REVENUE

Unearned revenue consisted of the following as of June 30, 2022:

| | |
|--|---------------------|
| Grants received in advance of meeting eligibility requirements | \$ 1,435,703 |
| Tuition and fees received in advance of providing instruction | 622,152 |
| | <u>\$ 2,057,855</u> |

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

7. RETIREMENT PLAN

A. DEFINED BENEFIT PENSION PLAN

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

Both PERS plans provide retirement and disability benefits, postemployment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, Chapter 238A, and Internal Revenue Code Section 401 (a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board as a governing body of PERS. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at: <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx> (If link expires contact Oregon PERS for update).

Benefits provided

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

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

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

- ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:
- member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.

**UMPQUA COMMUNITY COLLEGE
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**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

7. RETIREMENT PLAN (CONTINUED)

- iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- iv. **Benefit Changes After Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the fair value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA is capped at 2.0 percent.

OPSRP Pension Program (OPSRP DB). The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv. **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

OPSRB Individual Account Program (OPSRP IAP). An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the OPSRP IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 401 (a). Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

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**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

7. RETIREMENT PLAN (CONTINUED)

Death Benefits

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

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation. The rates based on percentage of payroll first became effective July 1, 2021. The state of Oregon and certain schools, community colleges, including Umpqua Community College have made unfunded actuarial liability payments and their rates have been reduced. Additional contributions made to the PERS side account are discussed on page 39. Employer contributions for the year ended June 30, 2022 were \$641,156, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2022 were 6.35 percent for Tier One/Tier Two General Service Members and 2.66 percent for OPSRP Pension Program General Service Members. An additional 6 percent contribution is required for the OPSRP Individual Account Program.

Pension plan ACFR – Both the PERS and OPSRP plans are administered by the Oregon Public Employees Retirement Board (OPERB), which issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Portland, Oregon 97281-3700, by calling 1-888-320-7377, or by accessing the PERS web site at <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Actuarial valuation – The employer contribution rates effective July 1, 2021 through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

**UMPQUA COMMUNITY COLLEGE
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**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

7. RETIREMENT PLAN (CONTINUED)

Actuarial methods and assumptions:

| | |
|---------------------------|---|
| Valuation date | 12/31/2019 |
| Measurement date | 06/30/2021 |
| Experience Study Report | 2018, Published July 24, 2019 |
| Actuarial cost method | Entry Age Normal |
| Inflation rate | 2.40 percent |
| Investment rate of return | 6.90 percent |
| Discount rate | 6.90 percent |
| Projected salary increase | 3.40 percent |
| Mortality : | Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with Moro Decision; blend based on service. <i>Healthy retirees and beneficiaries:</i> Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <i>Active members:</i> Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <i>Disabled retirees:</i> Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. |

Actuarial valuations of an ongoing plan involve estimates of value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study, which reviewed experience for the four-year period ended on December 31, 2018.

Discount rate – The discount rate used to measure the total pension liability was 6.9 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**UMPQUA COMMUNITY COLLEGE
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**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

7. RETIREMENT PLAN (CONTINUED)

Sensitivity of the College's proportionate share of the net pension liability to changes in the discount rate – The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.9 percent, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9 percent) or 1-percentage-point higher (7.9 percent) than the current rate.

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

| | <u>(5.90%)</u> | <u>(6.90%)</u> | <u>(7.90%)</u> |
|--|----------------|----------------|----------------|
| College's proportionate share of the net pension liability (asset) | \$ 21,494,597 | \$ 10,945,629 | \$ 2,119,972 |

Determination of the College's proportionate share – The College's actuarially determined proportionate share of the plan amount was 0.09146908 percent for the fiscal year ended June 30, 2021 (measurement date). The College's proportions are determined by rolling forward the total net pension liability (actuarially determined at December 31, 2019) to the measurement date of June 30, 2021.

The basis for the College's proportion is actuarially determined by comparing the College's projected long-term contribution effort to the plan with the total projected long-term contribution effort for all employers. The rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate. The preparation of these amounts in conformity with GAAP requires management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

Pension plan's fiduciary net position – Detailed information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position can be found in the separately issued ACFR for the plan which is available as noted above.

Payables to the pension plan – At June 30, 2022, the College reported a payable of \$37,192 for the outstanding amount of legally required pension contributions to the pension plan for the fiscal year ended June 30, 2022.

Pension Expense, Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended June 30, 2022, the College recognized a net pension liability of \$10,945,629 and a pension expense of approximately \$1,587,695. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

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**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

7. RETIREMENT PLAN (CONTINUED)

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|---|----------------------------------|---------------------------------|
| Difference between expected and actual experience | \$ 1,024,582 | \$ - |
| Changes in assumptions | 2,740,021 | (28,806) |
| Net difference between projected and actual earnings on pension plan investments | - | (8,102,964) |
| Net changes in proportionate share | 497,097 | (1,045,545) |
| Differences between College contributions and proportionate share of contributions | - | (1,409,991) |
| | 4,261,700 | (10,587,306) |
| College contributions subsequent to measurement date | 18,243,805 | - |
| Net deferred outflow (inflow) of resources | <u>\$ 22,505,505</u> | <u>\$ (10,587,306)</u> |

In August 2021, The College made \$17,602,649 lump-sum payment into a side account at PERS, which will be used to reduce the employers' required contribution to the Defined Benefit Plan annually. Together with \$641,156 contributions made subsequent to the measurement date, the amounts are reported as deferred outflows of resources related to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Pension related amounts will be recognized in future periods as follows: deferred outflows of resources will be recognized as a component of net pension liability and deferred inflows of resources will be recognized in pension expense:

| <u>Year Ending June 30,</u> | |
|-----------------------------|-----------------------|
| 2023 | \$ (1,493,659) |
| 2024 | (1,402,094) |
| 2025 | (1,431,704) |
| 2026 | (2,164,005) |
| 2027 | 165,855 |
| Thereafter | - |
| | <u>\$ (6,325,606)</u> |

B. DEFINED CONTRIBUTION PENSION PLAN

OPSRP Individual Account Program (OPSRP IAP)

The defined contribution pension plan (called the Individual Account Program or IAP) is provided to all members or their beneficiaries who are PERS or OPSRP eligible. State statutes require covered employees to contribute 6 percent of their annual covered salary to the IAP plan effective January 1, 2004. The College has elected to

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**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

7. RETIREMENT PLAN (CONTINUED)

pay all of the employees' required IAP contributions. Although PERS members retain their existing PERS accounts, all current member contributions are deposited into the member's IAP. The College contributed \$602,184 to the IAP on behalf of employees in fiscal year 2022.

8. OTHER POST-EMPLOYMENT BENEFITS

The other postemployment benefits (OPEB) for the College combines two separate plans. The College provides an implicit rate subsidy for retiree medical insurance and life insurance premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined health insurance benefit plan. The total OPEB liability is aggregated in the *Statement of Net Position*.

Financial Statement Presentation - The College's two OPEB plans are presented in the aggregate on the *Statement of Net Position*. The amounts on the financial statements relate to the plans as follows:

| | Single Employer Plan | RHIA Cost Sharing Plan | Total Reported |
|---|-------------------------|---------------------------|----------------|
| OPEB Asset/(Liability) | \$ (1,017,537) | \$ 149,415 | \$ (868,122) |
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | 20,236 | - | 20,236 |
| Changes in assumptions | 203,148 | 2,940 | 206,088 |
| Net difference between projected and actual earnings on investments | - | - | |
| Changes in proportionate share | | 53,837 | 53,837 |
| Contributions after the measurement date | - | 1,172 | 1,172 |
| Total Deferred Outflows of Resources | 223,384 | 57,949 | 281,333 |
| | | | - |
| Deferred Inflows of Resources | | | |
| Differences between expected and actual experience | (238,188) | (4,157) | (242,345) |
| Change in assumptions | (155,277) | (2,223) | (157,500) |
| Net difference between projected and actual earnings on investments | - | (35,509) | (35,509) |
| Total Deferred Inflows of Resources | (393,465) | (41,889) | (399,845) |
| OPEB expense/(credit) | 89,056 | 14,427 | 103,483 |

COLLEGE RETIREE HEALTHCARE PLAN

Plan description - The College maintains a single-employer defined benefit postemployment health care benefits plan. The plan provides group health care and life insurance benefits for retired employees and their spouse/domestic partner. Eligibility for plan benefits require the employee to have been hired prior to July 1, 2007 and either be 58 years of age and have completed a minimum of fifteen years of full-time equivalent service for the College, or the employee have completed a minimum of thirty years of full-time equivalent service

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**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

for the College. The College contributes the premium amount equal to that of active members under the current benefit plan. Such premium payments for the retiree will continue for the life of the retiree or until the retiree becomes Medicare eligible, whichever comes first. For eligible classified employees, benefits/premium payments for the retiree's spouse/domestic partner will continue for six months beyond the life of the retiree or until the spouse/domestic partner becomes Medicare eligible, whichever comes first. For eligible faculty, benefits/premiums for the retired faculty member's spouse will continue for the life of the faculty member's spouse or until the retired faculty member's spouse becomes Medicare eligible. For eligible administrative staff, benefit/premium payments for spouse/domestic partner will continue for the life of employee or until the retiree reaches Medicare eligibility, whichever comes first. The plan was established under collective bargaining agreements with the faculty and classified staff and contract negotiations with management. The College Board of Education authorizes the plan and may change benefits, in conjunction with collective bargaining. The College doesn't issue a stand-alone report for this plan.

The Plan also allows early retirees not eligible for a direct employer benefit to continue their health care coverage on a 100% self-pay basis in accordance with ORS 243.303.

Benefits provided - Under the Plan, retirees eligible for a direct College subsidy pay the same amount for coverage as an active employee with the same coverage. This amount is the difference between the composite monthly premium and the College's monthly contribution. The College pays for the excess, if any, of the tiered premium for selected coverages over the retiree's payment. College contributions towards health care continue until the retiree is eligible for Medicare or deceased, whichever is earlier. The College also pays the life insurance premium for eligible retirees until the retiree is eligible for Medicare.

The College is also subject to ORS 243.303, which requires that early retirees (those not covered by Medicare) be allowed to stay on the College's health plan on a self-pay basis. The statutory requirement under ORS 243.303 can result in an "implicit subsidy" (the difference between expected early retiree claim costs and the premium paid for the retiree) requiring additional cost and liability recognition under GASB 75. The College participates in the Oregon Educators Benefit Board (OEBB), a statewide cost-sharing multiple-employer plan, as defined in GASB 75. In OEBB, the individual employer health plans are rated collectively, rather than individually by employer, and the same blended premium rate is charged to all active employees and non-Medicare-eligible retirees.

Contributions - Benefits for retirees are determined in part by the College's monthly contribution for an active employee's health insurance. For 2021-22 the College's monthly contribution is \$1,405. This contribution is negotiated as part of the 2022-2025 Collective Bargaining Agreement between the College and Association of Employees of Umpqua Community College.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2022, the College reported a total OPEB liability of \$1,017,537. The total OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of that date. For the year ended June 30, 2022, the College recognized OPEB expense of \$89,056. At June 30, 2022, the College reported deferred outflows of resources from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience | \$ 20,236 | \$ (238,188) |
| Changes in assumptions | 203,148 | (155,277) |
| | <u>\$ 223,384</u> | <u>\$ (393,465)</u> |

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

| <u>Year Ending June 30,</u> | |
|-----------------------------|---------------------|
| 2023 | \$ (7,034) |
| 2024 | (7,034) |
| 2025 | (7,034) |
| 2026 | (9,723) |
| 2027 | (21,945) |
| Thereafter | (117,311) |
| | <u>\$ (170,081)</u> |

Actuarial Assumptions - The total OPEB liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------|---|
| Interest Discount | The 3.54% discount rate assumption is the June 30, 2022 rate in the 20-Year General Obligation Municipal Bond Index published by Bond Buyer. |
| Inflation Rate | An assumed general inflation rate of 2.5% is used for all future years. |
| Salary Scale | Annual salary increases for employees are assumed to be 3% in all future years. |
| Health Care Premiums | Future health premiums for current employees are based on blended rates for current plans with the assumption that their election patterns will follow those of current retirees. Future premiums are projected assuming annual increases due to health care benefit cost inflation at the medical trend rates described later in this section. |

| Medical Plan | % Electing Each Plan | 2022/23 Premiums | | | |
|---------------------------|----------------------|------------------|------------|------------|------------|
| | | EE Only | EE+SP | EE+CH | EE+FM |
| Moda 2 | 17% | \$686.74 | \$1,510.83 | \$1,304.84 | \$2,128.93 |
| Moda 3 | 17% | \$644.28 | \$1,417.42 | \$1,224.17 | \$1,997.32 |
| Moda 4 | 33% | \$608.36 | \$1,338.39 | \$1,155.89 | \$1,885.94 |
| Moda 5 | 17% | \$561.97 | \$1,236.34 | \$1,067.77 | \$1,742.16 |
| Moda 7 | 17% | \$535.00 | \$1,176.98 | \$1,016.52 | \$1,658.51 |
| Weighted Average Premiums | | \$607.45 | \$1,336.39 | \$1,154.18 | \$1,883.13 |

| Dental Plan | % Electing Each Plan | 2022/23 Premiums | | | |
|---------------------------|----------------------|------------------|----------|----------|----------|
| | | EE Only | EE+SP | EE+CH | EE+FM |
| Delta 1 | 33% | \$64.79 | \$128.37 | \$142.74 | \$211.39 |
| Delta 5 | 17% | \$57.23 | \$113.37 | \$126.08 | \$186.71 |
| Delta 6 | 33% | \$43.70 | \$86.50 | \$87.81 | \$134.14 |
| Delta PPO | 17% | \$37.86 | \$74.98 | \$83.38 | \$123.49 |
| Weighted Average Premiums | | \$52.01 | \$103.02 | \$111.76 | \$166.88 |

**UMPQUA COMMUNITY COLLEGE
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**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Health Care Premiums (Cont.)

| Vision Plan | % Electing Each Plan | 2022/23 Premiums | | | |
|---------------------------|----------------------|------------------|---------|---------|---------|
| | | EE Only | EE+SP | EE+CH | EE+FM |
| Moda Pearl | 40% | \$18.47 | \$40.70 | \$35.14 | \$57.32 |
| Moda Quartz | 20% | \$13.05 | \$28.74 | \$24.80 | \$40.45 |
| VSP | 20% | \$8.05 | \$17.71 | \$15.29 | \$24.94 |
| VSP Plus | 20% | \$16.54 | \$36.41 | \$31.44 | \$51.30 |
| Weighted Average Premiums | | \$14.92 | \$32.85 | \$28.36 | \$46.27 |

Health Care Claims

Medical claims costs for early retirees are shown in the table below.

| Annual Claims | 2022/2023 | |
|---------------|-------------------|------------------|
| | Retiree at Age 60 | Spouse at Age 60 |
| Moda 2 | \$12,472 | \$13,719 |
| Moda 3 | \$11,701 | \$12,871 |
| Moda 4 | \$11,049 | \$12,154 |
| Moda 5 | \$10,206 | \$11,227 |
| Moda 7 | \$9,716 | \$10,688 |

Health Care Claims (Cont.)

