



Clackamas Community College

Clackamas County, Oregon



Comprehensive Annual Financial Report 🌐

For the Fiscal Year Ended June 30, 2020

CLACKAMAS COMMUNITY COLLEGE

Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2020

Prepared by the Business Office
Clackamas Community College
19600 Molalla Avenue
Oregon City, OR 97045-7998

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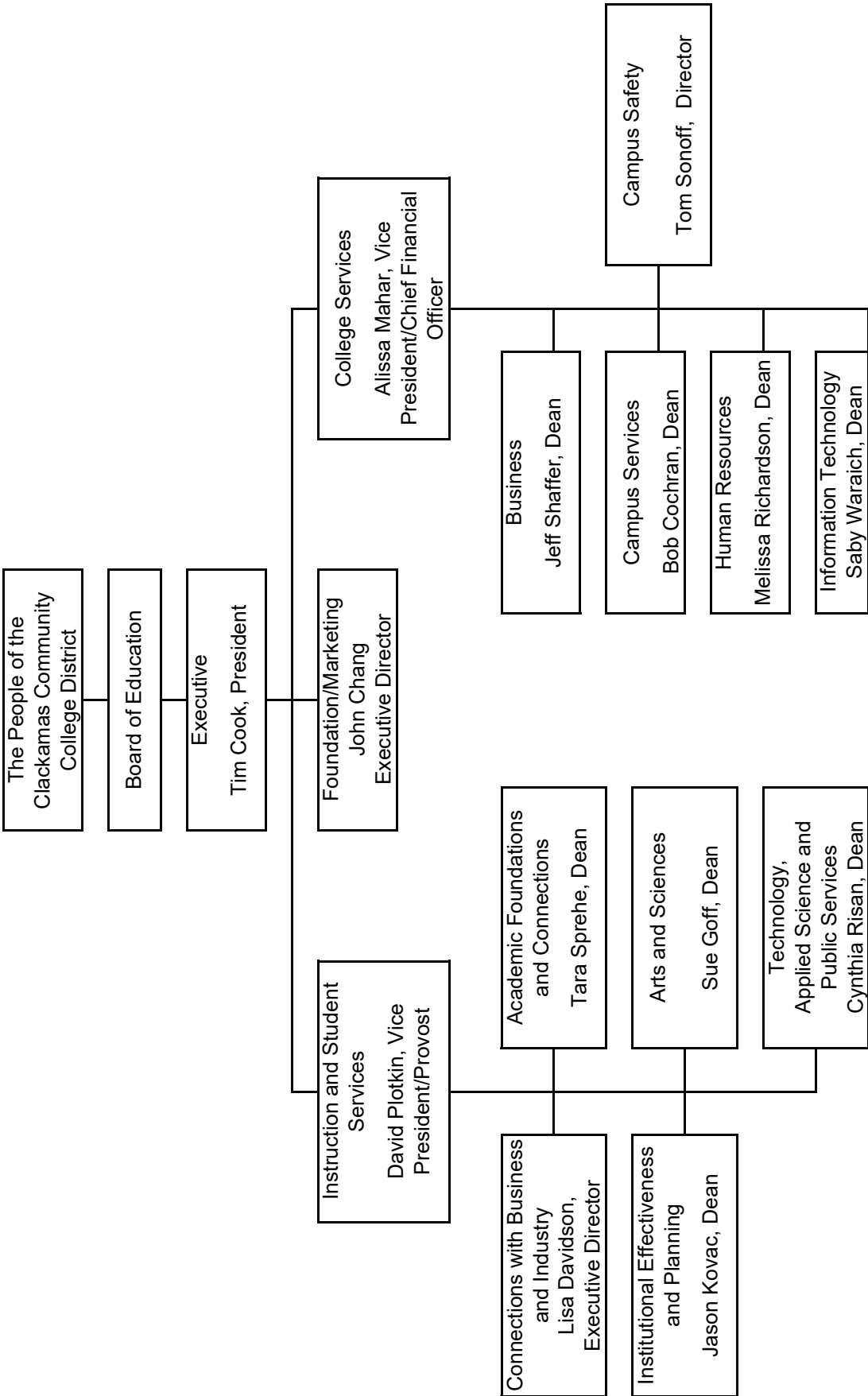
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INTRODUCTORY SECTION

CLACKAMAS COMMUNITY COLLEGE
BOARD OF EDUCATION
June 30, 2020

<u>Name</u>	<u>Address</u>	<u>Zone</u>	<u>Term Expires</u>
Chairperson: Dave Hunt	16655 SE Kingsridge Ct. Milwaukie, OR 97267	Zone 3	6/30/2021
Vice Chairperson: Greg Chaimov	12323 SE 25th Avenue Milwaukie, OR 97222-7882	Zone 1	6/30/2023
Board Members: Rob Wheeler	12088 SE Reginald Ct. Happy Valley, OR 97086	Zone 2	6/30/2021
Chris Groener	PO Box 1961 201 Woodfield Ct. Oregon City, OR 97045	Zone 4	6/30/2023
Betty Reynolds	25202 SW Petes Mountain Rd West Linn, OR 97068	Zone 5	6/30/2023
Jane Reid	PO Box 556 32795 SE Coupland Road Estacada, OR 97023	Zone 6	6/30/2021
Irene Konev	1109 SW First Avenue, #674 Canby, OR 97013	Zone 7	6/30/2021
Clerk: Dr. Tim Cook	19600 Molalla Avenue Oregon City OR 97045		

CLACKAMAS COMMUNITY COLLEGE
 ORGANIZATION CHART
 June 30, 2020





19600 Molalla Avenue | Oregon City, OR | 97045-7998
503-594-6000 | www.clackamas.edu
Education That Works

December 30, 2020

To the Board of Education and Executive Team
Clackamas Community College

Transmittal

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Clackamas Community College (the College) for the fiscal year ended June 30, 2020.

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

This report was prepared by the College's Business Office. Responsibility for the data presented, as well as accompanying disclosures, rests with the College. We believe the report is accurate and complete in all material respects and presents fairly the financial position and results of operations of the College at June 30, 2020, and for the year then ended.

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

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

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

Profile of the College

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

The Clackamas Community College district is essentially Clackamas County, excluding the cities of Lake Oswego and Sandy. Clackamas County is located south and south east of the city of Portland. The College district is in the Portland-Vancouver-Beaverton, OR-WA Metropolitan Statistical Area, which includes

Clackamas, Columbia, Multnomah, Washington and Yamhill counties in Oregon and Clark and Skamania counties in Washington. The five Oregon counties contain nearly half of Oregon's population. The economy of the Portland metropolitan area is broad and widely diversified.

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

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

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

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

The Business Office staff are to be commended for the work that underlies this report. During the current pandemic, the staff stepped up in a very unique and challenging environment to produce this report in an accurate and timely manner. We would also like to thank the Board of Education for their continued support and dedication to the financial operations of the College.

Respectfully submitted,



Jeff Shaffer,
Dean of Business Services

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

December 30, 2020

Board of Education
Clackamas Community College
Oregon City, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Clackamas Community College as of and for the year ended June 30, 2020, and Clackamas Community College Foundation, its discretely presented component unit, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Clackamas Community College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clackamas Community College as of June 30, 2020, and the changes in its financial position and its cash flows for the year then ended, and the financial position of Clackamas Community College Foundation as of December 31, 2019, and the changes in its net assets for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Supplementary Information and Other Information

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

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

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

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2020 on our consideration of Clackamas Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clackamas Community College's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 30, 2020 on our consideration of Clackamas Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance.

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

CLACKAMAS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2020

Structure of Financial Reports

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

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

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

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

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

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

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

CLACKAMAS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2020

State Appropriation Revenue

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

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

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

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

	Number of payments		Amount (in millions)		Statewide Appropriation for Biennium
	General Fund	Basic Financial Statements	General Fund	Basic Financial Statements	
2007-08	4	5	\$19.9	\$24.0	\$494 million
2008-09	4	3	18.6	13.9	
2009-10	4	5	14.6	19.3	\$431 million
2010-11	4	3	11.8	8.4	
2011-12	4	5	11.2	14.5	\$396 million
2012-13	4	3	10.0	7.4	
2013-14	4	5	12.8	15.4	\$450 million
2014-15	4	3	13.0	10.0	
2015-16	4	5	14.7	17.6	\$550 million
2016-17	4	3	14.3	10.6	
2017-18	4	5	16.0	19.7	\$570 million
2018-19	4	3	16.0	12.1	
2019-20	4	5	19.2	23.2	\$641 million

CLACKAMAS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2020

Fund Financial Information

In June 2017, the college issued the remaining \$45 million of the \$90 million in general obligation bonds authorized by district voters in November 2014 to construct buildings, modernize classrooms and equipment, and perform deferred maintenance and infrastructure projects. During the fiscal year ended June 30, 2020, construction was completed for the remodel of the Barlow Automotive project, and the expansion of the DeJardin Science Complex. Construction has begun on the third new building, The Welcome Center, which is expected to be completed in summer of 2021.

The General Fund balance decreased from \$9.0 to \$8.6 million during 2019-20. Total General Fund public resources – the sum of the state appropriation and property taxes – increased \$3.6 million over 2019-20, while General Fund tuition and fee revenue decreased slightly by \$0.63 million over 2019-20. General Fund personnel costs increased \$4.1 million.

Basic Financial Statements

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

- Net pension liability. The college's proportionate share of the total system-wide unfunded actuarial liability, net of the side account, is shown as a net pension liability. The side account was created when proceeds from the 2004 and 2005 pension bonds were invested with PERS; the side account and investment earnings on it partially fund the college's contributions to PERS, reducing the rate it would otherwise pay on wages.
- Deferred outflows include payments to PERS made after the date that the net pension liability was measured, which was June 30, 2019. These will be future reductions in the net PERS liability. Deferred outflows also include differences between expected and actual experience of the plan and changes in assumptions.
- The pension transition liability was created in 2004 when community colleges moved into the State and Local Government (SLG) Rate Pool. It is distinct from the College's share of the system-wide unfunded actuarial liability and represents its account prior to joining the SLG rate pool.
- Deferred inflows represent the college's proportionate share of the amount by which PERS's investment earnings are less than assumed earnings, the college's proportionate share of system contributions in excess of actual payments to PERS, and the change in the proportionate share percent between the prior and current measurement dates.

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

CLACKAMAS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2020

	<i>Fiscal Year Ended June 30, in Millions</i>					
	Exclusive of PERS			PERS		
	2019	2020	Change	2019	2020	Change
STATEMENT OF NET POSITION						
ASSETS AND DEFERRED OUTFLOWS						
Current assets	\$ 60.4	\$ 50.6	\$ (9.8)			
Noncurrent assets						
Net OPEB asset				\$ 0.3	\$ 0.5	\$ 0.2
Capital assets, net of depreciation	136.7	150.8	14.1			
Total assets	<u>197.1</u>	<u>201.4</u>	<u>4.3</u>			
Deferred outflows						
Deferred outflows related to pensions/OPEB				\$ 16.4	\$ 18.9	\$ 2.5
Total assets and deferred outflows	<u>\$ 197.1</u>	<u>\$ 201.4</u>	<u>\$ 4.3</u>	<u>\$ 16.7</u>	<u>\$ 19.4</u>	<u>\$ 2.7</u>
LIABILITIES AND DEFERRED INFLOWS						
Current liabilities, excluding current portion of debt	\$ 8.7	\$ 4.7	\$ (4.0)			
Liabilities for long-term debt, with current portion						
General obligation bonds and pension bonds	131.3	126.5	(4.8)			
Compensated absences and early retirement	12.9	14.5	1.6			
Pension transition liability				\$ 3.8	\$ 3.5	\$ (0.3)
Net pension liability				32.3	43.5	11.2
Total liabilities	<u>152.9</u>	<u>145.7</u>	<u>(7.2)</u>	<u>36.1</u>	<u>47.0</u>	<u>10.9</u>
Deferred inflows related to pensions/OPEB				5.7	5.4	(0.3)
Total liabilities and deferred inflows	<u>152.9</u>	<u>145.7</u>	<u>(7.2)</u>	<u>41.8</u>	<u>52.4</u>	<u>10.6</u>
NET POSITION						
Net position	<u>44.20</u>	<u>55.70</u>	<u>11.5</u>	<u>(25.10)</u>	<u>(33.00)</u>	<u>(7.9)</u>
Total liabilities, deferred inflows and net position	<u>\$ 197.1</u>	<u>\$ 201.4</u>	<u>\$ 4.3</u>	<u>\$ 16.7</u>	<u>\$ 19.4</u>	<u>\$ 2.7</u>
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION						
REVENUE						
Tuition and fees	\$ 16.4	\$ 15.1	\$ (1.3)			
State appropriations	12.1	23.2	11.1			
Property taxes	26.9	27.1	0.2			
All other revenue	36.6	29.3	(7.3)			
Total revenue	<u>92.0</u>	<u>94.7</u>	<u>2.7</u>			
EXPENSES						
Instruction	28.9	30.5		1.6	4.4	
Instructional support	8.0	8.0		0.4	0.9	
Student services	6.9	7.6		0.4	1.1	
College support	13.4	14.1		0.5	1.5	
Plant operations and maintenance	3.9	3.6		0.1	0.3	
Plant additions	1.7	0.7				
Financial aid	7.3	8.2				
All other expenses	9.1	10.0				
Total expenses	<u>79.2</u>	<u>82.7</u>	<u>3.5</u>	<u>3.0</u>	<u>8.2</u>	<u>5.2</u>
CHANGE IN NET POSITION	<u>12.8</u>	<u>12.0</u>	<u>(0.8)</u>	<u>(3.0)</u>	<u>(8.2)</u>	<u>(5.2)</u>
NET POSITION						
Net position - beginning of the year	<u>\$ 9.2</u>	<u>\$ 18.9</u>				
Net position - end of the year	<u>\$ 18.9</u>	<u>\$ 22.7</u>				

CLACKAMAS COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2020

Basic Financial Statements - Exclusive of PERS

Exclusive of PERS, net position increased \$12.0 million.

Basic Financial Statements - PERS

Net position decreased \$8.2 million for the College's share of PERS, as the system-wide unfunded actuarial liability and related deferred inflows and outflows of resources have grown, largely due to insufficient investment returns and a ruling by the Oregon Supreme Court that re-instated certain post-retirement COLA benefits. Employer rates increased substantially for the 2019-21 biennium.

Capital Assets and Long-term Debt

The College's investment in capital assets increased by \$14.1 million, net of accumulated depreciation, with investments in equipment and construction in progress. Details of the changes in capital assets are in Note 3. Details of the changes in long-term debt activity are in Note 4 of the Notes to Basic Financial Statements.

The principal amount of general obligation bonds and pension bonds outstanding at June 30, and repayment sources, follow.

<u>Debt</u>	<u>Amount (in millions)</u>	<u>Repayment Source</u>	<u>Repayment Method</u>
General obligation (GO) bonds	\$98.7	Annual property tax levy	Scheduled payments to trustee
Pension bonds	20.0	General college operations	Trustee intercepts a portion of state appropriation paid to the college

State statutes limit the amount of general obligation debt the college may issue to 1.5% of real market value of properties within the College district. The outstanding general obligation bonds are 11% of the legal debt limit.

