



# Annual Comprehensive Financial Report

Year Ended June 30, 2023



**Salem, Oregon**  
[chemeketa.edu](http://chemeketa.edu)

# **CHEMEKETA COMMUNITY COLLEGE**

SALEM • OREGON

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2023**

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Chemeketa Community College prohibits unlawful discrimination based on race, color, religion, national origin, sex, marital status, disability, protected veteran status, age, gender, gender identity, sexual orientation, pregnancy, whistleblowing, genetic information, domestic abuse victim, or any other status protected by federal, state, or local law in any area, activity or operation of the College. The College also prohibits retaliation against an individual for engaging in activity protected under this policy, and interfering with rights or privileges granted under federal, state or local laws.

Under College policies, equal opportunity for employment, admission, and participation in the College’s programs, services, and activities will be extended to all persons, and the College will promote equal opportunity and treatment through application of its policies and other College efforts designed for that purpose.

Persons having questions or concerns about Title IX, which includes gender based discrimination, sexual harassment, sexual violence, interpersonal violence, and stalking, should contact the Title IX coordinator at 503-584-7323, 4000 Lancaster Dr. NE, Salem, OR 97305, or <http://go.chemeketa.edu/titleix>. Individuals may also contact the U.S. Department of Education, Office for Civil Rights (OCR), 810 3rd Avenue #750, Seattle, WA 98104, 206.607.1600.

Persons having questions or concerns about Equal Employment Opportunity or Affirmative Action should contact the Affirmative Action Officer at 503.399.2537, 4000 Lancaster Dr. NE, Salem OR 97305.

To request this publication in an alternative format, please call 503.399.5192.

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# INTRODUCTORY SECTION



December 27, 2023

The College Board of Education  
Chemeketa Community College  
Salem, Oregon

The Annual Comprehensive Financial Report of Chemeketa Community College for the fiscal year ended June 30, 2023 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, 2023, 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 Annual Comprehensive 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, 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 disclosures and comments required by the Minimum Standards for Audits of Oregon Municipal Corporations.

### **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 sculptured panels, which appear on the exterior walls of Building 3, in Building 2 on the floor tiles, and at the Information Center on the Salem campus. The panels symbolize the territorial divisions of the northwest tribes and the movement toward the established meeting place. As the tribes move through the territorial divisions, the carved designs become less aggressive and less linear. Softer curves start to enter into the forms, showing attitudes that are more peaceful. The final point of the arrow shapes becomes completely calm upon reaching the center, where the individual chiefs, each indicated with 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 2<sup>nd</sup> largest community college in Oregon in total enrollment, Chemeketa served approximately 17,894 students during the 2022-23 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 2022-23 academic year was 7,153.

The college’s mission is to “transform lives and strengthen communities through quality education, services, 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 adaptability, belonging, community, opportunity and quality and strives to reflect these values in its everyday work. The college realizes its mission through its core themes of *inclusive and welcoming culture, holistic student support, academic quality, community and workforce engagement, and organizational excellence.*

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). Established in 2011, the HECC is a 15-member volunteer commission appointed by the Governor, responsible for advising the Oregon Legislature and the Governor on higher education policy. The Commission develops and implements policies and programs to ensure that Oregon’s network of colleges, universities, workforce development initiatives, and pre-college outreach programs are well coordinated to foster student success. It also advises the Oregon Legislature and the Governor on policy and funding to meet state postsecondary goals. The HECC supports postsecondary education by administering the statewide higher education and workforce budget of about \$2.1 billion per year; authorizing programs and degrees; administering statewide financial aid, workforce, and educational programs; and providing strategic guidance to state leaders. They also directly serve Oregonians by awarding grant and scholarship aid to students, and connecting Oregonians with workforce and training resources.

### **Programs**

Chemeketa provides comprehensive educational opportunities throughout the district, offering 108 certificates or degrees in professional technical education and transfer studies. The college also provides basic skill development, personal enrichment, and professional development courses.

Classes or training opportunities reach well into Marion, Polk, and Yamhill counties through the Salem Campus, the Yamhill Valley Campus, the Woodburn and Polk Centers, the Chemeketa Center for Business and Industry (CCBI), the Northwest Wine Studies Center at Chemeketa Eola, and the Regional Training Center at Chemeketa Brooks. As a full partner in developing the workforce of the district, Chemeketa works with employers to offer pre-employment and continuing education on topics ranging from literacy to management skills. In addition, Chemeketa collaborates with all local school districts to offer a range of dual credit options and alternative education including

College Credit Now (CCN), Early College programs, Roberts at Chemeketa regional high school completion and GED, as well as Expanded Options. Chemeketa has partnerships and articulation agreements with several universities, both in and out of state, creating pathways to bachelor's and master's degrees for students. Chemeketa is one of the first colleges in Oregon that was given authority by the HECC to offer a Bachelor of Applied Science degree in Applied Leadership and Management. This new program started in Fall 2023 with a beginning cohort of 38 students.

In order to provide increased access to higher education opportunities for more students, hybrid and online learning is offered as an alternative to traditional, on-campus course and program offerings. Online education is a mainstream form of instructional delivery at the college.

### **Budgeting Controls**

The budget committee is comprised of the seven (7) voter-elected College Board of Education members and seven (7) appointed members from the service district, each representing one of seven zones. Appointments are made by the Board. Appointed members serve a three-year term. The budget committee analyzes and approves the proposed college budget and forwards its recommendations to the Board for final adoption. During the budget review and approval process, the budget committee holds public meetings at which citizens of the community are invited to provide testimony on the budget before it is approved. Following approval of the budget by the budget committee, the college's 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's 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 Board of Education.

### **Accreditation**

The Northwest Commission on Colleges and Universities first granted full accreditation to Chemeketa Community College in 1972. The College has retained accreditation since that time. In Spring 2022, Chemeketa's accreditation was reaffirmed based on the *Year Seven Evaluation of Institutional Effectiveness Evaluation* and the *Year Six Policies, Regulations, and Financial Review* reports and virtual site visit. All career-technical programs requiring approval by professional associations are also accredited.