The assumed medical claims costs are assumed to increase related to age as follows. The following table is from the North American Actuarial Journal, Volume 9, Number 3, Page 40, Table 4.

| Ages | Rate |
|---------|------|
| 18 - 29 | 1.0% |
| 30 - 39 | 2.5% |
| 40 - 49 | 3.0% |
| 50 - 54 | 3.3% |
| 55 - 59 | 3.6% |
| 60 - 64 | 4.2% |

Dental and vision claims are assumed to be equal to the premiums paid for coverage. Claims for dependent children are assumed to be equal to the premiums paid for their coverage.

Trends

Future premiums are projected assuming annual increases due to health care benefit cost inflation at the insurance trend rates described in the table below.

| Year | Medical | Dental | Vision |
|-------|---------|--------|--------|
| 2023 | 5.5% | 3.0% | 3.0% |
| 2024+ | 5.0% | 3.0% | 3.0% |

College Contribution

Benefits for retirees are determined in part by the College's monthly contribution for an active employee's health insurance. For 2021/22 the College's monthly contribution is \$1,405. For 2022/23 the College's monthly contribution will be \$1,455 for Faculty employees and \$1,430 for Administrator and Classified employees. For employees earning less than \$36,000 annually at retirement, the College's monthly contribution will increase by \$50.

This monthly amount is assumed to increase by \$25 in all subsequent years. This contribution is negotiated as part of the Collective Bargaining Agreement.

The Entry Age Normal Level Percent of Pay Cost Method is used to determine the Total OPEB Liability and the Service Cost.

**UMPQUA COMMUNITY COLLEGE
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**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the College's proportionate share of the total OPEB liability to changes in the discount rate - The following presents the College's total OPEB liability if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current rate:

| | 1% Decrease (2.54%) | Current Discount Rate (3.54%) | 1% Increase (4.54%) |
|----------------------|--------------------------------|--|--------------------------------|
| Total OPEB Liability | \$ 1,075,449 | \$ 1,017,537 | \$ 961,944 |

Sensitivity of the College's proportionate share of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the College's total OPEB liability if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| | 1% Decrease | Current Health Care Trend Rates | 1% Increase |
|----------------------|--------------------|--|--------------------|
| Total OPEB Liability | \$ 992,807 | \$ 1,017,537 | \$ 1,047,308 |

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEMS' (PERS) RETIREE HEALTH INSURANCE ACCOUNT (RHIA)

Plan Description - The College contributes to the Oregon Public Employees Retirement Systems' (PERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Public Employees Retirement Board (PERB). The authority to establish and amend the benefit provisions of the plan rests with the Oregon Legislature. The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible PERS retirees. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member has eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991. The plan was closed to new entrants hired on or after August 29, 2003. RHIA post-employment benefits are set by state statute. An Annual Comprehensive Financial Report of the funds administered by the PERB may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, by calling (888) 320- 7377, or by accessing the PERS website at <http://oregon.gov/PERS/>.

Funding Policy and Contributions - Participating employers are contractually required to contribute at a rate assessed bi-annually by the PERB, currently 0.53 percent of annual covered payroll for PERS Plan members, and 0.45 percent for OPSRP Plan members. The PERB sets the employer contribution rate based on an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any actuarial liabilities of the plan over a period not to exceed five years.

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**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

| Fiscal Year Ended June 30, | Contribution |
|-------------------------------|--------------|
| 2020 | \$ 5,676 |
| 2021 | 1,164 |
| 2022 | 1,172 |

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the employer cost-sharing plan, the OPEB (asset)/liability was based on the employer's share of covered payroll in the OPEB plan relative to the covered-employee payroll of all participating OPEB employers. At June 30, 2022, the College's proportion was 0.044%, which was a decrease from its proportion of 0.079% at the prior measurement date.

For the year ended June 30, 2022, the College recognized deferred outflows of resources and deferred inflows of resources in the amount of \$57,949 and \$41,889. For the year ended June 30, 2021, the College recognized an OPEB expense of \$14,427 for this plan.

| | Deferred Outflow of Resources | Deferred Inflow or Resources |
|--|----------------------------------|---------------------------------|
| Differences between expected and actual experience | \$ - | \$ (4,157) |
| Changes of assumptions | 2,940 | (2,223) |
| Net difference between projected and actual earnings | - | (35,509) |
| Changes in proportionate share | 53,837 | - |
| Total (prior to post-MD contributions) | 56,777 | (41,889) |
| Contributions subsequent to measurement date | 1,172 | - |
| Net deferred outflow (inflow) of resources | <u>\$ 57,949</u> | <u>\$ (41,889)</u> |

\$1,172 reported as deferred outflows of resources related to OPEB resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023.

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

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ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

| <u>Year Ending June 30,</u> | | |
|-----------------------------|-----------|---------------|
| 2023 | \$ | 23,213 |
| 2024 | | 10,998 |
| 2025 | | (8,107) |
| 2026 | | (11,217) |
| 2027 | | - |
| Thereafter | | - |
| | <u>\$</u> | <u>14,888</u> |

Discount Rate - The discount rate used to measure the net OPEB liability for the RHIA Plan was 3.54 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments. Therefore, the long term expected rate of return on pension plan investments for the RHIA Plan was applied to all periods of projected benefit payments to determine the net OPEB Liability.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following presents the College's proportionate share of the net OPEB - RHIA liability (asset) calculated using the discount rate of 3.54%, as well as what the College's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

| | <u>1% Decrease (2.54%)</u> | <u>Current Discount Rate (3.54%)</u> | <u>1% Increase (4.54%)</u> |
|----------------------------|--------------------------------|--|--------------------------------|
| Net OPEB Liability (Asset) | \$ 1,075,449 | \$ 1,017,537 | \$ 961,944 |

Actuarial Methods and Assumptions - The net OPEB RHIA liability in the December 31, 2019 actuarial valuation was determined using the following actuarial methods and assumptions:

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**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

8. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

| Actuarial Method and Assumptions | RHIA |
|---|---|
| Valuation Date | December 31, 2019 |
| Measurement Date | June 30, 2021 |
| Experience Study | 2018, published July 24, 2019 |
| Actuarial assumptions: | |
| Actuarial cost method | Entry Age Normal |
| Inflation rate | 2.40 percent |
| Long-term expected rate of return | 6.90 percent |
| Discount rate | 6.90 percent |
| Projected salary increases | 3.40 percent |
| Retiree healthcare participation | Healthy retirees: 32%; disabled retirees: 20% |
| Healthcare cost trend rate | Not applicable |
| Mortality | Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set backs as described in the valuation. Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. |

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

9. LEASES

A. *Lease Receivable*

During the current fiscal year, the College began leasing The Ford Family Enrichment Center to a third party. The lease is for five years with monthly payments ranging from \$750 to \$3,000 for the duration of the lease. The College recognized \$16,557 in lease revenue and \$2,573 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the College's receivable for lease payments was \$77,962. Also, the College has a deferred inflow of resources associated with this lease that will be recognized as a revenue over the lease term. As of June 20, 2022, the balance of the deferred inflow of resources was \$82,784.

B. *Lease Payable*

During the current fiscal year, the College had the following leases:

| Name | Type of lease | Incremental Borrowing Rate | Term | Amount |
|-----------------------|----------------------|-----------------------------------|-------------|---------------|
| Kelley Connect | Equipment | 4.24 | 6 years | 3,259 |
| Clint Newell | Vehicle | 4.24 | 2 years | 423 |
| CDL School | Building | 3.25 | 5 years | 1,734 |
| SBDC Building | Building | 3.25 | 3 years | 1,386 |
| Flegel Housing | Building | 3.25 | 2 years | 100 |
| Lane Ave Housing | Building | 3.25 | 4 years | 6,381 |
| South Umpqua District | Building | 3.25 | 91 years | 400 |

**UMPQUA COMMUNITY COLLEGE
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**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

9. LEASES (CONTINUED)

An initial lease liability was recorded in the amount of \$298,995 during the current fiscal year. As of June 30, 2022, the value of lease liability was \$610,263. The value of the right-to-use asset as of the end of the current fiscal year was \$752,000 and had accumulated amortization of \$156,313.

The future principal and interest lease payments as of June 30, 2022, were as follows:

| <u>Fiscal Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------------------|-------------------|-------------------|-------------------|
| 2023 | \$ 140,669 | \$ 18,792 | \$ 159,460 |
| 2024 | 144,363 | 13,758 | 158,121 |
| 2025 | 136,686 | 8,765 | 145,451 |
| 2026 | 39,556 | 5,304 | 44,859 |
| 2027 | 10,606 | 4,601 | 15,207 |
| 2028-2032 | 1,640 | 22,360 | 24,000 |
| 2033-2037 | 1,929 | 22,071 | 24,000 |
| 2038-2042 | 2,269 | 21,731 | 24,000 |
| 2043-2047 | 2,669 | 21,331 | 24,000 |
| 2048-2052 | 3,139 | 20,861 | 24,000 |
| 2053-2057 | 3,692 | 20,308 | 24,000 |
| 2058-2062 | 4,342 | 19,658 | 24,000 |
| 2063-2067 | 5,108 | 18,892 | 24,000 |
| 2068-2072 | 6,007 | 17,993 | 24,000 |
| 2073-2077 | 7,066 | 16,934 | 24,000 |
| 2078-2082 | 8,311 | 15,689 | 24,000 |
| 2083-2087 | 9,775 | 14,225 | 24,000 |
| 2088-2092 | 11,497 | 12,503 | 24,000 |
| 2093-2097 | 13,523 | 10,477 | 24,000 |
| 2098-2102 | 15,906 | 8,094 | 24,000 |
| 2103 - 2107 | 18,708 | 5,292 | 24,000 |
| 2108-2112 | 22,005 | 1,995 | 24,000 |
| 2113-2117 | 797 | 3.24 | 800 |
| Totals | <u>\$ 610,263</u> | <u>\$ 321,636</u> | <u>\$ 931,898</u> |

10. PROPERTY TAX LIMITATIONS

The voters of the State of Oregon approved ballot Measure 5, a constitutional limit on property taxes for schools and non-school government operations, in November 1990. School operations include community colleges, local school Colleges and education service Colleges. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this initiative has been that Colleges have become more dependent upon state funding and less dependent upon property tax revenues as

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**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

10. PROPERTY TAX LIMITATIONS (CONTINUED)

their major source of operating revenue. The voters of the State of Oregon passed ballot Measure 50 in May, 1997 to further reduce property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit.

Measure 50 reduced the amount of operating property tax revenues available to the College for its 1997-98 fiscal year, and thereafter. This reduction is accomplished by rolling assessed property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Measure also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues and requires the State of Oregon to minimize the impact of the tax cuts to school Colleges. The State of Oregon, in its 2001 legislative session, provided additional State revenues for the 2002-2003 biennium to help alleviate the impact on school operations. The ultimate impact to the College as a result of this measure is not determinable at this time.

11. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College is covered through PACE and Umpqua Insurance Agency. The Commercial insurance is also carried for other risks of loss including workers' compensation coverage. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

12. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantor agencies cannot be determined at this time although management expects such amounts, if any, to be immaterial.

Management is not aware of any contingent liabilities that would require disclosure, which include among other things: notes or accounts receivable which have been discounted; pending suits, proceedings, hearings, or negotiations possibly involving retroactive judgments or claims; taxes in dispute; endorsements or guarantees; and options given.