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CLACKAMAS COMMUNITY COLLEGE
STATEMENT OF NET POSITION
June 30, 2020

ASSETS	
Current assets	
Cash and cash equivalents	\$ 47,586,235
Receivables, net	
Accounts	1,750,952
Property taxes	883,348
Prepaid expenses and other current assets	361,355
Total current assets	<u>50,581,890</u>
Noncurrent assets	
Postemployment healthcare benefits asset	561,971
Non-depreciable capital assets	20,168,071
Depreciable capital assets	177,648,077
Less accumulated depreciation	(47,020,203)
Total noncurrent assets	<u>151,357,916</u>
Total assets	<u>201,939,806</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions and OPEB	18,854,144
Total assets and deferred outflows	<u>\$ 220,793,950</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 1,717,869
Wages, taxes and benefits	2,677,803
Unearned revenue	171,695
Accrued interest	183,054
Current portion of long-term debt	7,894,552
Total current liabilities	<u>12,644,973</u>
Noncurrent liabilities	
General obligation bonds	106,655,268
Pension bonds	19,867,433
Compensated absences	1,781,593
Obligations for postemployment healthcare benefits	12,704,966
Pension transition liability	3,473,681
Net pension liability	43,470,350
Less current portion of long-term debt	(7,894,552)
Total noncurrent liabilities	<u>180,058,739</u>
Total liabilities	<u>192,703,712</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions and OPEB	<u>5,366,833</u>
NET POSITION	
Net investment in capital assets	56,004,288
Restricted for debt service and student financial aid	473,375
Unrestricted	(33,754,258)
Total net position	<u>22,723,405</u>
Total liabilities, deferred inflows and net position	<u>\$ 220,793,950</u>

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

CLACKAMAS COMMUNITY COLLEGE
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
Year Ended June 30, 2020

OPERATING REVENUE	
Tuition and fees	\$ 15,141,603
Operating grants and contracts	
State	3,910,950
Local	2,036,577
Federal	9,891,685
Auxiliary enterprises	
Bookstore	312,206
Customized Training	282,731
Other operating revenue	1,825,982
	<hr/>
Total operating revenue	33,401,734
OPERATING EXPENSES	
Instruction	34,878,897
Instructional support	8,937,597
Student services	8,730,765
College support	15,604,965
Plant operations and maintenance	3,883,329
Plant additions	761,554
Financial aid	8,208,512
Auxiliary enterprises	
Bookstore	370,291
Customized Training	413,814
Depreciation expense	4,212,321
	<hr/>
Total operating expenses	86,002,045
Operating loss	<hr/> <u>(52,600,311)</u>
NONOPERATING REVENUE (EXPENSES)	
State appropriation	23,155,176
Property taxes	27,093,564
Investment income	1,484,424
Interest expense	(4,962,159)
Gain on disposal of capital assets	13,096
	<hr/>
Net nonoperating revenue (expenses)	46,784,101
Income (loss) before capital contributions	(5,816,210)
CAPITAL CONTRIBUTIONS	9,601,235
	<hr/>
Increase in net position	3,785,025
NET POSITION	
Net position - beginning of the year	<hr/> 18,938,380
Net position - end of the year	<hr/> <u>\$ 22,723,405</u>

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

CLACKAMAS COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
Year Ended June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 34,055,765
Cash payments to suppliers for goods and services	(15,791,865)
Cash payments to employees for services	<u>(56,053,678)</u>
Net cash used by operating activities	<u>(37,789,778)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from state appropriation	23,155,176
Cash received from property taxes	20,350,441
Principal paid on pension bonds	(1,660,000)
Interest paid on pension bonds	<u>(1,117,452)</u>
Net cash provided by noncapital financing activities	<u>40,728,165</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchase of capital assets	(22,002,790)
Proceeds from sale of capital assets	13,096
Cash received from capital contributions	9,601,235
Cash received from property taxes levied for capital debt	6,656,241
Principal paid on capital-related long-term debt	(5,095,000)
Interest paid on capital-related long-term debt	<u>(1,873,000)</u>
Net cash used by capital financing activities	<u>(12,700,218)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Maturities of investments	12,000,000
Investment income	<u>1,605,837</u>
Net cash provided by investing activities	<u>13,605,837</u>
Increase in cash and cash equivalents	3,844,006
Beginning cash and cash equivalents	<u>43,742,229</u>
Ending cash and cash equivalents	<u><u>\$ 47,586,235</u></u>

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

CLACKAMAS COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS (continued)
Year Ended June 30, 2020

Reconciliation of operating loss to net cash used by operating activities:

Operating loss	<u>\$ (52,600,311)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	4,212,321
(Increase) decrease in:	
Operating receivables, net of allowance for uncollectibles	816,136
Inventories	163,665
Prepaid expenses and other current assets	597,845
Postemployment healthcare benefits asset	(243,230)
Deferred outflows related to pensions and OPEB	(2,443,248)
Increase (decrease) in:	
Operating accounts payable	(130,312)
Wages, taxes and benefits	40,201
Unearned revenue	(162,105)
Compensated absences	462,623
Obligations for postemployment health care benefits	1,081,835
Pension transition liability	(333,130)
Net pension liability	11,123,574
Deferred inflows related to pensions and OPEB	<u>(375,642)</u>
Net adjustments	<u>14,810,533</u>
Net cash used by operating activities	<u><u>\$ (37,789,778)</u></u>

NONCASH CAPITAL, FINANCING AND INVESTING ACTIVITIES

Investments	\$ 25,600
Decrease in fair value of investments	(25,600)
Amortization of premium/discount on long-term debt	(704,002)
Amortization of deferred interest bonds	2,681,143
Interest expense	<u>(1,977,141)</u>
Total noncash capital, financing and investing activities	<u><u>\$ -</u></u>

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

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
December 31, 2019

Assets

Cash and cash equivalents	\$ 258,654
Unconditional promises to give	35,453
Prepaid expenses	6,020
Investments	19,645,054
Historical letter	<u>11,250</u>
 Total assets	 <u><u>\$ 19,956,431</u></u>

Liabilities and Net Assets

Liabilities:	
Accounts payable	\$ 72,307
Deferred revenue	<u>22,780</u>
 Total liabilities	 <u>95,087</u>
Net assets:	
Without donor restrictions	1,632,269
With donor restrictions	<u>18,229,075</u>
 Total net assets	 <u>19,861,344</u>
 Total liabilities and net assets	 <u><u>\$ 19,956,431</u></u>

The accompanying notes are an integral part of this statement.

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues and other support:			
Contributions	\$ 163,656	\$ 913,593	\$ 1,077,249
Donated services	507,249	-	507,249
Donated materials	214,615	-	214,615
Realized investment earnings	77,009	279,405	356,414
Net unrealized gains on investments	528,741	2,131,582	2,660,323
Other income	14,151	271,530	285,681
Net assets released from restrictions for scholarships and program activities	1,226,818	(1,226,818)	-
Net assets released from restrictions for general administration	58,887	(58,887)	-
Reclassifications	475,376	(475,376)	-
	<u>3,266,502</u>	<u>1,835,029</u>	<u>5,101,531</u>
Expenses:			
Program services:			
Scholarships and grants	606,886	-	606,886
Programs and instruction support	619,932	-	619,932
Materials donated to the College	214,615	-	214,615
	<u>1,441,433</u>	<u>-</u>	<u>1,441,433</u>
Supporting services:			
General administration	263,679	-	263,679
Donated services	507,249	-	507,249
	<u>770,928</u>	<u>-</u>	<u>770,928</u>
Total supporting services	<u>770,928</u>	<u>-</u>	<u>770,928</u>
Total expenses	<u>2,212,361</u>	<u>-</u>	<u>2,212,361</u>
Change in net assets	1,054,141	1,835,029	2,889,170
Net assets, January 1, 2019	<u>578,128</u>	<u>16,394,046</u>	<u>16,972,174</u>
Net assets, December 31, 2019	<u>\$ 1,632,269</u>	<u>\$ 18,229,075</u>	<u>\$ 19,861,344</u>

The accompanying notes are an integral part of this statement.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

1. Summary of Significant Accounting Policies

The Reporting Entity

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

The Clackamas Community College Foundation is a legally separate nonprofit 501(c)(3) corporation with the purpose of providing funds to support the mission and students of the College. Although the Foundation selects its Board of Directors independently of the College Board of Education, the Foundation is a component unit as defined in Governmental Accounting Standards Board Statement No. 39 because of the nature and significance of its financial relationship with the College and its students. Financial statements and notes for the Foundation follow the College basic financial statements in this report.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements -- and Management's Discussion and Analysis -- for Public Colleges and Universities*, issued in June and November, 1999, as amended by Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, issued in June 2011. The College follows the "business-type activities" reporting requirements of GASB Statement No. 35 that provides a comprehensive one-column look at the College's financial activities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting

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

Use of Estimates

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

Use of Restricted Resources

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

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

1. Summary of Significant Accounting Policies (Continued)

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

Cash, Cash Equivalents and Investments

Cash and cash equivalents includes amounts in demand deposits, the Oregon Local Government Investment Pool, and the Oregon Local Government Intermediate Fund, and short-term investments with original maturities of three months or less from the date of acquisition.

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

Receivables

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

Ad valorem property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are payable on November 15. Collection dates are November 15, February 15 and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Inventory

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

Capital Assets

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

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

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

1. **Summary of Significant Accounting Policies (Continued)**

Deferred Outflows of Resources and Deferred Inflows of Resources

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

Pensions

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

Early Retirement Program – The College offers a voluntary early retirement program to exempt, full time classified, and full time faculty employees who were hired prior to July 1, 2011, have completed twelve consecutive years of service with the College just prior to retirement, are not yet 65 years of age, and elect the option of early retirement. The College pays a monthly stipend for eligible retirees, which ceases after a maximum of 48 months or when the retiree reaches age 62. The stipend amount is fixed given the employee's hire date and salary grade at retirement.

Postemployment Healthcare Benefits Obligation

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

Early Retirement Program – For eligible early retirees described above, the College also contributes a set monthly amount toward health insurance premiums; the retiree pays any premium for their selected coverage which is in excess of the College contribution. The health insurance contribution ceases at age 65.

Compensated Absences

At June 30, vacation hours in excess of 224 for classified employees are lost. Vacation accrual ceases for exempt employees when the balance exceeds 384 hours. Unused vacation is payable at termination. Vacation pay is accrued when earned in the Statement of Net Position. The College has included the hourly pay rate and the related social security and pension obligations for all hours accrued at June 30. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvested accumulated rights to receive sick pay benefits.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

1. Summary of Significant Accounting Policies (Continued)

Long-term Debt

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

Operating and Non-operating Revenues and Expenses

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

Federal Financial Assistance Programs

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

Scholarship Allowances

Financial aid to students is reported in the basic financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid such as loans and funds provided to students as awarded by others is accounted for as a third party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the basic financial statements as operating expenses, or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Tuition and fees are shown net of scholarship allowances of \$3,262,784 for the year ended June 30, 2020. Under the alternative method, these amounts are computed by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third party aid.

Net Position

GASB Statement No. 63 reports equity as "Net Position" rather than "Net Assets". The net position balance of \$22,723,405 at June 30, 2020 includes \$56,004,288 invested in capital assets, \$473,375 of restricted net position, and a deficit unrestricted amount of (\$33,754,258).

Budget

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

The College budgets and accounts for all funds, including proprietary funds, using the current financial resources measurement focus and the modified accrual basis of accounting, consistent with Oregon local

CLACKAMAS COMMUNITY COLLEGE
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2020

1. Summary of Significant Accounting Policies (Continued)

budget law. In contrast, the basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Schedules comparing actual to budget on the budget basis are provided for all funds.

In 2017-18, the College began to use an integrated strategic planning process to drive its budget process in order to align its process with GFOA Best Practices in Community College Budgeting. Throughout the academic school year, department managers do assessments of their departments, external and internal data is compiled during summer, and then department plans and goals are created in fall based on that assessment and data analysis. Those department plans then feed into institutional priorities, which then generate prioritized resource requests through the budgeting process in winter. The college then establishes a budget committee. The budget committee receives and approves the budget in spring. Public notices of the budget committee meetings and the public hearing prior to adoption are published in accordance with Oregon local budget law. The Board of Education may amend the budget prior to adoption; however, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is adopted, appropriations are made and the tax levy is declared by the Board of Education no later than June 30.

Expenditures cannot legally exceed appropriations. The Board of Education can change the budget throughout the year by appropriation transfers and supplemental budgets as authorized by Oregon Revised Statutes. The budget basis financial schedules display the original adopted budget, and the final budget including all appropriation transfers and supplemental budgets. Management may amend line items in the budget without approval by the Board of Education as long as appropriation levels (the legal level of control) are not changed. The College's appropriations lapse at year end. The College had no outstanding encumbrances at June 30, 2020.

In 2019-20, the Externally Restricted Special Revenue Fund materials and services expenditures exceeded appropriations by \$721,531, and the Enterprise Fund materials and services expenditures exceeded appropriations by \$14,627.

2. Cash, Cash Equivalents and Investments

Cash (stated at cost) and investments (fair value) on June 30, 2020 included the following:

Cash on hand	\$	9,150
Deposits with financial institutions		614,871
Investments in Oregon Local Government Investment Pool		39,074,874
Investments in Oregon Local Government Intermediate Pool		7,887,340
Total cash and investments	<u>\$</u>	<u>47,586,235</u>

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

2. Cash, Cash Equivalents and Investments (continued)

Deposits with Financial Institutions

Deposits with financial institutions are bank demand deposits. According to the College's records, these accounts total \$614,871 on June 30, 2020. The bank statements reflect a balance of \$2,733,990 at year end. Of this amount, \$250,000 is covered by federal depository insurance.

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

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned. The College follows state law with respect to custodial credit risk and has not adopted a separate policy. Of the College's bank balance, \$2,483,990 was exposed to custodial credit risk at June 30, 2020 because deposits in excess of FDIC insurance were uncollateralized and/or were collateralized but not held by the third-party custodian bank in the College's name.

Investments

The College's investments at June 30, 2020 consisted of:

	Fair Value	Percent
Investment in Oregon Local Government		
Investment Pool	\$ 39,074,874	83.2%
Intermediate Fund	7,887,340	16.8%
Total Investments	\$ 46,962,214	100.0%

The Oregon Local Government Investment Pool (OLGIP) is part of the Oregon Short-Term Fund (Fund) that is approved for the investment of State of Oregon (State) funds. The Oregon Short-Term Fund is not registered with the U.S. Securities and Exchange Commission as an investment company. The Fund currently has no credit rating as assigned by the credit rating agencies. At June 30, 2020 the Fund's composite weighted average rating was equivalent to S&P's AA. Weighted average maturities of investments in the Oregon Short Term Fund at June 30, 2020 were: 59% mature within 93 days, 18% mature from 94 days to one year, and 23% mature from one to three years. Amounts in the Oregon Local Government Investment Pool are not required by law to be collateralized. The College's investment in the

2. Cash, Cash Equivalents and Investments (continued)

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

The Oregon Local Government Intermediate Fund (OLGIF) is a commingled investment pool for local governments offered by Oregon State Treasury (OST) due to Legislation HB2140 and pursuant to ORS Chapter 294. OLGIF provides qualified local government participants with a vehicle to invest assets over an intermediate time horizon (three to five years). Participants invest in OLGIF by purchasing units of the Fund. Units in OLGIF represent a divisible interest in the underlying assets of the Fund. The value of each participant's investment is determined on a proportional basis to the net market value of the entire portfolio. The value of OLGIF's underlying bond market investments are marked-to-market on a daily basis. The value of OLGIF's underlying holdings and the net asset value (NAV) of participant investments fluctuates due to market movements and changes in the underlying holdings. OLGIF is not registered with the U.S. Securities and Exchange Commission as an investment company. The Fund currently has no credit rating as assigned by the credit rating agencies. At June 30, 2020 the Fund's composite weighted average rating was equivalent to S&P's AA. The weighted-average maturity of the investments held by the Fund at June 30, 2020 was 2.72 years. Amounts in the OLGIF are not required by law to be collateralized.

The State's investment policies are governed by Oregon Revised Statutes and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. Investments in the Oregon Short-Term Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, with Council approval. Investments in the Oregon Local Government Intermediate Fund are further governed by portfolio guidelines approved by the Council.

As of June 30, 2020 and for the year then ended, the College was in compliance with State of Oregon statutes regarding types of investments. State statutes authorize the College to invest in certain types of investments as discussed in Note 1. The College has no investment policy that would further limit its investment choices.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

3. Capital Assets

Changes in capital assets during the year ended June 30, 2020 are as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 7,403,245	\$ -	\$ -	\$ 7,403,245
Construction in progress	30,058,587	17,758,148	(35,051,909)	12,764,826
Total capital assets not being depreciated	<u>37,461,832</u>	<u>17,758,148</u>	<u>(35,051,909)</u>	<u>20,168,071</u>
Capital assets being depreciated:				
Buildings & building improvements	131,570,831	35,051,909	-	166,622,740
Equipment	8,396,626	511,042	-	8,907,668
Library collection	2,065,788	55,811	(3,930)	2,117,669
Total capital assets being depreciated	<u>142,033,245</u>	<u>35,618,762</u>	<u>(3,930)</u>	<u>177,648,077</u>
Less accumulated depreciation for:				
Buildings & building improvements	36,604,626	3,555,422	-	40,160,048
Equipment	4,633,826	557,761	-	5,191,587
Library collection	1,573,360	99,138	(3,930)	1,668,568
Total accumulated depreciation	<u>42,811,812</u>	<u>4,212,321</u>	<u>(3,930)</u>	<u>47,020,203</u>
Total capital assets being depreciated, net	<u>99,221,433</u>	<u>31,406,441</u>	<u>-</u>	<u>130,627,874</u>
Total capital assets, net	<u>\$ 136,683,265</u>	<u>\$ 49,164,589</u>	<u>\$ (35,051,909)</u>	<u>\$ 150,795,945</u>

4. Long-Term Debt

On November 4, 2014, Clackamas Community College district voters approved a \$90 million bond measure to make capital improvements to expand and update equipment and facilities.