### **Internal Controls and Financial Policies**

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

The college also maintains a comprehensive set of financial policies, procedures, guidelines, and principles. They direct the development of the annual budget and describe the general financial

planning and practices of the college. They are intended to help manage the growing demands on resources while also preserving long-term fiscal stability.

### **Local Economy**

Major industries in the region include government, agriculture, forest products, retail trade, health care and social assistance, food processing, construction, manufacturing, and education. The region contains two public and four private colleges and universities: Western Oregon University, Chemeketa Community College, Linfield University, Willamette University, George Fox University, and Corban University.

The economies in the local service district remain strong. Related to employment, local service districts have unemployment rates of four percent or less. Oregon's unemployment matched its record low in July, at 3.4 percent.

### **Long-Term Financial Planning**

The college conducts long-range financial planning for two to three biennia forward with the goal of maintaining financial sustainability and flexibility. The forecast is routinely updated for changes in any of the primary revenue sources or personnel and other operating expenses.

Declining enrollment continues to be the largest funding concern. Student enrollment has declined 49 percent since 2012-13, which includes an approximate decline of 20 percent since 2019-20 (pre-pandemic). To address declining enrollment concerns, Chemeketa continues to focus on retention and recruitment efforts in order to stabilize and potentially increase enrollment levels. The college is cautiously optimistic that those efforts are beginning to materialize as preliminary student enrollment for 2022-23 was up approximately 4.2% from the prior year and Fall 2023 enrollment as compared to Fall 2022 is trending towards a flat enrollment. The 2023-24 budget included a certain level of budget reductions due to the long-term decline in student enrollment and the transition off of federal pandemic assistance (Higher Education Emergency Relief funding). At the current time, the 2024-25 budget is not anticipated to include budget reductions, but it will need to be developed with flexibility in mind to continue to align expenses with the projected level of enrollment.

### **Independent Audits**

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

As a recipient of state and federal financial assistance, Chemeketa is responsible for ensuring that adequate internal controls are established to comply with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management and outside auditors. As a part of Chemeketa's single audit, tests are made to determine the adequacy of internal controls, including that portion related to federal financial assistance programs, as well as to determine that Chemeketa has complied with applicable laws and regulations. The results of the college's single audit for the fiscal year ended June 30, 2023 will be included in a separate report.

### **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, 2022. This was the 31<sup>st</sup> 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 Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we 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 and Budget & Finance departments and the College Support Services office. This document could not have been completed without the dedication and cooperation of the staff under the guidance and support of our Director of Business Services. We appreciate and thank all who assisted and contributed to the preparation of this report. We also thank the auditing firm of Kenneth Kuhns & Co. for their assistance and the members of the College Board of Education for their support and dedication to the financial operations of the College.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessica Howard". The signature is fluid and cursive, with a large initial "J" and "H".

Jessica Howard, Ph.D.  
President/Chief Executive Officer

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Government Finance Officers Association

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Oregon**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

**LISTING OF PRINCIPAL OFFICIALS  
JUNE 30, 2023**

**BOARD OF EDUCATION**

<b><u>Zone</u></b>		<b><u>Term Expires</u></b>
1	Ed Dodson, Member	June 30, 2023
2	Ron Pittman, Chair	June 30, 2025
3	Neva J. Hutchinson, Vice Chair	June 30, 2023
4	Ken Hector, Member	June 30, 2025
5	Jackie Franke, Member	June 30, 2025
6	Diane Watson, Member	June 30, 2023
7	Betsy Earls, Member	June 30, 2023

***ADMINISTRATION***

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

Jessica Howard, President/Chief  
Executive Officer

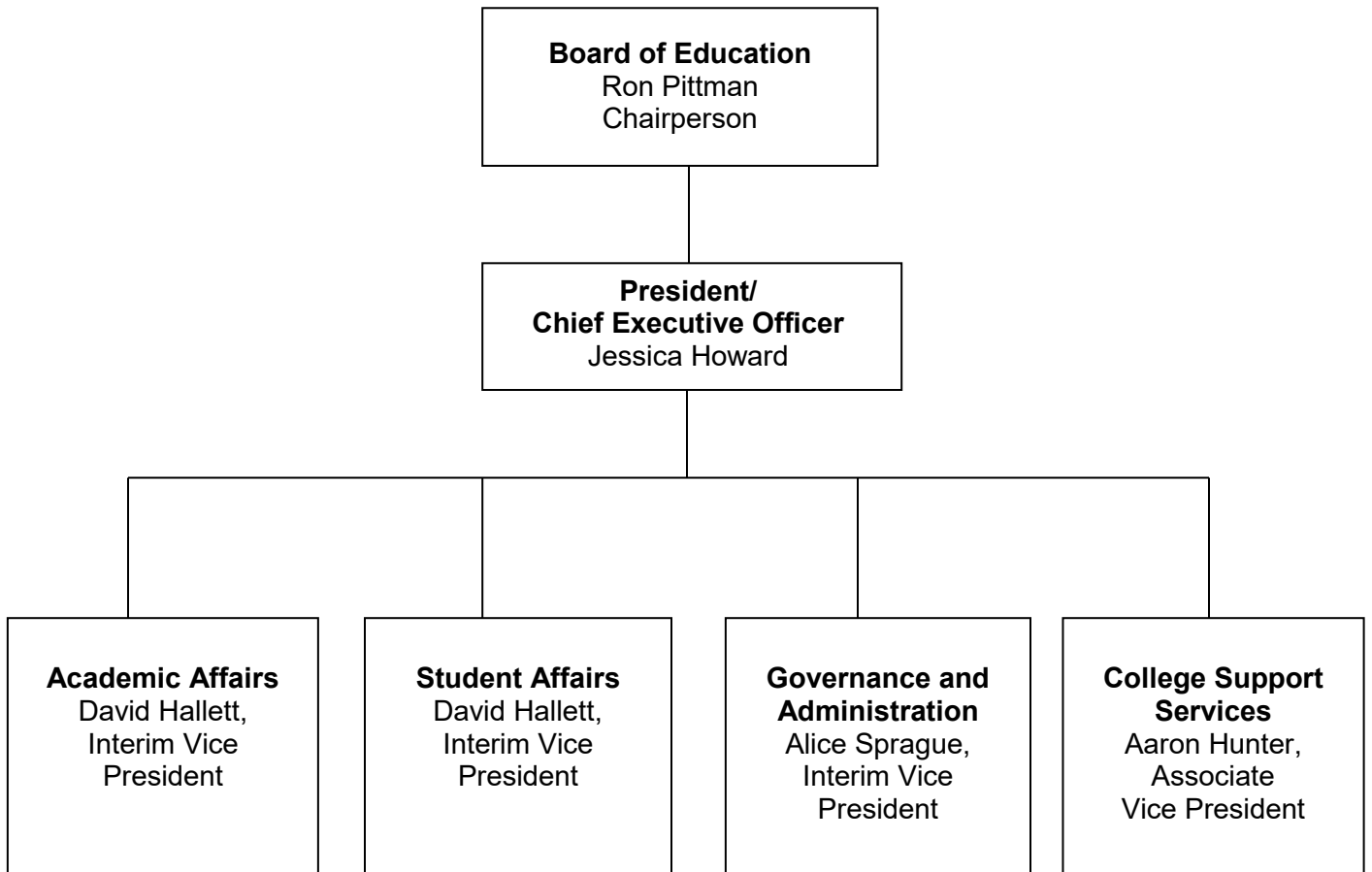
Alice Sprague, Interim Vice President,  
Governance and Administration