13. INTERFUND BALANCES AND TRANSFERS

The composition of interfund transfers as of June 30, 2022, is as follows:

| <u>Budget Funds</u> | <u>Transfer In</u> | <u>Transfer Out</u> |
|----------------------------------|---------------------|---------------------|
| General Fund | \$ 75,000 | \$ 3,062,348 |
| Administratively Restricted Fund | 809,148 | 77,280 |
| Insurance Fund | 295,000 | - |
| Enterprise Fund | 84,210 | - |
| Debt Service Fund | 1,243,196 | - |
| Capital Projects Fund | 602,000 | - |
| Student Clubs Fund | 31,075 | - |
| | <u>\$ 3,139,628</u> | <u>\$ 3,139,628</u> |

**UMPQUA COMMUNITY COLLEGE
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**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

13. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

Transfers are used to fund operations between funds.

14. LONG TERM DEBT

Changes in Total Bonds Payable for the year ended June 30, 2022, are as follows:

| | Interest Rates | Original Amount | Outstanding July 1, 2021 | Additions | Deletions | Outstanding June 30, 2022 |
|--|-------------------|----------------------|-----------------------------|----------------------|---------------------|------------------------------|
| Limited Tax Pension Bonds 2004 | 3.35% - 5.53% | \$ 11,910,000 | \$ 7,265,000 | \$ - | \$ 820,000 | \$ 6,445,000 |
| Limited Tax Pension Bonds 2021 | 0.00% - 2.95% | - | - | 17,805,000 | 460,000 | 17,345,000 |
| Full Faith and Credit Obligations 2014, Series B | 2% - 4% | 2,405,000 | 1,955,000 | - | 120,000 | 1,835,000 |
| Full Faith and Credit Financing Agreement, Series 2020 | 1.78% | 2,895,800 | 2,725,447 | - | 172,903 | 2,552,544 |
| | | <u>\$ 17,210,800</u> | <u>\$ 11,945,447</u> | <u>\$ 17,805,000</u> | <u>\$ 1,572,903</u> | <u>\$ 28,177,544</u> |
| Premium - FFCO 2014, Series B | | | 127,720 | - | 9,825 | 117,895 |
| Total Outstanding June 30, 2022 | | | <u>12,073,167</u> | <u>17,805,000</u> | <u>1,582,728</u> | <u>28,295,439</u> |
| Due Within One Year | | | <u>1,112,903</u> | | | <u>1,796,347</u> |
| Total Long-term Obligations | | | <u>\$ 10,960,264</u> | | | <u>\$ 26,499,092</u> |

Pension Obligation Bonds, Series 2004

In February 2004, \$11,910,000 of limited Tax Pension Obligation Bonds were issued and transferred to the State of Oregon Public Employees Retirement System to cover a portion of the College's share of the cost sharing plan's unfunded actuarial liability. The resulting pension asset is being used to pay a portion of the annual required contribution. Principal payments are due annually in June through June 30, 2028 and interest payable in December and June of each year with rates ranging from 3.35% to 5.53%.

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

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|---------------------|---------------------|---------------------|
| 2023 | \$ 915,000 | \$ 355,585 | \$ 1,270,585 |
| 2024 | 1,020,000 | 305,809 | 1,325,809 |
| 2025 | 1,135,000 | 249,403 | 1,384,403 |
| 2026 | 1,255,000 | 186,638 | 1,441,638 |
| 2027 | 1,385,000 | 117,236 | 1,502,236 |
| 2028-2032 | 735,000 | 40,646 | 775,646 |
| | <u>\$ 6,445,000</u> | <u>\$ 1,255,316</u> | <u>\$ 7,700,316</u> |

Pension Obligation Bonds, Series 2021

In August 2021, \$17,805,000 of limited Tax Pension Obligation Bonds were issued and transferred to the State of Oregon Public Employees Retirement System to cover a portion of the College's share of the cost sharing

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**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

14. LONG TERM DEBT (CONTINUED)

plan's unfunded actuarial liability. The resulting pension asset is being used to pay a portion of the annual required contribution. Principal payments are due annually in June through June 30, 2040 and interest payable in December and June of each year with rates ranging from 0% to 2.945%.

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

| Year Ending June 30, | Principal | Interest | Total |
|-----------------------------|----------------------|---------------------|----------------------|
| 2023 | \$ 580,000 | \$ 370,203 | \$ 950,203 |
| 2024 | 605,000 | 368,527 | 973,527 |
| 2025 | 640,000 | 365,000 | 1,005,000 |
| 2026 | 680,000 | 359,336 | 1,039,336 |
| 2027 | 720,000 | 351,550 | 1,071,550 |
| 2028-2032 | 4,370,000 | 1,571,842 | 5,941,842 |
| 2033-2037 | 5,975,000 | 1,049,633 | 7,024,633 |
| 2038-2042 | 3,775,000 | 203,500 | 3,978,500 |
| | <u>\$ 17,345,000</u> | <u>\$ 4,639,591</u> | <u>\$ 21,984,591</u> |

Full Faith and Credit Obligations, Series 2014

In December 2014, \$5,500,000 of Full Faith and Credit Obligations, Series 2014A and \$2,405,000 of Full Faith and Credit Obligations, Series 2014B were issued to finance real and personal property including the construction, equipping and furnishing of Bonnie J Ford Health, Nursing and Science Building. On December 1, 2019, the College exercised a call option to pay single principal payment of \$5,500,000 due on June 1st, 2024.

Principal payments for Series 2014B are due annually in June starting with June of 2018 through June 1, 2034, and interest payable in December and June of each year with rates ranging from 2% to 4%. Series 2014B have a ten-year call option.

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

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

14. LONG TERM DEBT (CONTINUED)

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|---------------------|-------------------|---------------------|
| 2023 | \$ 125,000 | \$ 72,150 | \$ 197,150 |
| 2024 | 125,000 | 68,400 | 193,400 |
| 2025 | 130,000 | 63,400 | 193,400 |
| 2026 | 135,000 | 58,200 | 193,200 |
| 2027 | 145,000 | 52,800 | 197,800 |
| 2028-2032 | 805,000 | 173,000 | 978,000 |
| 2033-2037 | 370,000 | 22,400 | 392,400 |
| | <u>\$ 1,835,000</u> | <u>\$ 510,350</u> | <u>\$ 2,345,350</u> |

Full Faith and Credit Financing Agreement 2020

On June 1, 2020, the College issued \$2,895,800 of Full Faith and Credit Financing Agreement 2020 inclusive in bond issuance costs to extinguish the remaining \$2,835,000 of Full Faith and Credit Obligations Series 2010. The series 2010 were issued to finance construction of Danny Lang Teaching, Learning, and Event Center. The College current refunded the Series 2010 debt to take advantage of lower interest rates. The series 2020 debt issue bears interest rate of 1.78% and the final maturity is June 30, 2035. Principal payments for debt service are due annually in June starting with June of 2021 through June 30, 2035 and interest payable in December and June of each year. Series 2020 debt has a prepayment option on or after June 30, 2030.

Future Full Faith and Credit Financial Agreement 2020 requirements are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|---------------------|-------------------|---------------------|
| 2023 | \$ 176,347 | \$ 45,435 | \$ 221,782 |
| 2024 | 179,702 | 42,296 | 221,998 |
| 2025 | 182,967 | 39,098 | 222,065 |
| 2026 | 186,140 | 35,841 | 221,981 |
| 2027 | 188,696 | 32,528 | 221,224 |
| 2028-2032 | 996,998 | 110,892 | 1,107,890 |
| 2033-2037 | 641,694 | 22,980 | 664,674 |
| | <u>\$ 2,552,544</u> | <u>\$ 329,070</u> | <u>\$ 2,881,614</u> |

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
YEAR END JUNE 30, 2022**

15. RECONCILIATION OF BUDGETARY FUND BALANCES TO NET POSITION

Total Budgetary Fund Balances as of June 30, 2022

| | |
|---|---------------|
| General | \$ 13,761,367 |
| Administratively Restricted | 7,049,105 |
| Special Projects - Grants and Contracts | 298,697 |
| Insurance | 479,841 |
| Debt Service | 3,288,520 |
| Capital Projects | 707,254 |
| Internal Service | 949,300 |
| Enterprise | 871,847 |
| Agency | 65,095 |
| | <hr/> |
| | \$ 27,471,025 |

Reconciliation of Budgetary Fund Balances to Net Position

| | |
|------------------------------------|---------------|
| Budgetary Fund Balance | \$ 27,471,025 |
| Lease Receivable | 12,452 |
| Noncurrent Assets, net | 33,150,342 |
| Deferred Outflows | 22,786,838 |
| Long-term Liabilities, net | (40,869,680) |
| Unearned Revenue of Property Taxes | 282,059 |
| Compensated Absences | (593,828) |
| Deferred Inflows | (11,105,444) |
| | <hr/> |
| | \$ 31,133,765 |

16. COLLEGE FOUNDATION

The Foundation was formed to encourage, receive and administer gifts and bequests for the support of the College and its students. The Foundation is a legally separate, tax-exempt entity with an independent governing board. The majority of resources, or income thereon, which the Foundation holds and invests are restricted to the activities of the College by donors and not controlled directly by the College. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the financial statements.

The financial activity of the Foundation is reported for the year ended June 30, 2022. During the fiscal year 2022, gifts of \$203,027 was transferred from the Foundation to the College. Total pledges due to the College at June 30 were \$200,000. Other obligations due to the College at June 30 totaled \$315,317. The Foundation is audited annually and received an unmodified audit opinion for fiscal year ending 2022. Please see the financial statements of the Foundation on pages 20 and 21 of this report. Complete financial statements of the Foundation may be obtained by writing the following: Umpqua Community College, 1140 Umpqua College Road, Roseburg, Oregon 97470-0226.



REQUIRED SUPPLEMENTARY INFORMATION

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
YEAR END JUNE 30, 2022**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - PERS

| Year Ended June 30, | (a) Employer's proportion of the net pension liability | (b) Employer's proportionate share of the net pension liability (asset) | (c) College's covered payroll | (b/c) Net pension liability (asset) as percentage a of covered payroll | Plan fiduciary net position as a percentage of the total net pension liability |
|---------------------------|--|---|---|--|--|
| 2022 | 0.09 % | \$ 10,945,629 | \$ 13,059,364 | 83.81 % | 87.57 % |
| 2021 | 0.09 | 20,551,144 | 14,036,652 | 146.41 | 75.79 |
| 2020 | 0.09 | 15,335,936 | 13,651,484 | 112.34 | 80.23 |
| 2019 | 0.10 | 14,917,941 | 13,448,904 | 110.92 | 82.07 |
| 2018 | 0.11 | 14,158,603 | 14,073,898 | 100.60 | 83.12 |
| 2017 | 0.11 | 16,513,216 | 13,440,067 | 122.87 | 80.50 |
| 2016 | 0.11 | 6,130,902 | 14,584,958 | 42.04 | 91.90 |
| 2015 | 0.11 | (2,404,791) | 13,918,358 | (17.28) | 103.60 |

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

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

SCHEDULE OF PENSION CONTRIBUTIONS - PERS

| Year Ended June 30, | Statutorily required contribution | Contributions in relation to the statutorily required contribution | Contribution deficiency (excess) | Employer's covered payroll | Contributions as a percent of covered payroll |
|---------------------------|---|---|--|----------------------------------|---|
| 2022 | \$ 641,156 | \$ 18,243,805 | \$ (17,602,649) | \$ 15,374,397 | 118.66 % |
| 2021 | 1,638,483 | 1,638,483 | - | 13,059,364 | 12.55 |
| 2020 | 1,626,688 | 1,626,688 | - | 14,036,652 | 11.59 |
| 2019 | 1,307,138 | 1,307,138 | - | 13,651,484 | 9.58 |
| 2018 | 1,187,153 | 1,187,153 | - | 13,448,904 | 8.83 |
| 2017 | 1,057,418 | 1,057,418 | - | 14,073,898 | 7.51 |
| 2016 | 1,024,630 | 1,024,630 | - | 13,440,067 | 7.62 |
| 2015 | 1,213,382 | 1,213,382 | - | 14,584,958 | 8.32 |

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

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

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
YEAR END JUNE 30, 2022**

Schedule of Total OPEB Liability

Last Four Fiscal Years*

For the Fiscal Year Ended June 30, 2022

| Single Employer Plan | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total OPEB Liability: | | | | | | |
| Benefit payments | \$ (144,890) | \$ (168,790) | \$ (130,372) | \$ (303,981) | \$ (280,037) | \$ - |
| Service cost | 49,806 | 51,188 | 49,697 | 44,090 | 42,806 | - |
| Interest on total OPEB liability | 46,284 | 30,555 | 30,289 | 56,225 | 58,464 | - |
| Change in assumptions | (171,974) | - | 242,080 | - | 84,784 | - |
| Experience (Gain)/Loss | (141,604) | - | (160,483) | - | 46,726 | - |
| Net changes in OPEB liability | \$ (362,378) | (87,047) | 31,211 | (203,666) | (47,257) | - |
| Net OPEB liability - beginning | 1,379,915 | 1,466,962 | 1,435,751 | 1,639,417 | 1,686,674 | - |
| Net OPEB liability - ending | <u>1,017,537</u> | <u>\$ 1,379,915</u> | <u>\$ 1,466,962</u> | <u>\$ 1,435,751</u> | <u>\$ 1,639,417</u> | <u>\$ 1,686,674</u> |
| College's covered-employee payroll for non-trusted plans | \$ 11,015,946 | \$ 10,386,648 | \$ 10,084,124 | \$ 9,561,379 | \$ 9,282,892 | \$ 9,012,517 |
| College's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll | 9.24% | 13.29% | 14.55% | 15.02% | 17.66% | 18.71% |

