Comprehensive Annual Financial Report

Year ended June 30, 2015

Discover
Chemeketa
Community College

Salem, Oregon

CHEMEKETA COMMUNITY COLLEGE

SALEM • OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2015

Prepared by: Business Services Department

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INTRODUCTORY SECTION

Discover Chemeketa Community College

December 16, 2015

The College Board of Education
Chemeketa Community College
Salem, Oregon

The Comprehensive Annual Financial Report of Chemeketa Community College for the fiscal year ended June 30, 2015, is submitted in accordance with Oregon Revised Statutes (ORS) 297.405 to 297.555 and 297.990, known as Municipal Audit Law. This report was prepared by the College's Business Services Department. The responsibility for the completeness and fairness of the data presented and all accompanying disclosures rests with the management of Chemeketa Community College. We believe the report and its data are accurate and complete in all material aspects in disclosing the financial position and results of operations of Chemeketa Community College as of June 30, 2015, and for the year then ended.

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

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

The Meaning of Chemeketa

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

The College

Chemeketa Community College is a dynamic, comprehensive educational institution located in the heart of the Willamette Valley. The second largest community college in Oregon in total enrollment, Chemeketa served approximately 31,800 students during the 2014-2015 academic year. Chemeketa provides educational services to students across a 2,600 square mile area, which includes all of Marion and Polk counties, most of Yamhill County, and some precincts in Linn County. The College's full-time equivalent number of students during the 2014-2015 academic year was 11,802.

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

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

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

Programs

Chemeketa provides comprehensive educational opportunities throughout the district. 93 certificates or degrees are offered in professional technical education and transfer studies. The College also provides basic skill development, personal enrichment, and professional development courses.

Classes or training opportunities reach well into Marion, Polk, and Yamhill counties through the Salem campus, the Yamhill Valley campus, the Woodburn, Winema and Dallas centers, the Chemeketa Center for Business and Industry (CCBI), the Northwest Wine Studies Center at Eola, and the Brooks Emergency Services Training Facility. As a full partner in developing the workforce of the district, Chemeketa works with employers to offer pre-employment and continuing education on topics ranging from literacy to management skills. In addition, Chemeketa partners with all local school districts to offer a range of dual credit options including College Credit Now (CCN), Early College programs, Winema high school partnerships and Expanded Options. Chemeketa has partnerships and articulation agreements with several universities, both in and out-of state, to offer bachelor's and master's degrees in Salem.

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

Budgeting Controls

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

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

Chemeketa's district unemployment rate in June 2015 was approximately 5.85%, a little higher than the national rate of 5.3% at that time. A falling unemployment rate historically reduces college enrollment; and enrollment did decrease during 2014-2015. Chemeketa's full-time equivalent number of students fell by approximately 5.5% over 2013-2014 figures.

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

Accreditation

The Northwest Commission on Colleges and Universities first granted full accreditation to Chemeketa in 1972. The college has retained accreditation since that time. The College completed a successful comprehensive accreditation visit in April 2006 and a *Year Three Resources and Capacity Evaluation* along with the new Yamhill Valley campus review in spring 2012. The accreditation of Chemeketa Community College was reaffirmed on the basis of the spring 2015 *Year Seven Mission Fulfillment and Sustainability Evaluation*. Furthermore, the Oregon Department of Education has approved all of Chemeketa's professional-technical programs and college transfer courses. Professional associations have also accredited those career-technical programs requiring approval.

Internal Controls

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

Factors Affecting Financial Condition

General Fund

The College has three primary sources of general fund revenue: property taxes, tuition and fees, and state revenue. The college receives property tax revenue to support ongoing operating costs. Property tax revenue for operations made up 30.2% of this year's general fund revenues and is expected to show a modest increase next year. The two other primary sources, state revenue and tuition and fees rely heavily on student full-time equivalency (FTE). Tuition and fees during 2014-2015 totaled $20.8 million and made up about 33.5% of general fund operating revenues. State revenue, which made up 32.4% of the college's available revenues in 2014-2015, is distributed through a funding formula that allocates state funds to community colleges based on student full-time equivalency. During the 2013-2015 biennium, the state allocation was $465 million for community colleges. The College received $28.72 million dollars from the formula last budget year and $20.15 million dollars for the year ended June 30, 2015. The differences in the state payments received each year are due to a legislative change that distributes five payments in the first year of the biennium and three in the second year. This distribution affects the ending fund balance and therefore the beginning fund balance for each year. The beginning fund balance is a resource for the fiscal year but is not counted in the total revenues.

The College proactively manages its budget based on reasonable projections of future funding. This enables the College to meet its promises to the community and students as prudent stewards of public funds.

Other Funds

In May 2008, the voters of Chemeketa Community College district approved $92 million in General Obligation bonds by a double majority. The bond measure funded the construction of a health sciences building; an applied technology building and additional classroom space on the Salem campus; an emergency response building located in Brooks for the training of EMTs, firefighters and police officers; and a new Yamhill Valley campus building to replace the existing modular facility. A group of applied technology projects including the construction of a new machining, drafting, and engineering building were recently completed in fall 2015. The transformation and addition to Building 25 houses training for welders, and the remodel of Building 4 will create state of the art facilities for electronics, visual communications and automotive technologies. The college issued $50 million of general obligation bonds on November 12, 2008, an additional $28 million on February 9, 2011 and the remaining $14 million on June 26, 2014. Debt activity during this fiscal year included an advance refunding of a portion of the Series 2011 bonds in order to save taxpayers interest costs in future years.

The Financial Aid fund provided students with approximately $58 million of aid during 2014-2015. From 2010 to 2013 this fund experienced tremendous overall growth. High unemployment had many people turning to education to upgrade skills. Many of these students were relying on some form of financial aid as the number of financial aid applications increased at an extraordinary rate. During this time, the College also began participating in the federal direct loan program for students.

With the current decline in student enrollment over the past two years, the funding level, although still unusually high, continues to come down.

Independent Audits

State statutes require an annual audit by independent certified public accountants. The accounting firm of Kenneth Kuhns & Co. was selected by the Board of Education. In addition to meeting the requirements set forth in Oregon statutes, the audit also was designed to meet the requirements of the federal Single Audit Act and related OMB Circular A-133.

As a recipient of state and federal financial assistance, Chemeketa is responsible for ensuring that adequate internal controls are established to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management and outside auditors. As a part of Chemeketa's single audit, tests are made to determine the adequacy of the internal controls, including that portion related to federal financial assistance programs, as well as to determine that Chemeketa has complied with applicable laws and regulations. The results of Chemeketa's single audit for the fiscal year ended June 30, 2015 provided no instances of material weaknesses in the internal controls or significant violations of applicable laws and regulations.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Chemeketa Community College for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. This was the twenty-second consecutive year that Chemeketa has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

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

Sincerely,

Julie Huckestein

Julie Huckestein, President/Chief Executive Officer

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Chemeketa Community College

Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Jeffrey R. Emer

Executive Director/CEO

LISTING OF PRINCIPAL OFFICIALS
JUNE 30, 2015

BOARD OF EDUCATION

Zone		Term Expires
1	Ed Dodson, Chairperson 215 Kevin Way SE Salem, OR 97306	June 30, 2019
2	Ron Pittman, Director 330 NE 11th Street McMinnville, OR 97128	June 30, 2017
3	Joe Van Meter, Director 598 Dennis Lane N Keizer, OR 97303	June 30, 2015
4	Ken Hector, Director 310 Apple Avenue Silverton, OR 97381	June 30, 2017
5	Jackie Franke, Director 4472 Hayesville Drive NE Salem, OR 97305	June 30, 2017
6	Diane Watson, Director 779 McNary Estates Drive N Keizer, OR 97303	June 30, 2019
7	Betsy Earls, Vice Chairperson 671 Kingwood Drive NW Salem, OR 97304	June 30, 2019

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

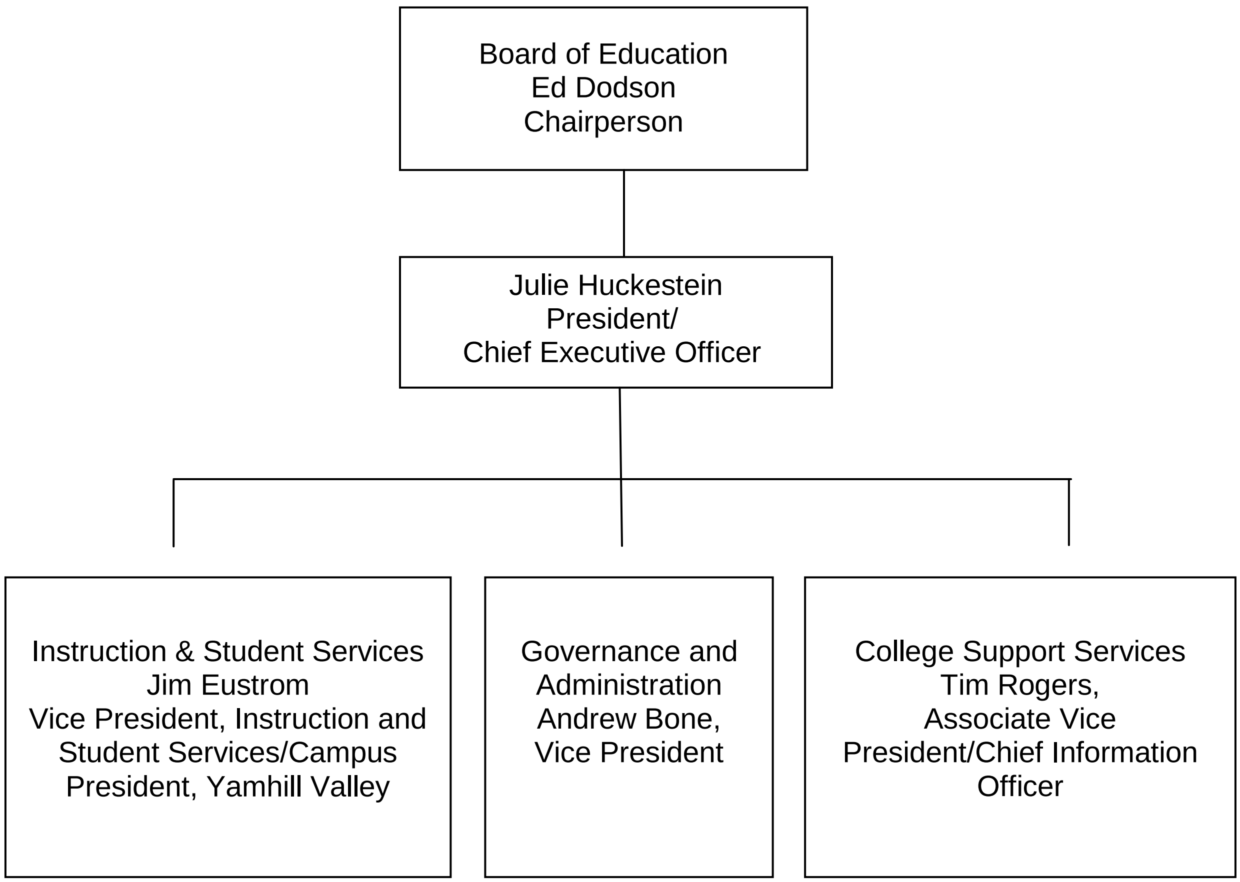
Julie Huckestein, President/Chief Executive Officer

Andrew Bone, Vice President

Tim Rogers, Associate Vice President/ Chief Information Officer

Jim Eustrom, Vice President/Campus President, Yamhill Valley

ORGANIZATION CHART
Year Ended June 30, 2015



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FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

December 1, 2015

Board of Education
Chemeketa Community College
Salem, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Chemeketa Community College and Chemeketa Community College Foundation, its discretely presented component unit, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Chemeketa Community College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Chemeketa Community College and Chemeketa Community College Foundation as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements under the caption "New Accounting Pronouncements – GASB Statements No. 68 and 71," during the 2014-15 fiscal year the College adopted new accounting guidance related to accounting and financial reporting for pensions. GASB Statement No. 68 establishes standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. GASB Statement No. 71 addresses an issue regarding application of the transition provisions of GASB Statement No. 68. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 14 through 22 and the required supplementary information on pages 50 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chemeketa Community College's basic financial statements. The supplemental financial information listed in the table of contents, introductory section, statistical section, and schedule of expenditures of federal awards required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (OMB Circular A-133) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2015 on our consideration of Chemeketa Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chemeketa Community College's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 1, 2015 on our consideration of Chemeketa Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance.

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis section of the College's comprehensive annual financial report (CAFR) presents an analysis of the financial position and activities of Chemeketa Community College for the fiscal year ended June 30, 2015. This report has been prepared by management and should be read in conjunction with the letter of transmittal and the College's financial statements. It is a required component of an annual financial report prepared in accordance with generally accepted accounting principles. The discussion is designed to assist readers in understanding the accompanying financial statements through an objective and easily readable analysis of the College's financial activities based on currently known facts and conditions.

Using the Financial Statements

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

- The *Statement of Net Position* presents the College's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in the net position are indicators of the improvement or deterioration of the College's financial health when considered along with non-financial facts such as enrollment levels and the condition of the facilities.

- The *Statement of Revenues, Expenses and Changes in Net Position* presents the revenues earned and the expenses incurred during the year. All changes in net position are reported under the accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs regardless of the timing when the cash is received. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The utilization of long-lived assets is reflected in the financial statements as depreciation, which amortizes the cost of the capital asset over the expected useful life. Revenues and expenses are reported as either operating or nonoperating. The primary sources of operating revenues include tuition, grants and contracts. Annual state appropriations and property taxes, while budgeted for operations, are considered nonoperating revenues according to accounting principles generally accepted in the United States of America (GAAP). Because of the College's dependency on state aid and property tax revenue, this statement presents an operating loss although overall net position remains positive.

- The *Statement of Cash Flows* presents information on cash flows from operating activities, noncapital financing activities, capital financing activities and investing activities. It provides the net increase or decrease in cash between the beginning and end of the fiscal year. This statement assists in evaluating the College's ability to meet financial obligations as they become due.

- The *Notes to the Basic Financial Statements* provide additional information that is essential to a full understanding of the data provided in the entity wide financial statements.

Governmental accounting standards required that the College adopt GASB Statements No. 68 and 71 during this fiscal year. With the implementation of these statements, the College's prior financial position has been restated to conform to the new reporting and accounting requirements. The statements established accounting and financial reporting standards for employers with public pension plans. Additional information about the College's pension plan and reporting can be found in Note 6 of this report.

Financial Highlights

The data presented in the following basic statements shows the College's financial position as of June 30, 2015. This report reflects an increase in total net position from approximately $127.9 million in fiscal year 2014 (as restated) to $148.9 million in fiscal year 2015.

Analysis of the Statement of Net Position

The Statement of Net Position uses the accrual basis of accounting. The College's largest component of net position reflects the amount invested in capital assets, e.g., land, buildings, and machinery and equipment, less any related debt used to acquire the assets that are outstanding.

Prior to implementation of GASB Statements No. 68 and 71, the College reported a pension asset for the value of its side account that was created when proceeds from 2003 and 2004 pension bonds were invested with PERS. As a result of GASB Statements No. 68 and 71, the Statement of Net Position now includes the following:

- *Net pension liability (asset)* – The College's proportionate share of the system-wide PERS unfunded actuarial liability (asset), net of the College's side account. At June 30, 2014 this amount was a liability of $1.9 million; at June 30, 2015, this amount is an asset of approximately $35.5 million.
- *Deferred outflows* – The subsequent contributions from the College to PERS, made after the net pension liability (asset) measurement date of June 30, 2014. This amount will be a future reduction of the net PERS liability.
- *Transition liability* – The College's allocated share of a separate liability created in 2004 when community colleges moved into the State and Local Government Rate Pool.
- *Deferred inflows* – The College's proportionate share of (1) system-wide projected and actual earnings on investments, and (2) system-wide differences between employer contributions.

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

	2015	2014 (Restated)
Assets		
Current assets	$ 94,692,068	$ 109,842,906
Capital assets, net of depreciation	206,273,643	190,706,045
Other noncurrent assets	49,287,170	13,642,553
Total assets	$ 350,252,881	$ 314,191,504
Deferred outflows of resources	$ 11,299,052	$ 7,461,874
Liabilities		
Current liabilities	$ 22,768,231	$ 20,163,684
Long-term debt	146,210,584	150,282,183
Other noncurrent liabilities	20,498,866	23,269,197
Total liabilities	$ 189,477,681	$ 193,715,064
Deferred inflows of resources	$ 23,210,035	$ -
Net Position		
Net investment in capital assets	$ 116,274,920	$ 105,459,693
Restricted	29,056,964	29,344,769
Unrestricted	3,532,333	(6,866,148)
Total net position	$ 148,864,217	$ 127,938,314

Total assets increased by 11.5% in fiscal year 2015. Included in this total are current assets which include cash and investments from operations; student, taxes and other outstanding receivables; inventories on hand; and prepaid items. Current assets decreased due to less cash on hand, resulting from fewer state community college support payments, and the continued spending of bond proceeds. The College's current assets of approximately $94.7 million are sufficient to cover its current liabilities of $22.8 million.

The College's capital assets are valued at approximately $206.3 million which represents an increase of 8.2% in fiscal year 2015. Investment in capital assets includes land, buildings, improvements, machinery and equipment, art and historical treasures, vehicles, library collections and land improvements. During the year, the College continued to spend general obligation bond funds to construct and remodel buildings and to make improvements. Equipment and vehicle purchases, as well as the annual depreciation also contributed to the change in value.