David Hallett, Interim Vice President, Academic  
Affairs, Student Affairs

Aaron Hunter, Associate Vice President/  
CFO College Support Services



**ORGANIZATION CHART**  
**Year Ended June 30, 2023**



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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 27, 2023

Board of Education  
Chemeketa Community College  
Salem, Oregon

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the 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, 2023, 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.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of Chemeketa Community College and Chemeketa Community College Foundation as of June 30, 2023, 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.

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.

#### ***Basis for Opinions***

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

### ***Emphasis of Matter***

As discussed in Note 1 to the basic financial statements under the caption “New Accounting Pronouncement,” during the 2022-23 fiscal year the College adopted new accounting guidance related to accounting and financial reporting for subscription-based information technology arrangements (SBITA). GASB Statement No. 96 establishes standards for measuring and recognizing SBITA liabilities and intangible right-to-use SBITA assets. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor’s Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Chemeketa Community College’s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Chemeketa Community College's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chemeketa Community College's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

***Other Information***

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

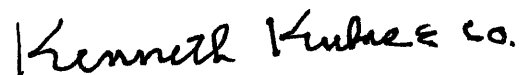
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.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

**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 27, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the entity's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 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 27, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the entity's internal control over financial reporting or on compliance.



Kenneth Kuhns & Co.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis section of the College's annual comprehensive financial report (ACFR) presents an analysis of the financial position and activities of Chemeketa Community College for the fiscal year ended June 30, 2023. This report has been prepared by management and should be read in conjunction with the letter of transmittal and the College's financial statements. It is a required component of an annual financial report prepared in accordance with generally accepted accounting principles. The discussion is designed to assist readers in understanding the accompanying financial statements through an objective and easily readable analysis of the College's financial activities based on currently known facts and conditions.

### Using the Basic Financial Statements

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

- The *Statement of Net Position* presents the College's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in the net position are indicators of the improvement or deterioration of the College's financial health when considered along with non-financial facts such as enrollment levels and the condition of the facilities.
- The *Statement of Revenues, Expenses and Changes in Net Position* presents the revenues earned and the expenses incurred during the year. All changes in net position are reported under the accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs regardless of the timing when the cash is received. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The utilization of long-lived assets is reflected in the financial statements as depreciation, which amortizes the cost of the capital asset over the expected useful life. Revenues and expenses are reported as either operating or nonoperating. The primary sources of operating revenues include tuition and fees, 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 essential to a full understanding of the data provided in the entity wide financial statements.

### Using the Schedules of Revenues, Expenditures and Changes in Fund Balance

The Schedules of Revenues, Expenditures and Changes in Fund Balance are included in the Other Supplementary Financial Information section. These schedules focus on how money flows in and out of funds and the balances left at year end that are available for spending. This information is essential for preparation of, and compliance with annual budgets. These fund financial statements report the College's operations on a non GAAP budgetary basis and offer more detail than the government-wide basic financial statements.



## Financial Highlights

The significant events of the fiscal year ended June 30, 2023 that impacted the College's financial statements are as follows:

- State community college support revenue decreased from \$46.2 million in 2022 to \$27.3 million in 2023. This change reflects the receipt of 3 state appropriation payments for the second year of the 2021-2023 biennium.
- The Governmental Accounting Standards Board (GASB) issued Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). This statement establishes a definition for SBITAs and provides uniform guidance for accounting and financial reporting. This new standard will improve the comparability, relevance, and reliability of financial statements. All SBITAs meeting GASB 96 criteria must report a liability and an intangible right to use asset. For fiscal year 2023 this implementation resulted in a right to use asset net of accumulated depreciation of \$1,637,811 and a subscription liability of \$1,285,026.
- Full-time equivalent students (FTE) increased from 6,868 in 2022 to 7,153 in 2023, an overall increase of 4.2%. More historical FTE information is available in the Statistical Section of this ACFR.
- As valued by the Oregon Public Employees Retirement System (PERS) and an independent actuary, the College's share of the system-wide PERS unfunded actuarial liability (UAL), decreased from \$29.7 million at June 30, 2022 to an asset of \$11.4 million at June 30, 2023. The reporting requirements of GASB 68 and 71 require the College to report its proportionate share of the system-wide liability for pension costs. More information can be found in Note 8 of this report and in Required Supplementary Information.