On June 2, 2015, the College issued General Obligation Bonds, Series A in the amount of \$16,605,000 and deferred interest General Obligation Bonds, Series B in the amount of \$28,391,012 (\$51,385,000 final maturity amount).

On June 14, 2017, the College issued deferred interest convertible General Obligation Bonds, Series A in the amount of \$24,752,901 (\$51,209,750 final maturity amount) and General Obligation Bonds, Series B in the amount of \$20,245,000.

General Obligation Bonds are direct obligations and pledge the full faith and credit of the College. Funds provided by these debt issues are used for the acquisition and construction of major capital facilities.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

4. Long-Term Debt (continued)

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

On June 28, 2005, the College issued an additional \$14,620,000 of limited tax pension obligation bonds to finance its portion of the UAL with PERS as of December 31, 2003. This issue was also considered an advance refunding of the College's UAL and resulted in an estimated present value savings of approximately \$4.8 million over the life of the bonds based on a true interest cost of 4.80%. The actual savings or loss realized by the College over the life of the Pension Obligation Bonds cannot be determined because of uncertainty regarding the ultimate investment earnings of the advance refunding relative to the amount of interest expense that will be paid on the bonds, the various legislative changes to PERS, and legal issues pending with PERS which could impact the College's future required contribution rate.

Changes in Long-Term Debt

The following shows long-term debt activity during the year. Interest rates were fixed at issuance; the rate range shows coupon rates on individual bonds and certificates. The interest paid column shows interest matured and paid during the year, a requirement of Oregon Administrative Regulation 162-010-0160. There was no matured interest due at July 1, 2019 or June 30, 2020.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

4. Long-Term Debt (Continued)

	Original Amount	Interest Rates	Principal					Due Within One Year	Interest Paid
			Balance July 1, 2019	Additions	Payments	Balance June 30, 2020			
General obligation bonds:									
2007 refunding of 2001	31,850,000	4.00-5.00%	\$ 4,945,000	\$ -	\$ 4,945,000	\$ -	\$ -	\$ 247,250	
2015A	16,605,000	2.00-5.00%	15,505,000	-	-	15,505,000	-	640,100	
2015B (Note A)	28,391,012	2.38-4.60%	33,132,375	1,297,609	-	34,429,984	3,007,959	-	
2017A (Note B)	24,752,901	5.00%	27,326,466	1,383,534	-	28,710,000	1,245,000	-	
2017B	20,245,000	2.00-5.00%	20,170,000	-	150,000	20,020,000	-	985,650	
Principal amount			101,078,841	2,681,143	5,095,000	98,664,984	4,252,959	1,873,000	
Plus unamortized premium			8,702,105	-	711,821	7,990,284	-	-	
Total GO bonds			109,780,946	2,681,143	5,806,821	106,655,268	4,252,959	1,873,000	
Pension bonds:									
2004	15,695,000	3.35-5.50%	11,395,000	-	855,000	10,540,000	965,000	626,445	
2005	14,620,000	4.64-4.83%	10,195,000	-	805,000	9,390,000	895,000	491,007	
Principal amount			21,590,000	-	1,660,000	19,930,000	1,860,000	1,117,452	
Less unamortized discount			(70,386)	7,819	-	(62,567)	-	-	
Total pension bonds			21,519,614	7,819	1,660,000	19,867,433	1,860,000	1,117,452	
Full faith & credit obligations:									
2009 refunding 1998 COPs	2,770,000	3.00-4.00%	-	-	-	-	-	-	
Plus unamortized premium			-	-	-	-	-	-	
Total FFCOs			-	-	-	-	-	-	
Compensated absences			1,318,970	1,562,331	1,099,708	1,781,593	1,781,593	-	
Obligations for postemployment healthcare benefits			11,623,131	1,081,835	-	12,704,966	-	-	
Pension transition liability			3,806,811	-	333,130	3,473,681	-	-	
Net pension liability			32,346,776	11,123,574	-	43,470,350	-	-	
Total noncurrent liabilities			\$ 180,396,248	\$ 16,456,702	\$ 8,899,659	\$ 187,953,291	\$ 7,894,552	\$ 2,990,452	

Notes

- A Additions to general obligation bonds include accreted interest of \$1,297,609
B Amount to general obligation bond 2017A includes accreted interest of \$1,383,534

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

4. Long-Term Debt (Continued)

Future maturities of long-term debt are as follows.

Year Ending June 30	General Obligation Bonds							
	2015A		2015B		2017A		2017B	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ -	\$ 640,100	\$ 3,007,959	\$ 72,041	\$ 1,245,000	\$ 1,435,500	\$ -	\$ 981,150
2022	-	640,100	3,042,410	162,590	1,420,000	1,373,250	-	981,150
2023	-	640,100	3,058,938	271,062	1,595,000	1,302,250	-	981,150
2024	3,455,000	640,100	-	-	1,785,000	1,222,500	-	981,150
2025	3,750,000	477,350	-	-	-	1,133,250	1,985,000	981,150
2026	4,010,000	354,850	-	-	-	1,133,250	-	901,750
2027	4,290,000	214,500	-	-	-	1,133,250	45,000	901,750
2028	-	-	3,385,582	1,269,418	-	1,133,250	95,000	899,500
2029	-	-	3,328,808	1,476,192	-	1,133,250	155,000	894,750
2030	-	-	3,263,644	1,701,356	-	1,133,250	210,000	887,000
2031	-	-	3,199,230	1,925,770	-	1,133,250	280,000	876,500
2032	-	-	3,130,463	2,159,537	-	1,133,250	350,000	862,500
2033	-	-	3,068,270	2,396,730	-	1,133,250	425,000	845,000
2034	-	-	3,000,085	2,639,915	-	1,133,250	505,000	823,750
2035	-	-	2,944,595	2,880,405	-	1,133,250	590,000	798,500
2036	-	-	-	-	-	1,133,250	6,395,000	769,000
2037	-	-	-	-	-	1,133,250	6,965,000	449,250
2038	-	-	-	-	5,550,000	1,133,250	2,020,000	101,000
2039	-	-	-	-	8,215,000	855,750	-	-
2040	-	-	-	-	8,900,000	445,000	-	-
Total	\$15,505,000	\$ 3,607,100	\$ 34,429,984	\$ 16,955,016	\$ 28,710,000	\$ 22,499,750	\$20,020,000	\$ 14,916,000

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

4. Long-Term Debt (Continued)

Year Ending June 30	Pension Bonds			
	2004		2005	
	Principal	Interest	Principal	Interest
2021	\$ 965,000	\$ 579,933	\$ 895,000	\$ 453,631
2022	1,080,000	527,436	990,000	410,393
2023	1,210,000	468,685	1,095,000	362,567
2024	1,345,000	402,860	1,205,000	309,667
2025	1,495,000	328,482	1,325,000	251,454
2026	1,655,000	245,808	1,450,000	187,443
2027	1,825,000	154,287	1,590,000	117,393
2028	965,000	53,364	840,000	40,580
Total	\$10,540,000	\$ 2,760,855	\$ 9,390,000	\$ 2,133,128

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

5. Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the College carries commercial insurance. Insurance coverage is reviewed by the College each year, and there have been no reductions in insurance coverage from the prior year. After customary deductibles, there have been no settlements paid by the College in excess of amounts covered by insurance for the last three years.

6. Pension Plans

Public Employees Retirement System

Plan Description

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

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

Benefits provided

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

Pension Benefits

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

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

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

6. Pension Plans (Continued)

Public Employees Retirement System (continued)

Death Benefits

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

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

Disability Benefits

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

Benefit Changes After Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

B. OPSRP Pension Program (OPSRP DB)

Pension Benefits

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

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

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

6. Pension Plans (continued)

Public Employees Retirement System (continued)

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

C. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

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

Death Benefits

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

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

6. Pension Plans (continued)

Public Employees Retirement System (continued)

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. 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, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2020 were \$4,153,930, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2020 were 18.09 percent for Tier One/Tier Two General Service Members and 12.06 percent for OPSRP Pension Program General Service Members, net of 9.86 percent of side account rate relief. An additional 6 percent contribution is required for the OPSRP Individual Account Program.

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

At June 30, 2020, the College reported a liability of \$42,371,796 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities actuarially determined. PERS has established side accounts for employers that made lump sum payments to the plan in excess of their actuarially required contributions. Since different contribution rates are assessed to employers based on the value of the side accounts, the side account values were reflected separately in the proportionate share calculation. On June 30, 2019, the College's proportion was 0.27428448%.

For the year ended June 30, 2020, the College recognized pension expense of approximately \$12.8 million. At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,616,432	\$ -
Changes in assumptions	6,436,406	-
Net difference between projected and actual earnings on investments	-	1,345,007
Changes in proportionate share	2,590,243	349,206
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	2,976,460
College's contributions subsequent to the measurement date	4,153,930	-
Deferred outflows/inflows at June 30, 2020	\$ 15,797,011	\$ 4,670,673

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

6. Pension Plans (continued)

Public Employees Retirement System (continued)

Contributions subsequent to the measurement date of \$4,153,930 reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other deferred outflows of resources totaling \$11,643,081 less deferred inflows of resources of \$4,670,673 related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ 4,016,402
2022	225,209
2023	1,308,534
2024	1,297,455
2025	124,808
Total	\$ 6,972,408

Actuarial assumptions

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

CLACKAMAS COMMUNITY COLLEGE
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2020

6. Pension Plans (continued)

Public Employees Retirement System (continued)

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	December 31, 2017 rolled forward to June 30, 2019
Experience study report	2016, published July 2017
Actuarial cost method	Entry age normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period. Tier One / Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset valuation method	Fair value of assets
Actuarial assumptions:	
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

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

Long-term expected rate of return

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

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

6. Pension Plans (continued)

Public Employees Retirement System (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.12%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equities	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event Driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Total	<u>100.00%</u>	
Assumed inflation - mean		2.50%

Discount rate

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

CLACKAMAS COMMUNITY COLLEGE
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2020

6. Pension Plans (continued)

Public Employees Retirement System (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 7.20%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease 6.20%	Discount Rate 7.20%	1% Increase 8.20%
College's proportionate share of the net pension liability	\$ 70,905,596	\$ 42,371,796	\$ 18,492,850

Changes of assumptions

The Public Employees Retirement Board lowered the discount rate and the assumed investment rate of return from 7.5% to 7.2% effective January 1, 2018.

Pension plan fiduciary net position

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

Transition Liability

The College reports a separate liability to the plan with a balance of \$3,473,681 at June 30, 2020. The liability represents the College's allocated share of the pre-SLGRP pooled liability. The College is being assessed an employer contribution rate of 1.71 percent of covered payroll for payment of this transition liability.

Early Retirement Plan:

Plan Description

The College maintains a single-employer defined benefit early retirement supplement plan. The plan covers exempt, full time classified, and full time faculty employees who were hired prior to July 1, 2011, have completed twelve consecutive years of service with the College just prior to retirement, are not yet 65 years of age, and elect the option of early retirement. The College pays a monthly stipend for eligible retirees, which ceases after a maximum of 48 months or when the retiree reaches age 62. The stipend amount is fixed given the employee's hire date and salary grade at retirement. The College Board of Education authorizes the plan and may change the benefits, in conjunction with collective bargaining. The College does not issue a stand-alone report for this plan.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

6. Pension Plans (continued)

Early Retirement Plan (continued)

Employees covered by benefit terms

The following employees were covered by the benefit terms:

	Classified	Confidential	Exempt	Faculty	Total
Active employees	195	10	46	133	384
Inactive employees	23	2	10	24	59
Total	<u>218</u>	<u>12</u>	<u>56</u>	<u>157</u>	<u>443</u>

Contributions and Funding

The plan is currently unfunded as defined by current GASB standards. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 73. The benefits from this program are fully paid by the College and, consequently, no contributions by employees are required. Benefits are paid when due. There are no administrative costs attributable to the plan and the plan's activities are reported in the financial statements. For the year ended June 30, 2020, changes in the pension liability are as follows:

Total pension liability - July 1, 2019	\$ 1,113,517
Service cost	38,494
Interest on total pension liability	37,910
Changes of assumptions or other input	46,388
Benefit payments	<u>(137,755)</u>
Total pension liability - June 30, 2020	<u>\$ 1,098,554</u>

For the year ended June 30, 2020, the College recognized pension expense of \$146,285. At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 168,132	\$ -
Changes in assumptions	34,791	51,562
Deferred outflows/inflows at June 30, 2020	<u>\$ 202,923</u>	<u>\$ 51,562</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ 69,881
2022	69,883
2023	11,597
2024	-
2025	-
Total	<u>\$ 151,361</u>

CLACKAMAS COMMUNITY COLLEGE
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2020

6. Pension Plans (continued)

Actuarial Valuation

The actuarial information is from a valuation dated July 1, 2018 rolled forward to June 30, 2020. The actuarial funding method used to determine the plan cost is the entry age normal cost method. Under this method, the actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level percentage of pay basis over the service of the active employee between assumed entry age (date of hire) and assumed exit age(s). The portion of this actuarial present value allocated to the valuation year is called the normal cost for that active employee. The sum of these individual normal costs is the plan's normal cost for the valuation year. The actuarial assumptions included (a) a discount rate of 2.25%, (b) an assumed inflation rate of 2.5% for all future years, and (c) 3.5% salary increases per annum for all employees.

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

The following presents the total pension liability calculated using the discount rate of 2.25%, as well as what the total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	1% Decrease 1.25%	Discount Rate 2.25%	1% Increase 3.25%
Total Pension Liability - 6/30/2020	\$ 1,134,371	\$ 1,098,554	\$ 1,061,538

Changes of assumptions

In the latest actuarial valuation used to determine the total pension liability as of June 30, 2019, the discount rate was reduced from 3.75% to 3.5% and the projected salary increases per annum was increased from 2.5% to 3.5%. In an update to that valuation used to determine the total pension liability as of June 30, 2020, the discount rate was reduced from 3.5% to 2.25%.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

7. Postemployment Healthcare Benefits

Public Employees Retirement System

Plan Description

The College contributes to an OPEB plan administered by the Oregon Public Employees Retirement System (PERS). The Retiree Health Insurance Account (RHIA) is a cost-sharing multiple-employer defined benefit plan established under Oregon Revised Statute 238.420, which grants the authority to manage the plan to the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Benefits Provided

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

Contributions

PERS funding policy provides for monthly employer contributions at an actuarially determined rate. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2020 were \$19,161. The rates in effect for the fiscal year ended June 30, 2020 were 0.06 percent for Tier One/Tier Two General Service Members and 0.00 percent for OPSRP Pension Program General Service Members. Employees are not required to contribute to the RHIA Program.

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

At June 30, 2020, the College reported an asset of \$561,971 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The College's proportion of the net OPEB asset was based on a projection of the College's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities actuarially determined. On June 30, 2019, the College's proportion was 0.29082118%.

For the year ended June 30, 2020, the College recognized OPEB expense of approximately (\$75) thousand. At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

7. Postemployment Healthcare Benefits (continued)

Public Employees Retirement System (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 74,107
Changes in assumptions	-	582
Net difference between projected and actual earnings on investments	-	34,687
Changes in proportionate share	6	3,774
Contributions subsequent to the measurement date	19,161	-
Deferred outflows/inflows at June 30, 2020	\$ 19,167	\$ 113,150

Contributions subsequent to the measurement date of \$19,161 reported as deferred outflows of resources will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other deferred outflows of resources totaling \$6 less deferred inflows of resources of \$113,150 related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2021	\$ (58,272)
2022	(51,890)
2023	(6,555)
2024	3,573
2025	-
Total	\$ (113,144)

Actuarial assumptions

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. This method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

The total OPEB asset in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

CLACKAMAS COMMUNITY COLLEGE
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2020

7. Postemployment Healthcare Benefits (continued)

Public Employees Retirement System (continued)

Valuation Date	December 31, 2017 rolled forward to June 30, 2019
Experience Study Report	2016, published July 2017
Actuarial Cost Method	Entry age normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed 10-year period
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Investment Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent overall payroll growth
Retiree Healthcare Participation	Healthy retirees 35%; Disabled retirees 20%
Healthcare Cost Trend Rate	Not applicable
Mortality	<p>Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

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

Long-term expected rate of return

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

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

7. Postemployment Healthcare Benefits (continued)

Public Employees Retirement System (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.12%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equities	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event Driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Total	<u>100.00%</u>	
Assumed inflation - mean		2.50%

Discount rate

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

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

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

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

7. Postemployment Healthcare Benefits (continued)

Public Employees Retirement System (continued)

	1% Decrease 6.20%	Discount Rate 7.20%	1% Increase 8.20%
College's proportionate share of the net OPEB liability (asset)	\$ (435,673)	\$ (561,971)	\$ (669,587)

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

Changes of assumptions

The Public Employees Retirement Board lowered the discount rate and the assumed investment rate of return from 7.5% to 7.2% effective January 1, 2018.