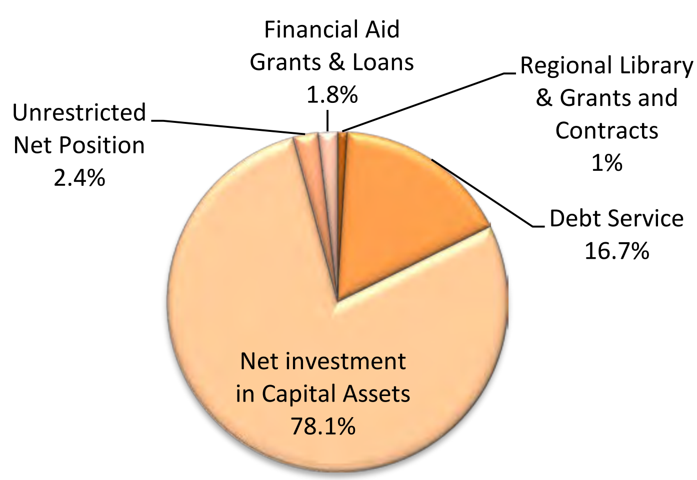
Other noncurrent assets include the net pension asset and the leveraged loan associated with the College's new market tax credit transaction. The increase is a result of the new pension reporting.

Total liabilities of the College decreased 2.2% during the fiscal year, mostly due to the reduction in long-term debt. Current liabilities consist of accounts payable; payroll and payroll taxes payable; accrued interest; contracts payable; amounts due to others; unearned revenue from summer term tuition, fees and capital leases; and the current portion of long-term debt. Long-term debt obligations consist of general obligation bonds, pension obligation bonds, certificates of participation, compensated absences, termination benefits, and other postemployment benefit obligations that are due or estimated to be unused after a period of one year. Other noncurrent liabilities represent the amount of other unearned revenue (net of current) and the transition liability related to pensions.

Net position is reported in three components with an overall increase of approximately 16% in fiscal year 2015. The largest portion of the College's net assets is the $116.3 million net investment in capital assets. The restricted component of net position consists of amounts set aside for debt service, student financial aid, regional library, and grants and contracts. The remaining component is categorized as unrestricted. According to generally accepted accounting principles, funds which are not subject to externally imposed restrictions on their use must be classified as unrestricted for financial reporting purposes. The College's unrestricted net position at June 30, 2015 consists of amounts to be used for the continuing operation of the College as designated by its governing board. Unrestricted funds are allocated for academic programs, capital projects, reserves, and other purposes from one year to the next. With the implementation of GASB 68 and 71, unrestricted net position will fluctuate greatly from year to year based on the PERS system-wide investment returns and the associated changes in the actuarial unfunded liability (asset).

The following shows a breakdown of the College's net position at 6/30/15:

2015 Net Position - $148,864,217



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

The Statement of Revenues, Expenses and Changes in Net Position present the operating results of the College as well as the nonoperating revenues and expenses.

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

	2015	2014
Operating revenues		
Student tuition and fees	$ 35,214,098	$ 38,073,043
Grants and contracts	32,296,012	35,364,450
Bookstore sales	4,766,127	4,761,251
Rental income	3,532,732	3,647,087
Other operating revenues	7,928,103	6,787,051
Total operating revenues	83,737,072	88,632,882
Nonoperating revenues		
State community college support	20,152,851	28,717,709
Other state sources	171,601	242,163
Property taxes	29,570,587	26,880,384
Investment income	520,301	9,685,384
Total revenues	134,152,412	154,158,522
Operating expenses		
President's office	3,490,453	2,690,172
College support services	12,291,216	15,871,095
Instruction and student services	31,446,449	42,094,026
College facilities	2,369,854	2,505,767
Grants and scholarships	34,049,861	37,681,633
Self-supporting services	15,997,170	19,123,390
Intra-college services	2,711,110	2,298,427
Regional library	2,540,548	2,654,461
Bookstore	4,256,311	4,693,582
Depreciation expense	5,480,316	5,275,235
Total operating expenses	114,633,288	134,887,788
Nonoperating expenses		
Interest expense	6,490,482	6,977,743
Bond issuance costs	216,562	326,782
Loss on sale of capital assets	190,597	13,786
Total expenses	121,530,929	142,206,099
Income (Loss) before contributions	12,621,483	11,952,423
Capital contributions	8,304,420	547,041
Change in net position	20,925,903	12,499,464
Net position, beginning of the year as originally reported		179,107,047
Prior period adjustment		(63,668,197)
Net position, beginning of the year, as restated	127,938,314	115,438,850
Net position, end of year	$ 148,864,217	$ 127,938,314

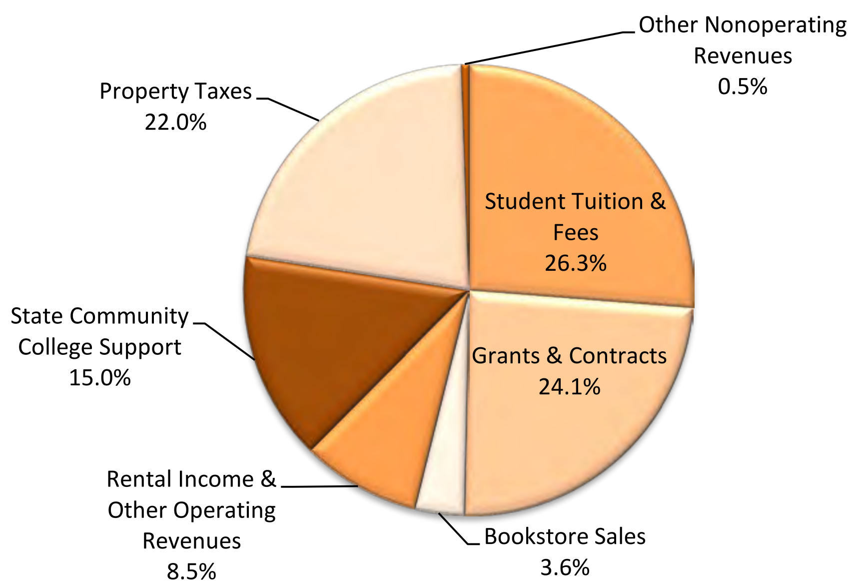
Revenues:

The most significant sources of operating revenues for the College are federal, state and local grants and contracts (including student financial aid), student tuition and fees, bookstore sales, rental income, and other operating revenues generated from instructional service agreements and miscellaneous college fees. The decline in student enrollment during 2014-2015 impacted operating revenues with an overall decrease of 5.5%.

Nonoperating revenues show a decline of approximately $15.1 million during the fiscal year. Due to the new reporting requirements of GASB Statements No. 68 and 71, investment earnings on the college's pension side account with the State of Oregon Public Employees Retirement System are no longer reported. This accounts for the difference in investment revenue. State community college support also showed a large decline. This is normal as the payment structure from the State requires that the College receive five support payments in the first year of a biennium and three payments in the second year. For the year ended June 30, 2015, the College received three payments totaling $20,152,851.

The following graph shows the sources of revenue for the College at 6/30/15:

2015 Total Revenues - $134,152,412

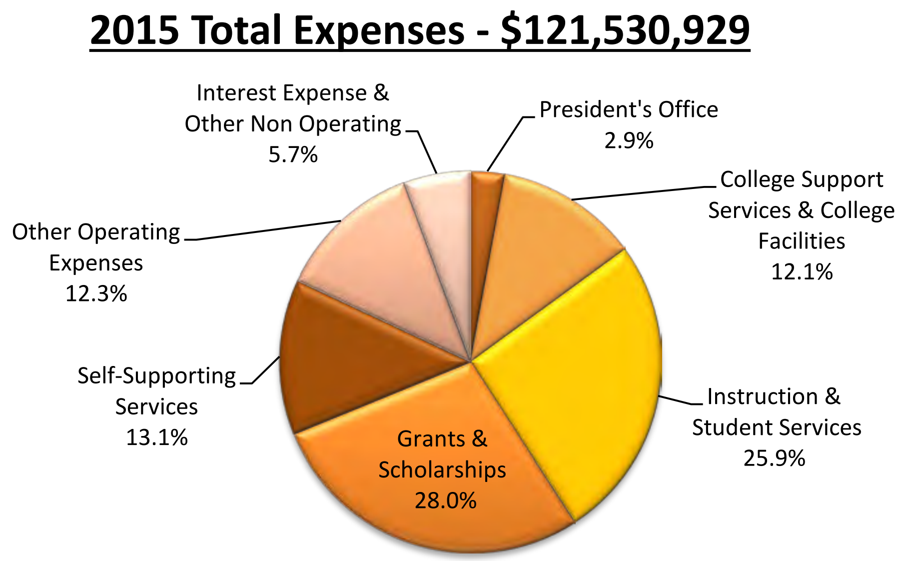


Expenses:

Operating expenses totaling $114,633,288 include salaries and benefits, materials and services, utilities, grants and scholarships and depreciation. Nonoperating expenses totaled $6,897,641 and include interest expense, bond issuance costs and the loss on the sale or disposal of capital assets. Total expenses were reduced by over $19 million due to the net effect of the GASB Statements No. 68 and 71 adjustments required when recording the pension related liabilities (asset) and deferred amounts. Aside from these changes, total expenses between the years remained constant.

Instruction and student services, along with college support services account for 36% of total expenses; this represents the majority of the College's general fund expenses. Grant and scholarship disbursements account for 28% of the total. This represents the largest category of expense and is directly related to the continuing need and awards for students receiving financial aid.

The following graph shows the expense categories for the College at 6/30/15:



Capital Contributions:

Capital contributions represent the value of capital items donated to the College through the Chemeketa Foundation, as well as grant resources and contributions restricted for capital purposes.

Analysis of the Statement of Cash Flows

This statement provides an assessment of the financial health of the College. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the College during a specific period. The following shows a two year comparison of the College's cash flow:

	2015	2014
Cash Provided By (Used in):		
Operating activities	$ (38,781,626)	$ (35,097,717)
Noncapital financing activities	37,442,686	45,324,986
Capital financing activities	(22,068,323)	(2,498,075)
Investing activities	520,301	13,280,695
Net increase (decrease) in cash	(22,886,962)	21,009,889
Cash - Beginning of year	102,444,163	81,434,274
Cash - End of year	$ 79,557,201	$ 102,444,163

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

Total cash decreased by $22.9 million during fiscal year 2015. A decline in enrollment resulted in lower tuition and fee revenue, as well as less drawdown of federal financial aid. Other factors were more cyclical, such as the receipt of three state community college support payments, and the continued usage of general obligation bond funds, received in prior years, for current construction projects.

Capital Assets and Debt Administration

Capital Assets

During the fiscal year, the College's capital assets increased by approximately $15.6 million. Work continued on several building and land improvement projects, including the new Building 20 (Applied Tech/MDE Building), Building 4 remodel, Welding Building addition and remodel, remodel of Building 40, and Building 22 secondary electrical system improvements. Building and land improvements were made at the College's satellite and main campuses, and machinery and equipment were upgraded or replaced. Annual depreciation for buildings, equipment, vehicles and land improvements amounted to approximately $5.5 million. Additional information about the College's capital assets can be found in Note 4 of this report.

Long Term Debt

At the end of the fiscal year, the College had total debt outstanding of $156,177,765. Of this amount $48,176,156 are in pension obligation bonds; $87,665,000 comprises general obligation debt; $4,925,000 are in lease purchase certificates of participation; and $10,868,682 consists of related debt premiums and discounts. The remaining balance is comprised of termination benefits, compensated absences, and other postemployment benefits.

The College's total debt decreased by approximately $2.9 million during the current fiscal year. Debt activity during the year included an advance refunding in March 2015 of a portion of the 2011A general obligation bonds. Regular biannual debt payments on the College's bonds and certificates of participation were made, which combined with the refunding and the annual increase in other postemployment benefits, accounts for the overall decrease in total debt outstanding at June 30, 2015.

State statutes limit the amount of the general obligation debt the College may issue to 1.5% of Real Market Value of properties within the College district. The current legal debt limit is $724,920,567, which is significantly higher than the College's outstanding general obligation debt. The College's outstanding debt is approximately 13% of the legal debt limit. The College currently maintains an AA rating from Standard & Poor's. Additional information about the College's long term debt can be found in Notes 5 and 7 of this report.

Economic Factors and Next Year's Budget

Federal economic forecasts show the economy in a prolonged moderate 2 percent GDP growth pattern for next 3-5 years, with unemployment remaining at or near the 5 percent mark during that time. With improved stability in the economy, the focus is now on the monetary policy of the Federal Reserve. The economy appears to be at an inflection point where if the accommodative monetary policy of the past several years is continued too long, the risk of excessive inflation becomes the concern. It is expected the Federal Reserve will cautiously increase the federal funds rate to a target of 3 percent over the next 3-5 years as it works to control inflation during this period of economic expansion. The State of Oregon's Office of Economic Analysis lists several potential risks to this emerging U.S. economic recovery. The most concerning risk is Federal fiscal policy. Additional key concerns are the strength of the US Dollar, weak global growth, and a significant economic slowdown in China.

Oregon's economy continues to advance and is outpacing the national rate of growth which is typical during economic expansions. More importantly, Oregon is experiencing a deeper recovery in the labor market and wages are increasing above the rate of inflation. The underlying concern in Oregon's economy is the labor participation rate, which is still below pre-Great Recession levels. However, continued economic improvement should help pull workers back into the labor force.

Oregon's employment gains are led by the large service sector including; professional and business services, health services, and leisure and hospitality industries. These three industries account for 47 percent of the job gains in the state. Leading economic indicators in Oregon point to continued economic growth, however recent slides in the indicators signal that we might be getting close to the next economic downturn, which would likely be more of a correction than a full-blown recession.

When preparing for the College's upcoming budget year, revenue and expenditure forecasts are prepared within the context of current economic conditions. For about five to six years, tuition and fees were the fastest growing revenue source in the General Fund while at the same time state revenues were dropping considerably. The recession caused high unemployment levels which brought many people back to school to increase their employability. At the same time, falling income tax receipts caused state tax revenues to decline and as a result the state support to community colleges followed suit. The increase in tuition and fees helped offset some of the losses in state funding. As the economy recovers, enrollment has declined. The College currently anticipates an approximate five percent enrollment decline for this year and a more moderate decline, or possibly even no change in enrollment for next year. After the tremendous increase in enrollment from 2005-2006 to 2010-2011, these declines continue to bring us closer to our long-term enrollment growth trend. The economic recovery also brought a substantial increase in state support this year which will likely trend flat for the coming years as long as income tax receipts continue to be strong.

For the 2015-2017 biennium, the state allocated $550 million for community colleges which was a substantial increase over the prior biennium allocation of $465 million. In July 2015, the Legislature passed Senate Bill 81, commonly known as the Oregon Promise. It provides $10 million dollars to recent Oregon high school graduates to pay for tuition at one of Oregon's seventeen community colleges. We anticipate that the Oregon Promise will help drive enrollment as students take advantage of subsidized education opportunities. The Governor and legislative leaders stayed true to their commitment of funding community colleges and are making a concerted effort to improve the affordability of higher education in the state of Oregon.

The state is continuing to move forward with migrating toward an outcomes-based funding model. This is a dramatic shift from the current model that funds community colleges based on student FTE. The final model is currently under development but preliminary work shows that the formula will emphasize four major categories: progression, completion, remediation success, and workforce training. The College is monitoring these anticipated changes closely and preparing for any financial impact of this change.

When total General Fund revenues are projected forward several years based on varying assumptions, it shows a range of modest growth in the best case to significant declines in the worst case. This drives the need for contingency planning and thorough reassessment each budget year to position the College to meet changing needs and contain costs to match the revenue sources. Typically around 80 percent of the General Fund budget is for personnel costs. The College is striving to maintain the talent level of employees and minimize layoffs while at the same time controlling labor costs. There are several pressures on containing employee costs, most notably the results of labor negotiations and contributions to the public employee retirement system (PERS). Going forward, it is expected that employer contribution rates to PERS will increase significantly over the next two to three biennia. An additional concern is the rate of increase for employee health insurance. Although the annual increase of the college contribution is capped in the bargaining agreements, the difference becomes an out-of-pocket cost for employees. The College strives to be an employer of choice and affordable health care will contribute toward this goal.

The College has a long history of strong financial management. It weathered the recent recession on a solid financial foundation, and is well-positioned to adapt to the changing needs of students as industry and educational environments change in the future. With the continued expansion of competition such as for-profit institutions, online degrees and open-source coursework and the rapidly increasing cost of providing education, the education industry itself has changed more in the last decade than it had in the previous century. The College has a reputation for pursuing alternative forms of revenue to help provide services and opportunities that would not otherwise be available to our students and community. Chemeketa's pursuit of other nontraditional revenue sources and desire to create a more sustainable model will allow the College to maintain its promise to the students and community.