### **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 net investment in capital assets, e.g. land, buildings and equipment, less any related debt used to acquire the assets that are outstanding. This report reflects a increase in total net position from approximately \$151.3 million in fiscal year 2022 to \$203.2 million in fiscal year 2023. Comparative information about the College's net position is as follows:

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current assets	\$ 90,607,630	\$ 94,091,534
Capital assets, net of depreciation	204,029,855	203,783,814
Other noncurrent assets	38,510,358	28,482,176
Total assets	<u>\$ 333,147,843</u>	<u>\$ 326,357,524</u>
Deferred outflows of resources	<u>\$ 53,307,767</u>	<u>\$ 81,671,346</u>
<b>Liabilities</b>		
Current liabilities	\$ 30,433,038	\$ 29,394,036
Long-term debt	94,808,499	112,196,729
Other noncurrent liabilities	6,563,616	37,169,422
Total liabilities	<u>\$ 131,805,153</u>	<u>\$ 178,760,187</u>
Deferred inflows of resources	<u>\$ 51,465,966</u>	<u>\$ 77,936,330</u>
<b>Net Position</b>		
Net investment in capital assets	\$ 172,856,575	\$ 164,052,864
Restricted	20,036,231	17,855,415
Unrestricted	10,291,685	(30,575,926)
Total net position	<u>\$ 203,184,491</u>	<u>\$ 151,332,353</u>

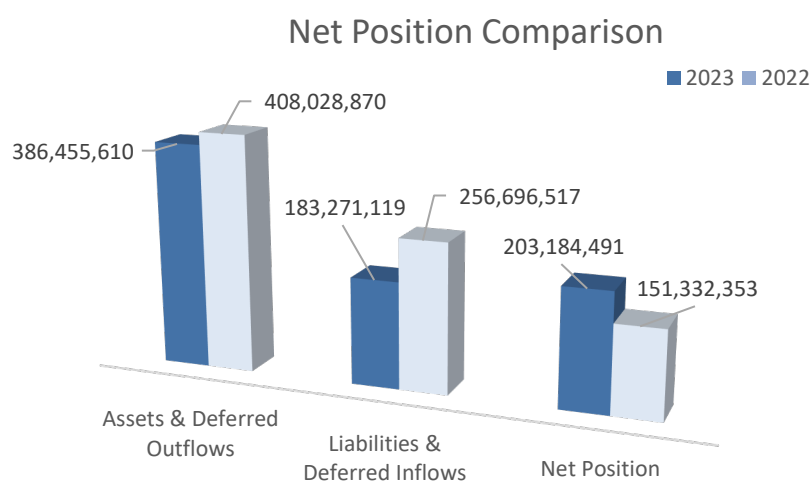
Total assets increased by approximately \$6.8 million in fiscal year 2023. Included in this total are current assets which include cash and investments from operations; student, taxes and other outstanding receivables; inventories on hand; and prepaid items. The College's current assets of approximately \$90.6 million are sufficient to cover its current liabilities of \$30.4 million; a current ratio of approximately 3.0. Other noncurrent assets represent receivables that are due to the College beyond one year, the net pension asset, and the College's net OPEB asset for its proportionate share of the Retiree Health Insurance Account administered by PERS.

The College's capital assets are valued at approximately \$204.0 million which represents a slight increase of 0.1 percent in fiscal year 2023. Investment in capital assets includes land, buildings, improvements, machinery and equipment, art and historical treasures, vehicles, library collections and land improvements.

Total liabilities of the College decreased approximately 26.3 percent during the fiscal year. 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, leases, and grants; and the current portion of long-term debt. Long-term debt obligations consist of general obligation bonds, pension obligation bonds, lease liabilities as required by GASB Statement No. 87, subscription liabilities as required by GASB 96 and compensated absences that are due or estimated to be unused after a period of one year. Other noncurrent liabilities include the transition liability related to pensions and the liability for other postemployment benefits (OPEB) as required by GASB Statement No. 75. A decrease in the College's portion of the PERS UAL (net pension liability), along with the decrease in outstanding long-term debt, accounted for the overall change.

Total net position increased by approximately 34.3 percent in fiscal year 2023. The largest portion of the College's net position is the \$172.9 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, grants and contracts, and OPEB. The remaining component is categorized as unrestricted.

According to generally accepted accounting principles, funds which are not subject to externally imposed restrictions on their use must be classified as unrestricted for financial reporting purposes. Unrestricted funds are allocated for academic programs, capital projects, reserves and other purposes from one year to the next. However, with the implementation of GASB 68 and 71, unrestricted net position will fluctuate greatly from year to year based on the PERS system-wide investment returns and the associated changes in the UAL. The College reported an unrestricted net position of \$10.3 million at June 30, 2023.