OPEB plan fiduciary net position

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

Early Retirement Plan

Plan Description

The College maintains a single-employer defined benefit postemployment healthcare benefits plan. For exempt, full time classified, and full time faculty employees who were hired prior to July 1, 2011, have completed twelve consecutive years of service with the College just prior to retirement, are not yet 65 years of age, and elect the option of early retirement, the College provides an explicit benefit consisting of a contribution of a set monthly amount toward health insurance premiums; the retiree pays any premium for their selected coverage which is in excess of the College contribution. The health insurance contribution ceases at age 65. Additionally, the College makes the same healthcare benefit plans offered to current employees available to retirees and their dependents (regardless of eligibility for the explicit benefits described above) until such time as the retirees are eligible for Medicare. Although the College does not pay any portion of the plan premiums for retirees not eligible for the explicit benefit, there is an implicit benefit because a) the greater claims associated with retirees are reflected in the plan rates and b) those who opt to be covered by the College plans pay lesser premiums than they would had they bought coverage elsewhere. The College Board of Education authorizes the plan and may change the benefits, in conjunction with collective bargaining. The College does not issue a stand-alone report for this plan.

Employees covered by benefit terms

The following employees were covered by the benefit terms:

	Classified	Confidential	Exempt	Faculty	Total
Active employees	195	10	46	133	384
Inactive employees	23	2	10	24	59
Total	218	12	56	157	443

CLACKAMAS COMMUNITY COLLEGE
 NOTES TO BASIC FINANCIAL STATEMENTS
 Year Ended June 30, 2020

7. Postemployment Healthcare Benefits (continued)

Early Retirement Plan (continued)

Contributions and Funding

The plan is currently unfunded as defined by current GASB standards. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. The benefits from this program are fully paid by the College and consequently, no contributions by employees are required. Benefits are paid when due. There are no administrative costs attributable to the plan and the plan's activities are reported in the financial statements. For the year ended June 30, 2020, changes in the postemployment healthcare benefits liability are as follows:

Total OPEB liability - July 1, 2019	\$11,623,131
Service cost	463,321
Interest on total OPEB liability	526,022
Changes of assumptions or other input	886,661
Benefit payments	<u>(794,169)</u>
Total OPEB liability - June 30, 2020	<u>\$12,704,966</u>

For the year ended June 30, 2020, the College recognized postemployment healthcare benefits liability expense of \$1,424,730. At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,075,048	\$ -
Changes in assumptions	759,995	531,448
Deferred outflows/inflows at June 30, 2020	<u>\$ 2,835,043</u>	<u>\$ 531,448</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2021	\$ 435,387
2022	435,387
2023	435,387
2024	435,387
2025	435,387
Thereafter	126,665
Total	<u>\$ 2,303,600</u>

Actuarial Valuation

The actuarial information is from a valuation dated July 1, 2018 rolled forward to June 30, 2020. The actuarial funding method used to determine the plan cost is the entry age normal cost method. Under this method, the actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level percentage of pay basis over the service of the active employee between assumed entry age (date of hire) and assumed exit age(s). The portion of this actuarial present value

CLACKAMAS COMMUNITY COLLEGE
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

7. Postemployment Healthcare Benefits (continued)

Early Retirement Plan (continued)

allocated to the valuation year is called the normal cost for that active employee. The sum of these individual normal costs is the plan's normal cost for the valuation year. The actuarial assumptions included (a) a discount rate of 2.25%, (b) an assumed inflation rate of 2.5% for all future years, (c) 3.5% salary increases per annum for all employees, and (d) a healthcare cost trend rate of 6.5% graded down to 5.0%.

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

The following presents the total OPEB liability calculated using the discount rate of 2.25%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	1% Decrease 1.25%	Discount Rate 2.25%	1% Increase 3.25%
Total OPEB Liability - 6/30/2020	\$ 13,305,383	\$ 12,704,966	\$ 11,873,409

The following presents the total OPEB liability calculated using the healthcare cost trend rate of 6.50% graded down to 5.00%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (5.50% graded down to 4.00%) or 1-percentage-point higher (7.50% graded down to 6.00%) than the current rate:

	1% Decrease (5.50% Graded Down to 4.00%)	Healthcare Cost Trend Rate (6.50% Graded Down to 5.00%)	1% Increase (7.50% Graded Down to 6.00%)
Total OPEB Liability - 6/30/2020	\$ 11,425,238	\$ 12,704,966	\$ 13,887,686

Changes of assumptions

In the latest actuarial valuation used to determine the total OPEB liability as of June 30, 2019, the discount rate was reduced from 3.75% to 3.5% and the projected salary increases per annum was increased from 2.5% to 3.5%. In an update to that valuation used to determine the total OPEB liability as of June 30, 2020, the discount rate was reduced from 3.5% to 2.25%.

8. Contingencies

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

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

9. Commitments

The College has approximately \$16.3 million in on-going construction commitments as of June 30, 2020. This total consists of construction contracts based on guaranteed maximum amounts with the one construction manager/general contractor currently working on construction and renovation projects at the Oregon City campus.

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CLACKAMAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

Basis of Accounting

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

Basis of Financial Statement Presentation

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

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Policy for Endowed Funds

The accounting procedure for endowed funds conforms to the Foundation’s policy for endowed funds. Endowment gifts (corpus) are recorded as donor-restricted funds to be maintained in perpetuity and investment earnings are recorded as funds which are temporarily restricted.

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd)

Use of Estimates

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

Investment Policy/Endowment Spending Policy

The Foundation has an “Investment Policy” for managing its investments and establishing its endowment spending policy.

Underlying the Foundation’s investment objectives for endowment funds is its desire to maintain the purchasing power of endowment income and the protection of the real value of endowment principal in perpetuity. The goal is to provide a stable source of perpetual financial support.

The investment objective for non-endowed/operating funds is to minimize risk of loss so that current operating resources are not subject to significant declines. The funds will be invested in the short-term investment portfolio that has preservation of capital and liquidity as the primary investment objectives.

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

1. Developing and managing the asset allocation(s) of the Foundation’s assets;
2. Measuring and assessing the Foundation’s investment portfolio performance; and
3. Matching liquidity needs of the Foundation with investment selections across the entire portfolio.

The Foundation follows an endowment spending policy that allows for up to seven percent (7.0%) based on the average of total assets over the prior twelve (12) quarters, valued as of December 31, each year. The Foundation used 7.0% as its spending guideline during 2019. On an annual basis, the Foundation Board of Directors may determine the allocation within the spending amount, deciding the percent to be used for the purpose specified by the endowments, as well as for any non-investment related administrative costs.

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

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd)

Cash and Cash Equivalents

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

Investments

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

Contributions

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

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

Donated Services

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

Donated Materials

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

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Contd)

Deferred Revenue

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

Derivative Instruments

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

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

Functional Allocation of Expenses

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

Income Taxes

The Foundation is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is exempt from Oregon excise taxes under applicable state law. The Foundation's tax returns for years prior to 2016 are generally no longer subject to examination by taxing authorities.

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

2. AVAILABILITY AND LIQUIDITY

Financial assets at December 31, 2019 available to meet general expenditures, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

Financial assets at year end:	
Cash and cash equivalents	\$ 258,654
Unconditional promises to give	35,453
Investments	<u>19,645,054</u>
 Total financial assets	 <u>19,939,161</u>
 Less donor-restricted amounts not available for general expenditures within one year:	
Endowment funds restricted in perpetuity	13,019,306
Endowment accounts restricted for scholarships and program activities net of \$143,791 available for administrative costs	3,424,415
Non-endowment accounts restricted for scholarships and program activities	<u>1,641,563</u>
 Total donor-restricted amounts	 <u>18,085,284</u>
 Financial assets available to meet general expenditures over the next year	 <u><u>\$ 1,853,877</u></u>

Endowment funds consist of donor-restricted endowments. Donor-restricted endowment funds received are restricted in perpetuity and are not available for general expenditures. Investment earnings from donor-restricted endowments are restricted for specific purposes, primarily scholarships and program activities.

The Foundation follows an endowment spending policy that allows for up to seven percent (7.0%) based on the average of total assets over the prior twelve (12) quarters, valued as of December 31, each year. The Foundation used 7.0% as its spending guideline during 2019. On an annual basis, the Foundation Board of Directors may determine the allocation within the spending amount, deciding the percent to be used for the purpose specified by the endowments, as well as for any non-investment related administrative costs. The Foundation used 6.0% for scholarships and 1.0% for administrative costs during 2019.

As part of its liquidity management plan, the Foundation invests cash in excess of daily requirements in readily available money market funds.

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at December 31, 2019:

Cash on hand	\$ 1,450
Deposits with financial institution	<u>257,204</u>
Total cash and cash equivalents	<u>\$ 258,654</u>

The Foundation maintains a checking account and a money market account at a financial institution insured by the National Credit Union Share Insurance Fund (NCUSIF). Amounts on deposit sometimes exceed NCUSIF coverage. At December 31, 2019, the amount shown on deposit by the financial institution was \$342,916 which exceeds NCUSIF coverage by \$92,916.

4. UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give consist of the following at December 31, 2019:

Due within one year	\$ 23,526
Due within two years	12,480
Due within three years	<u>2,000</u>
Total unconditional promises to give	38,006
Less discount to net present value	<u>(2,553)</u>
Net unconditional promises to give	<u>\$ 35,453</u>

5. INVESTMENTS

Investments are stated at fair value and consist of the following at December 31, 2019:

Cash and money market funds	\$ 8,259
Equity mutual funds	12,837,185
Debt mutual funds	4,630,262
Hedge funds	<u>2,169,348</u>
Total investments	<u>\$ 19,645,054</u>

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

5. INVESTMENTS (Contd)

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

	Without Donor Restrictions	With Donor Restrictions	Total
Realized investment earnings	\$ 77,009	\$ 279,405	\$ 356,414
Net unrealized gains on investments	528,741	2,131,582	2,660,323
Total	\$ 605,750	\$ 2,410,987	\$ 3,016,737

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

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2019:

Subject to expenditure for specified purposes:

Endowment accounts:

Restricted for scholarships and program activities	\$ 3,568,206
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Non-endowment accounts:

Restricted for scholarships and program activities	1,641,563
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Sub-total	5,209,769
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Endowment funds restricted in perpetuity	13,019,306
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Total	\$ 18,229,075
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During the year ended December 31, 2019, \$1,285,705 was released from restricted net assets because purpose restrictions were satisfied.

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

7. ENDOWMENT FUNDS

Endowment funds activity during the year ended December 31, 2019 was as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment funds, January 1, 2019	\$ 1,573,671	\$ 13,097,161	\$ 14,670,832
Contributions	-	307,952	307,952
Realized investment earnings	279,405	-	279,405
Net unrealized gains on investments	2,131,582	-	2,131,582
Title III endowments released from restrictions based on fulfilling 20 year passage of time stipulation	(162,956)	(357,510)	(520,466)
Title III endowments reclassified within restrictions based on fulfilling 20 year passage of time stipulation	28,527	(28,527)	-
Endowments released from restrictions for scholarships and program activities	(239,724)	-	(239,724)
Endowments released from restrictions for administration fees	(42,299)	-	(42,299)
Reclassifications	-	230	230
Endowment funds, December 31, 2019	<u>\$ 3,568,206</u>	<u>\$ 13,019,306</u>	<u>\$ 16,587,512</u>

8. FAIR VALUE MEASUREMENTS

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

Level 1 - Quoted prices in active markets for identical securities

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

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

CLACKAMAS COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2019

8. FAIR VALUE MEASUREMENTS (Contd)

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

The Foundation's investments at December 31, 2019 consist of \$8,259 in cash and money market funds, \$12,837,185 in equity mutual funds, \$4,630,262 in debt mutual funds and \$2,169,348 in hedge funds.

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

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

The hedge fund investments are classified as Level 3. Changes in Level 3 hedge fund investments during 2019 were as follows:

Balance, January 1, 2019	\$ 2,075,073
Net unrealized gains on investments	<u>94,275</u>
Balance, December 31, 2019	<u><u>\$ 2,169,348</u></u>

The Foundation's investments in the hedge funds may be redeemed quarterly with advance notice.

9. SUBSEQUENT EVENTS

The Foundation evaluated subsequent events for potential required disclosure through March 26, 2020, which is the date the financial statements were available to be issued.

The Foundation's investments are diversified in a variety of equity mutual funds, debt mutual funds and hedge funds. However, the Foundation's investments are subject to market fluctuations which could dramatically affect the fair value of these assets. The fair value of the Foundation's investments decreased significantly subsequent to the Foundation's December 31, 2019 year-end.

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CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM PENSION PLAN
For the last seven fiscal years

Fiscal Year Ended June 30	(a) College's proportion of the net pension liability (asset)	(b) College's proportionate share of the net pension liability (asset)	(c) College's covered payroll	(b/c) College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.2743%	\$ 42,371,796	\$ 31,917,105	132.76%	80.23%
2019	0.2580%	31,233,259	30,274,251	103.17%	82.07%
2018	0.2594%	27,517,204	28,121,331	97.85%	83.12%
2017	0.2592%	31,767,660	26,252,668	121.01%	80.53%
2016	0.2538%	5,964,232	25,138,162	23.73%	91.88%
2015	0.2879%	(16,207,218)	23,690,248	-68.41%	103.60%
2014	0.2879%	5,933,351	23,690,248	25.05%	91.97%

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

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

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM PENSION PLAN
For the last seven fiscal years

Fiscal Year Ended June 30	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) College's covered payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 4,153,930	\$ 4,153,930	-	\$ 33,895,258	12.26%
2019	2,763,315	2,763,315	-	31,917,105	8.66%
2018	2,577,372	2,577,372	-	30,274,251	8.51%
2017	1,469,874	1,469,874	-	28,121,331	5.23%
2016	1,616,475	1,616,475	-	26,252,668	6.16%
2015	1,996,578	1,996,578	-	25,138,162	7.94%
2014	1,636,396	1,636,396	-	23,690,248	6.91%

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

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

CLACKAMAS COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM PENSION PLAN
Year Ended June 30, 2020

Changes in Plan Provisions

Key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which was published on September 18, 2013 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2014/GASB-Disclosure-Information.pdf> and in a letter from the plan's actuary dated May 23, 2016 which can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2015/Letter-From-Actuary-5-23-16.pdf>

Changes in Assumptions

Key changes in assumptions for the December 31, 2012 and 2013 valuations are described in the Oregon Public Employees Retirement System's 2012 Experience Study (Updated) which was published on September 18, 2013 and can be found at:

<https://www.oregon.gov/PERS/Documents/Financials/Actuarial/2013/Experience-Study-Updated.pdf>

Key changes in assumptions for the December 31, 2014 and 2015 valuations are described in the Oregon Public Employees Retirement System's 2014 Experience Study which was published on September 23, 2015 and can be found at:

<https://www.oregon.gov/PERS/Documents/Financials/Actuarial/2015/Experience-Study.pdf>

Key changes in assumptions for the December 31, 2016 and 2017 valuations are the reduction of the discount rate and the assumed investment rate of return from 7.5% to 7.2%.

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF CHANGES IN THE COLLEGE'S TOTAL PENSION LIABILITY AND RELATED RATIOS
EARLY RETIREMENT PLAN
For the last four fiscal years

	Fiscal Year Ended			
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total pension liability				
Service cost	\$ 38,494	\$ 30,060	\$ 29,327	\$ 29,327
Interest on total pension liability	37,910	28,252	30,289	32,009
Change in benefit terms	-	175,355	-	-
Differences between expected and actual experience	-	336,264	-	-
Changes of assumptions or other input	46,388	(103,126)	-	-
Benefit payments	(137,755)	(153,223)	(105,425)	(108,983)
Net change in total pension liability	(14,963)	313,582	(45,809)	(47,647)
Total pension liability - beginning	1,113,517	799,935	845,744	893,391
Total pension liability - ending (a)	<u>\$ 1,098,554</u>	<u>\$ 1,113,517</u>	<u>\$ 799,935</u>	<u>\$ 845,744</u>
Covered-employee payroll	\$ 14,150,676	\$ 14,646,594	\$ 14,141,290	\$ 13,796,380
Total pension liability - ending as a percentage of covered-employee payroll	7.76%	7.60%	5.66%	6.13%

Notes to Schedule:

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

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 73.