Requests for Information:

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

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

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
June 30, 2015

	Chemeketa Community College	Chemeketa Foundation
ASSETS		
Current assets:		
Cash and cash equivalents	$ 79,557,201	$ 1,344,118
Investments	-	5,101,200
Receivables, net of allowance for uncollectibles	13,639,640	1,078,171
Inventories	1,077,346	62,450
Prepaid items	417,881	14,648
Total current assets	94,692,068	7,600,587
Noncurrent assets:		
Receivables, net of allowance for uncollectibles	13,810,474	-
Net pension asset	35,476,696	-
Other assets	-	(157,317)
Capital assets, not being depreciated	50,556,513	-
Capital assets, net of accumulated depreciation	155,717,130	9,182,634
Intangible assets, net of accumulated amortization	-	412,653
Total noncurrent assets	255,560,813	9,437,970
Total assets	350,252,881	17,038,557
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	8,804,092	-
Related to pensions	2,494,960	-
Total deferred outflows of resources	11,299,052	-
LIABILITIES		
Current liabilities:		
Accounts payable	4,134,658	75,770
Payroll and payroll taxes payable	4,909,798	-
Accrued interest payable	177,251	-
Contracts payable	723,735	35,354
Due to others	1,311,467	-
Other liabilities	-	58,720
Current portion of unearned revenue	1,544,141	11,832
Current portion of long-term debt	9,967,181	-
Total current liabilities	22,768,231	181,676
Noncurrent liabilities:		
Unearned revenue, net of current portion	11,848,790	-
Transition liability related to pensions	8,650,076	-
Long-term debt, net of current portion	146,210,584	-
Notes payable	-	15,183,000
Total noncurrent liabilities	166,709,450	15,183,000
Total liabilities	189,477,681	15,364,676
DEFERRED INFLOWS OF RESOURCES		
Related to pensions	23,210,035	-
Total deferred inflows of resources	23,210,035	-
NET POSITION		
Net investment in capital assets	116,274,920	-
Restricted for debt service	24,926,207	-
Restricted for student financial aid grants and loans	2,719,563	-
Restricted for regional library	1,407,940	-
Restricted for grants and contracts	3,254	-
Restricted for Foundation	-	5,566,417
Unrestricted	3,532,333	(3,892,536)
Total net position	$ 148,864,217	$ 1,673,881

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Year Ended June 30, 2015

	Chemeketa Community College	Chemeketa Foundation
OPERATING REVENUES		
Student tuition and fees	$ 35,214,098	$ -
Grants and contracts	32,296,012	-
Bookstore sales	4,766,127	-
Rental income	3,532,732	775,215
Other operating revenues	7,928,103	4,778,823
Total operating revenues	83,737,072	5,554,038
OPERATING EXPENSES		
President's office	3,490,453	-
College support services	12,291,216	-
Instruction and student services	31,446,449	-
College facilities	2,369,854	-
Grants and scholarships	34,049,861	-
Self-supporting services	15,997,170	-
Intra-college services	2,711,110	-
Regional library	2,540,548	-
Bookstore	4,256,311	-
Foundation	-	4,983,092
Depreciation expense	5,480,316	276,116
Total operating expenses	114,633,288	5,259,208
OPERATING INCOME (LOSS)	(30,896,216)	294,830
NONOPERATING REVENUES (EXPENSES)		
State community college support	20,152,851	-
Other state sources	171,601	-
Property taxes	29,570,587	-
Investment income (loss)	520,301	(28,764)
Loss on sale of assets	(190,597)	-
Bond issuance costs	(216,562)	-
Interest expense	(6,490,482)	(132,091)
Total nonoperating revenues (expenses)	43,517,699	(160,855)
INCOME BEFORE CONTRIBUTIONS	12,621,483	133,975
CAPITAL CONTRIBUTIONS	8,304,420	-
CHANGE IN NET POSITION	20,925,903	133,975
Net position - beginning of the year, as restated	127,938,314	1,539,906
Net position - end of the year	$ 148,864,217	$ 1,673,881

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH FLOWS
Year Ended June 30, 2015

		Chemeketa Community College
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from tuition and fees	$	35,009,569
Cash received from grants and contracts		32,388,723
Bookstore receipts from customers		4,638,505
Other cash receipts		11,063,830
Payments to suppliers for good and services		(19,993,709)
Payments to employees		(68,478,901)
Payments for student financial aid		(29,713,406)
Bookstore payments to suppliers for resale materials		(3,696,237)
Net cash used in operating activities		(38,781,626)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from property taxes		21,249,723
Cash received from State community college support		20,152,851
Cash received from other state sources		171,601
Principal paid on pension bonds		(2,055,000)
Interest paid on pension bonds		(2,076,489)
Net cash provided by noncapital financing activities		37,442,686
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of general obligation bonds, including premium		29,354,483
Payment to refunding bond escrow		(29,137,856)
Issuance costs		(216,562)
Cash received from property taxes levied for capital debt		8,277,250
Proceeds from sale of capital assets		5,690
Cash received from capital grants		455,283
Purchase of capital assets		(21,235,152)
Principal paid on long-term debt		(5,460,000)
Interest paid on long-term debt		(4,111,459)
Net cash used in capital and related financing activities		(22,068,323)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments		520,301
Purchase of investments		(25,002,438)
Proceeds from sales of investments		25,002,438
Net cash provided by investing activities		520,301
NET DECREASE IN CASH AND CASH EQUIVALENTS		(22,886,962)
Cash and cash equivalents - beginning of year		102,444,163
Cash and cash equivalents - end of year	$	79,557,201

(Continues)

The accompanying notes are in integral part of this statement.

STATEMENT OF CASH FLOWS
Year Ended June 30, 2015 (Continued)

		Chemeketa Community College
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	$	(30,896,216)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		5,480,316
Insurance expense (OPEB)		206,334
Decreases (increases) in assets:		
Accounts receivable		(183,024)
Loans receivable		(186,177)
Contacts receivable		18,000
Inventories		324,754
Prepaid items		6,104
Net pension asset		(37,388,966)
Deferred outflows related to pensions		(202,880)
Increases (decreases) in liabilities:		
Accounts payable		600,262
Payroll and payroll taxes payable		695,321
Contracts payable		330,496
Termination benefits		(829)
Due to others		(150,566)
Unearned revenue		(285,244)
Compensated absences		236,354
Transition liability related to pensions		(595,700)
Deferred inflows related to pensions		23,210,035
Net cash used in operating activities	$	(38,781,626)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Amortization of deferred interest bonds	$	714,390
Amortization of deferred on refunding of long-term debt		523,205
Amortization of premium/discount on bonds payable		(919,868)
Amortization of premium on certificates of participation payable		(10,580)
Interest expense		(307,147)
Capital contributions		7,849,137
Contributions receivable		(7,840,088)
Acquistion of capital assets		(9,049)
Book value of capital assets disposed		196,287
Loss on disposition of capial assets		(196,287)
Total noncash investing, capital and financing activities	$	-

The accompanying notes are in integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The Chemeketa Community College Foundation is a legally separate, tax-exempt entity which acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs for staff, students and the community. The Foundation is governed by a board of directors composed of up to 24 volunteers selected by the Foundation board from communities served by the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of the resources or income thereon, which the Foundation holds and invests, are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the College, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

During the year ended June 30, 2015, the Foundation provided scholarships and support of $650,705 and capital asset donations and improvement funds of $435,664, for the benefit of the College. The College provided personnel and administrative contributions to the Foundation totaling $341,764 during the year. Complete financial statements for Chemeketa Community College Foundation can be obtained at: 4000 Lancaster Drive NE, Salem, Oregon 97305.

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

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

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

New Accounting Pronouncements – GASB Statements No. 68 and 71 - The Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Liabilities Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. GASB Statement No. 68 establishes standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. GASB Statement No. 71 addresses an issue regarding application of the transition provisions of GASB Statement No. 68. The College implemented GASB Statements No. 68 and 71 in the year ending June 30, 2015. Additional information can be found in Note 6 – Pension Plans and Note 12 – Prior Period Adjustment.

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

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

Investments – Investments are carried at fair value. During the year, the College's investments were with the Oregon Local Government Investment Pool and with corporate debt, both of which are authorized by Oregon law.

For purposes of the statement of cash flows, cash on hand, demand deposits, the State Treasurer's Oregon Local Government Investment Pool and short-term investments purchased with original maturities of three months or less are considered to be cash and cash equivalents.

The College is required by Oregon law to insure its deposits with financial institutions through Federal depository insurance funds coverage or participation in institution collateral pools that insure public deposits.

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

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

Capital Assets – Capital assets include land and land improvements, buildings and building improvements, equipment and library books; vehicles; works of art and historical treasures; and construction in progress with a useful life of more than one year. The College's capitalization threshold is $5,000 for all capital assets except for works of art and library books. These items are capitalized regardless of cost. Donated assets are recorded at their fair market value on the date donated. Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add value or functionality to the asset are not capitalized, but are expensed as incurred.

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

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

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

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

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

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

Termination Benefits – Employees who have reached age and service requirements are eligible for early retirement benefits, which are recognized as a liability and expense when the employees accept the offer. Expenditures of $27,787 were charged in the year ended June 30, 2015.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

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

2. CASH AND INVESTMENTS

Cash and investments are comprised of the following at June 30, 2015:

Cash on hand and other	$	365,959
Deposits with financial institutions		44,793,977
Investments		34,397,265
Total cash and investments	$	79,557,201

Deposits – Deposits with financial institutions are bank demand deposits. The total bank balance, as shown on the banks' records at June 30, 2015, is $45,885,113. Of these deposits, $1,096,485 was covered by federal depository insurance.

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

Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College follows State law with respect to custodial credit risk and has not adopted a separate policy. Deposits in excess of FDIC insured amounts were exposed to custodial credit risk as of June 30, 2015, because these deposits were uncollateralized and/or were collateralized but not held by the third-party custodian bank in the College's name.

Investments – State statutes authorize the College to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, commercial paper and the Oregon Local Government Investment Pool, among others. The College has no investment policy that would further limit its investment choices.

At June 30, 2015, the College's investments of $34,397,265 were invested in the Oregon Local Government Investment Pool.

The Oregon Local Government Investment Pool is an open-ended, no-load diversified portfolio pool. The fair value of the College's position in the pool is substantially the same as the value of the College's participant balance.

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Oregon Short-Term Fund manages this risk by limiting the maturity of the investments held by the fund. Weighted average maturities of the investments in the Oregon Short-Term Fund at June 30, 2015 were: 73.78% mature within 93 days, 6.47% mature from 94 days to one year, and 19.75% mature beyond one year. The College does not have a policy for interest rate risk.

Restricted Cash and Investments – At June 30, 2015, the College had $4,694,274 in unspent general obligation bond proceeds. These unspent proceeds are restricted for capital improvements.

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

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

3. RECEIVABLES

College receivables at June 30, 2015 were as follows:

	Total Receivables	Allowance for Uncollectables	Net Receivables	Due Within One Year
Property taxes	$ 1,846,085	$ -	$ 1,846,085	$ 1,846,085
Accounts	14,054,430	2,780,665	11,273,765	11,273,765
Loans	14,874,916	771,948	14,102,968	448,494
Interest	53,296	-	53,296	53,296
Contract	174,000	-	174,000	18,000
Total	$ 31,002,727	$ 3,552,613	$ 27,450,114	$ 13,639,640

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Capital assets not being depreciated:				
Land	$ 20,319,900	$ -	$ -	$ 20,319,900
Art and historical treasures	385,519	10,610	-	396,129
Construction in progress	18,128,313	20,059,583	8,347,412	29,840,484
Total capital assets not being depreciated	38,833,732	20,070,193	8,347,412	50,556,513
Capital assets being depreciated:				
Buildings and improvements	193,616,797	4,303,496	212,969	197,707,324
Equipment & Library books	10,519,597	1,059,677	845,595	10,733,679
Vehicles	1,477,334	114,331	25,000	1,566,665
Land improvements	8,464,509	4,043,916	-	12,508,425
Total capital assets being depreciated	214,078,237	9,521,420	1,083,564	222,516,093
Less accumulated depreciation for:				
Buildings and improvements	51,076,375	4,079,854	186,093	54,970,136
Equipment & Library Books	6,423,572	828,021	676,184	6,575,409
Vehicles	1,076,567	109,816	25,000	1,161,383
Land improvements	3,629,410	462,625	-	4,092,035
Total accumulated depreciation	62,205,924	5,480,316	887,277	66,798,963
Total capital assets being depreciated, net	151,872,313	4,041,104	196,287	155,717,130
Total capital assets	$ 190,706,045	$ 24,111,297	$ 8,543,699	$ 206,273,643

5. LONG-TERM DEBT

During the fiscal year ended June 30, 2015 the following changes occurred related to long-term debt obligations:

`	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Due within One Year	Interest Paid
GO, Series 2008	$ 10,480,000	$ -	$ 2,240,000	$ 8,240,000	$ 2,480,000	$ 494,627
GO, Series 2011A	28,000,000	-	23,905,000	4,095,000	-	818,281
GO, Series 2014	51,150,000	-	2,240,000	48,910,000	2,275,000	2,332,096
GO, Series 2015	-	26,800,000	380,000	26,420,000	595,000	245,075
Pension Bonds, Series 2003:						
Deferred interest bonds	11,796,766	714,390	1,330,000	11,181,156	1,435,000	-
Current interest bonds	13,305,000	-	-	13,305,000	-	750,937
Pension Bonds, Series 2004	24,415,000	-	725,000	23,690,000	850,000	1,325,552
Bond premiums/discounts	10,235,359	2,554,483	1,995,221	10,794,621	-	-
COP, Series 2007	5,525,000	-	600,000	4,925,000	625,000	221,381
COP premium	84,641	-	10,580	74,061	-	-
Vested compensated absences	1,879,743	1,752,743	1,516,389	2,116,097	1,687,606	-
Termination benefits	29,073		829	28,244	19,575	-
Net OPEB obligation	2,192,252	206,334	-	2,398,586	-	-
Total	$ 159,092,834	$ 32,027,950	$ 34,943,019	$ 156,177,765	$ 9,967,181	$ 6,187,949

NOTES TO BASIC FINANCIAL STATEMENTS
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Limited Tax Pension Obligation Bonds

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

In February 2004, the College issued an additional $26,795,000 of Limited Tax Pension Obligation Bonds. These bonds are managed in the same way as the April 2003 issue. Principal payments are due annually through June 30, 2028. Interest is payable on these bonds in December and June of each year with rates ranging from 5.00% to 5.53%.

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

Fiscal	Series 2004		Series 2003		
Year	Principal	Interest	Principal	Interest	Total
2015-16	$ 850,000	$ 1,290,050	$ 1,435,000	$ 750,937	$ 4,325,987
2016-17	985,000	1,247,575	1,545,000	750,937	4,528,512
2017-18	1,125,000	1,197,370	1,660,000	750,937	4,733,307
2018-19	1,285,000	1,138,904	1,780,000	750,937	4,954,841
2019-20	1,455,000	1,069,000	1,905,000	750,937	5,179,937
2020-21	1,645,000	989,848	2,035,000	750,937	5,420,785
2021-22	1,845,000	900,360	2,170,000	750,937	5,666,297
2022-23	2,065,000	799,992	2,310,000	750,937	5,925,929
2023-24	2,295,000	687,656	2,460,000	750,937	6,193,593
2024-25	2,550,000	560,742	2,750,000	611,701	6,472,443
2025-26	2,825,000	419,727	3,070,000	455,776	6,770,503
2026-27	3,115,000	263,505	3,410,000	281,400	7,069,905
2027-28	1,650,000	91,245	1,615,000	90,440	3,446,685
Subtotals	23,690,000	10,655,974	28,145,000	8,197,750	70,688,724
Less deferred interest	-	-	(3,658,844)	-	(3,658,844)
Carrying amount	$ 23,690,000	$ 10,655,974	$ 24,486,156	$ 8,197,750	$ 67,029,880

General Obligation Bonds

On May 20, 2008, the voters of the Chemeketa Community College district approved $92 million in General Obligation bonds to fund the construction of new buildings, remodel of existing facilities, acquisition of land, and improvements to infrastructure. On November 12, 2008, the college issued $50 million of the general obligation bonds. The interest rate on the remaining bonds ranges from

NOTES TO BASIC FINANCIAL STATEMENTS
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4.375% to 5.0% with the final maturity on June 15, 2018. On February 9, 2011, the college issued another $28 million in general obligation bonds in order to continue the work on buildings and improvements. For these bonds, the interest rate ranges from 4.5% to 5% with the final maturity on June 15, 2021.

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

The College advance refunded the Series 2011A bonds to take advantage of lower interest rates and to reduce its total debt service payments over the life of the Series 2015 Bonds by $2,261,831. The refunding resulted in an economic gain (difference between the present values of the old and new debt service payments) of $1,309,294. The Series 2015 bonds bear interest rates from 2% to 4% and the final maturity is on June 15, 2026. Debt service payments are scheduled semiannually.

In June 2014, the College issued Series 2014 General Obligation Bonds in the amount of $51,150,000. A portion of these bonds were used to extinguish $37,510,000 of outstanding Series 2008 General Obligation Bonds through an in-substance defeasance. The in-substance defeasance was accomplished by placing a portion of the proceeds of the Series 2014 General Obligation Bonds in an irrevocable trust from which principal and interest payments will be made on the defeased debt. The excess of the reacquisition price of the defeased debt over its carrying value was deferred and is being amortized over the term of the Series 2008 bonds. At June 30, 2015, $37,510,000 in Series 2008 bonds were outstanding and considered defeased.

The College advance refunded the Series 2008 bonds to take advantage of lower interest rates and to reduce its total debt service payments over the life of the Series 2014 Bonds by $4,460,083. The refunding resulted in an economic gain (difference between the present values of the old and new debt service payments) of $2,852,216. The Series 2014 bonds bear interest rates from 2% to 5% and the final maturity is on June 15, 2026. Debt service payments are scheduled semiannually.