**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:

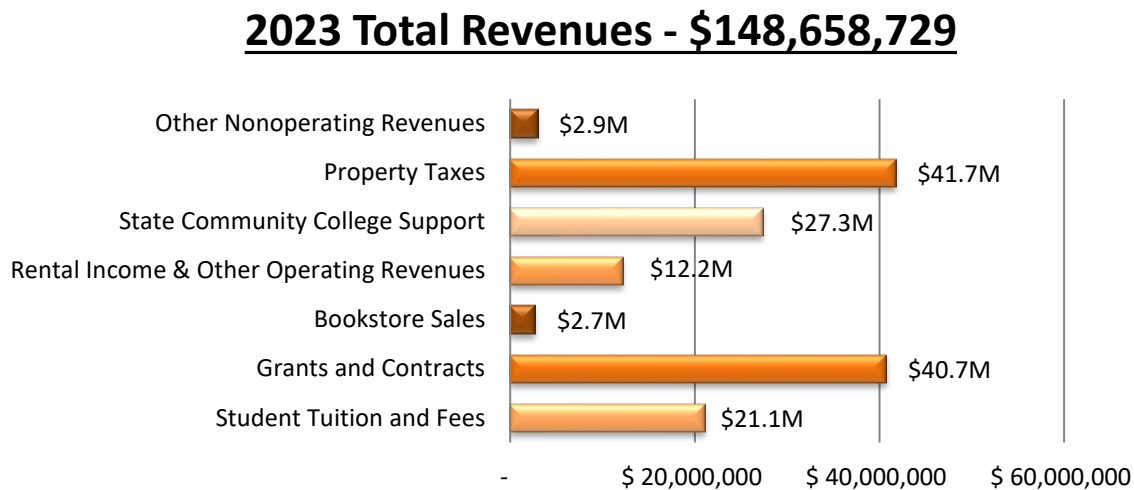
	<u>2023</u>	<u>2022</u>
Operating revenues		
Student tuition and fees	\$ 21,054,253	\$ 21,936,403
Grants and contracts	40,716,877	50,170,801
Bookstore sales	2,688,786	2,562,352
Rental income	4,778,706	4,822,570
Other operating revenues	7,425,011	6,636,281
Total operating revenues	<u>76,663,633</u>	<u>86,128,407</u>
Nonoperating revenues		
State community college support	27,341,887	46,219,946
Other state sources	210,688	613,229
Property taxes	41,737,032	39,758,100
Gain on sale of assets	-	625,798
Unrealized gain on investments	145,370	-
Investment income	2,560,119	562,546
Total non operating revenues	<u>71,995,096</u>	<u>87,779,619</u>
Total revenues	<u>148,658,729</u>	<u>173,908,026</u>
Operating expenses		
President's office	3,294,257	5,039,923
College support services	12,433,792	16,959,898
Academic Affairs	21,349,135	40,105,836
Student Affairs	5,236,279	8,878,689
College facilities	1,714,353	2,278,743
Grants and scholarships	24,082,513	38,349,113
Self-supporting services	8,094,970	10,654,488
Intra-college services	1,749,099	2,456,590
Regional library	2,938,804	3,157,424
Bookstore	2,297,610	2,457,733
Student Activities	166,642	123,518
Athletics	211,394	225,929
Depreciation expense	8,790,444	7,196,740
Total operating expenses	<u>92,359,292</u>	<u>137,884,624</u>
Nonoperating expenses		
Interest expense	4,332,181	4,775,270
Debt issuance costs	-	464,254
Unrealized loss on investments	-	838,550
Loss on sale of capital assets	129,652	-
Total non operating expenses	<u>4,461,833</u>	<u>6,078,074</u>
Total expenses	<u>96,821,125</u>	<u>143,962,698</u>
Income (Loss) before contributions	51,837,604	29,945,328
Capital contributions	<u>14,534</u>	<u>8,578</u>
Change in net position	51,852,138	29,953,906
Net position - beginning of the year	<u>151,332,353</u>	<u>121,378,447</u>
Net position, end of year	<u>\$ 203,184,491</u>	<u>\$ 151,332,353</u>

## 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. Overall, operating revenues showed a decrease of approximately \$9.5 million.

Nonoperating revenues decreased by approximately \$15.8 million during the fiscal year. There was a favorable increase in property taxes, resulting from increased market values, however, the state community college support revenue accounted for the majority of the decrease. This is normal as the payment structure from the State requires that the College receive five support payments in the first year of a biennium and three payments in the second year. Funding at the state level increased for community colleges for the 2021-2023 biennium with the College receiving three payments totaling \$27,341,887 during the fiscal year.

The following graph shows the sources of revenue for the College at June 30, 2023:



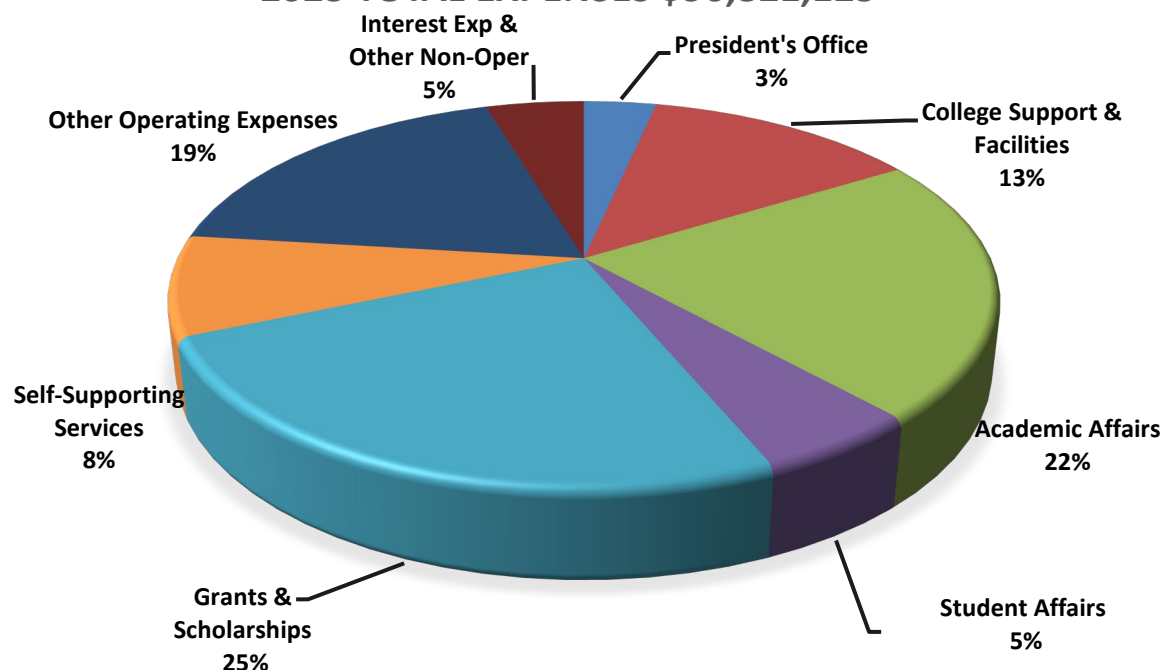
## Expenses

Operating expenses totaling \$92,359,292 include salaries and benefits, materials and services, utilities, grants and scholarships and depreciation. Nonoperating costs of \$4,461,833 include interest expense and loss on sale of capital assets. Academic Affairs, Student Affairs, and College Support Services account for 40.3 percent of total expenses. These three categories account for the majority of the College's general fund expenses. Grants and scholarship expenses comprise 24.9 percent of the total. This represents the largest category of expense outside of the general fund; federal, state and local funding for grant and student aid programs are represented in this total.

The College's operating expenses decreased by approximately \$45.5 million during the year. The largest impact on expenses during the fiscal year was a result of accounting for the change (decrease) in the College's portion of the PERS pension liability (UAL) as a result of the latest actuarial valuation.

The following graph shows the expense categories at June 30, 2023:

## 2023 TOTAL EXPENSES \$96,821,125



### 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. Capital contributions reported for fiscal year 2023 represent donated items only.