Changes of assumptions: In the actuarial valuation used to determine the total pension liability as of June 30, 2019, the discount rate was reduced from 3.75% to 3.5% and the projected salary increases per annum was increased from 2.5% to 3.5%. In an update to that valuation used to determine the total pension liability as of June 30, 2020, the discount rate was reduced from 3.5% to 2.25%.

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM OPEB PLAN
For the last four fiscal years

Fiscal Year Ended June 30	(a) College's proportion of the net OPEB liability (asset)	(b) College's proportionate share of the net OPEB liability (asset)	(c) College's covered payroll	(b/c) College's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2020	0.2908%	\$ (561,971)	\$ 31,917,105	-1.76%	144.38%
2019	0.2855%	(318,741)	30,274,251	-1.05%	123.99%
2018	0.2756%	(115,001)	28,121,331	-0.41%	108.89%
2017	0.2755%	74,807	26,252,668	0.28%	93.84%

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

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

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM OPEB PLAN
For the last four fiscal years

Fiscal Year Ended June 30	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) College's covered payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 19,161	\$ 19,161	-	\$ 33,895,258	0.06%
2019	144,137	144,137	-	31,917,105	0.45%
2018	138,260	138,260	-	30,274,251	0.46%
2017	133,916	133,916	-	28,121,331	0.48%

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

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

CLACKAMAS COMMUNITY COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM OPEB PLAN
Year Ended June 30, 2020

Changes in Plan Provisions

Key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which was published on September 18, 2013 and can be found at:

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<https://www.oregon.gov/pers/EMP/Documents/GASB/2015/Letter-From-Actuary-5-23-16.pdf>

Changes in Assumptions

Key changes in assumptions for the December 31, 2012 and 2013 valuations are described in the Oregon Public Employees Retirement System's 2012 Experience Study (Updated) which was published on September 18, 2013 and can be found at:

<https://www.oregon.gov/PERS/Documents/Financials/Actuarial/2013/Experience-Study-Updated.pdf>

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Key changes in assumptions for the December 31, 2016 and 2017 valuations are the reduction of the discount rate and the assumed investment rate of return from 7.5% to 7.2%.

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF CHANGES IN THE COLLEGE'S TOTAL OPEB LIABILITY AND RELATED RATIOS
EARLY RETIREMENT PLAN
for the last four fiscal years

	Fiscal Year Ended			
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability				
Service cost	\$ 463,321	\$ 333,675	\$ 325,537	\$ 325,537
Interest on total OPEB liability	526,022	356,592	355,823	361,228
Differences between expected and actual experience	-	2,905,068		
Changes of assumptions or other input	886,661	(744,026)		
Benefit payments	(794,169)	(807,234)	(856,298)	(805,482)
Net change in total OPEB liability	1,081,835	2,044,075	(174,938)	(118,717)
Total OPEB liability - beginning	11,623,131	9,579,056	9,753,994	9,872,711
Total OPEB liability - ending (a)	<u>\$ 12,704,966</u>	<u>\$ 11,623,131</u>	<u>\$ 9,579,056</u>	<u>\$ 9,753,994</u>
Covered-employee payroll	\$ 27,529,111	\$ 26,598,175	\$ 25,641,755	\$ 25,016,346
Total OPEB liability - ending as a percentage of covered-employee payroll	46.15%	43.70%	37.36%	38.99%

Notes to Schedule:

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

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

Changes of assumptions: In the actuarial valuation used to determine the total OPEB liability as of June 30, 2019, the discount rate was reduced from 3.75% to 3.5% and the projected salary increases per annum was increased from 2.5% to 3.5%. In an update to that valuation used to determine the total OPEB liability as of June 30, 2020, the discount rate was reduced from 3.5% to 2.25%.

OTHER SUPPLEMENTARY INFORMATION

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

CLACKAMAS COMMUNITY COLLEGE
FUND DESCRIPTIONS
Year Ended June 30, 2020

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

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

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

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

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

Staff Computer Replacement Fund	Purchase current computers for staff use.
Equipment Replacement Fund	Purchase instructional and other equipment.
Major Maintenance Fund	Major repairs, remodeling, and preventative maintenance of buildings and infrastructure.
Capital Projects (Bond) Fund	Construct buildings, modernize classrooms and equipment, and perform deferred maintenance and infrastructure projects.

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

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

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Revenue from state sources				
State appropriation	\$ 19,041,635	\$ 19,041,635	\$ 19,212,671	\$ 171,036
Revenue from local sources				
Property taxes	20,325,715	20,325,715	20,412,061	86,346
Tuition	14,239,157	14,239,157	13,371,421	(867,736)
Fees	1,387,894	1,387,894	1,116,765	(271,129)
Local grants and contracts	462,081	462,081	474,215	12,134
Interest Income	-	-	1,206,772	1,206,772
Other local revenue	1,039,221	1,039,221	220,620	(818,601)
Revenue from federal sources				
Other federal revenue	-	-	862,463	862,463
Total revenue	<u>56,495,703</u>	<u>56,495,703</u>	<u>56,876,988</u>	<u>381,285</u>
EXPENDITURES				
Personnel services	48,652,713	48,565,913	48,295,657	270,256
Materials and services	8,665,264	8,766,361	7,305,720	1,460,641
Capital outlay	120,000	120,000	61,011	58,989
Total expenditures	<u>57,437,977</u>	<u>57,452,274</u>	<u>55,662,388</u>	<u>1,789,886</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(942,274)</u>	<u>(956,571)</u>	<u>1,214,600</u>	<u>2,171,171</u>
OTHER FINANCING SOURCES (USES)				
Transfers in from other funds	150,000	150,000	150,000	-
Transfers (out to) other funds	(1,835,600)	(1,835,600)	(1,835,600)	-
Proceeds from sale of capital assets	-	-	13,096	13,096
Total other financing sources (uses)	<u>(1,685,600)</u>	<u>(1,685,600)</u>	<u>(1,672,504)</u>	<u>13,096</u>
Excess (deficiency) of revenue and other sources (uses) over (under) expenditures	<u>(2,627,874)</u>	<u>(2,642,171)</u>	<u>(457,904)</u>	<u>2,184,267</u>
FUND BALANCE				
Beginning fund balance	<u>8,057,000</u>	<u>9,020,700</u>	<u>9,020,700</u>	<u>-</u>
Ending fund balance	<u>\$ 5,429,126</u>	<u>\$ 6,378,529</u>	<u>\$ 8,562,796</u>	<u>\$ 2,184,267</u>

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CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - UNRESTRICTED OPERATIONS
Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Fee Fund
REVENUE			
Revenue from local sources			
Fees	\$ 3,086,431	\$ 3,086,431	\$ 2,960,568
Sales of goods and services	52,000	52,000	27,362
Local grants and contracts	375,000	375,000	519,480
Other local revenue	4,000	4,000	17,680
Total revenue	<u>3,517,431</u>	<u>3,517,431</u>	<u>3,525,090</u>
EXPENDITURES			
Personnel services	3,123,868	3,136,943	2,694,503
Materials and services	1,661,013	1,527,790	796,924
Capital outlay	5,000	55,000	51,008
Total expenditures	<u>4,789,881</u>	<u>4,719,733</u>	<u>3,542,435</u>
Excess (deficiency) of revenue over (under) expenditures	(1,272,450)	(1,202,302)	(17,345)
OTHER FINANCING SOURCES (USES)			
Transfers in from other funds	250,000	266,075	16,074
Excess (deficiency) of revenue and other sources (uses) over (under) expenditures	(1,022,450)	(936,227)	(1,271)
FUND BALANCE			
Beginning fund balance	<u>2,791,351</u>	<u>3,164,364</u>	<u>2,585,586</u>
Ending fund balance	<u>\$ 1,768,901</u>	<u>\$ 2,228,137</u>	<u>\$ 2,584,315</u>

Actual (continued)		
Innovation Fund	Total Actual	Variance Favorable (Unfavorable)
\$ -	\$ 2,960,568	\$ (125,863)
-	27,362	(24,638)
-	519,480	144,480
-	17,680	13,680
-	3,525,090	7,659
18,625	2,713,128	423,815
96,644	893,568	634,222
-	51,008	3,992
115,269	3,657,704	1,062,029
(115,269)	(132,614)	1,069,688
250,000	266,074	(1)
134,731	133,460	1,069,687
578,777	3,164,363	(1)
<u>\$ 713,508</u>	<u>\$ 3,297,823</u>	<u>\$ 1,069,686</u>

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - DEDICATED STUDENT FEES
Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	
			Student Technology Fund	Intramurals and Athletics Fund
REVENUE				
Revenue from local sources				
Fees	\$ 1,196,665	\$ 1,196,665	\$ 767,910	\$ 259,638
Sales of goods and services	-	-	-	-
Other local revenue	115,000	115,000	-	90,261
Total revenue	<u>1,311,665</u>	<u>1,311,665</u>	<u>767,910</u>	<u>349,899</u>
EXPENDITURES				
Personnel services	615,987	525,987	428,390	-
Materials and services	935,500	1,175,500	551,132	321,819
Total expenditures	<u>1,551,487</u>	<u>1,701,487</u>	<u>979,522</u>	<u>321,819</u>
Excess (deficiency) of revenue over (under) expenditures	(239,822)	(389,822)	(211,612)	28,080
FUND BALANCE				
Beginning fund balance	1,188,223	1,323,671	996,881	49,440
Ending fund balance	<u>\$ 948,401</u>	<u>\$ 933,849</u>	<u>\$ 785,269</u>	<u>\$ 77,520</u>

Actual (continued)			
<u>Student Life and Leadership Fund</u>	<u>Computer Lab Fund</u>	<u>Total Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 43,486	\$ 45,502	\$ 1,116,536	\$ (80,129)
18	-	18	18
<u>74,868</u>	<u>-</u>	<u>165,129</u>	<u>50,129</u>
<u>118,372</u>	<u>45,502</u>	<u>1,281,683</u>	<u>(29,982)</u>
-	54,080	482,470	43,517
<u>148,692</u>	<u>-</u>	<u>1,021,643</u>	<u>153,857</u>
<u>148,692</u>	<u>54,080</u>	<u>1,504,113</u>	<u>197,374</u>
(30,320)	(8,578)	(222,430)	167,392
<u>166,415</u>	<u>110,932</u>	<u>1,323,668</u>	<u>(3)</u>
<u>\$ 136,095</u>	<u>\$ 102,354</u>	<u>\$ 1,101,238</u>	<u>\$ 167,389</u>

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - EXTERNALLY RESTRICTED
Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Student Financial Aid Fund
REVENUE			
Revenue from state sources			
State grants and contracts	\$ 500,000	\$ 500,000	\$ -
State student financial aid	1,500,000	1,500,000	3,377,324
Revenue from local sources			
Fees	200,000	200,000	-
Local grants and contracts	731,400	731,400	-
Local student financial aid	900,000	900,000	718,086
Other local revenue	1,300,000	1,300,000	-
Revenue from federal sources			
Federal grants and contracts	8,500,000	8,500,000	-
Federal student financial aid	7,338,785	7,338,785	7,426,638
Other federal revenue	20,278	20,278	16,250
Total revenue	<u>20,990,463</u>	<u>20,990,463</u>	<u>11,538,298</u>
EXPENDITURES			
Personnel services	7,279,223	7,279,223	105,636
Materials and services	12,229,776	12,229,776	11,365,660
Capital outlay	220,000	220,000	-
Total expenditures	<u>19,728,999</u>	<u>19,728,999</u>	<u>11,471,296</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,261,464</u>	<u>1,261,464</u>	<u>67,002</u>
OTHER FINANCING SOURCES (USES)			
Transfers in from other funds	115,600	115,600	-
Transfers (out to) other funds	-	(16,075)	-
Total other financing sources (uses)	<u>115,600</u>	<u>99,525</u>	<u>-</u>
Excess (deficiency) of revenue and other sources (uses) over (under) expenditures	1,377,064	1,360,989	67,002
FUND BALANCE			
Beginning fund balance	<u>814,000</u>	<u>1,085,338</u>	<u>139,042</u>
Ending fund balance	<u>\$ 2,191,064</u>	<u>\$ 2,446,327</u>	<u>\$ 206,044</u>

Actual (continued)		
Grants and Contracts Fund	Total Actual	Variance Favorable (Unfavorable)
\$ 540,232	\$ 540,232	\$ 40,232
-	3,377,324	1,877,324
248,128	248,128	48,128
324,796	324,796	(406,604)
-	718,086	(181,914)
810,119	810,119	(489,881)
2,558,610	2,558,610	(5,941,390)
-	7,426,638	87,853
11,370	27,620	7,342
<u>4,493,255</u>	<u>16,031,553</u>	<u>(4,958,910)</u>
2,662,763	2,768,399	4,510,824
1,585,647	12,951,307	(721,531)
211,746	211,746	8,254
<u>4,460,156</u>	<u>15,931,452</u>	<u>3,797,547</u>
<u>33,099</u>	<u>100,101</u>	<u>(1,161,363)</u>
115,600	115,600	-
(16,074)	(16,074)	1
<u>99,526</u>	<u>99,526</u>	<u>1</u>
132,625	199,627	(1,161,362)
946,296	1,085,338	-
<u>\$ 1,078,921</u>	<u>\$ 1,284,965</u>	<u>\$ (1,161,362)</u>

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS - RESERVE FUNDS
Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Retirement Fund	Insurance Reserve Fund
EXPENDITURES				
Personnel services	\$ 1,019,752	\$ 1,264,752	\$ 802,834	\$ 148,238
Materials and services	500,000	650,000	-	104,755
Capital outlay	500,000	300,000	-	-
Total expenditures	<u>2,019,752</u>	<u>2,214,752</u>	<u>802,834</u>	<u>252,993</u>
Excess (deficiency) of revenue over (under) expenditures	(2,019,752)	(2,214,752)	(802,834)	(252,993)
OTHER FINANCING SOURCES (USES)				
Transfers in from other funds	<u>620,000</u>	<u>620,000</u>	<u>620,000</u>	<u>-</u>
Excess (deficiency) of revenue and other sources (uses) over (under) expenditures	(1,399,752)	(1,594,752)	(182,834)	(252,993)
FUND BALANCE				
Beginning fund balance	<u>8,115,000</u>	<u>7,871,746</u>	<u>1,804,728</u>	<u>366,367</u>
Ending fund balance	<u>\$ 6,715,248</u>	<u>\$ 6,276,994</u>	<u>\$ 1,621,894</u>	<u>\$ 113,374</u>

Actual (continued)			
<u>PERS Reserve Fund</u>	<u>Tech Infrstr & Sftwre Impltn Fund</u>	<u>Total Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ -	\$ 12,185	\$ 963,257	\$ 301,495
-	229,832	334,587	315,413
-	123,789	123,789	176,211
-	365,806	1,421,633	793,119
-	(365,806)	(1,421,633)	793,119
-	-	620,000	-
-	(365,806)	(801,633)	793,119
<u>3,000,000</u>	<u>2,700,651</u>	<u>7,871,746</u>	<u>-</u>
<u>\$ 3,000,000</u>	<u>\$ 2,334,845</u>	<u>\$ 7,070,113</u>	<u>\$ 793,119</u>

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Revenue from local sources				
Property taxes	\$ 6,499,453	\$ 6,499,453	\$ 6,673,992	\$ 174,539
Interest income	-	-	18,835	18,835
Other local revenue	<u>2,386,974</u>	<u>2,386,974</u>	<u>2,638,002</u>	<u>251,028</u>
Total revenue	<u>8,886,427</u>	<u>8,886,427</u>	<u>9,330,829</u>	<u>444,402</u>
EXPENDITURES				
Debt service	<u>9,745,452</u>	<u>9,745,452</u>	<u>9,745,452</u>	<u>-</u>
Excess (deficiency) of revenue over (under) expenditures	(859,025)	(859,025)	(414,623)	444,402
FUND BALANCE				
Beginning fund balance	<u>4,766,236</u>	<u>3,840,775</u>	<u>3,840,774</u>	<u>(1)</u>
Ending fund balance	<u><u>\$ 3,907,211</u></u>	<u><u>\$ 2,981,750</u></u>	<u><u>\$ 3,426,151</u></u>	<u><u>\$ 444,401</u></u>