In July 2003, the College extinguished $30,405,000 of outstanding Series 1996A, 1996B and 1998 General Obligation Bonds through an in-substance defeasance. The in-substance defeasance was accomplished by placing the proceeds of the Series 2003A and Series 2003B General Obligation Refunding Bonds in an irrevocable trust from which principal and interest payments are being made on the defeased debt. The excess of the reacquisition price of the defeased debt over its carrying value was deferred and is being amortized over the term of the Series 2003 bonds. At June 30, 2015, $2,860,000 in bonds refunded with the 2003 bonds were outstanding and considered defeased.

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Annual requirements to repay General Obligation Bonds are shown below:

Fiscal Year	Series 2008 Principal	Series 2008 Interest	Series 2011A Principal	Series 2011A Interest	Series 2014 Principal	Series 2014 Interest	Series 2015 Principal	Series 2015 Interest
2015-16	$ 2,480,000	$ 391,962	$ -	$ 190,775	$ 2,275,000	$ 2,360,800	$ 595,000	$ 921,106
2016-17	2,745,000	277,213	-	190,775	2,445,000	2,269,800	665,000	903,256
2017-18	3,015,000	148,687	-	190,775	2,665,000	2,172,000	710,000	889,957
2018-19	-	-	-	190,775	6,230,000	2,038,750	740,000	868,656
2019-20	-	-	1,300,000	190,775	5,470,000	1,764,750	780,000	839,057
2020-21	-	-	2,795,000	125,775	4,585,000	1,491,250	825,000	807,856
2021-22	-	-	-	-	5,030,000	1,262,000	3,855,000	774,856
2022-23	-	-	-	-	5,485,000	1,010,500	4,110,000	615,856
2023-24	-	-	-	-	5,985,000	736,250	4,315,000	496,775
2024-25	-	-	-	-	5,910,000	437,000	5,135,000	367,325
2025-26	-	-	-	-	2,830,000	141,500	4,690,000	187,600
Total	$ 8,240,000	$ 817,862	$ 4,095,000	$ 1,079,650	$ 48,910,000	$ 15,684,600	$ 26,420,000	$ 7,672,300

Lease Purchase Certificates of Participation

Lease purchase certificates of participation are due through 2022 and bear interest at rates of 3.9% to 4.00%. The certificates of participation were used to construct new facilities and to upgrade and remodel existing facilities. Future certificate of participation requirements are as follows:

Fiscal Year	Series 2007 Principal	Series 2007 Interest	Series 2007 Total
2015-16	$ 625,000	$ 195,890	$ 820,890
2016-17	650,000	170,890	820,890
2017-18	675,000	144,890	819,890
2018-19	695,000	117,890	812,890
2019-20	730,000	90,090	820,090
2020-21	760,000	61,620	821,620
2021-22	790,000	31,600	821,600
Total	$ 4,925,000	$ 812,870	$ 5,737,870

The lease purchase certificates issued by the College represent a security interest in lease payments due from the College under a lease purchase agreement. Lease payments are made to an escrow agent who services the lease purchase certificates. The ownership of the property under the agreement resides with the College. The certificate holders have no security interest in the property.

Termination Benefits

The College provides an early retirement benefit to eligible salaried faculty employees who were hired on or before September 30, 2005. The early retirement option is available to faculty who have served the College for a minimum of ten (10) years of continuous service immediately prior to

NOTES TO BASIC FINANCIAL STATEMENTS
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retirement from the College and who have reached the age of 55 but not yet 62, or to faculty less than age 55 who have obtained 30 years of salaried employment at Chemeketa. As part of this plan, the College pays a monthly stipend to the retiree, up to age 62, with the amount based on the total number of years of service to the College before retirement. As of June 2015, the stipend period varies based upon the employees' retirement date. As outlined in the collective bargaining agreement between the College and the Chemeketa Education Association this benefit will expire, with all stipends paid by June 2019.

This early retirement benefit is reported as a liability on the College's financial statements and is recognized as a voluntary termination benefit as classified under GASB statement 47. The liability reflects the discounted present value of expected future stipend payments. The discount rate used was 0.54%; which corresponds to the College's yield on current investments held in the local government investment pool as of June 30, 2015.

6. PENSION PLANS

Plan Description

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

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

Benefits provided

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

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

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

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

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

Disability Benefits - A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 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. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first $60,000 of annual benefit and 0.15 percent on annual benefits above $60,000.

B. OPSRP Pension Program (OPSRP DB)

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS
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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. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first $60,000 of annual benefit and 0.15 percent on annual benefits above $60,000.

C. OPSRP Individual Account Program (OPSRP IAP)

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

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

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

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

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2013. Employer contributions for the year ended June 30, 2015 were $2,494,960, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2015 were 6.40 percent for Tier One/Tier Two General Service Members and 4.60 percent

NOTES TO BASIC FINANCIAL STATEMENTS
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for OPSRP Pension Program General Service Members, net of 9.64 percent of side account rate relief. An additional 6 percent contribution is required for the OPSRP Individual Account Program.

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

At June 30, 2015, the College reported an asset of $35,476,696 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. The College's proportion of the net pension asset 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, 2014, the College's proportion was 0.49%.

For the year ended June 30, 2015, the College recognized pension income of $10,570,307. At June 30, 2015, 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
Net difference between projected and actual earnings on investments	$ -	$ 21,384,989
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,825,046
College's contributions subsequent to the measurement date	2,494,960	-
Year Ended June 30, 2015	$ 2,494,960	$ 23,210,035

$2,494,960 reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows (in millions):

Year Ending, June 30,	Amount
2016	$ (5,742,996)
2017	(5,742,996)
2018	(5,742,996)
2019	(5,742,996)
2020	(238,051)
Total	$ (23,210,035)

NOTES TO BASIC FINANCIAL STATEMENTS
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Actuarial assumptions

The employer contribution rates effective July 1, 2013, through June 30, 2015, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years. The total pension liability in the December 31, 2012 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, published September 18, 2013
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	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Investment Rate of Return	7.75 percent
Projected Salary Increases	3.75 percent overall payroll growth
Mortality	Health retirees and beneficiaries; PF-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-back as described in the valuation. Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees; Mortality rates are a percentage of the RP-2000 statistic combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

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YEAR ENDED JUNE 30, 2015

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

Discount rate

The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

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 7.75%, 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
College's proportionate share of the net pension liability (asset)	$ (925,056)	$ (35,476,696)	$ (64,699,280)

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 $8.65 million at June 30, 2015. The liability represents the College's allocated share of the pre-SLGRP pooled liability. The College is being assessed an employer contribution rate of 1.85 percent of covered payroll for payment of this transition liability.

Changes in Plan Provisions Subsequent to Measurement Date

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. PERS will make restoration payments to those benefit recipients.

PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, and has not been included in the net pension liability (asset) proportionate shares provided by PERS.

7. POSTEMPLOYMENT HEALTHCARE PLAN

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

Plan Description – The College operates a single-employer retiree benefit plan that provides postemployment health and dental coverage benefits to eligible employees and their eligible dependents. This "plan" is not a stand-alone plan and therefore does not issue its own financial statements. The College is required by Oregon Revised Statutes 243.303 to provide retirees with

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. Eligible employees are those retiring from active service with at least 5 years of salaried employment with the College and a pension benefit payable under Oregon PERS. Retirees and their dependents under age 65 are allowed to receive the same health care coverage as offered to active employees, however, the retiree is required to pay the full premiums.

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

		Fiscal Year Ending June 30, 2015
Determination of Annual Required Contribution:		
Normal Cost at year end	$	226,076
Amortization of UAAL		481,500
Annual Required Contribution (ARC)	$	707,576
Determination of Net OPEB Obligation:		
Annual Required Contribution (ARC)	$	707,576
Interest on prior year Net OPEB Obligation		76,729
Adjustment to ARC		(263,599)
Annual OPEB cost		520,706
Less estimated benefit payments		(314,372)
Increase (decrease) in Net OPEB Obligation		206,334
Net OPEB Obligation - beginning of year		2,192,252
Net OPEB Obligation - end of year	$	2,398,586

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

Fiscal Year Ended	OPEB Cost	Cost Contributed	OPEB Obligation
6/30/2013	$669,713	71%	$1,954,497
6/30/2014	$676,125	65%	$2,192,252
6/30/2015	$520,706	60%	$2,398,586

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

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

Valuation Date	Value of Assets	AAL Unit Credit	UAAL	Funded Ratio	Covered Payroll	UAAL % of Covered Payroll
7/1/2009	$ -	$ 7,273,959	$ 7,273,959	0%	$ 42,645,182	17.1%
7/1/2011	$ -	$ 5,186,348	$ 5,186,348	0%	$ 42,780,513	12.1%
7/1/2013	$ -	$ 3,869,037	$ 3,869,037	0%	$ 44,817,535	8.6%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

In the most recent actuarial valuation, July 1, 2013, the projected unit credit cost method was used. This method attempts to track the actual economic pattern of benefit accrual over an employee's working lifetime. A discount rate of 3.5% was used based on long term expectations of return for the Oregon Local Government Investment Pool. The valuation assumes an annual healthcare cost trend rate of 8% in the first year, 6% in the second year, 5.5% in the third year, and 5.75% in the fourth through seventh years. Rates thereafter vary between 5.25% and 6.75%. General inflation of 2.75% per year was used to develop other economic assumptions. The UAAL is being amortized as a level dollar amount over a rolling period of ten years.

8. RELATED PARTY TRANSACTIONS

The Chemeketa Community College Foundation is a tax-exempt charitable corporation formed for the purpose of raising funds and other related donations to be used for the enhancement of the College's students, programs, staff, and capital needs. The Foundation made certain donations to the College during 2014-2015. Certain products were also purchased by the Foundation from the College during the year.

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

During 1989-90 the College discontinued food service and vending operations and Northwest Innovations, Inc. accepted responsibility for those operations. The College retained ownership of the food service and vending equipment and has a management agreement with Northwest Innovations,

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

Inc. to operate the food service outlets on campus. The value of the food service agreement with Northwest Innovations, Inc. for the year ended June 30, 2015 is $44,820. The college also has an outstanding note receivable with Northwest Innovations in the amount of $174,000. Northwest Innovations makes monthly payments according to the terms of the note agreement.

9. COMMITMENTS AND CONTINGENCIES

The College had several outstanding or planned construction projects as of June 30, 2015. These projects represent infrastructure upgrades, a new building, and major improvements to existing structures. As of the end of the fiscal year, approximately $13.4 million was spent with a commitment remaining of $3.3 million.

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

The College secured additional financing for its Chemeketa Center for Business and Industry (CCBI) by using New Markets Tax Credits (NMTC) in accordance with Section 45D of the Internal Revenue Code of 1986. The NMTC is the result of a federal program designed to stimulate capital investments in low income communities by providing a credit against Federal income taxes for investors that make Qualified Equity Investments (QEI's) into Community Development Entities (CDE's). In order to facilitate the transactions, the College leased that portion of the CCBI building being financed with NMTC's to a special purpose entity (the QALICB). The credit provided to the investor bank (Wells Fargo Bank) totals 39% (or $5.85 million) of the cost of the total investment and is claimed over a seven year period. The College, as the guarantor, will indemnify the Bank against the recapture and/or disallowance of NMTC's as a result of (a) the failure of QALICB to maintain its status as a "qualified active low-income community business", (b) the failure of any part of the Loans provided by the CDE failing to constitute a "qualified low-income community investment", including as a result of the failure of any tenant to be a qualified business, (c) the College's gross negligence, fraud, willful misconduct, malfeasance, material violation of the laws, breach of any material provision of any loan or transaction document; or (d) any other action or inaction by or within the control of the College or an affiliate.

10. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College is a member of the OSBA Property and Casualty Coverage for Education (PACE) and pays an annual premium for its general liability, property, automobile, EDP, student medical professional and employee dishonesty insurance coverage.

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

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015

11. BUDGET

A budget is prepared and legally adopted for each College fund on the modified accrual basis of accounting in the classifications required by Oregon Local Budget Law. The College begins its budget process early in each fiscal year with the establishment of the budget committee.

Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are published generally in early spring with a public hearing being held approximately three weeks later. The budget is adopted, appropriations are made and the tax levy declared no later than June 30.

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

12. PRIOR PERIOD ADJUSTMENT

Based on implementation of GASB 68 and 71, the College had a prior period adjustment to the beginning net position.

The effect of this adjustment is as follows:

NET POSITION		
Net position - beginning of year, as previously stated	$	191,606,511
Prior period adjustment		(63,668,197)
Net position - beginning of year, as restated	**$**	**127,938,314**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE LAST TWO FISCAL YEARS

Year Ended June 30,	(a) College's proportion of the net pension liability (asset)	(b) College's proportionate share of the net pension liability (asset)	(c) College's covered payroll	(b/c) College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.48892925%	$ (35,476,696)	$ 44,840,619	-79.12%	103.60%
2014	0.48892925%	1,912,270	44,817,535	4.27%	91.97%

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

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

SCHEDULE OF CONTRIBUTIONS
FOR THE LAST TWO FISCAL YEARS

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) College's covered payroll	(b/c) Contributions as a percent of covered payroll
2015	$ 2,494,960	$ 2,494,960	$ -	$ 44,840,619	5.56%
2014	2,292,080	2,292,080	-	44,817,535	5.11%

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

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2015

1. PURPOSE OF THE SCHEDULE

Changes in Plan Provisions

A summary of key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at:
http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf

Changes of Assumptions

A summary of key changes implemented since the December 31, 2011 valuation are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at:
http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2012 Experience Study for the System, which was published on September 18, 2013, and can be found at:
http://www.oregon.gov/pers/docs/2012%20Exp%20Study%20Updated.pdf

OTHER
SUPPLEMENTARY FINANCIAL INFORMATION

DESCRIPTION OF BUDGETED COLLEGE FUNDS

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

Budgeted College funds are as follows:

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

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budget			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES:				
Property taxes:				
Current year's levy	$ 17,020,000	$ 17,020,000	$ 18,011,072	$ 991,072
Prior year's levy	750,000	750,000	762,905	12,905
Total property taxes	17,770,000	17,770,000	18,773,977	1,003,977
Tuition	19,140,000	19,140,000	18,754,083	(385,917)
Fees	2,120,000	2,120,000	2,058,693	(61,307)
State community college support	25,690,000	25,690,000	20,152,851	(5,537,149)
Other sources:				
Interest	)	)	92,686	)
Administrative charges	)	)	1,944,923	)
Miscellaneous	2,100,000	2,100,000	435,027	372,636
Total revenues	66,820,000	66,820,000	62,212,240	(4,607,760)
EXPENDITURES:				
President's Office				
Personnel services	2,191,977	3,688,240	3,430,804	257,436
Materials and services	933,884	1,150,250	1,079,081	71,169
Capital outlay	-	460	360	100
Total president's office	3,125,861	4,838,950	4,510,245	328,705
College Support Services				
Personnel services	12,084,421	10,541,301	10,279,404	261,897
Materials and services	5,306,532	5,181,694	4,983,759	197,935
Capital outlay	57,103	150	150	-
Agency fund support	35,000	35,000	15,000	20,000
Contingency	2,000,000	2,000,000	-	2,000,000
Total college support services	19,483,056	17,758,145	15,278,313	2,479,832
Instruction & Student Services				
Personnel services	43,598,613	43,522,850	41,796,591	1,726,259
Materials and services	2,069,060	2,048,545	1,846,768	201,777
Capital outlay	32,910	41,010	40,517	493
Total instruction & student services	45,700,583	45,612,405	43,683,876	1,928,529
Total expenditures	68,309,500	68,209,500	63,472,434	4,737,066
REVENUES OVER (UNDER) EXPENDITURES	(1,489,500)	(1,389,500)	(1,260,194)	129,306
OTHER FINANCING SOURCES (USES):				
Transfers in	500,000	500,000	-	(500,000)
Transfers out	(4,560,500)	(4,660,500)	(4,638,359)	22,141
Total other financing sources (uses)	(4,060,500)	(4,160,500)	(4,638,359)	(477,859)
NET CHANGE IN FUND BALANCE	(5,550,000)	(5,550,000)	(5,898,553)	(348,553)
FUND BALANCE, beginning	6,600,000	6,600,000	13,427,330	6,827,330
FUND BALANCE, ending	$ 1,050,000	$ 1,050,000	$ 7,528,777	$ 6,478,777

STUDENT FINANCIAL AID FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Grants and scholarships:				
Federal sources	$ 85,000,000	$ 85,000,000	$ 49,760,087	$ (35,239,913)
State sources	5,000,000	5,000,000	3,605,638	(1,394,362)
Local scholarship funds	2,000,000	2,000,000	1,169,032	(830,968)
Loan collections, including interest	1,250,000	1,250,000	540,885	(709,115)
Off-campus CWS employers	5,000	5,000	-	(5,000)
Total revenues	93,255,000	93,255,000	55,075,642	(38,179,358)
EXPENDITURES:				
Grants and scholarships, including administrative expenditures:				
Federal funds, including matching funds	85,000,000	85,000,000	50,179,748	34,820,252
State funds	5,000,000	5,000,000	3,605,638	1,394,362
Local scholarship and loan funds	3,250,000	3,250,000	1,269,979	1,980,021
Loan program	330,000	330,000	632,201	(302,201)
Tuition grants	2,820,000	2,820,000	2,458,837	361,163
Total expenditures	96,400,000	96,400,000	58,146,403	38,253,597
REVENUES OVER (UNDER) EXPENDITURES	(3,145,000)	(3,145,000)	(3,070,761)	74,239
OTHER FINANCING SOURCES:				
Transfers in	3,145,000	3,145,000	2,784,262	(360,738)
NET CHANGE IN FUND BALANCE	-	-	(286,499)	(286,499)
FUND BALANCE, beginning	-	-	610,479	610,479
FUND BALANCE, ending	$ -	$ -	$ 323,980	$ 323,980

SPECIAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Grants	$ 18,250,000	$ 18,250,000	$ 12,802,305	$ (5,447,695)
EXPENDITURES:				
Personnel services	6,600,000	6,600,000	2,476,791	4,123,209
Materials and services	5,900,000	2,900,000	1,852,042	1,047,958
Capital outlay	6,000,000	9,000,000	8,479,848	520,152
Total expenditures	18,500,000	18,500,000	12,808,681	5,691,319
NET CHANGE IN FUND BALANCE	(250,000)	(250,000)	(6,376)	243,624
FUND BALANCE, beginning	250,000	250,000	9,630	(240,370)
FUND BALANCE, ending	$ -	$ -	$ 3,254	$ 3,254

SELF-SUPPORTING SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Self-supporting services	$ 19,400,000	$ 19,400,000	$ 18,845,166	$ (554,834)
EXPENDITURES:				
Personnel services	18,350,000	18,350,000	13,607,042	4,742,958
Materials and services	11,650,500	11,650,500	6,029,436	5,621,064
Capital outlay	250,000	250,000	110,368	139,632
Total expenditures	30,250,500	30,250,500	19,746,846	10,503,654
REVENUES OVER (UNDER) EXPENDITURES	(10,850,500)	(10,850,500)	(901,680)	9,948,820
OTHER FINANCING SOURCES (USES):				
Transfers in	1,350,500	1,350,500	1,348,600	(1,900)
Transfers out	(500,000)	(500,000)	(50,000)	450,000
Total other financing sources (uses)	850,500	850,500	1,298,600	448,100
NET CHANGE IN FUND BALANCE	(10,000,000)	(10,000,000)	396,920	10,396,920
FUND BALANCE, beginning	10,000,000	10,000,000	11,301,202	1,301,202
FUND BALANCE, ending	$ -	$ -	$ 11,698,122	$ 11,698,122

INTRA-COLLEGE SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Intra-college services	$ 5,160,000	$ 5,160,000	$ 4,928,173	$ (231,827)
EXPENDITURES:				
Personnel services	1,745,000	1,745,000	1,743,149	1,851
Materials and services	6,380,000	6,380,000	3,842,449	2,537,551
Debt service	105,000	105,000	-	105,000
Contingency	7,500,000	7,500,000	-	7,500,000
Capital outlay	1,000,000	1,000,000	221,798	778,202
Total expenditures	16,730,000	16,730,000	5,807,396	10,922,604
REVENUES OVER (UNDER) EXPENDITURES	(11,570,000)	(11,570,000)	(879,223)	10,690,777
OTHER FINANCING SOURCES (USES):				
Transfers in	670,000	670,000	511,497	(158,503)
Transfers out	(150,000)	(150,000)	(25,000)	125,000
Total other financing sources (uses)	520,000	520,000	486,497	(33,503)
NET CHANGE IN FUND BALANCE	(11,050,000)	(11,050,000)	(392,726)	10,657,274
FUND BALANCE, beginning	11,050,000	11,050,000	11,290,451	240,451
FUND BALANCE, ending	$ -	$ -	$ 10,897,725	$ 10,897,725

REGIONAL LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Current taxes	$ 2,280,000	$ 2,280,000	$ 2,379,790	$ 99,790
Prior year taxes	100,000	100,000	95,956	(4,044)
State sources	31,865	31,865	34,407	2,542
Local sources	121,974	121,974	121,974	-
Miscellaneous	296,000	296,000	225,095	(70,905)
Total revenues	2,829,839	2,829,839	2,857,222	27,383
EXPENDITURES:				
Personnel services	730,000	730,000	628,871	101,129
Materials and services	2,379,427	2,379,427	2,074,076	305,351
Capital outlay	5,000	5,000	-	5,000
Contingency	350,412	350,412	-	350,412
Total expenditures	3,464,839	3,464,839	2,702,947	761,892
REVENUES OVER (UNDER) EXPENDITURES	(635,000)	(635,000)	154,275	789,275
OTHER FINANCING USES:				
Transfers out	(65,000)	(65,000)	(65,000)	-
NET CHANGE IN FUND BALANCE	(700,000)	(700,000)	89,275	789,275
FUND BALANCE, beginning	700,000	700,000	717,171	17,171
FUND BALANCE, ending	$ -	$ -	$ 806,446	$ 806,446

REGIONAL LIBRARY RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
EXPENDITURES:				
Materials and services	$ 393,313	$ 393,313	$ -	$ 393,313
Capital outlay	50,000	50,000	-	50,000
Total expenditures	443,313	443,313	-	443,313
OTHER FINANCING SOURCES:				
Transfers in	65,000	65,000	65,000	-
NET CHANGE IN FUND BALANCE	(378,313)	(378,313)	65,000	443,313
FUND BALANCE, beginning	378,313	378,313	378,313	-
FUND BALANCE, ending	$ -	$ -	$ 443,313	$ 443,313

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Current taxes	$ 8,500,000	$ 8,500,000	$ 7,990,980	$ (509,020)
Prior year taxes	100,000	100,000	286,270	186,270
Miscellaneous	50,000	50,000	34,688	(15,312)
PERS adjustment revenue	3,000,000	3,000,000	4,401,170	1,401,170
Total revenues	11,650,000	11,650,000	12,713,108	1,063,108
EXPENDITURES:				
Debt service	32,800,000	32,800,000	13,919,510	18,880,490
REVENUES OVER (UNDER) EXPENDITURES	(21,150,000)	(21,150,000)	(1,206,402)	19,943,598
OTHER FINANCING SOURCES (USES):				
Transfers in	1,150,000	1,150,000	821,381	(328,619)
Proceeds from refunding of bonds	-	-	26,800,000	26,800,000
Premium on refunding of bonds	-	-	2,554,483	2,554,483
Bond payment to escrow	-	-	(29,137,856)	(29,137,856)
Total other financing sources (uses)	1,150,000	1,150,000	1,038,008	(111,992)
NET CHANGE IN FUND BALANCE	(20,000,000)	(20,000,000)	(168,394)	19,831,606
FUND BALANCE, beginning	20,000,000	20,000,000	24,777,761	4,777,761
FUND BALANCE, ending	$ -	$ -	$ 24,609,367	$ 24,609,367

CAPITAL DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Fees	$ 1,800,000	$ 1,800,000	$ 1,562,849	$ (237,151)
State sources	400,000	400,000	-	(400,000)
Other sources:				
Interest revenue	250,000	250,000	82,041	(167,959)
Miscellaneous	3,000,000	3,000,000	2,857,049	(142,951)
Total revenues	5,450,000	5,450,000	4,501,939	(948,061)
EXPENDITURES:				
Personnel services	190,000	190,000	53,800	136,200
Materials and services	13,825,366	13,825,366	4,533,128	9,292,238
Noncurrent:				
Capital outlay	35,000,000	35,000,000	9,902,156	25,097,844
Total expenditures	49,015,366	49,015,366	14,489,084	34,526,282
REVENUES OVER (UNDER) EXPENDITURES	(43,565,366)	(43,565,366)	(9,987,145)	33,578,221
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	100,000	100,000
Transfers out	(1,434,634)	(1,434,634)	(956,015)	478,619
Proceeds from sale of certificates of participation	6,000,000	6,000,000	-	(6,000,000)
Proceeds from sale of general obligation bonds	14,000,000	14,000,000	-	(14,000,000)
Total other financing sources (uses)	18,565,366	18,565,366	(856,015)	(19,421,381)
NET CHANGE IN FUND BALANCE	(25,000,000)	(25,000,000)	(10,843,160)	14,156,840
FUND BALANCE, beginning	25,000,000	25,000,000	29,070,788	4,070,788
FUND BALANCE, ending	$ -	$ -	$ 18,227,628	$ 18,227,628

PLANT EMERGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES:				
Materials and services	$ 475,000	$ 475,000	$ -	$ 475,000
Capital outlay	275,000	275,000	-	275,000
Total expenditures	750,000	750,000	-	750,000
OTHER FINANCING SOURCES:				
Transfers in	75,000	75,000	129,000	54,000
NET CHANGE IN FUND BALANCE	(675,000)	(675,000)	129,000	804,000
FUND BALANCE, beginning	675,000	675,000	661,028	(13,972)
FUND BALANCE, ending	$ -	$ -	$ 790,028	$ 790,028

ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Bookstore sales	$ 9,000,000	$ 9,000,000	$ 5,908,863	$ (3,091,137)
EXPENDITURES:				
Personnel services	1,365,000	1,365,000	961,189	403,811
Materials and services	12,369,634	12,369,634	4,682,254	7,687,380
Capital outlay	40,000	40,000	-	40,000
Total expenditures	13,774,634	13,774,634	5,643,443	8,131,191
REVENUES OVER (UNDER) EXPENDITURES	(4,774,634)	(4,774,634)	265,420	5,040,054
OTHER FINANCING SOURCES (USES):				
Transfers in	134,634	134,634	134,634	-
Transfers out	(160,000)	(160,000)	(160,000)	-
Total other financing sources (uses)	(25,366)	(25,366)	(25,366)	-
NET CHANGE IN FUND BALANCE	(4,800,000)	(4,800,000)	240,054	5,040,054
FUND BALANCE, beginning	4,800,000	4,800,000	4,757,665	(42,335)
FUND BALANCE, ending	$ -	$ -	$ 4,997,719	$ 4,997,719

STUDENT GOVERNMENT, STUDENT CLUBS & STUDENT NEWSPAPER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE
DUE TO OTHERS-BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Student newspaper	$ 25,000	$ 25,000	$ 8,867	$ (16,133)
Miscellaneous	100,000	100,000	55,816	(44,184)
College support transfers	15,000	15,000	15,000	-
Student activities club tranfers	3,000	3,000	800	(2,200)
Total revenues	143,000	143,000	80,483	(62,517)
EXPENDITURES:				
Materials and services	290,000	290,000	89,070	200,930
Transfers	3,000	3,000	800	2,200
Total expenditures	293,000	293,000	89,870	203,130
NET CHANGE IN DUE TO OTHERS	(150,000)	(150,000)	(9,387)	140,613
DUE TO OTHERS, beginning	150,000	150,000	178,985	28,985
DUE TO OTHERS, ending	$ -	$ -	$ 169,598	$ 169,598

ATHLETICS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE DUE TO OTHERS-BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Fees	$ 325,000	$ 325,000	$ 286,915	$ (38,085)
Miscellaneous	35,000	35,000	35,000	-
Total revenues	360,000	360,000	321,915	(38,085)
EXPENDITURES:				
Personnel services	147,500	147,500	106,837	40,663
Materials and services	362,500	362,500	183,781	178,719
Contingency	50,000	50,000	-	50,000
Total expenditures	560,000	560,000	290,618	269,382
NET CHANGE IN DUE TO OTHERS	(200,000)	(200,000)	31,297	231,297
DUE TO OTHERS, beginning	200,000	200,000	328,916	128,916
DUE TO OTHERS, ending	$ -	$ -	$ 360,213	$ 360,213

EXTERNAL ORGANIZATIONS BILLING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE
DUE TO OTHERS-BUDGET AND ACTUAL
Year Ended June 30, 2015

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Miscellaneous	$ 600,000	$ 600,000	$ 287,622	$ (312,378)
College support transfers	20,000	20,000	-	(20,000)
			-	
Total revenues	620,000	620,000	287,622	(332,378)
EXPENDITURES:				
Personnel services	162,000	162,000	-	162,000
Materials and services	468,000	468,000	276,653	191,347
Capital outlay	5,000	5,000	-	5,000
Total expenditures	635,000	635,000	276,653	358,347
NET CHANGE IN DUE TO OTHERS	(15,000)	(15,000)	10,969	25,969
DUE TO OTHERS, beginning	15,000	15,000	19,968	4,968
DUE TO OTHERS, ending	$ -	$ -	$ 30,937	$ 30,937

STATISTICAL SECTION

STATISTICAL SECTION
NARRATIVE

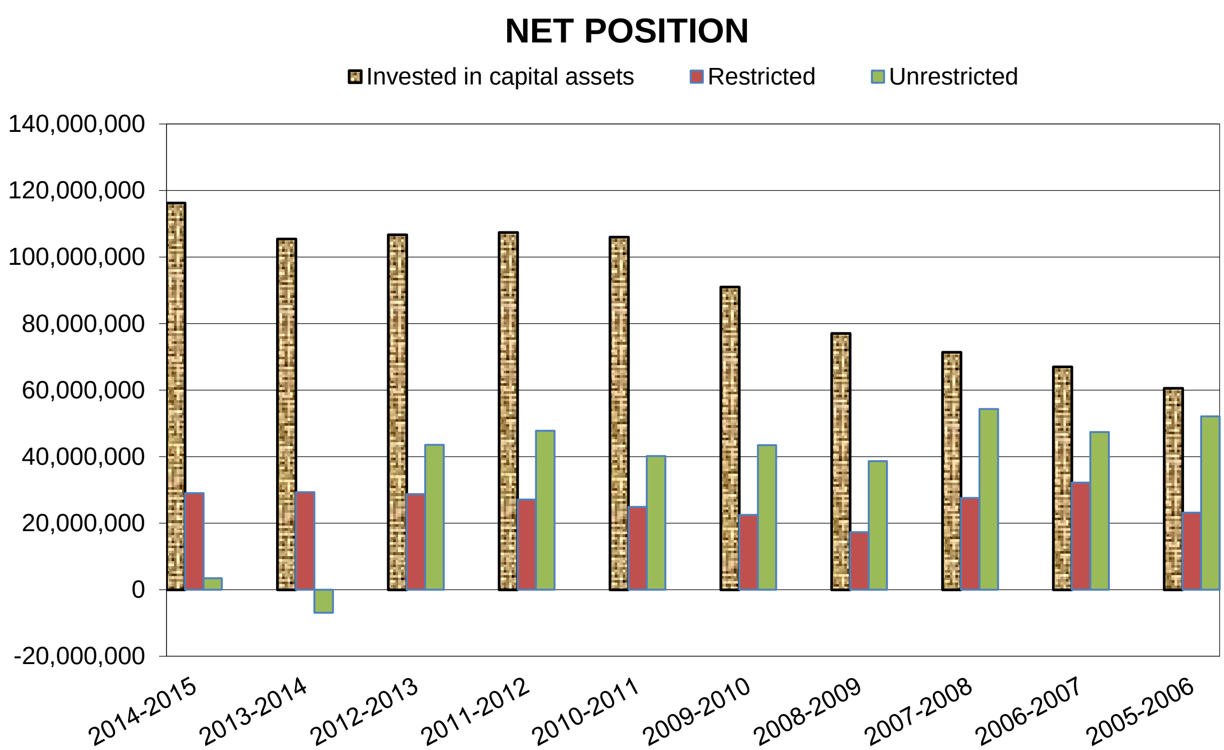
This section of Chemeketa Community College's Comprehensive Annual Financial Report presents detailed information as a basis for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the College's overall financial health.

Contents **Begins on Page**

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

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2014-2015	2013-2014	2012-2013	2011-2012
Net investment in capital assets	$ 116,274,920	$ 105,459,693	$ 106,724,945	$ 107,423,876
Restricted	29,056,964	29,344,769	28,819,609	27,150,510
Unrestricted	3,532,333	(6,866,148)	43,562,493	47,807,014
Total net position	$ 148,864,217	$ 127,938,314	$ 179,107,047	$ 182,381,400



Note: The College implemented GASB Statements No. 68 and 71 in 2014-2015. Net postion at June 30, 2014 has been restated to conform with the new reporting and accounting requirements; restatement for years prior to 2013-2014 is not required. Net position at June 30, 2014, as originally reported, was $191,606,511.