### 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:

	2023	2022
Cash Provided By (Used in):		
Operating activities	\$ (45,340,138)	\$ (49,575,899)
Noncapital financing activities	48,843,662	67,355,851
Capital financing activities	(7,741,682)	(4,457,985)
Investing activities	(1,483,061)	(32,527,434)
Net increase (decrease) in cash	(5,721,219)	(19,205,467)
Cash - Beginning of year	36,052,385	55,257,852
Cash - End of year	<u>\$ 30,331,166</u>	<u>\$ 36,052,385</u>

The major sources of funds 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 approximately \$5.7 million during the fiscal year. Noncapital financing activities provided less cash and is attributed to the reduced number of state community college support payments the College normally receives in the second year of the biennium. Investing

activities provided less cash as the College increased purchases of investments over the course of the year to take advantage of favorable interest rates. Higher employee, supply, and construction costs further impacted cash.

## **Capital Assets and Debt Administration**

### Capital Assets

The College's capital assets increased by approximately \$0.2 million during the current fiscal year. During the year work was completed on a Building 2 Cafeteria remodel, Building 36 remodel, Asphalt updates at multiple locations, as well as multiple HVAC updates. Machinery and equipment were upgraded or replaced and vehicles and art were purchased. Annual depreciation for buildings, land improvements, equipment, and vehicles amounted to approximately \$8.8 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 \$115,074,008. Of this amount \$78,430,000 are in pension obligation bonds; \$28,865,000 comprises general obligation debt; \$2,854,299 consists of related debt premiums and discounts; \$555,304 are lease liabilities; \$1,285,026 are subscription liabilities. The remaining balance is comprised of compensated absences. The College continues to make its regular biannual debt payments which accounts for the overall decrease in debt of \$15.4 million during the fiscal year.

State statutes limit the amount of the general obligation debt the College may issue to 1.5 percent of Real Market Value of properties within the College district. The current legal debt limit is \$1,427,184,038 which is significantly higher than the College's outstanding general obligation debt. The College's outstanding debt is approximately 7.6 percent of the legal debt limit. The College currently maintains an AA- rating from Standard & Poor's for general obligation debt. Additional information about the College's long term debt can be found in Note 5 of this report and in the Statistical Section.

## **Economic Factors and Next Year's Budget**

According to the September 2023 Economic and Revenue Forecast, from the Oregon Office of Economic Analysis: "The economy continues to be in an inflationary boom. Growth is outpacing expectations. The good news is inflation has slowed considerably in the past year. The consensus of economic forecasters is now that the economic soft landing is the most likely scenario. The challenge today is twofold. First, there are emerging signs that the economy is reaccelerating which means inflation could re-heat at some point in the quarters ahead. Second, this leaves the Federal Reserve in a tough position of trying to thread the needle of raising interest rates just enough to cool the economy and bring inflation down, but not too much that chokes off growth."

The current economic climate in Oregon continues to be mixed due to a tight labor market and increasing wages, contrasted against elevated inflation, high interest rates and a stabilization of state revenue sources after a period of rapid growth.

For the 2023-25 biennium, the state legislative appropriation for all community colleges is \$800 million, which represents a 13.8% increase in state funding over the 2021-23 biennium. Enrollment for the 2023 fall term remains flat compared to the fall term from the prior year, which will require more active management of tuition and fee revenue for FY 2023-24.

Chemeketa will continue to provide multi-modality environments for learning, as demand remains high for remote and hybrid options. Efforts also continue around initiatives like Guided Pathways and Strategic Enrollment Management to attract and retain students and improve academic outcomes.

For FY 2023-24 the board approved a \$2 increase to the tuition rate which brings it to \$101 per credit, with the the universal fee rate remaining at \$37 per credit. The College continues its efforts to increase student enrollment, strategically approach containment of costs, raising revenue and maintaining budget flexibility.

**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

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## **BASIC FINANCIAL STATEMENTS**

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**STATEMENT OF NET POSITION**  
**June 30, 2023**

	<u>Chemeketa Community College</u>	<u>Chemeketa Foundation</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 30,331,166	\$ 689,556
Investments	46,217,357	7,391,393
Receivables, net of allowance for uncollectibles	12,941,776	450,000
Inventories	496,613	-
Prepaid items	620,718	-
Total current assets	<u>90,607,630</u>	<u>8,530,949</u>
Noncurrent assets:		
Receivables, net of allowance for uncollectibles	25,641,039	-
Net pension asset	11,425,121	-
Net OPEB asset	1,444,198	-
Capital assets, not being depreciated	20,639,673	-
Capital assets, net of accumulated depreciation	183,390,182	-
Total noncurrent assets	<u>242,540,213</u>	<u>-</u>
Total assets	<u>333,147,843</u>	<u>8,530,949</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred charge on refunding	2,401,116	-
Deferred outflows related to pensions and OPEB	50,906,651	-
Total deferred outflows of resources	<u>53,307,767</u>	<u>-</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	3,681,818	4,737
Payroll and payroll taxes payable	4,770,566	-
Accrued interest payable	51,376	-
Due to others	686,681	-
Unearned revenue	977,088	-
Current portion of long-term debt	20,265,509	-
Total current liabilities	<u>30,433,038</u>	<u>4,737</u>
Noncurrent liabilities:		
Transition liability related to pensions	2,948,167	-
Net OPEB liability	3,615,449	-
Long-term debt, net of current portion	94,808,499	-
Total noncurrent liabilities	<u>101,372,115</u>	<u>-</u>
Total liabilities	<u>131,805,153</u>	<u>4,737</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions and OPEB	23,426,409	-
Deferred inflows related to Leases	28,039,557	-
Total deferred inflows of resources	<u>51,465,966</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	172,856,575	-
Restricted for debt service	15,714,037	-
Restricted for student financial aid grants and loans	631,914	-
Restricted for regional library	2,384,491	-
Restricted for OPEB	1,305,789	-
Restricted for Foundation	-	8,313,164
Unrestricted	10,291,685	213,048
Total net position	<u>\$ 203,184,491</u>	<u>\$ 8,526,212</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**Year Ended June 30, 2023**