**The schedule is required to show information for 10 years. However, until a full 10-year trend is compiled, the information presented is for those years for which information is available.*

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
YEAR END JUNE 30, 2022**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB (ASSET) LIABILITY - RHIA

| Year Ended June 30, | (a) Employer's proportion of the net pension liability | (b) Employer's proportionate share of the net pension liability (asset) | (c) College's covered payroll | (b/c) Net pension liability (asset) as percentage a of covered payroll | Plan fiduciary net position as a percentage of the total net pension liability |
|---------------------------|--|---|---|--|--|
| 2022 | 0.04 % | \$ (149,415) | \$ 13,059,364 | (1.14) % | 183.86 % |
| 2021 | 0.08 | (161,944) | 14,036,652 | (1.15) | 150.09 |
| 2020 | 0.10 | \$ (191,629) | \$ 13,651,484 | (1.40) | 144.38 |
| 2019 | 0.11 | (120,238) | 13,448,904 | (0.89) | 123.99 |
| 2018 | 0.11 | (47,446) | 14,073,898 | (0.34) | 108.90 |
| 2017 | 0.11 | 31,824 | 13,440,067 | 0.24 | 94.20 |

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

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

SCHEDULE OF OPEB CONTRIBUTIONS - RHIA

| Year Ended June 30, | Statutorily required contribution | Contributions in relation to the statutorily required contribution | Contribution deficiency (excess) | Employer's covered payroll | Contributions as a percent of covered payroll |
|---------------------------|---|---|--|----------------------------------|--|
| 2022 | \$ 1,172 | \$ 1,172 | \$ - | \$ 15,374,397 | 0.01 % |
| 2021 | 1,164 | 1,164 | - | 13,059,364 | 0.01 |
| 2020 | 5,676 | 5,676 | - | 14,036,652 | 0.04 |
| 2019 | 49,150 | 49,150 | - | 13,651,484 | 0.36 |
| 2018 | 52,156 | 52,156 | - | 13,448,904 | 0.39 |
| 2017 | 56,599 | 56,599 | - | 14,073,898 | 0.40 |

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

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

OTHER
SUPPLEMENTARY
INFORMATION

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**BUDGETARY INFORMATION
YEAR END JUNE 30, 2022**

Oregon Administrative Rules require an individual Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, be prepared for each fund which the College is legally required to budget.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The College focuses on changes in current financial resources in the preparation, adoption and execution of annual budgets for the College's funds. The modified accrual basis of accounting is used to account for transactions or events that have increased or decreased the resources available for spending in the near future. The budget schedules include all transactions or events that affect the fund's current financial resources, even though these transactions may not affect net position. Such transactions include the issuance of debt, the payment of debt service principal payments, and the payment of capital outlay expenditures.

Revenues are recognized when they are susceptible to accrual. To be susceptible to accrual, the revenue must be both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The College deems revenues received within 60 days of the end of the fiscal year to be available and subject to accrual. Expenditures are recorded when the related fund liability is incurred, except for un-matured interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recorded only when expected to be liquidated with available expendable financial resources. State support is recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grant revenue is recognized when the qualifying expenditures have been incurred and all other grant requirements have been met. Other receipts, including property taxes, become measurable and available when cash is received by the College and recognized as revenue at that time.

DESCRIPTION OF FUNDS

The College has the following funds:

The *General Fund* accounts for the financial operations of the College not accounted for in any other fund. Principal sources of revenue are state support, tuition and fees, and property taxes. Expenditures are made for instruction, instructional support, student services, community services, college support services, debt service, operation and maintenance of plant facilities and financial aid.

The *Financial Aid Fund* accounts for revenues and expenditures for various programs providing grants, loans, or wages for students from federal, state or private funds.

The *Special Revenue Fund – Administratively Restricted* is a special revenue fund used to account for specific programs where monies are administratively restricted. Activities recorded in this fund generate revenue primarily through specifically assessed tuition and fees, or through other revenue-generating activities.

The *Special Revenue Fund – Grants & Contracts* is for financial operations of the various programs of the College funded primarily by federal, state, and local agencies. Funds are restricted to the purpose designated by grantee.

The *Insurance Fund* accounts for payments to the Oregon Employment Division for unemployment benefits paid to terminated employees. Payments are also made to early retirees for medical insurance premiums from this fund. Principal revenues are transfers from the General Fund and investment earnings.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**BUDGETARY INFORMATION (Continued)
YEAR END JUNE 30, 2022**

DESCRIPTION OF FUNDS (Continued)

The *Debt Service Fund* provides for the payment of principal and interest on limited tax pension obligation bonds and full faith and credit obligation bonds. Principal revenue sources are charges to other funds.

The *Capital Projects Fund* accounts for resources from state appropriations and debt proceeds used for the acquisition of land, new construction, major remodeling projects, and major equipment purchases.

The *Enterprise Fund* includes activities that furnish goods or services to students, staff, or the public, for which charges or fees are assessed that are directly related to the cost of the good or service provided.

The *Internal Service Fund* includes functions that exist primarily to provide goods or services to other instructional or administrative units of the college, and resources come from internal College charges.

The *Student Clubs Fund* is used to budget and account for the activities of the Associated Students of Umpqua Community College (ASUCC) student government, and student clubs. The assets are derived from the College's own-source revenue. The student funds are reported in the College's Statement of Net Position.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
GENERAL FUND
FOR YEAR ENDING JUNE 30, 2022**

| | Budgeted Amounts | | Actual | Variance With |
|---|--------------------|--------------------|--------------------|-------------------|
| | Original | Final | Amounts | Final Budget |
| REVENUE | | | | |
| Property taxes | \$ 4,245,622 | \$ 4,245,622 | \$ 4,393,677 | \$ 148,055 |
| Tuition and fees | 5,317,184 | 5,317,184 | 5,687,410 | 370,226 |
| Intergovernmental - state and federal | - | - | 837,827 | 837,827 |
| State appropriation | 13,007,916 | 13,007,916 | 14,102,970 | 1,095,054 |
| Interest income | 190,000 | 190,000 | 97,879 | (92,121) |
| Other | 220,000 | 220,000 | 312,108 | 92,108 |
| TOTAL REVENUES | 22,980,722 | 22,980,722 | 25,431,871 | 2,451,149 |
| EXPENDITURES | | | | |
| Instruction | 8,996,257 | 9,450,267 (1) | 8,548,651 | 901,616 |
| Instructional Support | 1,768,941 | 1,877,798 (1) | 1,486,271 | 391,527 |
| Student Services | 2,896,905 | 3,053,315 (1) | 2,824,718 | 228,597 |
| College Support Services | 7,232,911 | 7,555,525 (1) | 6,805,101 | 750,424 |
| Financial Aid | 949,430 | 949,430 (1) | 645,556 | 303,874 |
| Contingency and Reserves | 6,635,904 | 5,594,013 (1) | - | 5,594,013 |
| TOTAL EXPENDITURES | 28,480,348 | 28,480,348 | 20,310,297 | 8,170,051 |
| Revenues over-(under) expenditures | (5,499,626) | (5,499,626) | 5,121,574 | 10,621,200 |
| OTHER FINANCING SOURCES - (USES) | | | | |
| Transfers in | 75,000 | 75,000 | 75,000 | - |
| Transfer out | (3,075,374) | (3,075,374) (1) | (3,062,348) | 13,026 |
| TOTAL OTHER FINANCING SOURCES - (USES) | (3,000,374) | (3,000,374) | (2,987,348) | 13,026 |
| NET CHANGE IN FUND BALANCE | (8,500,000) | (8,500,000) | 2,134,225 | 10,634,225 |
| Fund Balance - July 1, 2021 | 8,500,000 | 8,500,000 | 11,627,142 | 3,127,142 |
| Fund Balance - June 30, 2022 | \$ - | \$ - | \$ 13,761,367 | \$ 13,761,367 |

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
FINANCIAL AID FUND
FOR YEAR ENDING JUNE 30, 2022**

| | Budgeted Amounts | | Actual | Variance With |
|------------------------------------|------------------|----------------|--------------|----------------|
| | Original | Final | Amounts | Final Budget |
| REVENUE | | | | |
| Intergovernmental - federal | \$ 9,041,087 | \$ 9,041,087 | \$ 7,056,620 | \$ (1,984,467) |
| Intergovernmental - state | 1,509,000 | 1,509,000 | 1,477,592 | (31,408) |
| Local & Private Grants | 2,000,000 | 2,000,000 | 561,371 | (1,438,629) |
| TOTAL REVENUES | 12,550,087 | 12,550,087 | 9,095,583 | (3,454,504) |
| EXPENDITURES | | | | |
| Student Loans and Financial Aid | 12,550,087 | 12,550,087 (1) | 9,095,583 | 3,454,504 |
| Revenues over-(under) expenditures | - | - | - | - |
| NET CHANGE IN FUND BALANCE | - | - | - | - |
| Fund Balance - July 1, 2021 | - | - | - | - |
| Fund Balance - June 30, 2022 | \$ - | \$ - | \$ - | \$ - |

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
SPECIAL REVENUE FUND - ADMINISTRATIVELY RESTRICTED
FOR YEAR ENDING JUNE 30, 2022**

| | Budgeted Amounts | | Actual | Variance With |
|--|------------------|----------------|--------------|---------------|
| | Original | Final | Amounts | Final Budget |
| REVENUE | | | | |
| Tuition and fees | \$ 2,933,985 | \$ 2,933,985 | \$ 2,652,042 | \$ (281,943) |
| Intergovernmental - state and federal | 1,800 | 1,800 | 3,444,473 | 3,442,673 |
| Local/Private Grants & Contracts | - | 172,025 | 190,891 | 18,866 |
| Other | 911,147 | 891,747 | 920,566 | 28,819 |
| TOTAL REVENUES | 3,846,932 | 3,999,557 | 7,207,971 | 3,208,414 |
| EXPENDITURES | | | | |
| Instruction | 2,643,275 | 2,643,275 (1) | 1,635,757 | 1,007,518 |
| Instruction Support | 888,660 | 888,660 (1) | 504,829 | 383,831 |
| Community Services | 84,000 | 84,000 (1) | 53,921 | 30,079 |
| Student Services | 1,419,564 | 1,419,564 (1) | 762,553 | 657,011 |
| College Support Services | 829,426 | 18,829,426 (1) | 18,285,115 | 544,311 |
| Contingency and Reserves | 660,982 | 660,982 (1) | - | 660,982 |
| TOTAL EXPENDITURES | 6,525,907 | 24,525,907 | 21,242,175 | 3,283,732 |
| Revenues over-(under) expenditures | (2,678,975) | (20,526,350) | (14,034,203) | 6,492,147 |
| OTHER FINANCING SOURCES - (USES) | | | | |
| Transfers in | 815,646 | 815,646 | 809,148 | (6,498) |
| Transfers out | (89,000) | (89,000) (1) | (77,280) | 11,720 |
| Debt Service Proceeds | - | 18,000,000 | 17,805,000 | (195,000) |
| TOTAL OTHER FINANCING SOURCES - (USES) | 726,646 | 18,726,646 | 18,536,868 | (189,778) |
| NET CHANGE IN FUND BALANCE | (1,952,329) | (1,799,704) | 4,502,665 | 6,302,369 |
| Fund Balance - July 1, 2021 | 1,952,329 | 1,799,704 | 2,546,440 | 746,736 |
| Fund Balance - June 30, 2022 | \$ - | \$ - | \$ 7,049,105 | \$ 7,049,105 |

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
SPECIAL REVENUE FUND – GRANTS & CONTRACTS
FOR YEAR ENDING JUNE 30, 2022**

| | Budgeted Amounts | | Actual | Variance With |
|--------------------------------------|------------------|---------------|--------------|----------------|
| | Original | Final | Amounts | Final Budget |
| REVENUE | | | | |
| Intergovernmental-federal | \$ 5,852,800 | \$ 6,647,296 | \$ 3,244,708 | \$ (3,402,588) |
| Intergovernmental-state | 1,512,744 | 1,837,606 | 1,006,326 | (831,280) |
| Nongovernmental grants and contracts | 780,523 | 780,523 | 506,767 | (273,756) |
| Other | - | - | 5,000 | 5,000 |
| TOTAL REVENUES | 8,146,067 | 9,265,425 | 4,762,802 | (4,502,623) |
| EXPENDITURES | | | | |
| Instruction | 1,145,697 | 1,200,463 (1) | 765,389 | 435,074 |
| Instructional Support | 735,110 | 827,747 (1) | 525,167 | 302,580 |
| Student Services | 2,165,646 | 2,784,034 (1) | 1,703,637 | 1,080,397 |
| Community Services | 100,000 | 200,096 (1) | 68,737 | 131,359 |
| College Support Services | 3,999,614 | 4,187,808 (1) | 1,692,691 | 2,495,117 |
| Student Loans and Financial Aid | - | 65,277 (1) | 65,277 | - |
| TOTAL EXPENDITURES | 8,146,067 | 9,265,425 | 4,820,899 | 4,444,526 |
| Revenues over-(under) expenditures | - | - | (58,097) | (58,097) |
| NET CHANGE IN FUND BALANCE | - | - | (58,097) | (58,097) |
| Fund Balance - July 1, 2021 | - | - | 356,794 | 356,794 |
| Fund Balance - June 30, 2022 | \$ - | \$ - | \$ 298,697 | \$ 298,697 |