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CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS - UNRESTRICTED OPERATIONS
Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Staff Computer Replacement Fund
REVENUE			
Fees	\$ 35,000	\$ 35,000	\$ -
Other local revenue	-	-	-
Total revenue	<u>35,000</u>	<u>35,000</u>	<u>-</u>
EXPENDITURES			
Personnel services	-	200,000	-
Materials and services	695,000	895,000	113,656
Capital outlay	<u>2,775,000</u>	<u>2,195,000</u>	<u>-</u>
Total expenditures	<u>3,470,000</u>	<u>3,290,000</u>	<u>113,656</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(3,435,000)</u>	<u>(3,255,000)</u>	<u>(113,656)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in from other funds	850,000	850,000	100,000
Transfers (out to) other funds	<u>-</u>	<u>(180,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>850,000</u>	<u>670,000</u>	<u>100,000</u>
Excess (deficiency) of revenue and other sources (uses) over (under) expenditures	<u>(2,585,000)</u>	<u>(2,585,000)</u>	<u>(13,656)</u>
FUND BALANCE			
Beginning fund balance	<u>4,675,000</u>	<u>5,036,482</u>	<u>64,235</u>
Ending fund balance	<u><u>\$ 2,090,000</u></u>	<u><u>\$ 2,451,482</u></u>	<u><u>\$ 50,579</u></u>

Actual (continued)			
Equipment Replacement Fund	Major Maintenance Fund	Total Actual	Variance Favorable (Unfavorable)
\$ 17,363	\$ -	\$ 17,363	\$ (17,637)
-	69,726	69,726	69,726
17,363	69,726	87,089	52,089
-	-	-	200,000
87,216	161,989	362,861	532,139
112,847	553,600	666,447	1,528,553
200,063	715,589	1,029,308	2,260,692
(182,700)	(645,863)	(942,219)	2,312,781
250,000	500,000	850,000	-
(180,000)	-	(180,000)	-
70,000	500,000	670,000	-
(112,700)	(145,863)	(272,219)	2,312,781
1,958,374	3,013,973	5,036,582	100
<u>\$ 1,845,674</u>	<u>\$ 2,868,110</u>	<u>\$ 4,764,363</u>	<u>\$ 2,312,881</u>

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUNDS - EXTERNALLY RESTRICTED
Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Revenue from state sources				
State grants and contracts	\$ 19,262,950	\$ 19,262,950	\$ 9,601,235	\$ (9,661,715)
Revenue from local sources				
Interest income	-	-	258,817	258,817
Other local revenue	200,000	200,000	155,739	(44,261)
Total revenue	<u>19,462,950</u>	<u>19,462,950</u>	<u>10,015,791</u>	<u>(9,447,159)</u>
EXPENDITURES				
Personnel services	271,584	271,584	178,977	92,607
Materials and services	7,564,200	7,564,200	6,594,105	970,095
Capital outlay	30,256,800	30,436,800	11,065,553	19,371,247
Total expenditures	<u>38,092,584</u>	<u>38,272,584</u>	<u>17,838,635</u>	<u>20,433,949</u>
Excess (deficiency) of revenue over (under) expenditures	(18,629,634)	(18,809,634)	(7,822,844)	10,986,790
OTHER FINANCING SOURCES (USES)				
Transfers in from other funds	-	180,000	180,000	-
Excess (deficiency) of revenue and other sources (uses) over (under) expenditures	(18,629,634)	(18,629,634)	(7,642,844)	10,986,790
FUND BALANCE				
Beginning fund balance	<u>20,000,000</u>	<u>22,311,578</u>	<u>22,311,758</u>	<u>180</u>
Ending fund balance	<u>\$ 1,370,366</u>	<u>\$ 3,681,944</u>	<u>\$ 14,668,914</u>	<u>\$ 10,986,970</u>

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CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PROPRIETARY FUNDS - ENTERPRISE FUNDS
Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Bookstore Fund
REVENUE			
Revenue from local sources			
Sales of goods and services	\$ -	\$ -	\$ 7,165
Local grants and contracts	500,000	500,000	-
Other local revenue	753,927	753,927	305,041
Total revenue	<u>1,253,927</u>	<u>1,253,927</u>	<u>312,206</u>
EXPENDITURES			
Personnel services	924,133	924,133	237,555
Materials and services	179,794	179,794	132,736
Total expenditures	<u>1,103,927</u>	<u>1,103,927</u>	<u>370,291</u>
Excess (deficiency) of revenue over (under) expenditures	150,000	150,000	(58,085)
OTHER FINANCING SOURCES (USES)			
Transfers (out to) other funds	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>
Excess (deficiency) of revenue and other sources (uses) over (under) expenditures	-	-	(208,085)
FUND BALANCE			
Beginning fund balance	<u>1,400,000</u>	<u>1,126,406</u>	<u>905,651</u>
Ending fund balance	<u>\$ 1,400,000</u>	<u>\$ 1,126,406</u>	<u>\$ 697,566</u>

Actual (continued)		
<u>Customized Training Fund</u>	<u>Total Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ -	\$ 7,165	\$ 7,165
282,731	282,731	(217,269)
-	305,041	(448,886)
<u>282,731</u>	<u>594,937</u>	<u>(658,990)</u>
352,128	589,683	334,450
<u>61,685</u>	<u>194,421</u>	<u>(14,627)</u>
<u>413,813</u>	<u>784,104</u>	<u>319,823</u>
(131,082)	(189,167)	(339,167)
-	(150,000)	-
<u>(131,082)</u>	<u>(339,167)</u>	<u>(339,167)</u>
220,753	1,126,404	(2)
<u>\$ 89,671</u>	<u>\$ 787,237</u>	<u>\$ (339,169)</u>

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PROPRIETARY FUNDS - INTERNAL SERVICE FUND
Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUE				
Revenue from local sources				
Sales of goods and services	\$ 398,628	\$ 398,628	\$ 301,151	\$ (97,477)
EXPENDITURES				
Personnel services	105,356	130,356	102,308	28,048
Materials and services	215,500	215,500	168,594	46,906
Capital outlay	102,800	77,800	698	77,102
Total expenditures	<u>423,656</u>	<u>423,656</u>	<u>271,600</u>	<u>152,056</u>
Excess (deficiency) of revenue over (under) expenditures	(25,028)	(25,028)	29,551	54,579
FUND BALANCE				
Beginning fund balance	<u>200,000</u>	<u>367,110</u>	<u>367,110</u>	<u>-</u>
Ending fund balance	<u>\$ 174,972</u>	<u>\$ 342,082</u>	<u>\$ 396,661</u>	<u>\$ 54,579</u>

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STATISTICAL SECTION

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

Financial trend schedules show information over time.

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

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

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

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

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

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

- Population, Personal Income, and Unemployment
- Largest Employers

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

- Employees
- Students
- Buildings

CLACKAMAS COMMUNITY COLLEGE
NET POSITION
Last Ten Fiscal Years

Fiscal Year	Net Investment in Capital Assets	Restricted - Expendable	Unrestricted	Total
2019-20	\$ 56,004,288	\$ 473,375	\$ (33,735,142)	\$22,742,521
2018-19	46,449,134	695,340	(28,206,094)	18,938,380
2017-18	29,696,420	547,062	(21,072,095)	9,171,387
2016-17	28,137,339	563,427	(22,067,414)	6,633,352
2015-16	26,981,461	414,249	(15,576,544)	11,819,166
2014-15	26,534,908	247,858	(1,824,249)	24,958,517
2013-14	24,956,166	371,351	(11,184,114)	14,143,403
2012-13	22,366,431	541,512	16,721,959	39,629,902
2011-12	20,395,473	587,359	18,661,158	39,643,990
2010-11	18,845,119	1,455,381	16,298,975	36,599,475

Note: GASB Statements No. 73 & 75 implemented in 2016-17 and GASB Statements No. 68 & 71 implemented in 2014-15 affected the presentation of pension costs and postemployment healthcare benefit and hence the unrestricted net position. Restatement for years prior to 2013-14 was not required and is not presented.

CLACKAMAS COMMUNITY COLLEGE
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2019-20	2018-19	2017-18	2016-17
OPERATING REVENUE				
Tuition and fees	\$ 15,141,603	\$ 16,361,665	\$ 17,140,638	\$ 17,049,343
Operating grants and contracts				
State	3,910,950	3,933,064	3,346,998	4,157,491
Local	2,036,577	2,492,750	2,240,472	2,271,416
Federal	9,891,685	9,492,349	10,380,064	10,240,247
Auxiliary enterprises				
Bookstore	312,206	481,891	1,700,684	1,847,530
Technical mechanical	-	-	-	-
Customized training	282,731	407,045	303,985	567,127
Other operating revenues	1,825,982	1,068,085	1,157,248	838,948
Total operating revenues	<u>33,401,734</u>	<u>34,236,849</u>	<u>36,270,089</u>	<u>36,972,102</u>
OPERATING EXPENSES				
Instruction	34,878,897	30,507,025	29,813,006	29,460,696
Instructional support	8,937,597	8,411,772	7,821,196	7,619,223
Student services	8,730,765	7,326,131	6,793,833	6,624,967
Community services	-	-	-	-
College support	15,604,965	13,918,614	12,785,513	11,827,828
Plant operations and maintenance	3,883,329	3,923,935	3,727,154	3,497,595
Plant additions	761,554	1,710,046	385,843	1,090,604
Financial aid	8,208,512	7,283,087	8,645,533	8,571,386
Auxiliary enterprises				
Bookstore	370,291	307,889	1,878,253	1,845,893
Technical mechanical	-	-	-	-
Customized training	413,814	388,049	472,059	486,834
Depreciation expense	4,212,321	3,285,335	2,864,690	2,382,915
Total operating expenses	<u>86,002,045</u>	<u>77,061,883</u>	<u>75,187,080</u>	<u>73,407,941</u>
Operating loss	<u>(52,600,311)</u>	<u>(42,825,034)</u>	<u>(38,916,991)</u>	<u>(36,435,839)</u>
NONOPERATING REVENUE (EXPENSES)				
State appropriation	23,155,176	12,143,616	19,735,505	10,576,148
Property taxes	27,112,680	26,873,965	25,098,090	23,896,589
Interest income	1,484,424	1,954,342	1,095,030	564,623
Investment gain (loss) on pension asset	-	-	-	-
Interest expense	(4,962,159)	(5,124,569)	(5,355,116)	(3,766,470)
Cost of long-term debt issuance	-	-	-	(271,745)
Gain (loss) on disposition of capital assets	13,096	12,286	13,177	2,076
Net nonoperating revenue (expenses)	<u>46,803,217</u>	<u>35,859,640</u>	<u>40,586,686</u>	<u>31,001,221</u>
CONTRIBUTED CAPITAL	<u>9,601,235</u>	<u>16,732,387</u>	<u>868,340</u>	<u>248,804</u>
Increase (decrease) in net position	3,804,141	9,766,993	2,538,035	(5,185,814)
NET POSITION				
Net position - beginning of the year	18,938,380	9,171,387	6,633,352	11,819,166
Prior period adjustment				
Net position - end of the year	<u>\$22,742,521</u>	<u>\$18,938,380</u>	<u>\$ 9,171,387</u>	<u>\$ 6,633,352</u>

2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
\$ 16,953,358	\$ 17,327,507	\$ 17,282,884	\$ 17,765,226	\$ 14,529,352	\$ 15,925,463
1,619,443	2,299,451	1,625,348	1,593,032	1,770,704	970,945
2,357,140	2,053,416	2,028,599	2,367,387	2,591,059	2,801,232
11,281,962	12,965,660	14,620,741	15,339,172	16,155,833	16,008,245
2,023,075	2,190,285	2,181,915	2,453,055	2,661,229	2,818,601
-	148,138	143,850	211,340	206,117	212,496
671,304	439,915	461,754	475,006	391,039	382,441
945,858	1,399,954	1,642,295	1,112,714	1,168,092	859,662
<u>35,852,140</u>	<u>38,824,326</u>	<u>39,987,386</u>	<u>41,316,932</u>	<u>39,473,425</u>	<u>39,979,085</u>
33,056,620	19,500,877	25,049,681	25,479,458	25,814,031	26,498,142
7,978,310	5,675,648	6,523,625	6,802,102	6,395,826	6,389,920
7,286,477	3,929,072	5,025,345	5,080,006	4,926,136	4,435,037
-	-	-	-	-	-
11,516,983	8,403,192	10,267,702	9,624,031	9,636,825	9,447,665
3,650,200	2,605,043	2,933,696	2,942,046	2,895,829	2,889,008
2,421,154	831,825	569,637	682,686	1,104,388	724,004
7,868,277	8,462,789	8,511,295	9,997,927	8,813,399	9,884,871
1,992,989	2,135,088	2,130,845	2,375,302	2,541,610	2,620,870
-	152,964	175,924	160,254	223,299	222,098
531,138	338,811	349,165	506,363	395,630	296,335
2,270,817	2,182,883	2,174,660	2,204,765	2,292,984	2,237,465
<u>78,572,965</u>	<u>54,218,192</u>	<u>63,711,575</u>	<u>65,854,940</u>	<u>65,039,957</u>	<u>65,645,415</u>
<u>(42,720,825)</u>	<u>(15,393,866)</u>	<u>(23,724,189)</u>	<u>(24,538,008)</u>	<u>(25,566,532)</u>	<u>(25,666,330)</u>
17,640,158	10,070,636	15,460,383	7,389,486	14,480,460	8,441,565
22,795,401	20,474,920	18,900,671	18,426,030	18,015,405	18,027,570
408,960	183,045	165,623	159,115	147,695	133,096
-	-	3,596,854	2,274,164	(165,290)	3,451,685
(4,259,702)	(4,038,082)	(3,514,698)	(3,713,240)	(3,879,380)	(4,055,984)
-	(386,747)	-	-	-	-
(986,796)	(94,792)	11,718	(11,635)	12,157	13,022
<u>35,598,021</u>	<u>26,208,980</u>	<u>34,620,551</u>	<u>24,523,920</u>	<u>28,611,047</u>	<u>26,010,954</u>
-	-	-	-	-	-
(7,122,804)	10,815,114	10,896,362	(14,088)	3,044,515	344,624
24,958,517	14,143,403	39,629,902	39,643,990	36,599,475	36,871,576
(6,016,547)	-	(36,382,861)	-	-	(616,725)
<u>\$11,819,166</u>	<u>\$24,958,517</u>	<u>\$14,143,403</u>	<u>\$39,629,902</u>	<u>\$39,643,990</u>	<u>\$36,599,475</u>

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

Fiscal Year	General Fund Unreserved	Other Governmental Funds			Total
		Special Revenue	Debt Service	Capital Projects	
2019-20	\$ 8,562,796	\$ 12,754,139	\$ 3,426,151	\$ 19,433,277	\$ 35,613,567
2018-19	9,020,700	13,445,115	3,840,774	27,348,340	44,634,229
2017-18	10,449,504	12,785,940	4,876,165	34,673,557	52,335,662
2016-17	17,273,054	9,259,502	2,486,999	65,570,544	77,317,045
2015-16	18,670,488	6,599,963	2,444,082	29,585,035	38,629,080
2014-15	15,710,997	5,638,848	2,602,461	38,345,847	46,587,156
2013-14	12,180,027	6,090,469	9,437,348	1,493,498	17,021,315
2012-13	9,734,053	6,234,501	5,378,495	1,350,659	12,963,655
2011-12	9,435,521	6,631,340	5,325,570	1,461,273	13,418,183
2010-11	11,886,417	6,363,563	3,429,598	1,348,674	11,141,835

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

Fiscal Year	General Fund		
	Accrued Appropriation	Remainder	Total Unreserved
2019-20	\$ -	\$ 8,562,796	\$ 8,562,796
2018-19	3,942,505	5,078,195	9,020,700
2017-18	-	10,449,504	10,449,504
2016-17	3,703,083	13,569,971	17,273,054
2015-16	-	18,670,488	18,670,488
2014-15	2,965,027	12,745,970	15,710,997
2013-14	-	12,180,027	12,180,027
2012-13	2,611,789	7,122,264	9,734,053
2011-12	-	9,435,521	9,435,521
2010-11	3,313,799	8,572,618	11,886,417