	2010-2011		2009-2010		2008-2009		2007-2008		2006-2007		2005-2006
$	106,021,287	$	91,024,657	$	77,076,106	$	71,411,320	$	67,023,646	$	60,588,687
	24,988,835		22,530,671		17,371,026		27,604,641		32,245,398		23,175,138
	40,209,594		43,532,429		38,653,089		54,377,949		47,470,015		52,106,324
$	171,219,716	$	157,087,757	$	133,100,221	$	153,393,910	$	146,739,059	$	135,870,149

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2014-2015	2013-2014	2012-2013	2011-2012
Operating Revenues				
Student tuition and fees	$ 35,214,098	$ 38,073,043	$ 39,195,722	$ 38,260,629
Grants and contracts	32,296,012	35,364,450	37,302,219	38,155,453
Bookstore sales	4,766,127	4,761,251	5,437,040	5,638,982
Rental income	3,532,732	3,647,087	3,483,468	3,381,571
Other operating revenues	7,928,103	6,787,051	7,093,187	6,243,125
Total operating revenues	83,737,072	88,632,882	92,511,636	91,679,760
Operating Expenses				
President's office	3,490,453	2,690,172	2,686,916	2,406,671
College support services	12,291,216	15,871,095	15,414,373	15,270,580
Instruction and student services	31,446,449	42,094,026	40,923,826	38,813,921
College facilities	2,369,854	2,505,767	3,047,730	2,217,450
Grants and scholarships	34,049,861	37,681,633	39,724,882	40,134,982
Self-supporting services	15,997,170	19,123,390	19,815,632	18,507,315
Intra-college services	2,711,110	2,298,427	2,163,403	2,168,059
Regional library	2,540,548	2,654,461	2,579,348	2,507,560
Bookstore	4,256,311	4,693,582	5,242,740	5,413,376
Depreciation expense	5,480,316	5,275,235	4,844,575	3,926,540
Total operating expenses	114,633,288	134,887,788	136,443,425	131,366,454
Operating income (loss)	(30,896,216)	(46,254,906)	(43,931,789)	(39,686,694)
Nonoperating Revenues (Expenses)				
State community college support	20,152,851	28,717,709	13,866,214	26,777,332
Other state sources	171,601	242,163	109,762	102,800
Property taxes	29,570,587	26,880,384	27,476,520	26,604,404
Investment income	520,301	9,685,384	6,239,566	2,792,448
Loss on investments	-	-	-	-
Interest expense	(6,490,482)	(6,977,743)	(7,124,558)	(7,245,793)
Bond issuance costs	(216,562)	(326,782)	-	-
Gain (loss) on sale of capital assets	(190,597)	(13,786)	(34,458)	(45,591)
Total nonoperating revenues (expenses)	43,517,699	58,207,329	40,533,046	48,985,600
Income (loss) before contributions	12,621,483	11,952,423	(3,398,743)	9,298,906
Capital Contributions	8,304,420	547,041	124,390	2,759,855
Total change in net position	$ 20,925,903	$ 12,499,464	$ (3,274,353)	$ 12,058,761

2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
$ 35,985,783	$ 33,019,066	$ 24,952,735	$ 21,086,334	$ 19,849,493	$ 19,209,491
37,568,924	43,858,889	35,605,669	30,897,675	30,513,526	29,088,243
6,267,520	6,911,914	6,225,231	5,528,332	4,798,007	4,763,376
3,013,840	2,878,722	2,460,386	2,569,551	2,407,301	2,328,980
7,234,378	7,585,696	6,566,763	5,526,761	5,694,274	5,881,169
90,070,445	94,254,287	75,810,784	65,608,653	63,262,601	61,271,259
1,380,601	1,310,396	1,332,543	1,627,554	2,503,263	2,138,123
16,677,401	16,526,976	17,342,965	16,795,880	15,702,392	13,642,072
37,187,179	36,174,893	37,282,649	33,776,812	31,387,881	28,365,809
2,185,613	2,766,113	251,546	484,878	1,092,268	260,751
39,365,043	45,443,467	36,623,360	31,617,252	31,072,992	29,227,938
16,266,755	15,845,527	15,436,288	13,955,114	11,426,297	10,041,723
2,742,236	2,105,944	2,259,232	2,031,773	1,530,372	1,341,676
2,399,696	2,389,704	2,083,031	2,036,213	1,880,448	1,685,325
5,764,964	6,132,617	5,749,539	4,830,411	4,226,997	4,335,456
3,683,800	3,560,428	2,895,477	2,774,494	2,598,047	2,531,756
127,653,288	132,256,065	121,256,630	109,930,381	103,420,957	93,570,629
(37,582,843)	(38,001,778)	(45,445,846)	(44,321,728)	(40,158,356)	(32,299,370)
15,541,953	31,039,809	20,359,653	33,829,617	18,512,288	30,353,810
217,314	189,425	274,434	432,818	457,961	420,230
23,527,943	25,971,585	20,034,884	18,797,877	23,326,646	22,221,060
9,892,075	9,028,850	1,747,937	3,158,256	13,780,856	10,071,459
-	-	(14,677,151)	(1,086,135)	-	-
(6,496,206)	(8,256,278)	(4,177,667)	(4,153,635)	(4,107,277)	(4,210,006)
-	-	-	-	-	-
(67,402)	(4,937)	704	(15,869)	(979,108)	2,864
42,615,677	57,968,454	23,562,794	50,962,929	50,991,366	58,859,417
5,032,834	19,966,676	(21,883,052)	6,641,201	10,833,010	26,560,047
9,099,125	4,020,860	1,589,363	13,650	35,900	30,000
$ 14,131,959	$ 23,987,536	$ (20,293,689)	$ 6,654,851	$ 10,868,910	$ 26,590,047

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

Fiscal Year		Real Market Value		Assessed Value		Assessed Value Increase (Decrease)	Assessed Value Percentage Change	Total Direct Rate
Linn County:								
2014-2015	$	430,172,604	$	337,409,932	$	13,409,916	4.14%	0.98
2013-2014		407,624,291		324,000,016		6,616,404	2.08%	0.94
2012-2013		405,347,186		317,383,612		5,919,783	1.90%	0.88
2011-2012		431,018,381		311,463,829		13,940,468	4.69%	0.96
2010-2011		448,085,688		297,523,361		(1,995,699)	-0.67%	0.87
2009-2010		504,300,770		299,519,060		8,522,424	2.93%	0.97
2008-2009		452,978,900		290,996,636		23,046,814	8.60%	0.79
2007-2008		426,600,220		267,949,822		14,298,253	5.64%	0.78
2006-2007		362,766,535		253,651,569		14,501,142	6.06%	1.02
2005-2006		320,999,002		239,150,427		18,235,019	8.25%	1.04
Marion County:								
2014-2015	$	34,877,589,110	$	20,959,166,493	$	829,692,057	4.12%	0.98
2013-2014		33,102,805,137		20,129,474,436		787,734,690	4.07%	0.94
2012-2013		32,586,520,234		19,341,739,746		145,592,480	0.76%	0.88
2011-2012		33,412,693,626		19,196,147,266		398,295,214	2.12%	0.96
2010-2011		34,978,576,014		18,797,852,052		503,229,042	2.75%	0.87
2009-2010		36,446,336,442		18,294,623,010		686,190,439	3.90%	0.97
2008-2009		37,002,690,937		17,608,432,571		776,413,457	4.61%	0.79
2007-2008		35,276,496,141		16,832,019,114		887,070,562	5.56%	0.78
2006-2007		29,663,727,442		15,944,948,552		855,898,003	5.67%	1.02
2005-2006		26,500,538,972		15,089,050,549		633,909,659	4.39%	1.04

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

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

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

Fiscal Year	Real Market Value	Assessed Value	Assessed Value Increase (Decrease)	Assessed Value Percentage Change	Total Direct Rate
Polk County:					
2014-2015	$ 7,020,684,624	$ 5,110,398,768	$ 189,274,992	3.85%	0.98
2013-2014	6,716,393,804	4,921,123,776	95,088,500	1.97%	0.94
2012-2013	6,690,073,438	4,826,035,276	87,919,149	1.86%	0.88
2011-2012	6,979,903,839	4,738,116,127	112,577,256	2.43%	0.96
2010-2011	7,379,577,620	4,625,538,871	132,576,091	2.95%	0.87
2009-2010	7,720,225,796	4,492,962,780	197,651,639	4.60%	0.97
2008-2009	8,138,295,299	4,295,311,141	213,021,867	5.22%	0.79
2007-2008	7,715,738,285	4,082,289,274	276,874,352	7.28%	0.78
2006-2007	6,540,354,895	3,805,414,922	288,507,209	8.20%	1.02
2005-2006	5,335,818,386	3,516,907,713	219,764,458	6.67%	1.04
Yamhill County:					
2014-2015	$ 5,999,591,447	$ 4,658,074,475	$ 137,400,089	3.04%	0.98
2013-2014	5,810,681,601	4,520,674,386	138,406,615	3.16%	0.94
2012-2013	5,651,621,940	4,382,267,771	126,046,158	2.96%	0.88
2011-2012	5,788,814,307	4,256,221,613	82,874,343	1.99%	0.96
2010-2011	6,374,164,106	4,173,347,270	136,397,643	3.38%	0.87
2009-2010	6,479,650,481	4,036,949,627	161,774,353	4.17%	0.97
2008-2009	6,567,134,948	3,875,175,274	286,630,374	7.99%	0.79
2007-2008	6,298,434,038	3,588,544,900	222,337,670	6.60%	0.78
2006-2007	5,622,180,225	3,366,207,230	223,679,152	7.12%	1.02
2005-2006	4,404,062,415	3,142,528,078	170,137,635	5.72%	1.04

PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Company Name	2015 Assessed Value	2015 Rank	2015 Percent of Total District Assessed Value	2006 Assessed Value	2006 Rank	2006 Percent of Total District Assessed Value
Linn County:						
Freres Lumber Co	$ 20,018,478	1	5.93%	$ -	-	-
Weyerhaeuser (Willamette)	11,379,281	2	3.38%	341,287,699	1	5.37%
PacifiCorp (PP&L)	8,324,000	3	2.47%	58,148,000	4	0.92%
Frank Lumber Co	7,884,130	4	2.34%	-	-	-
Longview Timberlands LLC	5,745,120	5	1.70%	-	-	-
Evergreen Biopower LLC	5,128,050	6	1.52%	-	-	-
Follansbee Rogers V ET AL	4,934,822	7	1.46%	-	-	-
Stayton Coop Telephone Co	3,062,410	8	0.91%	-	-	-
NW Natural Gas	2,873,100	9	0.85%	37,547,391	7	0.59%
Baughman, Scott - Property Owner	2,504,680	10	0.74%	-	-	-
Fort James Co	-	-	-	141,479,134	2	2.22%
Dayton Hudson Corp (Target)	-	-	-	73,319,010	3	1.16%
Wah Chang Albany	-	-	-	49,209,392	5	0.78%
Wilmington Trust Co	-	-	-	40,000,000	6	0.63%
Timber Service Co Inc	-	-	-	35,461,754	8	0.56%
Oregon Metallurgical	-	-	-	28,924,224	9	0.46%
Oregon Freeze Dry Foods	-	-	-	26,387,205	10	0.42%
	71,854,071		21.30%	831,763,809		13.11%
ALL OTHER TAXPAYERS	265,555,861		78.70%	5,512,625,450		86.89%
TOTAL	$ 337,409,932		100.00%	$ 6,344,389,259		100.00%
Marion County:						
Portland General Electric	$ 252,820,795	1	1.21%	$ 200,535,150	1	1.28%
NW Natural Gas	136,239,700	2	0.66%	103,281,800	2	0.66%
WinCo Foods	90,880,062	3	0.43%	70,210,850	4	0.45%
Lancaster Development Co	65,777,140	4	0.31%	45,174,760	6	0.29%
Woodburn Premium Outlets LLC	58,810,312	5	0.28%	-	-	-
Norpac Foods Inc	58,322,247	6	0.28%	57,584,100	5	0.37%
Century Link	57,493,500	7	0.27%	-	-	-
Donahue Schriber Realty Group	50,817,650	8	0.24%	-	-	-
Wal-Mart Real Estate	48,216,320	9	0.23%	34,536,530	8	0.22%
Metropolitan Life Insurance Co	44,077,610	10	0.21%	33,364,250	10	0.21%
Qwest Corporation (US West)	-	-	-	91,454,440	3	0.58%
Craig Realty Group Woodburn	-	-	-	37,028,760	7	0.24%
Food Services of America	-	-	-	33,435,860	9	0.21%
	863,455,336		4.12%	706,606,500		4.51%
ALL OTHER TAXPAYERS	20,095,711,157		95.88%	14,959,197,195		95.49%
TOTAL	$ 20,959,166,493		100.00%	$ 15,665,803,695		100.00%

Note: Rank is based upon total taxes assessed.

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

PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO (Continued)

	2015			2006		
Company Name	Assessed Value	Rank	Percent of Total District Assessed Value	Assessed Value	Rank	Percent of Total District Assessed Value
Polk County:						
NW Natural Gas	$ 69,542,600	1	1.37%	$ 34,510,000	1	0.99%
Portland General Electric	22,446,620	2	0.44%	15,825,210	6	0.45%
Comcast Corp	17,571,200	3	0.34%	-	-	-
Weyerhaeuser (Willamette)	16,841,581	4	0.33%	29,879,040	2	0.85%
PacifiCorp (PP&L)	16,754,000	5	0.33%	12,079,000	7	0.34%
Capital Manor	14,832,150	6	0.29%	11,275,420	8	0.32%
Willamette Park Villas LLC	12,290,170	7	0.24%	-	-	-
Elkay Wood Products Co	10,285,850	8	0.20%	-	-	-
PRT Investors LLC ETAL	9,878,690	9	0.19%	-	-	-
Orchard Ridge Apartments LLC	9,842,000	10	0.19%	-	-	-
Meriwether NW Land Mgmt	-	-	-	23,416,826	3	0.67%
Tyco (Praegitzer) Industries	-	-	-	23,387,430	4	0.66%
Qwest Corporation (US West)	-	-	-	17,320,100	5	0.49%
Wyant Family Trust	-	-	-	9,313,267	9	0.26%
Boise Building Solutions LLC	-	-	-	5,503,750	10	0.16%
	200,284,861		3.92%	182,510,043		5.19%
ALL OTHER TAXPAYERS	4,910,113,907		96.08%	3,334,397,670		94.81%
TOTAL	$ 5,110,398,768		100.00%	$ 3,516,907,713		100.00%
Yamhill County:						
Willamette Valley Med Center	$ 61,047,921	1	1.30%	$ 34,449,774	3	0.66%
Portland General Electric	59,991,000	2	1.29%	43,905,000	1	0.84%
Cascade Steel Rolling Mills	56,148,472	3	1.20%	41,483,972	2	0.80%
Evergreen Vintage Aircraft Inc	31,178,449	4	0.67%	-	-	-
Comcast Corp	22,028,900	5	0.47%	-	-	-
Frontier Communications	19,413,000	6	0.42%	-	-	-
Hillside Senior Living Community	17,994,128	7	0.39%	15,240,675	7	0.29%
NW Natural Gas	17,989,800	8	0.39%	16,600,200	6	0.32%
Lowes HIW Inc	16,160,188	9	0.35%	12,385,444	8	0.24%
Hampton Lumber Mills Inc	13,038,519	10	0.28%	-	-	-
Verizon NW	-	-	-	27,253,300	4	0.52%
Willamina Lumber Co	-	-	-	20,607,041	5	0.40%
Air Liquide Industrial	-	-	-	11,698,840	9	0.23%
Monrovia Nursery Co	-	-	-	9,268,553	10	0.18%
	314,990,377		6.76%	232,892,799		4.48%
ALL OTHER TAXPAYERS	4,343,084,098		93.24%	4,962,677,229		95.52%
TOTAL	$ 4,658,074,475		100.00%	$ 5,195,570,028		100.00%

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND RATES
LAST TEN FISCAL YEARS

	2014-2015	2013-2014	2012-2013	2011-2012
Levy extended by assessor	$ 30,306,146	$ 27,774,436	$ 28,116,181	$ 27,266,465
Reduction of taxes receivable:				
Current year	29,150,571	26,706,977	26,950,741	26,043,934
Tax roll adjustments	(283,852)	(171,072)	(109,096)	(164,122)
Beginning taxes receivable:				
Prior year	1,936,189	2,130,103	2,131,243	2,044,950
Reduction of taxes receivable:				
Prior years	937,841	1,003,663	996,427	910,422
Tax roll adjustments	(23,986)	(86,638)	(61,057)	(61,694)
Total taxes receivable, end of year	$ 1,846,085	$ 1,936,189	$ 2,130,103	$ 2,131,243
Collections				
Current year	$ 29,150,571	$ 26,706,977	$ 26,950,741	$ 26,043,934
Prior year	937,841	1,003,663	996,427	910,422
Electric cooperative revenue tax/foreclosure	38,488	22,081	34,287	24,849
Discounts & Interest	(599,927)	(524,705)	(503,795)	(461,094)
Total received by college	$ 29,526,973	$ 27,208,016	$ 27,477,660	$ 26,518,111
Total collections as a percentage of of current levy	97.4%	98.0%	97.7%	97.3%
Delinquent taxes by levy year :				
1st year prior	$ 423,579	$ 596,533	$ 529,438	$ 534,259
2nd year prior	281,986	342,665	303,687	361,080
3rd year prior	121,006	143,981	134,479	86,638
4th year prior	51,858	75,464	29,387	24,013
5th year prior	47,406	19,187	16,846	16,488
6th year prior and earlier	48,527	66,673	59,922	50,358
Tax levy rates:				
Chemeketa Community College	0.90	0.86	0.80	0.88
Chemeketa Cooperative Regional Library	0.08	0.08	0.08	0.08
Total direct rate	0.98	0.94	0.88	0.96