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
INSURANCE FUND
FOR YEAR ENDING JUNE 30, 2022**

| | Budgeted Amounts | | Actual | Variance With |
|------------------------------------|------------------|----------------|------------|---------------|
| | Original | Final | Amounts | Final Budget |
| EXPENDITURES | | | | |
| College Support Services | \$ 345,000 | \$ 345,000 (1) | \$ 156,125 | \$ 188,875 |
| Contingency | 193,025 | 193,025 (1) | - | 193,025 |
| TOTAL EXPENDITURES | 538,025 | 538,025 | 156,125 | 381,900 |
| Revenues over-(under) expenditures | (538,025) | (538,025) | (156,125) | 381,900 |
| OTHER FINANCING SOURCES - (USES) | | | | |
| Transfers in | 295,000 | 295,000 | 295,000 | - |
| NET CHANGE IN FUND BALANCE | (243,025) | (243,025) | 138,875 | 381,900 |
| Fund Balance - July 1, 2021 | 243,025 | 243,025 | 340,966 | 97,941 |
| Fund Balance - June 30, 2022 | \$ - | \$ - | \$ 479,841 | \$ 479,841 |

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
DEBT SERVICE FUND
FOR YEAR ENDING JUNE 30, 2022**

| | Budgeted Amounts | | Actual | Variance With |
|---|---------------------|----------------------|---------------------|-------------------|
| | Original | Final | Amounts | Final Budget |
| REVENUE | | | | |
| Tuition and Fees | \$ 351,353 | \$ 345,353 | \$ 391,888 | \$ 46,535 |
| Pers Adjustment Revenue | - | 1,000,000 | 1,136,158 | 136,158 |
| Interest income | - | 6,000 | 4,066 | (1,934) |
| TOTAL REVENUES | 351,353 | 1,351,353 | 1,532,111 | 180,758 |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal | 572,903 | 1,572,903 | 1,572,903 | - |
| Interest | 1,083,456 | 1,083,456 | 831,361 | 252,095 |
| TOTAL EXPENDITURES | 1,656,359 | 2,656,359 (1) | 2,404,264 | 252,095 |
| Revenues over-(under) expenditures | (1,305,006) | (1,305,006) | (872,153) | 432,853 |
| OTHER FINANCING SOURCES - (USES) | | | | |
| Transfers in | 1,243,196 | 1,243,196 | 1,243,196 | - |
| TOTAL OTHER FINANCING SOURCES (USES) | 1,243,196 | 1,243,196 | 1,243,196 | - |
| NET CHANGE IN FUND BALANCE | (61,810) | (61,810) | 371,043 | 432,853 |
| Fund Balance - July 1, 2021 | 2,964,183 | 2,964,183 | 2,917,477 | (46,706) |
| Fund Balance - June 30, 2022 | <u>\$ 2,902,373</u> | <u>\$ 2,902,373</u> | <u>\$ 3,288,520</u> | <u>\$ 386,147</u> |

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
CAPITAL PROJECTS FUND
FOR YEAR ENDING JUNE 30, 2022**

| | Budgeted Amounts | | Actual | Variance With |
|--|------------------|---------------|------------|---------------|
| | Original | Final | Amounts | Final Budget |
| REVENUE | | | | |
| Intergovernmental-state | \$ - | \$ 578,142 | \$ 636,812 | \$ 58,670 |
| Local & Private Grants | 41,000 | 41,000 | 275,045 | 234,045 |
| Other | 170,501 | 170,501 | 3,774 | (166,727) |
| TOTAL REVENUES | 211,501 | 789,643 | 915,631 | 125,988 |
| EXPENDITURES | | | | |
| Facilities acquisition / construction | 1,005,084 | 1,583,226 (1) | 1,131,584 | 451,642 |
| Reserves | 302,000 | 302,000 | - | 302,000 |
| TOTAL EXPENDITURES | 1,307,084 | 1,885,226 | 1,131,584 | 753,642 |
| Revenues over-(under) expenditures | (1,095,583) | (1,095,583) | (215,954) | 879,629 |
| OTHER FINANCING SOURCES - (USES) | | | | |
| Transfers in | 602,000 | 602,000 | 602,000 | - |
| TOTAL OTHER FINANCING SOURCES - (USES) | 602,000 | 602,000 | 602,000 | - |
| NET CHANGE IN FUND BALANCE | (493,583) | (493,583) | 386,046 | 879,629 |
| Fund Balance - July 1, 2021 | 493,583 | 493,583 | 321,208 | (172,375) |
| Fund Balance - June 30, 2022 | \$ - | \$ - | \$ 707,254 | \$ 707,254 |

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
INTERNAL SERVICE FUND
FOR YEAR ENDING JUNE 30, 2022**

| | Budgeted Amounts | | Actual | Variance With |
|------------------------------------|------------------|------------|------------|---------------|
| | Original | Final | Amounts | Final Budget |
| REVENUE | | | | |
| Tuition and Fees | \$ - | \$ - | \$ 6 | \$ 6 |
| Interest income | - | - | 3,127 | 3,127 |
| Other | 75,000 | 75,000 | 153,136 | 78,136 |
| TOTAL REVENUES | 75,000 | 75,000 | 156,269 | 81,269 |
| EXPENDITURES | | | | |
| College Support Services | 85,000 | 85,000 (1) | 74,898 | 10,102 |
| Revenues over-(under) expenditures | (10,000) | (10,000) | 81,371 | 91,371 |
| NET CHANGE IN FUND BALANCE | (10,000) | (10,000) | 81,371 | 91,371 |
| Fund Balance - July 1, 2021 | 852,000 | 852,000 | 867,929 | 15,929 |
| Fund Balance - June 30, 2022 | \$ 842,000 | \$ 842,000 | \$ 949,300 | \$ 107,300 |

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
ENTERPRISE FUND
FOR YEAR ENDING JUNE 30, 2022**

| | Budgeted Amounts | | Actual | Variance With |
|------------------------------------|------------------|-------------|------------|---------------|
| | Original | Final | Amounts | Final Budget |
| REVENUE | | | | |
| Intergovernmental-federal | \$ - | \$ - | \$ 107,393 | \$ 107,393 |
| Sales | 955,432 | 955,432 | 726,905 | (228,527) |
| TOTAL REVENUES | 955,432 | 955,432 | 834,297 | (121,135) |
| EXPENDITURES | | | | |
| Instructional Support | 43,933 | 43,933 (1) | 6,372 | 37,561 |
| Student Services | 925,284 | 925,284 (1) | 671,827 | 253,457 |
| Community Services | 197,371 | 197,371 (1) | 52,216 | 145,155 |
| Contingency | 43,344 | 43,344 (1) | - | 43,344 |
| TOTAL EXPENDITURES | 1,209,932 | 1,209,932 | 730,415 | 479,517 |
| Revenues over-(under) expenditures | (254,500) | (254,500) | 103,882 | 358,382 |
| OTHER FINANCING SOURCES - (USES) | | | | |
| Transfer in | 84,532 | 84,532 (1) | 84,210 | (322) |
| NET CHANGE IN FUND BALANCE | (169,968) | (169,968) | 188,092 | 358,060 |
| Fund Balance - July 1, 2021 | 169,968 | 169,968 | 683,755 | 513,787 |
| Fund Balance - June 30, 2022 | \$ - | \$ - | \$ 871,847 | \$ 871,847 |

(1) Appropriation level

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual
STUDENT CLUBS FUND
FOR YEAR ENDING JUNE 30, 2022**

| | Budgeted Amounts | | Actual | Variance With |
|--|------------------|-------------|-----------|---------------|
| | Original | Final | Amounts | Final Budget |
| REVENUE | | | | |
| Other | \$ 19,000 | \$ 19,000 | \$ 3,576 | \$ (15,424) |
| EXPENDITURES | | | | |
| Student Services | 121,553 | 121,553 (1) | 22,926 | 98,627 |
| Revenues over-(under) expenditures | (102,553) | (102,553) | (19,350) | 83,203 |
| OTHER FINANCING SOURCES - (USES) | | | | |
| Transfers in | 49,000 | 49,000 | 31,075 | (17,925) |
| TOTAL OTHER FINANCING SOURCES - (USES) | 49,000 | 49,000 | 31,075 | (17,925) |
| NET CHANGE IN FUND BALANCE | (53,553) | (53,553) | 11,725 | 65,278 |
| Fund Balance - July 1, 2021 | 53,553 | 53,553 | 53,370 | (183) |
| Fund Balance - June 30, 2022 | \$ - | \$ - | \$ 65,095 | \$ 65,095 |

(1) Appropriation level



OTHER FINANCIAL SCHEDULE

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR END JUNE 30, 2022**

| Tax Year | Uncollected June 30, 2021 | Levy as Extended by Assessor | Discounts | Adjustments | Collections | Uncollected June 30, 2022 |
|-----------|------------------------------|------------------------------------|---------------------|-------------------|-----------------------|------------------------------|
| 2020-22 | \$ - | \$ 4,472,127 | \$ (112,549) | \$ (9,139) | \$ (4,190,126) | \$ 160,313 |
| 2020-21 | 147,394 | | | (14,559) | (67,641) | 65,194 |
| 2019-20 | 42,040 | - | - | 19,410 | (26,095) | 35,355 |
| 2018-19 | 32,653 | - | - | 2,373 | (20,169) | 14,858 |
| 2017-18 | 15,927 | - | - | (1,759) | (10,279) | 3,889 |
| 2016-17 | - | - | - | 3,970 | (1,228) | 2,742 |
| and Prior | 28,082 | - | - | (2,327) | (1,754) | 24,001 |
| Total | <u>\$ 266,096</u> | <u>\$ 4,472,127</u> | <u>\$ (112,549)</u> | <u>\$ (2,030)</u> | <u>\$ (4,317,292)</u> | <u>\$ 306,352</u> |

STATISTICAL SECTION

STATISTICAL SECTION

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

Financial Trends – These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.

Net Position – page 71

Changes in Net Position – page 72-73

Revenue Capacity – These schedules contain information to help the reader assess the College's most significant revenue sources, tuition and property tax.

Property Tax Rates, Assessed Valuation, and Real Market Value – page 74

Direct and Overlapping Property Tax Rates - page 75-76

Principal Property Taxpayers - page 77

Property Tax Levies and Collection - page 78

Debt Capacity – These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.

Ratio of General Bonded Debt and Legal Debt Margin - page 79-80

Ratio of Outstanding Debt by Types - page 81

Demographic and Economic Information – These schedules offer demographic and economic indicator to help the reader understand the environment within which the College's financial activities take place.

Demographic and Economic Statistics - page 82

Principal Employers for Douglas County – page 83

Operating Information – These schedules contain services and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.

Employee Headcount – page 84

Building Construction and Acquisition – page 85

Tuition Rates and Enrollment Statistics – page 86

FINANCIAL TRENDS

**UMPQUA COMMUNITY COLLEGE
NET POSITION**

Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Net Investment in Capital Assets</u> | <u>Restricted - Expendable</u> | <u>Unrestricted</u> | <u>Total</u> |
|--------------------|---|------------------------------------|---------------------|---------------|
| 2021-22 | \$ 27,947,932 | \$ 1,322,690 | \$ 1,863,142 | \$ 31,133,765 |
| 2020-21 | 28,872,496 | 1,134,963 | (9,594,039) | 20,413,421 |
| 2019-20 | 27,204,124 | 493,817 | (10,203,527) | 17,494,414 |
| 2018-19 | 22,367,900 | 5,458,420 | (13,739,583) | 14,086,737 |
| 2017-18 | 23,103,605 | 5,376,903 | (11,808,497) | 16,672,011 |
| 2016-17 | 20,648,163 | 5,299,344 | (12,701,015) | 13,246,492 |
| 2015-16 | 18,602,016 | 5,186,894 | (9,080,930) | 14,707,980 |
| 2014-15 | 14,267,531 | 5,025,025 | (5,745,650) | 13,546,907 |
| 2013-14 | 15,079,003 | 2,578,730 | 9,407,600 | 27,065,333 |
| 2012-13 | 15,045,989 | 2,174,436 | 6,693,754 | 23,914,179 |