	Chemeketa Community College	Chemeketa Foundation
<b>OPERATING REVENUES</b>		
Student tuition and fees, net of scholarship allowances	\$ 21,054,253	\$ -
Grants and contracts	40,716,877	-
Bookstore sales	2,688,786	-
Rental income	4,778,706	-
Other operating revenues	7,425,011	2,295,611
Total operating revenues	76,663,633	2,295,611
<b>OPERATING EXPENSES</b>		
President's office	3,294,257	-
College support services	12,433,792	-
Academic Affairs	21,349,135	-
Student Affairs	5,236,279	-
College facilities	1,714,353	-
Grants and scholarships	24,082,513	-
Self-supporting services	8,094,970	-
Intra-college services	1,749,099	-
Regional library	2,938,804	-
Bookstore	2,297,610	-
Student Activities	166,642	-
Athletics	211,394	-
Foundation	-	1,839,211
Depreciation expense	8,790,444	-
Total operating expenses	92,359,292	1,839,211
OPERATING INCOME (LOSS)	(15,695,659)	456,400
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State community college support	27,341,887	-
Other state sources	210,688	-
Property taxes	41,737,032	-
Realized investment income	2,560,119	525,897
Unrealized gain on investments	145,370	-
Other nonoperating expenses	-	(123,498)
Loss on sale of assets	(129,652)	-
Interest expense	(4,332,181)	-
Total nonoperating revenues (expenses)	67,533,263	402,399
INCOME (LOSS) BEFORE CONTRIBUTIONS	51,837,604	858,799
<b>CAPITAL CONTRIBUTIONS</b>		
	14,534	-
CHANGE IN NET POSITION	51,852,138	858,799
Net position - beginning of the year	151,332,353	7,667,413
Net position - end of the year	\$ 203,184,491	\$ 8,526,212

The accompanying notes are an integral part of this statement.

**STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 2023**

	<u>Chemeketa Community College</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from tuition and fees	\$ 22,214,219
Cash received from grants and contracts	41,834,720
Bookstore receipts from customers	2,705,477
Other cash receipts	11,791,309
Payments to suppliers for goods and services	(26,270,187)
Payments to employees	(83,282,239)
Payments for student financial aid	(12,641,501)
Bookstore payments to suppliers for resale materials	<u>(1,691,936)</u>
Net cash used in operating activities	<u>(45,340,138)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Cash received from property taxes	30,210,610
Cash received from State community college support	27,341,887
Cash received from other state sources	210,688
Principal paid on pension bonds	(6,205,000)
Interest paid on pension bonds	<u>(2,714,523)</u>
Net cash provided by noncapital financing activities	<u>48,843,662</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Cash received from property taxes levied for capital debt	11,461,017
Proceeds from sale of capital assets	10,825
Acquisition of capital assets	(6,650,838)
Principal paid on long-term debt	(10,913,278)
Interest paid on long-term debt	<u>(1,649,408)</u>
Net cash used in capital and related financing activities	<u>(7,741,682)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	1,549,045
Purchase of investments	(30,195,394)
Proceeds from sales of investments	<u>27,163,288</u>
Net cash used in investing activities	<u>(1,483,061)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,721,219)
Cash and cash equivalents - beginning of year	<u>36,052,385</u>
Cash and cash equivalents - end of year	<u>\$ 30,331,166</u>

(Continues)

The accompanying notes are in integral part of this statement.

**STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 2023 (Continued)**

Chemeketa  
Community College

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

Operating loss	\$	(15,695,659)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation		8,790,444
Decreases (increases) in assets:		
Operating accounts receivable		2,562,551
Loans receivable		55,373
Lease income		(386,724)
Inventories		(6,186)
Net OPEB asset		(18,762)
Prepaid items		(307,639)
Deferred outflows related to pensions and OPEB		27,563,207
Increases (decreases) in liabilities:		
Operating accounts payable		1,714,267
Payroll and payroll taxes payable		(2,166,528)
Due to others		(57,507)
Unearned revenue		(349,108)
Compensated absences		(51,542)
Net pension liability/asset		(41,156,552)
Transition liability related to pensions		(648,499)
Net OPEB liability		(225,876)
Deferred inflows related to pensions and OPEB		<u>(24,955,398)</u>
Net cash used in operating activities	\$	<u><u>(45,340,138)</u></u>

**NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES**

Amortization of deferred interest bonds	\$	137,666
Amortization of deferred on refunding of long-term debt		800,372
Amortization of premium/discount on bonds payable		(953,399)
Interest expense		15,361
Capital contributions		(14,534)
Acquisition of capital assets		14,534
Book value of capital assets disposed		129,652
Loss on disposition of capital assets		(129,652)
Investments		(145,370)
Increase in fair value of investments		145,370
Increase in interest receivable		(172,524)
Investment income		<u>172,524</u>
Total noncash investing, capital and financing activities	\$	<u><u>-</u></u>

The accompanying notes are in integral part of this statement.

## NOTES TO BASIC FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2023

#### 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, 2023, the Foundation provided scholarships and support of \$1,178,497 for the benefit of the College. The College provided personnel and administrative contributions to the Foundation totaling \$586,374 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 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.

## NOTES TO BASIC FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2023

**New Accounting Pronouncement** – The Governmental Accounting Standards Board (GASB) issued Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). This statement establishes a definition for SBITAs and provides uniform guidance for accounting and financial reporting. This new standard will improve the comparability, relevance, and reliability of financial statements. All SBITAs meeting GASB 96 criteria must report a liability and an intangible right to use asset. The College implemented GASB Statement No. 96 in the year ended June 30, 2023.

**Deferred Outflows of Resources and Deferred Inflows of Resources** - Deferred outflows of resources represent a consumption of net assets 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 assets 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, corporate debt, and general obligations of the U.S. Government and its agencies, all 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 insures its deposits with financial institutions through Federal depository insurance funds coverage or through 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** – Inventories are held for resale and are valued at the retail inventory method, which approximates the lower of cost (first-in, first-out method) or market. Any donated inventory is valued at its estimated fair market value.