Source: Chemeketa Community College financial records

2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
$ 24,294,908	$ 26,390,086	$ 20,496,834	$ 19,233,307	$ 23,888,954	$ 22,912,863
23,271,345	25,156,778	19,494,524	18,488,991	23,050,960	22,062,962
28,918	53,079	(86,969)	(32,418)	(81,764)	(104,585)
2,145,776	1,503,596	1,284,568	1,278,350	1,249,214	1,297,867
802,739	703,517	715,891	689,257	739,505	663,233
(350,568)	59,310	19,578	(16,423)	12,411	(130,736)
$ 2,044,950	$ 2,145,776	$ 1,503,596	$ 1,284,568	$ 1,278,350	$ 1,249,214
$ 23,271,345	$ 25,156,778	$ 19,494,524	$ 18,488,991	$ 23,050,960	$ 22,062,962
802,739	703,517	715,891	689,257	739,505	663,233
18,871	14,828	14,642	-	-	-
(464,186)	(545,718)	(409,201)	(386,589)	(492,955)	(456,482)
$ 23,628,769	$ 25,329,405	$ 19,815,856	$ 18,791,659	$ 23,297,510	$ 22,269,713
97.3%	96.0%	96.7%	97.7%	97.5%	97.2%
$ 579,180	$ 509,881	$ 428,793	$ 478,760	$ 529,840	$ 536,141
255,707	140,631	191,764	131,513	146,448	108,975
77,005	100,935	113,422	102,448	77,611	66,443
23,722	37,464	56,774	55,022	53,810	62,536
13,401	1,526	4,057	(172)	5,025	10,317
43,454	8,208	7,124	6,602	13,052	33,779
0.79	0.89	0.71	0.70	0.94	0.96
0.08	0.08	0.08	0.08	0.08	0.08
0.87	0.97	0.79	0.78	1.02	1.04

RATIO OF OUTSTANDING DEBT BY TYPES
LAST TEN FISCAL YEARS

	2014-2015	2013-2014	2012-2013	2011-2012
Outstanding Debt:				
General obligation bonds	$ 98,498,028	$ 99,906,721	$ 81,194,566	$ 83,978,483
Limited tax pension bonds	48,137,749	49,475,404	50,575,902	51,462,338
Certificate of participation	4,999,061	5,609,641	6,195,221	6,760,801
Total Debt	$ 151,634,838	$ 154,991,766	$ 137,965,689	$ 142,201,622
Ratios of Outstanding Debt:				
Actual property value	$ 48,328,037,785	$ 46,037,504,833	$ 45,333,562,798	$ 46,612,430,153
Percentage of actual property value	0.31%	0.34%	0.30%	0.31%
Population (estimate)	629,115	620,010	615,705	611,305
Debt per capita	$ 241	$ 250	$ 224	$ 233

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

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

2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
$ 86,482,400	$ 58,889,938	$ 61,662,419	$ 12,201,728	$ 13,819,864	$ 20,323,000
52,151,618	52,659,758	53,007,525	53,205,133	53,272,509	53,183,359
7,306,381	7,831,961	8,337,541	9,283,121	880,000	880,000
$ 145,940,399	$ 119,381,657	$ 123,007,485	$ 74,689,982	$ 67,972,373	$ 74,386,359
$ 49,180,403,428	$ 51,150,513,489	$ 52,161,100,084	$ 49,717,268,684	$ 42,189,029,097	$ 36,561,418,775
0.30%	0.23%	0.24%	0.15%	0.16%	0.20%
607,640	593,070	587,610	580,980	573,260	565,265
$ 240	$ 201	$ 209	$ 129	$ 119	$ 132

RATIO OF GENERAL BONDED DEBT AND LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	2014-2015	2013-2014	2012-2013	2011-2012
General Bonded Debt Outstanding:				
General obligation bonds	$ 98,498,028	$ 99,906,721	$ 81,194,566	$ 83,978,483
Amounts set aside to repay debt	(954,475)	(1,403,826)	(1,327,188)	(242,762)
Total net general bonded debt	$ 97,543,553	$ 98,502,895	$ 79,867,378	$ 83,735,721
Legal Debt Margin:				
Legal debt limit (1)	$ 724,920,567	$ 690,562,572	$ 680,003,442	$ 699,186,452
Less net debt applicable to legal limit	(97,543,553)	(98,502,895)	(79,867,378)	(83,735,721)
Legal debt margin	$ 627,377,014	$ 592,059,677	$ 600,136,064	$ 615,450,731
Bonded and Legal Debt Ratios:				
Actual property value	$ 48,328,037,785	$ 46,037,504,833	$ 45,333,562,798	$ 46,612,430,153
Population (estimate)	629,115	620,010	615,705	611,305
Percentage of actual property value	0.20%	0.21%	0.18%	0.18%
Debt per capita	$ 155	$ 159	$ 130	$ 137
Legal debt margin as a percentage of the debt limit	86.54%	85.74%	88.25%	88.02%

Note: The legal debt limit is calculated at 1.5% of actual property value (real market value). Population estimates are as of July 1st of the fiscal year. Outstanding general obligation bonds are reported net of premiums and discounts.

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

2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
$ 86,482,400	$ 58,889,938	$ 61,662,419	$ 12,201,728	$ 13,819,864	$ 20,323,000
(136,586)	(332,036)	(533,557)	(474,018)	(1,205,571)	(588,921)
$ 86,345,814	$ 58,557,902	$ 61,128,862	$ 11,727,710	$ 12,614,293	$ 19,734,079
$ 737,706,051	$ 767,257,702	$ 782,416,501	$ 745,759,030	$ 632,835,436	$ 548,421,282
(86,345,814)	(58,557,902)	(61,128,862)	(11,727,710)	(12,614,293)	(19,734,079)
$ 651,360,237	$ 708,699,800	$ 721,287,639	$ 734,031,320	$ 620,221,143	$ 528,687,203
$ 49,180,403,428	$ 51,150,513,489	$ 52,161,100,084	$ 49,717,268,684	$ 42,189,029,097	$ 36,561,418,775
607,640	593,070	587,610	580,980	573,260	565,265
0.18%	0.11%	0.12%	0.02%	0.03%	0.05%
$ 142	$ 99	$ 104	$ 20	$ 22	$ 35
88.30%	92.37%	92.19%	98.43%	98.01%	96.40%

DIRECT AND OVERLAPPING GROSS BONDED DEBT
June 30, 2015

OVERLAPPING DISTRICT	Percent Overlap	Gross Bonded Debt
Direct Debt:		
Chemeketa Community College	100.0000%	$ 151,634,838
Overlapping Debt:		
Amity RFPD	100.0000%	3,330,000
Aumsville RFPD	100.0000%	2,000,000
Benton County SD 17J (Philomath)	0.6700%	231,585
City Of Amity	100.0000%	1,555,000
City of Aurora	100.0000%	2,540,000
City of Dallas	100.0000%	8,484,404
City of Dayton	100.0000%	353,952
City of Donald	100.0000%	320,000
City of Falls City	100.0000%	15,000
City of Gervais	100.0000%	490,324
City of Independence	100.0000%	29,870,000
City of Jefferson	100.0000%	691,617
City of Keizer	100.0000%	17,755,000
City of Lafayette	100.0000%	2,170,000
City of McMinnville	99.9600%	36,570,622
City of Mill City	100.0000%	917,433
City of Monmouth	100.0000%	18,520,000
City of Salem	100.0000%	136,963,669
City of Silverton	100.0000%	6,349,099
City of St Paul	100.0000%	40,539
City of Stayton	100.0000%	4,915,000
City of Willamina	100.0000%	68,661
City of Woodburn	100.0000%	4,410,000
Dayton RFPD	100.0000%	1,050,000
Dundee RFPD	13.6800%	166,942
Hoskins-Kings Valley RFPD	16.7800%	14,262
Idhanha-Detroit RFPD	100.0000%	95,000
Keizer RFPD	100.0000%	190,000
Linn Cty SD 129J (Santiam Canyon)	100.0000%	4,257,217
Lyons RFPD 10	94.7400%	217,911
Lyons-Mehama Water District	100.0000%	535,000
Marion County	100.0000%	57,994,900
Marion Cty RFPD 1	100.0000%	6,145,000
Marion Cty SD 1 (Gervais)	100.0000%	10,267,666
Marion Cty SD 103 (Woodburn)	100.0000%	5,575,000
Marion Cty SD 14J (Jefferson)	92.9900%	4,856,929
Marion Cty SD 15 (North Marion)	100.0000%	12,612,230
Marion Cty SD 24J (Salem/Keizer)	100.0000%	463,240,110
Marion Cty SD 29J (N Santiam)	92.7900%	32,675,114
Marion Cty SD 45 (St Paul)	100.0000%	3,240,000
Marion Cty SD 4J (Silver Falls)	91.8100%	46,343,114
Marion Cty SD 5 (Cascade)	100.0000%	$ 26,522,827

DIRECT AND OVERLAPPING GROSS BONDED DEBT
June 30, 2015 (Continued)

OVERLAPPING DISTRICT	Percent Overlap	Overlapping Gross Bonded Debt
Marion Cty SD 91 (Mt Angel)	100.0000%	$ 10,936,683
Mt Angel RFPD	100.0000%	775,000
New Carlton RFPD	100.0000%	1,040,000
Northwest Regional ESD	7.0000%	3,166
Polk County	100.0000%	7,755,000
Polk Cty RFPD 1	100.0000%	1,980,000
Polk Cty SD 13J (Central)	99.6300%	80,546,610
Polk Cty SD 2 (Dallas)	100.0000%	11,986,340
Polk Cty SD 21 (Perrydale)	100.0000%	445,000
Polk Cty SD 57 (Falls City)	100.0000%	1,560,504
Santiam Water Control District	100.0000%	69,584
Silverton RFPD	94.9500%	313,330
Sublimity RFPD	100.0000%	1,170,000
Tillamook Cty SD 101 (Nestucca Valley)	0.1000%	11,940
Washington Cty SD 1J (Hillsboro)	0.0100%	31,196
Washington Cty SD 511J (Gaston)	17.5500%	570,135
Washington Cty SD 88J (Sherwood)	0.0700%	78,683
West Valley Fire District	100.0000%	550,000
Willamette ESD	89.4400%	16,824,164
Woodburn RFPD 6	100.0000%	2,330,000
Yamhill County	58.9400%	377,211
Yamhill Cty SD 1 (Yamhill-Carlton)	100.0000%	11,847,395
Yamhill Cty SD 29J (Newberg)	43.0000%	271,328
Yamhill Cty SD 30J (Willamina)	99.0600%	4,165,616
Yamhill Cty SD 40 (McMinnville)	100.0000%	75,463,728
Yamhill Cty SD 48J (Sheridan)	100.0000%	5,930,000
Yamhill Cty SD 4J (Amity)	100.0000%	8,909,857
Yamhill Cty SD 8 (Dayton)	100.0000%	19,878,961
Yamhill RFPD	99.4900%	144,267
Total Overlapping Debt		1,220,526,825
TOTAL DIRECT AND OVERLAPPING DEBT		$ 1,372,161,663

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

Source: Oregon State Treasury

SALEM MSA AVERAGE ANNUAL EMPLOYMENT
LAST TEN CALENDAR YEARS

	2014	2013	2012	2011
Manufacturing				
Durable Goods	5,400	5,100	4,900	4,900
Food Products	4,700	4,600	4,600	4,100
Other Nondurable Goods	2,100	2,000	2,000	1,800
Total Manufacturing	12,200	11,700	11,500	10,800
Non-manufacturing				
Natural Resources and Mining	1,200	1,200	1,200	1,100
Construction	7,800	6,800	6,200	6,200
Transportation, Warehousing, and Utilities	3,800	3,800	3,700	3,400
Trade	25,100	20,400	20,000	20,000
Information	1,000	1,000	1,100	1,100
Financial Activities	7,100	7,000	7,000	7,300
Professional and Business Services	12,800	11,900	11,300	10,700
Educational and Health Services	23,800	22,700	22,200	22,100
Leisure and Hospitality	13,600	13,000	12,400	12,100
Other Services	5,100	5,000	5,100	5,100
Government	41,000	39,800	39,700	41,200
Total Non-manufacturing	142,300	132,600	129,900	130,300
Other	19,091	31,900	33,904	36,901
Total Employment	173,591	176,200	175,304	178,001
Civilian Labor Force	184,884	191,874	193,341	197,534
Unemployed	11,293	15,674	18,037	19,533
Percentage of Unemployed	6.11%	8.17%	9.33%	9.89%

Note: Salem MSA (Metropolitan Statistical Area) consists of Marion and Polk Counties. Data represents calendar year totals, January through December.

Source: State of Oregon Employment Department

2010	2009	2008	2007	2006	2005
5,000	5,300	6,800	7,400	7,700	7,400
4,700	5,100	5,000	5,400	5,100	4,900
2,000	2,000	2,200	2,500	2,700	2,600
11,700	12,400	14,000	15,300	15,500	14,900
1,100	1,000	1,200	1,300	1,300	1,300
6,500	7,100	9,100	10,000	9,400	8,200
3,500	3,600	3,800	3,700	3,600	3,500
19,700	20,000	21,900	22,000	21,900	21,300
1,200	1,300	1,400	1,500	1,500	1,500
6,900	7,100	7,500	7,500	7,400	7,300
11,500	12,200	12,900	13,200	12,600	12,700
21,300	21,000	20,100	19,600	19,000	18,600
11,900	12,100	12,800	12,500	12,300	12,100
5,400	5,300	5,400	5,300	5,300	5,100
42,800	42,700	42,600	40,300	39,800	40,000
131,800	133,400	138,700	136,900	134,100	131,600
34,491	30,590	29,751	28,722	28,436	27,166
177,991	176,390	182,451	180,922	178,036	173,666
199,534	197,176	194,666	191,210	188,471	185,422
21,543	20,786	12,215	10,288	10,435	11,756
10.80%	10.54%	6.3%	5.4%	5.5%	6.3%

MAJOR EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2015			2006		
Company Name	Total Employees	Rank	Percentage of Total	Total Employees	Rank	Percentage of Total
Linn County:						
Samaritan Health Care/Albany Gen Hosp	1,699	1	3.38%	1,300	1	2.68%
ATI Wah Chang	1,593	2	3.17%	-	-	-
GAPS Albany Public Schools	1,080	3	2.15%	950	4	1.96%
Linn-Benton Community College	910	4	1.81%	1,092	2	2.25%
Linn County	640	5	1.27%	1,012	3	2.08%
Target	631	6	1.26%	778	5	1.60%
State of Oregon	531	7	1.06%	631	7	1.30%
Lebanon School District	503	8	1.00%	394	9	0.81%
Assurant Solutions	500	9	1.00%	-	-	-
Selmet Inc.	415	10	0.83%	347	10	0.71%
Georgia Pacific	-	-	-	530	8	1.09%
Weyerhaeuser (Willamette Industries)	-	-	-	652	6	1.34%

	2015			2006		
Company Name	Total Employees	Rank	Percentage of Total	Total Employees	Rank	Percentage of Total
Marion County:						
State of Oregon	18,309	1	13.07%	19,100	1	13.70%
Salem-Keizer School District (Regular staff)	4,968	2	3.55%	4,000	2	2.87%
Salem Hospital	4,366	3	3.12%	3,500	3	2.51%
Norpac (Seasonal)	3,100	4	2.21%	1,300	8	0.93%
Marion County	1,630	5	1.16%	1,400	7	1.00%
Chemeketa Community College	1,623	6	1.16%	1,504	5	1.08%
US Government	1,400	7	0.98%	1,700	4	1.22%
City of Salem	1,309	8	0.93%	1,478	6	1.06%
Willamette University	986	9	0.70%	-	-	-
Silverton Hospital	869	10	0.62%	-	-	-
T-Mobile (VoiceStream)	-	-	-	1,100	9	0.79%
Roths	-	-	-	1,000	10	0.72%

Note: State of Oregon employee count for Marion County also includes Polk County totals. Percentage of total employment for Linn County is limited to Albany, OR (MSA).

Sources: Individual employers, Albany Chamber of Commerce, Salem Chamber of Commerce, City of Salem, Albany Public Schools, City of Albany, Lebanon School District, Salem-Keizer Public Schools, Marion County, State of Oregon Employment Department

MAJOR EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO (Continued)

Company Name	2015 Total Employees	2015 Rank	2015 Percentage of Total	2006 Total Employees	2006 Rank	2006 Percentage of Total
Polk County:						
Confederated Tribes/Spirit Mt Casino	1,123	1	3.37%	1,700	1	4.97%
Western Oregon University	995	2	2.98%	660	2	1.93%
Forest River Inc	553	3	1.66%	370	6	1.08%
Dallas School District	353	4	1.06%	360	7	1.05%
Dallas Retirement Village	285	5	0.85%	-	-	-
Polk County	280	6	0.84%	300	10	0.88%
Safeway (Dallas & West Salem)	250	7	0.75%	385	5	1.13%
Elkay Wood Products (formerly Medallion)	203	8	0.61%	335	8	0.98%
Capital Manor, Inc	185	9	0.55%	-	-	-
West Valley Hospital	173	10	0.52%	-	-	-
Rainsweet	-	-	-	600	3	1.75%
Goodwill Industries	-	-	-	310	9	0.91%
Tyco Printed Circuit	-	-	-	450	4	1.32%
Willamette Industries	-	-	-	300	10	0.88%

Company Name	2015 Total Employees	2015 Rank	2015 Percentage of Total	2006 Total Employees	2006 Rank	2006 Percentage of Total
Yamhill County:						
ADEC	919	1	1.93%	920	1	2.18%
McMinnville School District	642	2	1.35%	600	2	1.42%
Newberg Public Schools	585	3	1.23%	525	5	1.25%
Providence Newberg Medical Center	500	4	1.05%	-	-	-
George Fox University	500	5	1.05%	460	8	1.09%
Cascade Steel	435	6	0.91%	550	4	1.30%
Willamette Valley Medical Center	432	7	0.91%	510	6	1.21%
Yamhill County	425	8	0.89%	460	7	1.09%
Linfield College	363	9	0.76%	375	10	0.89%
Express Employment Professionals	350	10	0.74%	-	-	-
Monrovia Nursery	-	-	-	600	3	1.42%
Evergreen International	-	-	-	415	9	0.98%

Note: Employee counts may represent averages. Polk County count for Safeway is based on 2013-2014 data.