Source: Umpqua Community College Annual Comprehensive Financial Report

Note: in FY 2015 net position decreased due to implementation of GASB 68

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**UMPQUA COMMUNITY COLLEGE
CHANGES IN NET POSITION
AST TEN FISCAL YEARS**

| | 2021-22 | 2020-21 | 2019-20 |
|--|--------------|---------------|---------------|
| OPERATING REVENUE | | | |
| Tuition and fees | \$ 3,985,884 | \$ 4,319,646 | \$ 3,873,122 |
| Federal student financial aid grants | 4,853,400 | 5,056,998 | 5,932,548 |
| Federal grants and contracts | 5,447,928 | 5,522,708 | 2,463,602 |
| State grants and contracts | 2,425,157 | 3,583,219 | 2,672,130 |
| Local grants and contracts | 1,523,295 | 1,707,648 | 1,522,365 |
| Bookstore sales | 444,402 | 737,663 | 477,745 |
| Auxiliary Sales (Food Service, Spec Events, Incubator) | 61,513 | 52,859 | 114,812 |
| Other operating revenue | 752,411 | 596,183 | 576,020 |
| Total operating revenues | 19,493,991 | 21,576,924 | 17,632,344 |
| OPERATING EXPENSES | | | |
| Instruction | 10,330,226 | 10,991,016 | 11,123,911 |
| Instructional support | 2,374,097 | 2,297,745 | 2,666,939 |
| Student services | 5,608,501 | 6,451,146 | 6,265,795 |
| College support services | 8,376,814 | 7,664,507 | 7,586,109 |
| Community services | 167,822 | 423,588 | 694,250 |
| Student financial aid | 4,884,183 | 3,026,703 | 3,833,498 |
| Facilities acquisition /construction | 796,610 | 539,667 | 222,888 |
| Depreciation | 1,247,567 | 1,199,590 | 1,328,775 |
| Total operating expenses | 33,785,821 | 32,593,962 | 33,722,165 |
| Operating income (loss) | (14,291,830) | (11,017,038) | (16,089,821) |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Other Federal Revenue-Employee Retention Tax Credit | 3,380,030 | - | - |
| State community college support | 17,365,240 | 9,783,375 | 15,576,099 |
| Property taxes | 4,409,640 | 4,197,491 | 4,029,540 |
| Investment Income | 107,645 | 99,517 | 485,996 |
| Investment gain (loss) on pension asset | - | - | - |
| Other non-operating revenues, net | 16,557 | - | - |
| Amortization of bond premium | 9,825 | 9,825 | 255,400 |
| Amortization of lease | (120,804) | | |
| Interest expense | (855,099) | (572,510) | (808,635) |
| Bond issue costs | (198,135) | - | (61,400) |
| Gain (loss) on disposition of capital assets | 196,982 | 18,347 | - |
| Net nonoperating revenue (expenses) | 24,311,880 | 13,536,045 | 19,476,999 |
| Income (loss) before capital contributions | 10,020,050 | 2,519,006 | 3,387,178 |
| CAPITAL CONTRIBUTIONS | | | |
| Capital state grant | 697,445 | - | - |
| Capital gifts and grants | - | 400,000 | 20,500 |
| Total capital contributions | 697,445 | 400,000 | 20,500 |
| Change in net position | 10,717,495 | 2,919,006 | 3,407,678 |
| NET POSITION | | | |
| Net position - beginning of year | 20,413,421 | 17,494,414 | 14,086,737 |
| Less restatement | 2,848 | - | - |
| Restated Net Position - beginning of year | 20,416,269 | 17,494,414 | 14,086,737 |
| Net position -end of year | \$31,133,765 | \$ 20,413,421 | \$ 17,494,414 |

Source: Umpqua Community College Annual Comprehensive Financial Report

NOTES:

Fiscal Year 2014-15 is the first year GASB68 was implemented.

Fiscal year 2017-18 is the first year GASB75 was implemented.

**UMPQUA COMMUNITY COLLEGE
CHANGES IN NET POSITION**

LAST TEN FISCAL YEARS (Continued)

| 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 4,435,244 | \$ 4,012,308 | \$ 3,654,238 | \$ 3,777,276 | \$ 3,283,655 | \$ 3,029,056 | \$ 3,185,431 |
| 6,744,217 | 6,530,677 | 6,605,012 | 7,114,195 | 8,216,554 | 10,194,591 | 12,722,284 |
| 1,947,460 | 1,943,363 | 2,260,259 | 1,836,885 | 2,070,006 | 2,525,597 | 1,724,991 |
| 2,752,809 | 2,496,218 | 3,898,445 | 2,101,096 | 1,922,419 | 1,410,982 | 1,359,814 |
| 1,803,504 | 1,628,169 | 1,651,502 | 1,510,603 | 1,186,228 | 1,063,498 | 1,366,900 |
| 623,731 | 604,038 | 625,534 | 705,203 | 673,607 | 634,156 | 757,287 |
| 384,924 | 404,215 | 250,442 | 169,457 | 305,493 | 253,794 | 268,815 |
| 756,147 | 624,617 | 1,257,960 | 713,292 | 747,840 | 949,192 | 748,506 |
| 19,448,035 | 18,243,605 | 20,203,392 | 17,928,007 | 18,405,802 | 20,060,865 | 22,134,028 |
| 10,763,126 | 10,765,057 | 10,713,067 | 12,175,334 | 9,431,652 | 10,800,579 | 11,144,812 |
| 2,383,761 | 2,578,936 | 2,824,309 | 2,799,416 | 2,369,864 | 2,522,726 | 2,430,765 |
| 6,472,627 | 5,581,338 | 5,996,114 | 6,705,058 | 5,871,695 | 5,711,761 | 5,512,453 |
| 7,362,064 | 7,670,881 | 9,137,904 | 9,398,533 | 6,887,428 | 7,467,329 | 7,252,861 |
| 905,730 | 605,705 | 169,090 | 165,217 | 114,784 | 80,441 | 63,093 |
| 4,239,330 | 4,411,914 | 4,391,631 | 4,552,489 | 5,315,418 | 6,442,330 | 8,524,800 |
| 196,585 | 330,337 | 914,180 | 429,924 | 512,951 | 520,361 | - |
| 1,659,967 | 1,671,396 | 1,610,052 | 1,325,298 | 1,408,349 | 1,274,135 | 1,289,021 |
| 33,983,190 | 33,615,564 | 35,756,347 | 37,551,270 | 31,912,141 | 34,819,663 | 36,217,805 |
| (14,535,155) | (15,371,959) | (15,552,955) | (19,623,263) | (13,506,339) | (14,758,799) | (14,083,777) |
| - | - | - | - | - | - | - |
| 8,582,420 | 13,898,327 | 7,882,956 | 12,823,475 | 8,073,162 | 13,753,048 | 7,575,009 |
| 3,859,541 | 3,671,295 | 3,564,231 | 3,479,236 | 3,384,933 | 3,253,946 | 3,224,160 |
| 241,426 | 161,723 | 78,704 | 61,825 | 56,008 | 53,067 | 52,819 |
| - | - | - | - | - | 1,811,950 | 1,275,370 |
| - | - | - | - | - | - | - |
| 58,940 | 58,940 | 58,940 | 58,940 | 58,940 | - | - |
| (981,961) | (1,019,351) | (1,043,576) | (1,067,013) | (944,922) | (796,513) | (808,708) |
| - | - | - | - | (89,630) | - | (9,598) |
| (2,671) | (11,690) | (75,018) | (3,803) | 955 | - | 3,244 |
| 11,757,695 | 16,759,244 | 10,466,238 | 15,352,659 | 10,539,446 | 18,075,498 | 11,312,296 |
| (2,777,460) | 1,387,285 | (5,086,717) | (4,270,604) | (2,966,893) | 3,316,699 | (2,771,481) |
| - | 3,765,164 | 3,600,229 | 5,384,607 | - | - | - |
| 192,186 | 55,677 | 25,000 | 47,070 | 5,150,471 | - | - |
| 192,186 | 3,820,841 | 3,625,229 | 5,431,677 | 5,150,471 | - | - |
| (2,585,274) | 5,208,126 | (1,461,488) | 1,161,073 | 2,183,578 | 3,316,699 | (2,771,481) |
| 16,672,011 | 13,246,492 | 14,707,980 | 13,546,907 | 27,065,333 | 23,914,179 | 26,685,662 |
| - | (1,782,608) | - | - | (15,702,004) | (165,546) | - |
| 16,672,011 | 11,463,884 | - | 13,546,907 | 11,363,329 | 23,748,633 | 26,685,662 |
| \$ 14,086,737 | \$ 16,672,011 | \$ 13,246,492 | \$ 14,707,980 | \$ 13,546,907 | \$ 27,065,332 | \$ 23,914,181 |



REVENUE CAPACITY

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Property Tax Rates, Assessed Value, and Real Market Value
LAST TEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>Permanent Rate</u> | <u>Assessed Value</u> | <u>Measure 5 Real Market Value</u> | <u>Ratio of Taxable Assessed Value to Real Market Value</u> |
|------------------------|---------------------------|---------------------------|--|---|
| 2021-22 | 0.04551 % | \$ 9,932,785,552 | \$ 13,170,033,971 | 75% |
| 2020-21 | 0.04551 | 9,633,211,841 | 11,939,527,265 | 81% |
| 2019-20 | 0.04551 | 9,173,535,550 | 11,301,500,008 | 81% |
| 2018-19 | 0.04551 | 8,724,826,187 | 11,067,888,202 | 79% |
| 2017-18 | 0.04551 | 8,395,179,267 | 10,190,024,441 | 82% |
| 2016-17 | 0.04551 | 8,174,378,170 | 9,795,781,514 | 83% |
| 2015-16 | 0.04551 | 7,864,047,304 | 9,389,809,781 | 84% |
| 2014-15 | 0.04551 | 7,693,230,203 | 9,325,455,608 | 82% |
| 2013-14 | 0.04551 | 7,465,190,487 | 9,132,582,748 | 82% |
| 2012-13 | 0.04551 | 7,266,499,519 | 9,037,090,627 | 80% |

Source: Douglas County Department of Assessment and Taxation

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**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Direct and Overlapping Property Tax Rates
(Rate per \$1,000 of assessed value)
LAST TEN FISCAL YEARS**

| Taxing Entity | Fiscal Year Taxes are Payable | | |
|----------------------------------|-------------------------------|-----------|-----------|
| | 2021-22 | 2020-21 | 2019-20 |
| County Direct Rate | | | |
| Douglas County | 1.11 | 1.11 | 1.11 |
| Umpqua Community College | 0.46 | 0.46 | 0.46 |
| Lane Community College | 0.96 | 0.85 | 0.62 |
| SW Oregon Community College | 0.70 | 0.70 | 0.70 |
| Cities | | | |
| Canyonville | 3.23 | 3.23 | 3.23 |
| Drain | 1.52 | 1.52 | 1.52 |
| Elkton | 2.33 | 2.33 | 2.33 |
| Glendale | 4.71 | 4.71 | 4.71 |
| Myrtle Creek | 6.51 | 6.51 | 6.51 |
| Oakland | 6.41 | 6.41 | 6.41 |
| Reedsport | 6.19 | 6.19 | 6.19 |
| Riddle | 6.49 | 6.49 | 6.49 |
| Roseburg | 8.48 | 8.48 | 25.43 |
| Sutherlin | 5.74 | 5.74 | 5.63 |
| Winston | 4.27 | 4.27 | 4.27 |
| Yoncalla | 1.46 | 1.46 | 1.46 |
| Schools | | | |
| Camas Valley | 4.70 | 4.70 | 4.70 |
| Days Creek | 4.84 | 4.84 | 4.84 |
| Elkton | 5.29 | 5.32 | 4.36 |
| Fern Ridge | 6.54 | 6.70 | 4.82 |
| Glendale | 5.17 | 5.19 | 4.74 |
| Glide | 5.38 | 5.36 | 4.50 |
| North Douglas | 5.11 | 5.10 | 4.78 |
| Oakland | 4.64 | 4.64 | 4.64 |
| Reedsport | 5.56 | 5.66 | 4.38 |
| Riddle | 4.66 | 4.66 | 4.66 |
| Roseburg | 4.03 | 4.41 | 4.03 |
| Siuslaw | 4.64 | 4.64 | 3.89 |
| South Lane | 6.51 | 6.50 | 4.75 |
| South Umpqua | 4.71 | 4.71 | 4.71 |
| Southerlin | 4.08 | 4.08 | 4.08 |
| Winston Dillard | 5.60 | 5.61 | 4.40 |
| Yoncalla | 4.69 | 4.69 | 4.69 |
| Education Service District Rates | 0.22-0.53 | 0.22-0.53 | 0.22-0.53 |
| Fire District Rates | 0.49-4.65 | 0.49-4.65 | 0.49-4.65 |
| Water District Rates | - | - | - |
| Sanitary District Rates | 0.00-1.42 | 0.00-1.42 | 0.00-1.42 |
| Other Special District Rates | 0.00-3.97 | 0.00-3.97 | 0.00-3.97 |