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

	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
REVENUE				
From state sources				
State appropriation	\$ 19,212,671	\$ 16,086,121	\$ 16,032,422	\$14,279,231
Operating grants and contracts	10,141,467	17,838,583	296,883	1,302,378
Student financial aid	3,377,324	2,857,377	3,052,944	2,876,792
Other state revenue	-	-	-	-
From local sources				
Property taxes	27,086,053	26,893,901	25,093,081	23,933,177
Tuition and fees	18,830,781	20,069,659	19,958,357	20,269,479
Operating grants and contracts	1,318,491	1,524,630	2,175,875	1,306,828
Student financial aid	718,086	968,120	932,937	964,588
Interest income	1,484,424	1,954,342	1,095,030	564,623
Other local revenue	4,104,395	4,108,480	3,927,433	4,007,765
From federal sources				
Operating grants and contracts	2,558,610	2,996,184	3,193,249	2,769,275
Student financial aid	7,426,638	6,583,226	7,260,117	7,523,843
Other federal revenue	890,083	20,454	2,366	17,439
Total revenue	<u>97,149,023</u>	<u>101,901,077</u>	<u>83,020,694</u>	<u>79,815,418</u>
EXPENDITURES				
Personal services	55,401,888	51,812,244	48,803,140	45,462,523
Materials and services	29,463,791	28,537,019	29,157,693	29,816,491
Capital outlay	12,179,554	20,457,775	27,757,300	11,405,532
Debt service - principal	6,755,000	7,290,000	5,630,000	5,715,000
Debt service - interest	2,990,452	3,341,632	3,623,671	2,905,151
Total expenditures	<u>106,790,685</u>	<u>111,438,670</u>	<u>114,971,804</u>	<u>95,304,697</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(9,641,662)</u>	<u>(9,537,593)</u>	<u>(31,951,110)</u>	<u>(15,489,279)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	13,096	12,286	13,177	10,926
Proceeds from long-term debt	-	-	-	44,997,901
Premium (discount) on debt issuance	-	-	-	7,972,728
Refunding of long-term debt	-	-	-	-
Costs of debt issuance	-	-	-	(271,745)
Transfers in from other funds	2,181,674	2,515,310	7,932,750	5,299,211
Transfers (out to) other funds	<u>(2,031,674)</u>	<u>(2,120,240)</u>	<u>(7,799,750)</u>	<u>(5,229,211)</u>
Total other financing sources (uses)	<u>163,096</u>	<u>407,356</u>	<u>146,177</u>	<u>52,779,810</u>
Excess (deficiency) of revenue & other sources (uses) over (under) expenditures	<u>(9,478,566)</u>	<u>(9,130,237)</u>	<u>(31,804,933)</u>	<u>37,290,531</u>
FUND BALANCE				
Beginning fund balance	53,654,929	62,785,166	94,590,099	57,299,568
Prior period adjustment	-	-	-	-
Ending fund balance	<u>\$ 44,176,363</u>	<u>\$ 53,654,929</u>	<u>\$ 62,785,166</u>	<u>\$ 94,590,099</u>
Debt service as % of noncapital expenditures	11%	13%	12%	11%

2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
\$14,675,131	\$ 13,035,663	\$ 12,848,594	\$ 10,001,275	\$ 11,166,661	\$ 11,755,364
175,976	1,117,954	511,628	486,268	828,024	659,243
1,443,750	1,189,084	1,114,026	1,109,609	945,861	312,627
-	-	-	361	195,587	1,133
22,853,259	20,474,354	19,294,610	18,422,912	17,866,383	18,129,351
20,006,594	20,045,425	20,822,470	21,348,366	21,165,843	20,267,253
1,263,877	1,109,529	1,178,225	1,538,797	1,607,782	1,901,710
1,093,263	945,566	850,374	828,964	983,277	907,441
408,960	183,045	165,623	159,115	147,695	133,096
3,306,942	3,645,121	6,196,366	3,183,024	2,955,764	2,766,558
3,406,574	7,364,186	10,772,505	7,994,862	5,103,426	4,111,052
8,003,312	8,880,539	23,226,954	29,171,405	30,969,863	28,657,293
21,106	18,991	20,791	22,320	15,686	13,927
<u>76,658,744</u>	<u>78,009,457</u>	<u>97,002,166</u>	<u>94,267,278</u>	<u>93,951,852</u>	<u>89,616,048</u>
42,541,095	43,955,776	44,361,916	44,269,265	42,086,067	39,223,289
24,064,173	23,389,142	36,959,298	41,575,084	43,411,912	41,551,046
6,794,646	909,571	904,727	532,849	767,273	609,295
5,170,000	5,180,000	4,760,000	4,350,000	3,965,000	3,945,000
3,169,354	3,407,188	3,604,788	3,803,927	3,968,305	4,145,821
<u>81,739,268</u>	<u>76,841,677</u>	<u>90,590,729</u>	<u>94,531,125</u>	<u>94,198,557</u>	<u>89,474,451</u>
<u>(5,080,524)</u>	<u>1,167,780</u>	<u>6,411,437</u>	<u>(263,847)</u>	<u>(246,705)</u>	<u>141,597</u>
11,939	1,250	22,197	47,851	12,157	13,275
-	44,996,012	-	-	-	-
-	1,952,257	-	-	-	-
-	(14,717,927)	-	-	-	-
-	(386,747)	-	-	-	-
2,613,420	7,331,040	9,597,451	4,548,638	6,299,698	2,376,142
<u>(2,543,420)</u>	<u>(7,246,854)</u>	<u>(9,527,451)</u>	<u>(4,488,638)</u>	<u>(6,239,698)</u>	<u>(2,341,142)</u>
<u>81,939</u>	<u>31,929,031</u>	<u>92,197</u>	<u>107,851</u>	<u>72,157</u>	<u>48,275</u>
(4,998,585)	33,096,811	6,503,634	(155,996)	(174,548)	189,872
62,298,153	29,201,342	22,697,708	22,853,704	23,028,252	22,838,380
-	-	-	-	-	-
<u>\$ 57,299,568</u>	<u>\$ 62,298,153</u>	<u>\$ 29,201,342</u>	<u>\$ 22,697,708</u>	<u>\$ 22,853,704</u>	<u>\$ 23,028,252</u>
13%	13%	10%	9%	9%	10%

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

Fiscal Year	Permanent Rate	General Obligation Bond Rate	Total Rate	Assessed Valuation by Property Type	
				Real Property	Manufactured Structures
2019-20	0.5582	0.1753	0.7335	\$37,082,974,666	\$ 171,929,699
2018-19	0.5582	0.1861	0.7443	35,448,881,713	161,845,004
2017-18	0.5582	0.1873	0.7455	33,912,667,773	146,290,521
2016-17	0.5582	0.1855	0.7437	32,324,247,998	130,803,756
2015-16	0.5582	0.1881	0.7463	30,854,212,703	121,449,200
2014-15	0.5582	0.1497	0.7079	29,532,124,849	114,900,888
2013-14	0.5582	0.1500	0.7082	28,114,981,194	110,433,279
2012-13	0.5582	0.1588	0.7170	26,992,148,145	112,629,866
2011-12	0.5582	0.1391	0.6973	26,414,056,848	112,538,178
2010-11	0.5582	0.1598	0.7180	25,742,593,312	117,401,264

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

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

Assessed Valuation by Property Type (continued)			True Cash Valuation	Ratio of Assessed Valuation to True Cash Valuation
Personal Property	Public Utility	Total		
\$ 862,187,847	\$ 1,367,591,500	\$ 39,484,683,712	\$60,190,598,253	66%
818,230,431	1,380,441,600	37,809,398,748	56,103,649,839	67%
769,785,148	1,316,447,473	36,145,190,915	51,312,502,867	70%
749,025,427	1,238,258,588	34,442,335,769	46,420,375,556	74%
675,425,326	1,187,424,660	32,838,511,889	41,093,604,637	80%
635,154,193	1,070,179,674	31,352,359,604	37,127,451,547	84%
626,366,109	1,046,600,404	29,898,380,986	33,436,732,244	89%
610,969,398	1,008,144,740	28,723,892,149	31,790,623,553	90%
596,055,667	1,030,071,324	28,152,722,017	32,963,246,020	85%
625,801,508	1,010,528,329	27,496,324,413	35,334,250,182	78%

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

Fiscal Year	Clackamas Community College	Overlapping Rates			
		Cities	Fire Districts	School Districts	Other
2019-20	0.7335	.5894 - 7.8827	.5341 - 2.8885	4.7001 - 9.6734	.0315 - 3.2246
2018-19	0.7443	.5894 - 8.9999	.5341 - 2.6385	4.7001 - 9.7571	.0315 - 3.2246
2017-18	0.7455	.5894 - 7.8836	.5341 - 2.6385	4.7001 - 9.6863	.0315 - 3.2246
2016-17	0.7437	.5894 - 6.5379	.5341 - 2.6385	3.8149 - 5.2781	.0065 - 2.9766
2015-16	0.7463	.5894 - 7.7626	.5341 - 2.6385	4.3039 - 9.3304	.0315 - 3.2246
2014-15	0.7079	.5894 - 7.8915	.5341 - 2.6385	4.7001 - 9.3439	.0315 - 3.2246
2013-14	0.7082	.5679 - 7.9801	.5341 - 2.6385	4.7001 - 9.3426	.0315 - 3.2246
2012-13	0.7170	.5894 - 7.8119	.5341 - 2.4655	.2608 - 9.4142	.1089 - 3.2246
2011-12	0.6973	.5894 - 7.6880	.7833 - 2.6385	.1914 - 9.3641	.0315 - 3.2246
2010-11	0.7180	.6101 - 7.7788	.7833 - 2.4678	.5949 - 9.3429	.0315 - 3.2246

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

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

CLACKAMAS COMMUNITY COLLEGE
LARGEST TAXPAYERS
Current Year and Nine Years Ago

Taxpayer	2019-20			2010-11		
	Taxes Billed	Rank	Percentage of Total County Taxes Billed	Taxes Billed	Rank	Percentage of Total County Taxes Billed
Portland General Electric	\$10,932,384	1	1.19%	\$ 6,548,021	1	1.07%
General Growth Properties	4,831,691	2	0.52%	3,316,555	2	0.54%
Fred Meyer Fuel	4,480,418	3	0.49%			
PCC Structurals Inc.	3,042,104	4	0.33%	2,364,669	4	0.39%
Northwest Natural Gas	2,639,126	5	0.29%	1,305,212	7	0.21%
ROIC Oregon LLC	1,614,163	6	0.18%			
Comcast	1,348,764	7	0.15%	1,913,213	5	0.31%
Kaiser Foundation Hospital Blount, Inc.	1,132,349	8	0.12%			
	1,183,601	9	0.13%			
Mento A Siemens Business	1,148,870	10	0.12%	1,103,467	9	0.18%
Clackamas Baking Plant				2,677,487	3	0.44%
Xerox Corporation				1,564,799	6	0.26%
Thomson Reuters Pts. Inc.				1,192,031	8	0.19%
Mentor Graphics Corp				994,362	10	0.16%
Total	\$32,353,470		3.51%	\$ 22,979,816		3.75%

Source: Clackamas County Department of Assessment and Taxation

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

Fiscal Year	Certified Tax Levies			Current Tax Collections	Current Tax Collected as a % of Current Levy
	General Fund	Debt Service Fund	Total		
2019-20	\$ 20,965,239	\$ 6,701,845	\$ 27,667,084	\$ 26,516,085	95.84%
2018-19	20,074,444	6,816,200	26,890,644	25,783,207	95.88%
2017-18	19,200,051	6,626,362	25,826,413	24,590,688	95.22%
2016-17	18,265,834	6,286,666	24,552,500	23,400,405	95.31%
2015-16	17,382,335	6,052,953	23,435,288	22,286,638	95.10%
2014-15	16,482,611	4,540,949	21,023,560	19,964,169	94.96%
2013-14	15,313,694	4,336,679	19,650,373	18,625,365	94.78%
2012-13	14,519,921	4,320,790	18,840,711	17,775,708	94.35%
2011-12	14,573,668	3,729,789	18,303,457	17,196,425	93.95%
2010-11	14,396,804	4,176,990	18,573,794	17,380,805	93.58%

Source: Clackamas County Department of Assessment and Taxation

<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Tax Collected as a % of Current Levy</u>	<u>Uncollected Taxes</u>	<u>Uncollected Taxes as a % of Current Levy</u>
\$ 370,769	\$ 26,886,854	97.18%	\$ 781,615	2.83%
909,645	26,692,852	99.26%	740,344	2.75%
326,305	24,916,993	96.48%	1,515,458	5.87%
389,427	23,789,832	96.89%	1,364,612	5.56%
406,578	22,693,216	96.83%	1,302,630	5.56%
466,649	20,430,818	97.18%	1,208,356	5.75%
535,558	19,160,923	97.51%	1,203,459	6.12%
506,115	18,281,823	97.03%	1,236,015	6.56%
494,365	17,690,790	96.65%	1,228,974	6.71%
628,555	18,009,360	96.96%	1,090,448	5.87%

CLACKAMAS COMMUNITY COLLEGE
DEBT RATIOS
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Pension Bonds	Full Faith and Credit Obligations	Capital Lease	Total Debt
2019-20	\$ 106,655,268	\$ 19,867,433	\$ -	\$ -	\$ 126,522,701
2018-19	109,780,946	21,519,614	-	-	131,300,560
2017-18	112,569,390	22,981,795	1,247,805	-	136,798,990
2016-17	115,034,548	24,278,976	1,376,461	-	140,689,985
2015-16	65,740,186	25,416,157	1,505,117	-	92,661,460
2014-15	69,039,563	26,408,338	1,628,773	-	97,076,674
2013-14	25,504,876	27,265,519	17,075,674	-	69,846,069
2012-13	28,689,022	27,997,700	18,135,433	-	74,822,155
2011-12	31,613,168	28,619,881	19,155,192	-	79,388,241
2010-11	34,307,314	29,127,062	20,134,951	-	83,569,327

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

General Obligation Bonds		Total Debt		
Percentage of Assessed Valuation	GO Bonds Per Capita	Percentage of Assessed Valuation	Total Debt per Capita	Percentage of Personal Income
0.27%	284	0.32%	337	not available
0.29%	294	0.35%	352	0.54%
0.31%	307	0.38%	373	0.60%
0.33%	322	0.41%	394	0.64%
0.20%	188	0.28%	265	0.47%
0.22%	199	0.31%	280	0.50%
0.09%	75	0.23%	204	0.36%
0.10%	85	0.26%	222	0.40%
0.11%	94	0.28%	237	0.45%
0.12%	104	0.30%	253	0.49%

CLACKAMAS COMMUNITY COLLEGE
DIRECT AND OVERLAPPING BONDED DEBT
June 30, 2020

Governmental Unit	Net Property- Tax Backed Direct Debt (1)	Percent of Real Market Value in College District	Net Property- Tax Backed Overlapping Direct Debt (1)
DIRECT			
Clackamas Community College	\$ 88,668,913	100.00%	\$ 88,668,913
OVERLAPPING			
Cities			
City of Canby	21,464,387	100.00%	21,464,387
City of Estacada	2,995,749	100.00%	2,995,749
City of Gladstone	3,857,291	100.00%	3,857,291
City of Happy Valley	-	0.00%	-
City of Lake Oswego	88,550,000	0.94%	833,433
City of Milwaukie	37,192,174	99.23%	36,904,864
City of Molalla	-	100.00%	-
City of Oregon City	13,625,000	100.00%	13,625,000
City of Portland	463,339,299	0.08%	360,941
City of Tualatin	21,117,389	11.56%	2,441,783
City of West Linn	31,015,000	99.19%	30,763,996
Fire Districts			
Canby	4,585,875	100.00%	4,585,875
Clackamas Cty #1	28,155,960	92.10%	25,931,245
Molalla	2,165,000	100.00%	2,165,000
Silverton	3,432,508	5.06%	173,678
Tualatin Valley Fire and Rescue	23,785,000	13.99%	3,326,380
School Districts			
108 Estacada	20,580,000	100.00%	20,580,000
115 Gladstone	35,488,599	100.00%	35,488,599
12 North Clackamas	681,734,563	100.00%	681,734,563
35 Molalla River	14,115,942	100.00%	14,115,942
3J West Linn/ Wilsonville	360,943,636	98.23%	354,570,815
46 Oregon Trail	83,539,476	0.08%	70,925
53 Colton	1,378,805	100.00%	1,378,805
62 Oregon City	204,496,497	100.00%	204,496,497
7J Lake Oswego	265,745,846	1.27%	3,387,462
86 Canby	42,583,582	100.00%	42,583,582
4J Silver Falls	38,841,901	9.02%	3,503,462
10J Gresham-Barlow	334,402,433	0.02%	54,173
23J Tigard-Tualatin	332,910,939	4.11%	13,697,288
88J Sherwood	320,905,136	6.07%	19,478,300
29J Newberg	25,554,103	1.59%	407,230
Other			
Metro	964,085,000	13.42%	129,357,069
Oak Lodge Water District	1,145,000	100.00%	1,145,000
South Clackamas Transport District	-	100.00%	-
Rivergrove Water District	503,825	10.91%	54,985
Northwest Regional ESD	-	0.87%	-
Willamette ESD	7,700,978	0.61%	46,891
Clackamas City ESD	20,636,690	75.20%	15,518,440
Clackamas County	121,210,000	73.60%	89,214,196
Clackamas Soil & Water Conservation	6,494,000	73.60%	4,779,779
Total overlapping	<u>4,630,277,583</u>		<u>1,785,093,625</u>
Total direct and overlapping	<u>\$ 4,718,946,496</u>		<u>\$ 1,873,762,538</u>