Sources: Newberg Chamber of Commerce, Individual employers, Dallas Chamber of Commerce, Yamhill County, Individual School Districts, McMinnville Community Guide & Business Directory, Chehalem Valley Chamber of Commerce, State of Oregon Employment Department

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

Fiscal Year	Estimated Combined Population	Average Per Capita Income	Total Personal Income (In Thousands)	Average Unemployment Rate
2014-2015	629,115	$ -	$ -	6.97
2013-2014	620,010	34,108	21,383,911	7.56
2012-2013	615,705	33,593	20,972,181	8.97
2011-2012	611,305	32,335	20,131,376	9.48
2010-2011	607,640	31,612	19,627,795	10.58
2009-2010	593,070	31,320	19,493,298	11.29
2008-2009	587,610	32,639	17,251,632	11.30
2007-2008	580,980	29,919	18,348,451	6.48
2006-2007	573,260	28,765	17,604,397	5.10
2005-2006	565,265	28,110	16,153,681	6.35

Note: Average per capita income for fiscal year 2014-2015 is not yet available. Combined population estimates are as of July 1st of the fiscal year. Average unemployment rate represents average for all counties between July and June of the fiscal year.

Sources: Portland State University's Population Research Center, Worksource Oregon, State of Oregon Employment Department, Bureau of Economic Analysis (personal income)

AVERAGE NUMBER OF EMPLOYEES
LAST TEN FISCAL YEARS

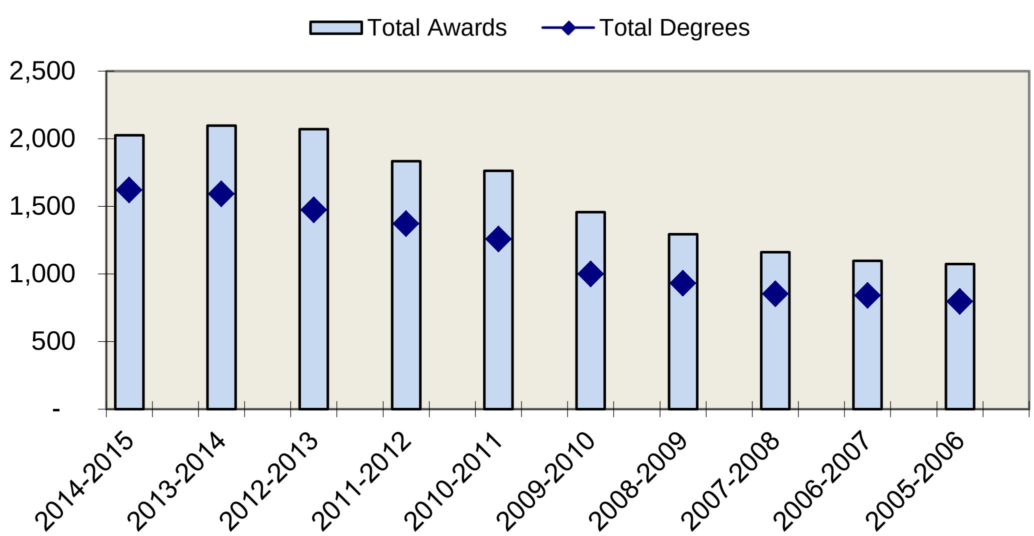
Fiscal Year	Exempt	Classified	Hourly	Faculty	Adjunct Faculty	Students	Total
2014-2015	99	359	198	227	466	274	1,623
2013-2014	97	357	198	220	458	196	1,526
2012-2013	92	348	192	220	499	206	1,557
2011-2012	98	361	186	217	511	203	1,576
2010-2011	105	365	187	214	468	182	1,521
2009-2010	105	383	206	218	470	216	1,598
2008-2009	105	420	205	224	402	229	1,585
2007-2008	99	422	218	222	378	254	1,593
2006-2007	90	417	233	217	337	236	1,530
2005-2006	88	414	232	216	320	234	1,504

Source: Human Resources Department at Chemeketa Community College

CERTIFICATES AND DEGREES AWARDED
LAST TEN FISCAL YEARS

	Degrees			Total			Total
Fiscal Year	AS/AAS	AA/AAOT	AGS	Degrees	Certificates	HSC	Awards
2014-2015	508	761	352	1,621	404	2	2,027
2013-2014	554	704	333	1,591	501	7	2,099
2012-2013	553	716	204	1,473	589	9	2,071
2011-2012	542	658	172	1,372	439	24	1,835
2010-2011	511	621	125	1,257	460	46	1,763
2009-2010	388	468	143	999	414	45	1,458
2008-2009	396	384	149	929	321	44	1,294
2007-2008	361	368	124	853	273	36	1,162
2006-2007	356	365	120	841	257	-	1,098
2005-2006	328	349	119	796	275	3	1,074

Total Degrees and Awards



Note: AS = Associate of Science; AAS = Associate of Applied Science; AA = Associate of Arts
AAOT = Associate of Arts Oregon Transfer; AGS = Associate of General Studies; HSC = High School Completion
Degrees and award totals for 2011-2012 and 2012-2013 have been updated.

Source: Institutional Effectiveness Department at Chemeketa Community College

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

Fiscal Year	Tuition Rate Per Credit Hour	Universal Fee Per Credit Hour	Total FTE	Unduplicated Headcount
2014-2015	$ 80	$ 14	11,802.03	31,800
2013-2014	80	14	12,491.93	36,369
2012-2013	80	10	13,561.59	38,881
2011-2012	77	10	13,579.58	41,804
2010-2011	72	9	13,929.12	45,272
2009-2010	70	8	13,609.93	50,899
2008-2009	61	6	12,169.85	59,593
2007-2008	58	6	11,108.78	71,614
2006-2007	58	6	10,321.33	64,237
2005-2006	58	4	10,131.21	57,029

Note: Information above is historical FTE (Full-Time Equivalency) information as officially reported to and audited by the State. FTE totals do not reflect "hold harmless" amounts calculated and applied by the Oregon Department of Community Colleges and Workforce Development.

Source: Institutional Effectiveness Department at Chemeketa Community College

FULL-TIME EQUIVALENT STUDENTS
LAST TEN FISCAL YEARS

	2014-2015	2013-2014	2012-2013	2011-2012
Lower Division Transfer Courses	5,949.33	6,314.18	6,653.01	6,551.44
CTE Preparatory	2,506.48	2,739.01	2,973.93	2,920.05
Standalone CTE Prep	23.09	34.05	39.81	-
CTE Supplemental	216.94	223.50	245.00	486.72
CTE Apprenticeship	90.78	66.86	54.41	52.91
English as a Second Language	491.09	540.71	503.94	541.26
Adult Basic Education	84.97	64.81	70.49	105.00
General Equivalency Diploma	398.69	440.91	785.67	560.34
Alternative High School Completion	527.88	480.35	441.54	452.54
Post Secondary Remedial	1,235.33	1,371.01	1,598.83	1,707.36
Self Improvement	89.19	77.27	72.88	80.19
TOTAL REIMBURSABLE FTE	11,613.77	12,352.66	13,439.51	13,457.81
Non-reimbursable	188.26	139.27	122.08	121.75
TOTAL FTE	11,802.03	12,491.93	13,561.59	13,579.56

Note: Information above is historical FTE (Full-Time Equivalency) information as officially reported to and audited by the State. FTE totals do not reflect "hold harmless" amounts calculated and applied by the Oregon Department of Community Colleges and Workforce Development. FTE categories in 2007-2008 and later may not be comparable to previous years due to a change in how numbers are reported. Standalone CTE Prep added in 2012-2013.

Source: Institutional Effectiveness Department at Chemeketa Community College

2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
6,404.13	5,913.52	4,992.68	4,118.91	4,039.11	3,967.45
3,125.32	3,179.69	2,799.81	2,539.11	2,526.11	3,262.62
-	-	-	-	-	-
628.89	518.49	590.49	551.54	521.72	500.10
70.88	76.72	103.13	109.15	98.31	91.84
612.28	789.29	789.10	806.95	877.60	814.02
179.34	258.26	463.15	429.86	301.84	265.87
573.91	696.36	571.21	352.04	523.65	365.68
357.86	271.58	210.16	201.95	154.70	140.90
1,660.67	1,567.36	1,310.54	1,040.26	966.06	409.10
152.06	136.00	140.56	133.77	158.72	176.97
13,765.34	13,407.27	11,970.83	10,283.54	10,167.82	9,994.55
163.78	202.66	199.02	825.25	153.51	136.66
13,929.12	13,609.93	12,169.85	11,108.79	10,321.33	10,131.21

CAMPUS FACILITIES AND OPERATING INFORMATION
LAST TEN FISCAL YEARS

	2014-2015	2013-2014	2012-2013	2011-2012
Salem				
Buildings	43	45	45	45
Net assignable square feet	882,446	877,630	877,630	807,699
Campus student count	16,763	17,797	18,642	19,142
Yamhill Valley (Hill Street & Tanger)				
Buildings	4	4	4	3
Net assignable square feet	86,494	86,494	86,494	30,176
Campus student count	2,940	3,683	3,666	3,694
Santiam				
Buildings	1	1	1	1
Net assignable square feet	29,298	29,298	29,298	29,298
Campus student count	-	-	-	-
Woodburn				
Buildings	2	2	2	2
Net assignable square feet	38,611	38,611	38,611	38,611
Campus student count	1,783	1,913	2,129	2,285
Dallas				
Buildings	1	1	1	1
Net assignable square feet	7,870	7,870	7,870	7,870
Campus student count	1,073	1,224	1,337	1,395
Brooks				
Buildings	9	9	9	9
Net assignable square feet	83,882	83,882	83,882	83,882
Campus student count	954	832	1,226	2,971
Chemeketa Center for Business and Industry				
Buildings (leased space prior to Fall 2009)	1	1	1	1
Net assignable square feet	53,374	53,374	53,374	53,374
Campus student count	2,306	5,681	5,216	5,554
Salem - Other				
Buildings	8	8	8	8
Net assignable square feet	54,117	54,117	54,117	54,117
Campus student count	7,476	7,520	7,999	10,479

Note: Student count is unduplicated per campus. Square footage listed for Dallas campus in 2006/2007 is prior to the sale of a college owned building. Buildings used exclusively for storage are not included. Buildings and square footage represent college owned facilities. Prior to 2007/2008 Northwest Viticulture Center information was reported separately; now it is included in Salem - Other. Brooks campus opened in 2011/2012; acquistion of buildings began in 2007/2008.

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

2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
51	51	51	51	51	53
830,339	830,339	830,339	830,339	830,339	835,859
20,619	21,062	22,758	22,929	23,324	30,756
3	3	3	3	3	3
30,176	30,176	30,176	30,176	30,176	30,176
3,399	3,911	4,077	3,494	3,414	2,962
1	1	1	1	1	1
29,298	29,298	29,298	29,298	29,298	29,298
4	62	1,235	1,418	1,458	1,378
2	2	2	2	2	2
38,611	38,611	38,611	38,611	38,611	38,611
2,796	2,982	2,761	2,986	2,630	2,265
1	1	1	1	1	1
7,870	7,870	7,870	7,870	21,651	21,651
1,347	1,478	1,188	1,169	1,076	975
8	8	5	6	-	-
62,282	62,282	31,884	37,004	-	-
-	-	-	-	-	-
1	1	1	1	1	1
53,374	53,374	4,486	4,486	4,486	4,486
5,914	6,477	7,133	7,383	5,383	4,636
8	8	7	7	1	1
54,117	54,117	49,617	49,617	12,613	12,613
14,463	13,929	11,255	10,288	8,132	612

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DISCLOSURES

GOVERNMENT AUDITING STANDARDS AND
OMB CIRCULAR A-133
DISCLOSURES SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015

	Federal CFDA Number		Receivable July 1, 2014	Cash Receipts	Expenditures	Receivable June 30, 2015
US Department of Education:						
Direct programs:						
Student Financial Aid Cluster:						
Supplemental Educational Opportunity Grant	84.007	(a)	$ -	$ 468,712	$ 468,712	$ -
College Work Study	84.033	(a)	-	519,855	519,855	-
Pell Grant	84.063	(a)	-	21,834,774	21,855,075	20,301
Direct Student Loan Program	84.268	(a)	-	26,866,085	26,916,444	50,359
TRIO Grant Cluster:						
Student Support Services	84.042	(a)	2,517	467,466	514,949	50,000
Talent Search	84.044	(a)	13,209	206,920	210,675	16,964
Upward Bound	84.047	(a)	3,749	289,121	315,697	30,325
High School Equivalency Program	84.141		36,000	446,804	480,459	69,655
College Assistance Migrant Program	84.149		20,648	418,498	471,985	74,135
			76,123	51,518,235	51,753,851	311,739
Passed through State of Oregon Department of Education:						
Carl Perkins Basic Grant	84.048	(a)	344,412	1,504,168	1,256,544	96,788
Perkins Reserve	84.048	(a)	34,700	184,971	205,818	55,547
			379,112	1,689,139	1,462,362	152,335
					-	
Passed through Salem Keizer School District 24-J						
Salem Keizer CTE Programs	84.048	(a)	2,845	7,394	8,625	4,076
Passed through State of Oregon Department of Community Colleges and Workforce Development:						
Learning Standards	84.002		-	3,291	5,726	2,435
Adult Education - Basic Ed Grant	84.002		59,442	400,308	452,360	111,494
			59,442	403,599	458,086	113,929
Passed through Western Oregon University						
WOU PAPI	84.325		-	1,000	1,000	-
Total US Department of Education			**517,522**	**53,619,367**	**53,683,924**	**582,079**
US Department of Agriculture:						
Direct programs:						
MWEC Challenge Grant	10.226		2,023	8,373	6,350	-
RBEG Grand Ronde Microenterprise	10.769		10,773	10,773	-	-
Total US Department of Agriculture			**$ 12,796**	**$ 19,146**	**$ 6,350**	**$ -**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015 (Continued)

	Federal CFDA Number	Receivable July 1, 2014	Cash Receipts	Expenditures	Receivable June 30, 2015
US Department of Labor:					
Passed through Clackamas Community College					
Credential, Acceleration and Support for Employment (CASE)	17.282	**$ 78,205**	**$ 227,200**	**$ 150,091**	**$ 1,096**
US Department of Health and Human Services:					
Passed through Portland State University					
National Institutes of Health					
NIH EXITO Grant	93.310	**-**	**-**	**14,822**	**14,822**
Small Business Administration:					
Passed through Lane Community College					
Small Business Development Center	59.037	**9,961**	**48,627**	**57,452**	**18,786**
TOTAL FEDERAL ASSISTANCE		**$ 618,484**	**$ 53,914,340**	**$ 53,912,639**	**$ 616,783**

(a) Major programs as defined by OMB Circular A-133 Revised.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

1. PURPOSE OF THE SCHEDULE

The accompanying schedule of expenditures of federal awards (the Schedule) is a supplementary schedule to Chemeketa 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.

2. SIGNIFICANT ACCOUNTING POLICIES

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, 2015.

Basis of Presentation - The information in the Schedule is presented in accordance with OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Federal Financial Assistance - Pursuant to OMB Circular A-133, 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 OMB Circular A-21, Cost Principles for Educational Institutions. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

Matching Costs - The Schedule does not include matching expenditures.

3. FEDERAL PERKINS LOANS

Activity of the College's Federal Perkins Loan program (CFDA # 84.038) during the 2014-2015 fiscal year is as follows:

Balance - 7/1/2014	$ 3,166,880
Loan advances	632,201
Loan repayments, assignments and cancellations	(696,392)
Balance - 6/30/2015	$ 3,102,689

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

December 1, 2015

Board of Education
Chemeketa Community College
Salem, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Chemeketa Community College as of and for the year ended June 30, 2015, and have issued our report thereon dated December 1, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

December 1, 2015

Board of Education
Chemeketa Community College
Salem, Oregon

Report on Compliance for Each Major Federal Program

We have audited Chemeketa Community College's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Chemeketa Community College's major federal programs for the year ended June 30, 2015. Chemeketa Community College's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Chemeketa Community College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Chemeketa Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Chemeketa Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Chemeketa Community College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Chemeketa Community College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Chemeketa Community College's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

CHEMEKETA COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

A - SUMMARY OF AUDIT RESULTS:

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

Program Name	CFDA Number
Student Financial Aid Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Perkins Loans	84.038
Federal Pell Grant Program	84.063
Federal Direct Loans	84.268
TRIO Grant Cluster:	
Student Support Services	84.042
Talent Search	84.044
Upward Bound	84.047
Career and Technical Education	84.048

8. The threshold for distinguishing Type A programs from Type B programs was $810,000.
9. Chemeketa Community College was determined to be a low-risk auditee.

B - FINDINGS, FINANCIAL STATEMENTS AUDIT:

None.

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

None.

INDEPENDENT AUDITORS COMMENTS SECTION

KENNETH KUHNS & CO.
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INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY OREGON STATE REGULATIONS

December 1, 2015

Board of Education
Chemeketa Community College
Salem, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Chemeketa Community College as of and for the year ended June 30, 2015, and have issued our report thereon dated December 1, 2015.

Internal Control Over Financial Reporting

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

Compliance

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

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

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

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

Purpose of this Report

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

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.