Source: Douglas County Department of Assessment and Taxation

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Direct and Overlapping Tax Rates (Continued)
(Rate per \$1,000 of assessed value)
LAST TEN FISCAL YEARS**

| 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1.11 | 1.11 | 1.11 | 1.11 | 1.11 | 1.11 | 1.11 |
| 0.46 | 0.46 | 0.46 | 0.46 | 0.46 | 0.46 | 0.46 |
| 0.62 | 0.85 | 0.84 | 0.82 | 0.86 | 0.86 | 0.86 |
| 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 |
| 3.23 | 3.23 | 3.36 | 3.48 | 3.49 | 3.49 | 3.46 |
| 1.52 | 1.52 | 1.52 | 1.52 | 1.52 | 1.52 | 1.52 |
| 2.33 | 2.33 | 2.33 | 2.33 | 2.33 | 2.33 | 2.33 |
| 4.71 | 4.71 | 4.71 | 4.71 | 5.47 | 5.83 | 5.73 |
| 6.51 | 6.51 | 6.51 | 6.51 | 6.51 | 6.51 | 6.51 |
| 6.41 | 6.41 | 6.41 | 6.41 | 6.41 | 6.41 | 6.41 |
| 6.19 | 6.19 | 6.19 | 6.19 | 6.19 | 6.19 | 6.19 |
| 6.49 | 6.49 | 6.49 | 6.49 | 6.49 | 6.49 | 6.49 |
| 25.43 | 25.43 | 25.43 | 24.58 | 24.58 | 23.74 | 22.89 |
| 5.63 | 5.75 | 5.74 | 5.75 | 5.75 | 5.75 | 5.78 |
| 4.27 | 4.27 | 4.27 | 4.27 | 4.27 | 4.27 | 4.27 |
| 1.46 | 1.46 | 1.46 | 1.46 | 1.46 | 1.46 | 1.46 |
| 4.70 | 4.70 | 4.70 | 4.70 | 4.70 | 4.70 | 4.70 |
| 4.84 | 4.84 | 4.84 | 4.84 | 4.84 | 4.84 | 4.84 |
| 4.36 | 5.33 | 5.33 | 5.31 | 5.28 | 5.28 | 5.30 |
| 4.82 | 4.82 | 6.07 | 6.07 | 6.89 | 7.01 | 6.92 |
| 4.74 | 5.22 | 5.22 | 5.22 | 5.22 | 5.27 | 5.28 |
| 4.50 | 5.46 | 5.46 | 5.49 | 5.48 | 5.48 | 5.45 |
| 4.78 | 5.11 | 5.10 | 5.09 | 5.16 | 5.11 | 5.11 |
| 4.64 | 5.02 | 5.01 | 5.01 | 5.00 | 5.00 | 5.02 |
| 4.38 | 5.66 | 5.68 | 5.83 | 5.71 | 5.72 | 5.70 |
| 4.66 | 4.66 | 4.66 | 4.66 | 4.66 | 4.66 | 4.66 |
| 4.03 | 4.57 | 4.50 | 4.62 | 4.64 | 4.63 | 4.65 |
| 3.89 | 5.54 | 5.55 | 5.53 | 5.53 | 5.53 | 5.54 |
| 4.75 | 6.61 | 6.89 | 6.19 | 6.29 | 6.50 | 6.35 |
| 4.71 | 4.71 | 4.71 | 4.71 | 4.71 | 4.71 | 4.71 |
| 4.08 | 4.71 | 4.15 | 4.74 | 4.73 | 4.75 | 4.73 |
| 4.40 | 5.79 | 5.83 | 5.91 | 6.03 | 6.03 | 6.01 |
| 4.69 | 4.69 | 4.69 | 4.69 | 4.69 | 4.69 | 4.69 |
| 0.22-0.53 | 0.22-0.53 | 0.22-0.53 | 0.22-0.53 | 0.22-0.53 | 0.22-0.53 | 0.22-0.53 |
| 0.49-4.65 | 0.49-4.65 | 0.49-4.65 | 0.49-4.65 | 0.49-4.65 | 0.49-4.65 | 0.49-4.65 |
| - | - | - | - | - | - | - |
| 0.00-1.42 | 0.00-1.42 | 0.00-1.42 | 0.00-1.42 | 0.00-1.42 | 0.00-2.42 | 0.00-2.42 |
| 0.00-3.97 | 0.00-3.97 | 0.00-3.97 | 0.00-3.97 | 0.00-3.97 | 0.00-3.97 | 0.00-3.97 |

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Principal Property Taxpayers – Douglas County
CURRENT YEAR END AND NINE YEARS AGO**

| Taxpayer | Nature of Business | Total Assessed Value | Percentage Of Total Assessed Value | Taxes |
|---|---------------------------|-------------------------------------|---|--------------|
| 2021-22: | | | | |
| Pacificorp | Utility | \$ 512,736,000 | 3.89% | \$ 3,986,818 |
| Roseburg Forest Products Co | Wood Products | 149,844,969 | 1.14% | 1,491,432 |
| Roseburg Resources Co | Wood Products | 78,146,107 | 0.59% | 605,205 |
| Weyerhaeuser Company | Wood Products | 68,506,858 | 0.52% | 488,978 |
| Avista Corp | Utility | 67,185,000 | 0.51% | 782,932 |
| Lumen Technologies Inc | Telecommunications | 52,454,000 | 0.40% | 566,658 |
| Seneca Jones Timber Co | Wood Products | 48,951,879 | 0.37% | 368,106 |
| Central Oregon & Pacific RR Co. | Freight Service | 44,031,900 | 0.33% | 325,967 |
| Charter Communications | Telecommunications | 41,961,000 | 0.32% | 325,967 |
| Douglas Fast Net | Telecommunications | 31,770,100 | 0.24% | 313,205 |
| Subtotal - ten of the largest taxpayers | | 1,095,587,813 | 8.32% | |
| All other taxpayers in Douglas County | | 12,074,446,158 | 91.68% | |
| Total Douglas County Taxpayers | | <u>\$ 13,170,033,971</u> | <u>100.00%</u> | |
| 2012-13: | | | | |
| Pacificorp (PP&L) | Utility | \$ 350,315,000 | 3.88% | \$ 2,727,905 |
| Roseburg Forest Products Co | Wood Products | 69,880,968 | 0.77% | 720,155 |
| Weyerhaeuser Company | Wood Products | 52,323,315 | 0.58% | 394,778 |
| Roseburg Resources Co | Wood Products | 39,672,988 | 0.44% | 292,668 |
| Seneca Jones Timber Company | Wood Products | 37,743,117 | 0.42% | 283,539 |
| Avista Corp | Utility | 27,577,000 | 0.31% | 325,969 |
| Century Link | Telecommunications | 24,098,100 | 0.27% | 204,276 |
| Charter Communications | Telecommunications | 22,835,000 | 0.25% | 302,940 |
| Oxbow Timber I LLC | Wood Products | 20,518,035 | 0.23% | 166,006 |
| Swanson Group MFG LLC | Manufacturing | 20,263,616 | 0.22% | 181,128 |
| Subtotal - ten of the largest taxpayers | | 681,564,739 | 7.54% | |
| All other taxpayers in Douglas County | | 8,355,525,888 | 92.46% | |
| Total Douglas County Taxpayers | | <u>\$ 9,037,090,627</u> | <u>100.00%</u> | |

Source: Douglas County Department of Assessment and Taxation, Report 20 Top 20 Certified Taxpayers for CC Umpqua, Issued October 15, 2012 and October 15, 2021

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Property Tax Levies and Collections
LAST TEN FISCAL YEARS**

| Fiscal Year | Total Tax Levy | Tax Collections In First Year | Percent of Levy Collected In First Year | Delinquent Tax Collections | Total Tax Collections | Percent of Total Tax Collections To Tax Levy |
|------------------------|-------------------------------|--|--|---|--------------------------------------|---|
| 2021-22 | \$ 4,472,127 | \$ 4,190,126 | 93.69% | \$ 160,313 | \$ 4,350,439 | 97.28% |
| 2020-21 | 4,316,802 | 4,048,581 | 93.79 | 147,394 | 4,195,975 | 97.20 |
| 2019-20 | 4,107,024 | 3,839,527 | 93.49 | 151,236 | 3,990,763 | 97.17 |
| 2018-19 | 3,908,712 | 3,649,539 | 93.37 | 147,165 | 3,796,704 | 97.13 |
| 2017-18 | 3,751,195 | 3,495,358 | 93.18 | 151,824 | 3,647,182 | 97.23 |
| 2016-17 | 3,639,440 | 3,350,059 | 92.05 | 157,536 | 3,507,595 | 96.38 |
| 2015-16 | 3,503,678 | 3,254,852 | 92.90 | 156,903 | 3,411,755 | 97.38 |
| 2014-15 | 3,436,000 | 3,176,370 | 92.44 | 161,154 | 3,337,524 | 97.13 |
| 2013-14 | 3,336,412 | 3,077,856 | 92.25 | 167,616 | 3,245,472 | 97.27 |
| 2012-13 | 3,264,197 | 2,995,633 | 91.77 | 180,661 | 3,176,294 | 97.31 |

Source: Umpqua Community College Accounting and Finance. Annual audit report reconciled in conjunction with Douglas County *Summary of Property Tax Collections for Fiscal Year Ending June 30, 20XX* each year.



DEBT CAPACITY

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Ratio of General Bonded Debt and Legal Debt Margin
LAST TEN FISCAL YEARS**

| | 2021-22 | 2020-21 | 2019-20 | 2018-19 |
|--|-------------------|-------------------|-------------------|-------------------|
| Total Real Market Value of Taxable Property ¹ | \$ 13,170,033,971 | \$ 11,939,527,265 | \$ 11,301,500,008 | \$ 11,067,888,202 |
| Debt Limitation (1.5% of Real Market Value) | 197,550,510 | 179,092,909 | 169,522,500 | 166,018,323 |
| Debt Subject to Limitation ² | - | - | - | - |
| Legal Debt Margin | 197,550,510 | 179,092,909 | 169,522,500 | 166,018,323 |

Source: ¹Douglas County Tax Rate and Valuation Summary

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

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Ratio of General Bonded Debt and Legal Debt Margin (Continued)
LAST TEN FISCAL YEARS**

| 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|--------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| <u>\$ 10,190,024,441</u> | <u>\$ 9,795,781,514</u> | <u>\$ 9,389,809,781</u> | <u>\$ 9,325,455,608</u> | <u>\$ 9,132,582,748</u> | <u>\$ 9,037,090,627</u> |
| 152,850,367 | 146,936,723 | 140,847,147 | 139,881,834 | 136,988,741 | 135,556,359 |
| - | - | - | - | - | - |
| 152,850,367 | 146,936,723 | 140,847,147 | 139,881,834 | 136,988,741 | 135,556,359 |

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Ratio of Outstanding Debt by Types
LAST TEN FISCAL YEARS**

| Fiscal Year | Other Governmental Non Tax Bonded | | | | | | | |
|-------------|--|--|---|----------------------------------|----------------------------------|------------------------------|---|---|
| | Debt ¹ | | | | | | | |
| | Full Faith & Credit Financing Agreement | Full Faith & Credit Obligations Series 2014 ² | Full Faith & Credit Obligations Series 2010 | Pension Bonds Payable 2021 | Pension Bonds Payable 2004 | Total Outstanding Debt | Total Outstanding Debt as a % of Personal Income ³ | Total Outstanding Debt per Capita ⁴ |
| 2021-22 | \$ 2,552,544 | \$ 1,952,895 | \$ - | \$ 17,345,000 | \$ 6,445,000 | \$ 28,295,439 | not available | \$ 253 |
| 2020-21 | \$ 2,725,447 | \$ 2,082,720 | - | - | 7,265,000 | 12,073,167 | 0.23% | 107 |
| 2019-20 | 2,895,800 | 2,207,545 | - | - | 7,995,000 | 13,098,345 | 0.28% | 117 |
| 2018-19 | | 8,077,945 | 2,985,000 | | 8,645,000 | 19,707,945 | 0.44% | 176 |
| 2017-18 | | 8,246,885 | 3,130,000 | | 9,215,000 | 20,591,885 | 0.49% | 185 |
| 2016-17 | | 8,415,825 | 3,275,000 | | 9,715,000 | 21,405,825 | 0.52% | 194 |
| 2015-16 | | 8,474,765 | 3,415,000 | | 10,150,000 | 22,039,765 | 0.55% | 201 |
| 2014-15 | | 8,533,705 | 3,555,000 | | 10,525,000 | 22,613,705 | 0.58% | 207 |
| 2013-14 | | | 3,690,000 | | 10,850,000 | 14,540,000 | 0.40% | 134 |
| 2012-13 | | | 3,825,000 | | 11,125,000 | 14,950,000 | 0.43% | 138 |

Source :

¹Umpqua Community College Annual Comprehensive Financial Report-Note 14. Long Term Debt

²Includes bond premium

³Bureau of Economic Analysis, U. S. Department of Commerce

⁴Portland State University - Center for Population Research and Census

DEMOGRAPHIC AND ECONOMIC INFORMATION

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Demographic and Economic Statistics
LAST TEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>Population¹</u> | <u>Personal Income²</u> | <u>Per Capita Personal Income³</u> | <u>Unemployment Rate⁴</u> |
|--------------------|-------------------------------|------------------------------------|---|--|
| 2021-22 | 111,694 | not available | not available | 5.6% |
| 2020-21 | 112,530 | \$ 5,160,797 | 45,862 | 9.1% |
| 2019-20 | 112,250 | 4,698,282 | 41,856 | 10.9% |
| 2018-19 | 111,735 | 4,514,987 | 40,408 | 5.1% |
| 2017-18 | 111,180 | 4,239,667 | 38,133 | 5.1% |
| 2016-17 | 110,395 | 4,077,525 | 37,720 | 5.0% |
| 2015-16 | 109,910 | 4,021,216 | 37,077 | 6.7% |
| 2014-15 | 109,385 | 3,871,714 | 36,008 | 7.5% |
| 2013-14 | 108,850 | 3,676,864 | 34,370 | 8.9% |
| 2012-13 | 108,195 | 3,478,193 | 32,541 | 10.5% |