Source: Oregon State Treasury, Municipal Debt Advisory Commission

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

CLACKAMAS COMMUNITY COLLEGE
DEBT LIMITATION
Last Ten Fiscal Years

Fiscal Year	Legal Debt Limitation (1)	Bonded Indebtedness (2)	Debt Margin
2019-20	\$ 902,858,974	\$ 98,664,984	\$ 804,193,990
2018-19	841,554,748	101,078,841	740,475,907
2017-18	769,687,543	103,155,464	666,532,079
2016-17	696,305,633	104,908,801	591,396,832
2015-16	616,404,070	63,206,376	553,197,694
2014-15	556,911,773	66,155,041	490,756,732
2013-14	501,550,984	24,370,000	477,180,984
2012-13	476,859,353	27,365,000	449,494,353
2011-12	494,448,690	30,100,000	464,348,690
2010-11	530,013,753	32,605,000	497,408,753

Notes:

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

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

Fiscal Year	District Population (1)	Clackamas County		
		Personal Income (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2019-20	375,800	not available	not available	3.4%
2018-19	372,790	\$24,385,155,000	\$ 58,608	3.8%
2017-18	367,225	22,902,625,000	55,478	3.7%
2016-17	356,900	21,876,119,000	53,777	4.4%
2015-16	349,690	19,901,153,000	49,565	5.2%
2014-15	346,817	19,240,407,000	48,713	6.3%
2013-14	341,663	19,200,727,000	49,453	6.8%
2012-13	337,594	18,535,004,000	48,286	8.1%
2011-12	334,535	17,457,115,000	45,915	8.6%
2010-11	330,505	16,945,867,000	44,954	10.1%

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

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

CLACKAMAS COMMUNITY COLLEGE
LARGEST EMPLOYERS
Current Year and Nine Years Ago

Employer	201J-G€	20F€1F		
	Number of Employees	Number of Employees	Rank	Percentage of Total County Employment
Kaiser Sunnyside	2,000 +	3,639	1	2.67%
PCC Structurals	1,400 +	1,130	3	0.83%
Oregon Cutting Systems	1,200 +			
Providence	900 +			
Legacy Meridian Park	900 +			
Mentor Graphics	900 +	1,134	2	0.83%
Xerox Corporation	800 +			
Kroger	800 +			
Safeway	700 +			0.45%
Rockwell Collins	500 +			
Blount International Inc.		1,000	4	0.73%
United Grocers		604	5	0.44%
Willamette Falls Hospital		524	6	0.38%
Sysco		514	7	0.38%
Tyco		511	8	0.37%
Fred Meyer Warehouse		500	9	0.37%
Warn Industries, Inc.		343	10	0.38%
Total Clackamas County employment	162,800			

Source: Clackamas County.

CLACKAMAS COMMUNITY COLLEGE
EMPLOYEES
Last Ten Fiscal Years

Fiscal Year	Employee FTE (full-time equivalents)			
	Administrative	Full-time Faculty	Classified	Total
2019-20	48	134	216	398
2018-19	48	135	209	392
2017-18	47	136	209	392
2016-17	47	136	197	380
2015-16	43	133	192	368
2014-15	42	130	187	359
2013-14	41	128	173	342
2012-13	42	133	180	355
2011-12	37	141	169	347
2010-11	37	150	188	375

Source: Schedule of personnel FTEs in the adopted budget.

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

CLACKAMAS COMMUNITY COLLEGE
STUDENTS
Last Ten Fiscal Years

Fiscal Year	Reimbursable Student FTE	Total Student FTE	Student Headcount
2019-20	5,575	5,641	21,652
2018-19	6,256	6,337	24,565
2017-18	6,524	6,610	25,456
2016-17	7,061	6,969	25,482
2015-16	6,917	7,036	26,034
2014-15	7,138	7,259	25,793
2013-14	7,249	7,366	27,235
2012-13	7,991	8,102	30,375
2011-12	8,528	8,748	35,191
2010-11	8,761	8,942	36,163

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

CLACKAMAS COMMUNITY COLLEGE
BUILDINGS
June 30, 2020

	Year Built	Square Feet	Major Use
Oregon City campus			
Barlow	1970	100,819	Administration, technical career education
Clairmont	1969	30,150	Horticulture
Community Center	1975	29,005	Student services
Dejardin	2004	18,216	Sciences
Dejardin - Addition	2019	23,150	Sciences
Dye Learning Center	1992	29,215	Library, extended learning
Environmental Learning Center	1997	1,080	Environmental education
Family Resource Center	1992	16,994	Child care, workforce development
Gregory Forum	1992	10,371	Meeting rooms
Industrial Technology Center	2018	44,523	Industrial Technology
Lewelling	1971	5,765	Campus services and warehouse
McLoughlin	1972	52,292	Humanities, bookstore
Neimeyer	2005	47,000	Music and theatre
Pauling	1981	41,030	Sciences
Randall	1972	60,775	Physical education and athletics
Roger Rook	2004	30,072	Enrollment services, English
Streeter	1991	14,992	Computer science, Business
Streeter Annex	2003	6,191	Computer science, Business
Studio Art	2003	11,407	Art
Total Oregon City campus		<u>573,047</u>	
Harmony Road campus			
Harmony Center	2008	46,000	Health sciences, outreach, adult education, Small Business Development Center
Harmony West	2018	43,795	Health sciences, outreach, adult education, Small Business Development Center
Wilsonville			
Wilsonville Training Center - original portion	1992	15,071	Utility training alliance
Wilsonville Training Center - addition	2001	34,980	Utility training alliance

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AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

INDEPENDENT AUDITOR'S COMMENTS
REQUIRED BY OREGON STATE REGULATIONS

December 30, 2020

Board of Education
Clackamas Community College
Oregon City, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Clackamas Community College as of and for the year ended June 30, 2020, and have issued our report thereon dated December 30, 2020.

Internal Control Over Financial Reporting

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

Compliance

As part of obtaining reasonable assurance about whether Clackamas Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the 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:

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

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

As discussed in Note 1 to the financial statements, the College overexpended certain appropriations during the year. ORS 294.456(6) provides that no greater amount be expended than appropriated except as specifically provided by law.

Purpose of this Report

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

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

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GRANT COMPLIANCE

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

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

December 30, 2020

Board of Education
Clackamas Community College
Oregon City, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Clackamas Community College as of and for the year ended June 30, 2020, and have issued our report thereon dated December 30, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clackamas Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

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

December 30, 2020

Board of Education
Clackamas Community College
Oregon City, Oregon

Report on Compliance for Each Major Federal Program

We have audited Clackamas Community College's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Clackamas Community College's major federal programs for the year ended June 30, 2020. Clackamas Community College's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Clackamas Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

CLACKAMAS COMMUNITY COLLEGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/ Program Title	Pass-Through Grantor's Number	Federal CFDA Number	Program Award	Receiveable or (Unearned Revenue) July 1, 2019	Revenue Recognized (1)	Expenditures	Receiveable or (Unearned Revenue) June 30, 2020
U.S. Department of Education							
Student Financial Aid Programs cluster							
PELL Grants		84 . 063	\$ 5,913,596	(20,987)	\$ 6,186,259	\$ 6,189,872	20,612
Direct Loans		84 . 268	5,733,039	(17,165)	5,745,578	5,733,039	184,411
Federal Work Study		84 . 033	187,904	16,094	198,535	105,119	-
Supplemental Education Opportunity Grants							
		84 . 007	159,127	65,750	156,697	219,877	16,250
Student Financial Aid Programs cluster							
			<u>11,993,666</u>	<u>43,692</u>	<u>12,287,069</u>	<u>12,247,907</u>	<u>221,273</u>
U.S. Department of Education							
CARES Act - Higher Education Emergency Reliefe Funds - IHEs							
		84 . 425E	862,463	-	862,463	848,271	-
CARES Act - Higher Education Emergency Relief Fund - IHEs / Institution							
		84 . 425F	862,463	-	862,463	862,463	-
			<u>1,724,926</u>	<u>-</u>	<u>1,724,926</u>	<u>1,710,734</u>	<u>-</u>
Title III Strengthening Institutions: Prepare to Leand and Navigate to Success							
		84 . 031A	448,110	-	40,197	40,197	40,197
Clackamas Education Service District							
Perkins Basic Allocation 2019-2020							
		84 . 048	275,075	-	214,854	214,855	214,854
Perkins Mini #2 Automotive Tools 2019- 2020							
		84 . 048	4,000	-	2,970	2,970	2,970
Perkins Special CTE Summer Camp 2019- 2020							
		84 . 048	20,000	-	-	-	-
Perkins Basic Allocation 2018-2019							
		84 . 048	220,000	208,179	-	-	-
Perkins Mini #2 Health Science SIMTIC							
		84 . 048	2,000	1,964	-	-	-
Perkins Mini #3 Automotive SATA Air Respirators							
		84 . 048	3,500	2,830	-	-	-
Perkins Special #3 Automotive Sanding System							
		84 . 048	4,600	3,669	-	-	-
			<u>529,175</u>	<u>216,642</u>	<u>217,825</u>	<u>217,825</u>	<u>217,825</u>

CLACKAMAS COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/ Program Title	Pass-Through Grantor's Number	Federal CFDA Number	Program Award	Receiveable or (Unearned Revenue) July 1, 2019	Revenue Recognized (1)	Expenditures	Receiveable or (Unearned Revenue) June 30, 2020
Higher Education Coordinating Commission Title II	19-054D	84 . 02A	349,500	-	349,500	349,500	42,872
Title II	18-132	84 . 002	342,968	46,955	-	-	-
IGA 19-103D Professional Development	19-103D	84 . 002	30,000	-	30,000	19,677	15,000
			722,468	46,955	379,500	369,177	57,872
Teachers College, Columbia University Adapting Lesson Study for Developmental Mathematics Instruction	OPP1160172 (Subaward 511142)	84 . 305A	20,000	2,557	7,443	7,443	-
			20,000	2,557	7,443	7,443	-
Total U.S. Department of Education			15,438,345	309,846	14,656,959	14,593,283	537,167
U.S. Department of Labor							
WIOA Cluster							
Clackamas Workforce Partnership							
Formula Adult WIOA	AA-33251-19-55-A-41	17 . 258	291,340	-	244,709	244,709	19,265
Formula Adult WIOA	AA-32218-18-A-41	17 . 258	326,361	20,739	-	-	-
			617,701	20,739	244,709	244,709	19,265
Formula Dislocated Worker WIOA	AA-33251-19-55-A-41	17 . 278	402,360	-	323,239	323,239	22,792
Formula Dislocated Worker WIOA	AA-32218-18-A-41	17 . 278	520,339	21,565	-	-	-
Gap Fill West Linn Paper	AA-30963-17-55-A-41	17 . 278	167,071	24,715	15,779	15,779	-
			1,089,770	46,280	339,017	339,017	22,792
Clackamas Education Service District							
Youth Services Operational		17 . 259	14,080	-	8,844	8,844	280
Youth Services Operational		17 . 259	13,988	4,540	-	-	-
Sage Alternative School							
Youth Services Sage Alternative		17 . 259	5,400	(98)	-	-	(98)
			33,468	4,442	8,844	8,844	182
Total WIOA Cluster			1,740,939	7,1461	592,571	592,571	42,239
Clackamas Workforce Partnership							
H1B ReBoot Northwest	HG-26675-15-60-A-44	17 . 268	822,720	698	-	-	-
H1B Northwest Promise	HG-30146-17-60-A-41	17 . 268	344,950	67,756	124,169	124,169	3,678
			1,167,670	68,454	124,169	124,169	3,678

CLACKAMAS COMMUNITY COLLEGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/ Program Title	Pass-Through Grantor's Number	Federal CFDA Number	Program Award	Receiveable or (Unearned Revenue) July 1, 2019	Revenue Recognized (1)	Expenditures	Receiveable or (Unearned Revenue) June 30, 2020
State of Oregon Employment Department Oregon Apprenticeship Initiative in Manufacturing	18-229	17 . 268	117,328	15,977	31,316	31,316	8,777
U.S. Department of Labor DOL H1B Tech Hire	HG-29339-16-60-A-41	17 . 268	3,542,868	11,734	846,279	846,279	41,824
Total U.S. Department of Labor			<u>6,568,805</u>	<u>167,626</u>	<u>1,594,335</u>	<u>1,594,335</u>	<u>96,517</u>
U.S. Department of Transportation Metro & Federal Transit Administration Metro Regional Travel Options Core Partner	936337	20 . 507	150,000	-	49,941	49,941	10,357
Metro Regional Travel Options	934630	20 . 507	130,000	50,374	-	-	-
Total U.S. Department of Transportation			<u>280,000</u>	<u>50,374</u>	<u>49,941</u>	<u>49,941</u>	<u>10,357</u>
Small Business Administration Lane Community College SBA / SBA Portable Assistance SBDC CARES Funding (COVID-19 Response)	SBAHQ-18-B-0074	59 . 037	20,000	10,482	-	-	-
SBC / SBA Project 2020	SBAHQ-20-C-0074-143	59 . 037	60,000	-	26,234	26,235	26,234
SBC / SBA Project 2019	SBA-2020-143	59 . 037	33,000	-	17,752	17,752	17,752
Total Small Business Administration	SBA-2019-143	59 . 037	<u>33,000</u>	<u>16,285</u>	<u>16,715</u>	<u>16,715</u>	<u>-</u>
			<u>146,000</u>	<u>26,767</u>	<u>60,702</u>	<u>60,702</u>	<u>43,987</u>
U.S. Department of Agriculture Clackamas Workforce Partnership Timber Lake Job Corps	17-PA-11161700-001	10 . 699	108,998	7,161	40,339	40,339	5,520
Total U.S. Department of Agriculture			<u>108,998</u>	<u>7,161</u>	<u>40,339</u>	<u>40,339</u>	<u>5,520</u>

CLACKAMAS COMMUNITY COLLEGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/ Program Title	Pass-Through Grantor's Number	Federal CFDA Number	Program Award	Receivable or (Unearned Revenue) July 1, 2019	Revenue Recognized (1)	Expenditures	Receivable or (Unearned Revenue) June 30, 2020
U.S. Department of Health and Human Services							
Local Area High Schools		93 . 667	1,790	(1,025)	-	-	(1,025)
Children's Commission Summer School Portland State University							
EXITO: Enhancing Cross-disciplinary Infrastructure and Training at Oregon Trans-NIH Research Support (EXITO - Administrative Core)							
	100116	93 . 310	78,580	-	29,695	29,695	29,695
Trans-NIH Research Support (EXITO - Research Core)	205CRE490	93 . 310	26,343	24,528	-	-	-
	205CRE489	93 . 310	55,261	28,179	-	-	-
			<u>161,974</u>	<u>51,682</u>	<u>29,695</u>	<u>29,695</u>	<u>28,670</u>
Total U.S. Department of Health and Human Services							
U.S. Department of Homeland Security							
State of Oregon Office of Emergency Management State Homeland Security 19-213		97 . 067	44,600	-	44,600	44,600	22,300
Education and Human Resources							
Portland State University Advancing Students' Proof Practices in Mathematics through Inquiry, Reinvention, and Engagement	100110	47 . 076	102,934	-	467	467	467
General Services Administration							
Oregon Department of Administrative Services Donated Federal Surplus Property		39 . 003	-	-	78	78	-
			<u>\$ 22,851,656</u>	<u>\$ 613,455</u>	<u>\$ 16,477,116</u>	<u>\$ 16,413,440</u>	<u>\$ 744,985</u>
Total Federal Awards							

(1) Revenues are recognized when measurable and available.

CLACKAMAS COMMUNITY COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWRDS
Year Ended June 30, 2020

Purpose of the Schedule

The accompanying schedule of expenditures of federal awards (the Schedule) is a supplementary schedule to Clackamas Community College's financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of the College, it is not intended to and does not present either the financial position or changes in net position of the College.

Significant Accounting Policies

The Reporting Entity

The reporting entity is fully described in Note 1 to the College's financial statements. The Schedule includes all federal financial assistance programs administered by the College for the year ended June 30, 2020.

Basis of Presentation

The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Federal Financial Assistance

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

Basis of Accounting

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

Matching Costs

The Schedule does not include matching expenditures.

CLACKAMAS COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2020

A - SUMMARY OF AUDIT RESULTS:

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

<u>Program Name</u>	<u>CFDA Number</u>
Student Financial Aid Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063
Federal Direct Student Loans	84.268
Higher Education Emergency Relief Fund	84.425

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

B - FINDINGS, FINANCIAL STATEMENTS AUDIT:

None.

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

None.