Source:

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

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

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

⁴Bureau of Labor Statistics, U. S. Department of Labor
Rates are as of July , not seasonally adjusted

Note: The College district includes majority of Douglas County.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Principal Employers for Douglas County
Current Year and Nine Years Ago**

| Employer ¹ | 2022 | | | 2013 ³ | | |
|--|-------------------------------------|------|--|------------------------|------|--|
| | Number of Employees ¹ | Rank | Percentage of County Employment ² | Number of Employees | Rank | Percentage of County Employment |
| Roseburg VA Health Care System | 1275 | 1 | 3.35% | 772 | 3 | 2.21% |
| Roseburg Forest Products Co | 1117 | 2 | 2.93% | 1800 | 1 | 5.14% |
| CHI Mercy Healthcare, Inc | 1007 | 3 | 2.65% | 1124 | 2 | 3.21% |
| Seven Feathers Hotel, Gaming Center & UIDC | 1000 | 4 | 2.63% | | | |
| Roseburg School District | 891 | 5 | 2.34% | 614 | 6 | 1.75% |
| Express Employment Professionals | 856 | 6 | 2.25% | | | |
| Swanson Group, Inc | 766 | 7 | 2.01% | 475 | 8 | 1.36% |
| Douglas County | 700 | 8 | 1.84% | 680 | 4 | 1.94% |
| Umpqua Community College | 437 | 9 | 1.15% | | | |
| Orencia Systems | 426 | 10 | 1.12% | | | |
| First Call Resolution | | | | 308 | 9 | 0.88% |
| Cow Creek Bank of Umpqua Indians | | | | 650 | 5 | 1.86% |
| TMS Call Center | | | | 562 | 7 | 1.61% |
| Umpqua Bank | | | | 294 | 10 | 0.84% |
| | <u>8475</u> | | <u>22.27%</u> | <u>7279</u> | | <u>20.80%</u> |

Source:

¹ The Partnership Umpqua Economic Development

² State of Oregon Employment Department, annual average

³ Douglas County ACFR 2013



OPERATING INFORMATION

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**EMPLOYEE HEADCOUNT
LAST TEN FISCAL YEARS**

| Fiscal Year | Employee Headcount ¹ | | | | | |
|----------------|---------------------------------|-----------------------------|----------------------|----------------------|-------------------------|-------------------------|
| | Administrative Full-time | Administrative Part-time | Faculty Full-time | Faculty Part-time | Classified Full-time | Classified Part-time |
| 2021-22 | 39 | 2 | 66 | 119 | 83 | 34 |
| 2020-21 | 33 | 2 | 64 | 114 | 88 | 25 |
| 2019-20 | 37 | 3 | 64 | 83 | 100 | 40 |
| 2018-19 | 41 | 3 | 61 | 155 | 106 | 52 |
| 2017-18 | 39 | 0 | 60 | 158 | 98 | 61 |
| 2016-17 | 39 | 2 | 60 | 157 | 116 | 63 |
| 2015-16 | 42 | 3 | 59 | 159 | 113 | 52 |
| 2014-15 | 48 | 2 | 61 | 162 | 118 | 83 |
| 2013-14 | 42 | 0 | 64 | 170 | 114 | 67 |
| 2012-13 | 43 | 0 | 68 | 185 | 113 | 58 |

¹ Umpqua Community College Human Resources
Counts are provided as of March 31st for each year

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

BUILDING CONSTRUCTION AND ACQUISITION

| Year | Building Name | Square Footage | Cumulative Square Footage |
|------|---|-------------------|---------------------------------|
| 1967 | Del Blanchard Welcome Center & Administration | 8,060 | 8,060 |
| 1967 | Library | 18,394 | 26,454 |
| 1967 | Science | 14,838 | 41,292 |
| 1969 | Life Sciences Laboratory | 1,740 | 43,032 |
| 1969 | Lockwood Hall and Finance Office | 20,468 | 63,500 |
| 1969 | Wayne Crooch Hall | 19,824 | 83,324 |
| 1970 | Warehouse | 6,360 | 89,684 |
| 1970 | LaVerne Murphy Student Center | 31,975 | 121,659 |
| 1970 | Jackson Hall | 11,750 | 133,409 |
| 1970 | PE Complex & Tom Keel Fitness Center | 50,697 | 184,106 |
| 1970 | Jacoby Auditorium | 29,360 | 213,466 |
| 1979 | Whipple Fine Arts Center | 23,322 | 236,788 |
| 1982 | Educational Skills Building | 13,415 | 250,203 |
| 1984 | Wooley Center | 4,200 | 254,403 |
| 1996 | Ford Family Enrichment Center | 6,395 | 260,798 |
| 2001 | Technology Center | 10,432 | 271,230 |
| 2008 | Swanson Amphitheatre | 2,086 | 273,316 |
| 2011 | Tower Building | 2,453 | 275,769 |
| 2012 | Danny Lang Teaching, Learning and Event Center | 21,889 | 297,658 |
| 2016 | Bonnie J Ford Health Nursing and Science Building | 34,842 | 332,500 |
| 2018 | Tap ^h òy th a Hall | 9,476 | 341,976 |
| 2021 | 1199 NE Grandview Building | 21,646 | 363,622 |

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Tuition Rates and Enrollment Statistics
LAST TEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>Tuition Rate Per Credit Hour</u> | <u>Total FTE¹</u> | <u>Unduplicated Headcount¹</u> |
|--------------------|---|------------------------------|---|
| 2021-22 | \$ 104.00 | 1962 | 9,668 |
| 2020-21 | 104.00 | 2105 | 8,625 |
| 2019-20 | 101.00 | 2490 | 10,991 |
| 2018-19 | 97.00 | 2696 | 13,968 |
| 2017-18 | 93.00 | 2786 | 13,512 |
| 2016-17 | 88.00 | 2894 | 13,701 |
| 2015-16 | 87.00 | 3021 | 14,556 |
| 2014-15 | 85.00 | 3030 | 14,555 |
| 2013-14 | 85.00 | 3042 | 13,604 |
| 2012-13 | 75.00 | 3339 | 14,757 |

Source:

¹ Umpqua Community College Institutional Research and Planning

COMPLIANCE SECTION

Report of Independent Auditors Required by Oregon State Regulations

The Board of Education
Umpqua Community College
Roseburg, 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 Umpqua Community College (the “College”), and the discretely presented component unit, Umpqua Community College Foundation (the “Foundation”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College’s basic financial statements, and have issued our report thereon dated December 7, 2022. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards* or the provisions of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

Compliance

As part of obtaining reasonable assurance about whether the College’s basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements. 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:

- Accounting records and internal control
- Public fund deposits
- Indebtedness
- Budget
- Insurance and fidelity bonds
- Programs funded from outside sources
- Investments
- Public contracts and purchasing

In connection with our testing, nothing came to our attention that caused us to believe College was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations.

Internal Control Over Financial Reporting

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

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. 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 and management of College and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Scott Simpson, Partner,
for Moss Adams LLP
Portland, Oregon
December 7, 2022

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

The Board of Education
Umpqua Community College
Roseburg, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Umpqua Community College (the “College”) and the discretely presented component unit, Umpqua Community College Foundation (the “Foundation”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College’s basic financial statements, and have issued our report thereon dated December 7, 2022. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance association with the Foundation.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 financial statements. 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.

A handwritten signature in cursive script that reads "Moss Adams LLP".

Portland, Oregon
December 7, 2022

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

The Board of Education
Umpqua Community College
Roseburg, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Umpqua Community College's (the "College") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2022. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

A handwritten signature in black ink that reads "Moss Adams LLP". The signature is written in a cursive, flowing style.

Portland, Oregon
December 7, 2022

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Schedule of Expenditures of Federal Awards
June 30, 2022**

| | Grant Period | Assistance Listing Number | 2021-22 Expenditures | Pass through Agency Identifying Number | 2021-22 Expenditures to Subrecipients |
|---|-----------------|---------------------------------|-------------------------|--|--|
| <u>U.S. Department of Education:</u> | | | | | |
| STUDENT FINANCIAL ASSISTANCE CLUSTER: | | | | | |
| Federal Pell Grant Program | 2021-2022 | 84.063 | 3,171,044 | N/A | - |
| Federal Direct Loan Program | 2021-2022 | 84.268 | 1,498,033 | N/A | - |
| Federal Work-Study Program | 2021-2022 | 84.033 | 107,047 | N/A | - |
| Federal Supplemental Educational Opportunity Grant | 2021-2022 | 84.007 | 77,276 | N/A | - |
| Total SFA Cluster U.S. Department of Education | | | 4,853,400 | | - |
| TRIO CLUSTER: | | | | | |
| TRIO - Student Support Services | 2020-2021 | 84.042A | 40,554 | N/A | - |
| TRIO - Student Support Services | 2021-2022 | 84.042A | 263,219 | N/A | - |
| TRIO - Talent Search | 2020-2021 | 84.044A | 70,152 | N/A | - |
| TRIO - Talent Search | 2021-2022 | 84.044A | 224,470 | N/A | - |
| TRIO - Upward Bound | 2020-2021 | 84.047A | 67,947 | N/A | - |
| TRIO - Upward Bound | 2021-2022 | 84.047A | 264,313 | N/A | - |
| Total TRIO Cluster U. S. Department of Education | | | 930,655 | | - |
| Higher Education - Institutional Aid | 2021-2022 | 84.031A | 74,186 | N/A | - |
| Passed through Higher Education Coordinating Commission: | | | | | |
| Adult Education State Administered | 2021-2022 | 84.002A | 3,991 | V002A200038 | - |
| Adult Education State Administered | 2021-2022 | 84.002A | 285,149 | V002A200038 | - |
| Adult Education State Administered | 2021-2022 | 84.002A | 6,673 | V002A170038 | - |
| Total Adult Education | | | 295,812 | | - |
| Passed through Oregon Department of Education: | | | | | |
| Vocational Education - Basic Grants to States | 2020-2021 | 84.048 | 47,404 | 57606 | - |
| Vocational Education - Basic Grants to States | 2021-2022 | 84.048 | 134,069 | 66160 | - |
| Total Career and Technical Education | | | 181,473 | | - |
| Passed through the State of Oregon | | | | | |
| COVID-19 Governors Emergency Education Relief Fund | 2021-2022 | 84.425C | 89,905 | 20-075X | - |
| Total Governors Emergency Education Relief Fund | | | 89,905 | | - |
| Education Stabilization Fund | | | | | |
| COVID-19 - Umpqua Cares 2020 | 2021-2022 | 84.425E | 1,086,848 | N/A | - |
| COVID-19 - Umpqua CARES.2 2020 | 2021-2022 | 84.425F | 2,500,059 | N/A | - |
| COVID-19 Supplemental CARES Act Funding | 2021-2022 | 84.425M | 188,194 | N/A | - |
| Total Education Stabilization Fund | | | 3,775,101 | | - |
| Total Non SFA Cluster U.S. Department of Education | | | 5,347,133 | | - |
| Total US Department of Education | | | 10,200,533 | | - |
| <u>U.S. Department of the Treasury</u> | | | | | |
| Passed through Oregon Department of Administrative Services | | | | | |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds | 2021-2022 | 21.027 | 7,997 | SLFRP4454 | - |
| <u>U. S. Department of Justice:</u> | | | | | |
| Passed through State of Oregon | | | | | |
| Victims of Crime Act 2020-2022 VOCA | 2021-2022 | 16.575 | 54,093 | VOCA-FI-2020 UCC-00051 | 54,093 |
| <u>Small Business Administration:</u> | | | | | |
| Passed through Lane Community College: | | | | | |
| Small Business Development Center | 2020-2021 | 59.037 | 24,246 | SBA-2021-159 | - |
| Small Business Development Center | 2021-2022 | 59.037 | 14,460 | SBA-2022-159 | - |
| Total Small Business Administration | | | 38,705 | | - |
| TOTAL ALL PROGRAMS | | | \$ 10,301,328 | | \$ 54,093 |

See notes to the schedule of expenditures of federal awards.

**UMPQUA COMMUNITY COLLEGE
ROSEBURG, OREGON**

**Notes to the Schedule of Expenditures of Federal Awards
June 30, 2022**

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes federal grant activity of the College and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards are recognized following the cost principles contained in *Title 2 U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards (Uniform Guidance) wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where applicable.

3. Election of De Minimis Indirect Rate

During the current year end, June 30, 2022, the College did not elect to use the 10 percent de minimis indirect cost rate.

4. Donated PPE (Unaudited)

The College did not receive any personal protective equipment (PPE) during the fiscal year ended June 30, 2022.

Umpqua Community College
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

Identification of Major Federal Programs and Type of Auditor’s Report Issued on Compliance for Major Federal Programs:

| <i>Assistance Listing Number</i> | <i>Name of Federal Programs or Cluster</i> | <i>Type of Auditor’s Report Issued on Compliance for Major Federal Programs</i> |
|----------------------------------|--|---|
| Various | Student Financial Assistance Cluster | <i>Unmodified</i> |
| 84.425 | COVID-19 Education Stabilization Fund | <i>Unmodified</i> |

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

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

Section II – Financial Statement Findings

None reported.

Umpqua Community College
Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2022

Section III – Federal Award Findings and Questioned Costs

None reported.

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