**Capital Assets** – Capital assets include land and land improvements, buildings and building improvements, equipment and library books; vehicles; works of art and historical treasures; and construction in progress with a useful life of more than one year. The College's capitalization threshold is \$5,000 for all capital assets except for works of art and library books. These items are capitalized regardless of cost. Donated assets are recorded at their acquisition value when received. Major outlays for capital assets and improvements are capitalized as projects while 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



## NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

**Lease Assets / Leases Payable** – Lease assets are intangible assets which the College leases for a term of more than one year. Lease assets and related leases payable are recorded at the inception of the lease as the net present value for future lease payments at the College's incremental borrowing rate. Lease assets are amortized over the life of the lease.

**Subscription-Based Information Technology Arrangements (SBITA) Assets/SBITA Payables** – SBITA assets consist of software which the College subscribes to for a term of more than one year. SBITA assets and related SBITA payables are recorded at the inception of the subscription at the net present value of the future subscription payments at the College's incremental borrowing rate. SBITA assets are amortized over the life of the subscription.

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

**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.

**Scholarship Allowances** – Financial aid to students is reported in the basic financial statements under the alternative method as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid such as loans and funds provided to students as awarded by others is accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the basic financial statements as operating expenses, or scholarship allowances, which reduces revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Student tuition and fee revenue is shown net of scholarship allowances of \$12,914,136 for the year ended June 30, 2023.

**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.

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**2. CASH AND INVESTMENTS**

Cash and investments are comprised of the following at June 30, 2023:

Cash on hand and other	\$	246,964
Deposits with financial institutions		8,219,328
Investment in Oregon Local Government Investment Pool		21,864,874
Total cash and cash equivalents		30,331,166
Other investments		46,217,357
Total cash and investments	\$	<u>76,548,523</u>

**Deposits** – Deposits with financial institutions are bank demand deposits. The total bank balance, as shown on the banks' records at June 30, 2023, is \$9,884,288. Of these deposits, \$359,430 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. 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, 2023, 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, corporate debt and the Oregon Local Government Investment Pool, among others. The College has investment guidelines that are more restrictive than the Oregon Revised Statutes. As of June 30, 2023, the College was in compliance with the aforementioned State of Oregon statutes and its own internal investment guidelines.

At June 30, 2023, the College's investments consisted of the following:

	<u>Fair Value</u>	<u>Percent</u>
Investment in Oregon Local Government Investment Pool (LGIP)	\$ 21,864,874	32.1%
U.S. Government Securities	27,457,405	40.3%
U.S. Government Agency Securities	9,926,492	14.6%
Corporate Bonds	8,833,460	13.0%
Total investments	<u>\$ 68,082,231</u>	<u>100.0%</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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 Statutes 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 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, 2023 were: 71.5 percent mature within 93 days, 16.0 percent mature from 94 days to one year, and 12.5 percent mature beyond one year; information on average maturity is not available. The College does not have a policy for interest rate risk.

The College's investments in U.S. Government Securities, U.S. Government Agency Securities and Corporate Bonds are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The College's investments in U.S. Government Agency Securities and Corporate Bonds are valued using quoted market prices (Level 1 inputs).

As of June 30, 2023, maturities for the College's other investments are as follows:

	<u>Less than One Year</u>	<u>One to Two Years</u>
U.S. Government Securities	\$ 25,020,979	\$ 2,436,426
U.S. Government Agency Securities	9,926,492	-
Corporate Bonds	<u>6,901,540</u>	<u>1,931,920</u>
Total	<u>\$ 41,849,011</u>	<u>\$ 4,368,346</u>

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The College manages this risk by investing in only securities that have strong credit ratings to minimize the risk of default. The College's U.S. Government securities investments are rated Aaa by Moody's. The College's U.S. Government Agency securities investments are rated Aaa by Moody's. The ratings on the College's corporate debt investments range from AA- to A- by Standard and Poor's and A2 to Aaa by Moody's.

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College's investments, except the State of Oregon local government investment pool, are segregated and held in safekeeping by an independent third-party custodian.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**3. RECEIVABLES**

College receivables at June 30, 2023 were as follows:

	Total Receivables	Allowance for Uncollectables	Net Receivables	Due Within One Year
Property taxes	\$ 1,423,312	\$ -	\$ 1,423,312	\$ 1,423,312
Accounts	9,422,954	1,602,731	7,820,223	7,820,223
Loans	180,622	4,240	176,382	38,940
Interest	325,604	-	325,604	325,604
Leases	28,837,294	-	28,837,294	3,333,697
Total	<u>\$ 40,189,786</u>	<u>\$ 1,606,971</u>	<u>\$ 38,582,815</u>	<u>\$ 12,941,776</u>

**4. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Capital assets not being depreciated:				
Land	\$ 20,135,746	\$ -	\$ -	\$ 20,135,746
Art and historical treasures	447,492	4,520	255	451,757
Construction in progress	22,509	3,793,573	3,763,912	52,170
Total capital assets not being depreciated	<u>20,605,747</u>	<u>3,798,093</u>	<u>3,764,167</u>	<u>20,639,673</u>
Capital assets being depreciated:				
Buildings and improvements	258,011,901	3,763,912	-	261,775,813
Equipment & Library books	16,124,355	1,401,005	305,128	17,220,232
Vehicles	2,488,278	476,626	164,397	2,800,507
Right to use asset - Leases	738,205	-	-	738,205
Right to use asset - Subscriptions	-	2,781,910	-	2,781,910
Land improvements	15,198,696	719,328	-	15,918,024
Total capital assets being depreciated	<u>292,561,435</u>	<u>9,142,781</u>	<u>469,525</u>	<u>301,234,691</u>
Less accumulated depreciation for:				
Buildings and improvements	88,676,252	5,668,142	-	94,344,394
Equipment & Library Books	10,318,471	1,011,230	328,553	11,001,148
Vehicles	1,740,536	200,078	750	1,939,864
Right to use asset - Leases	97,312	94,703	-	192,015
Right to use asset - Subscriptions	-	1,144,099	-	1,144,099
Land improvements	8,550,797	672,192	-	9,222,989
Total accumulated depreciation	<u>109,383,368</u>	<u>8,790,444</u>	<u>329,303</u>	<u>117,844,509</u>
Total capital assets being depreciated, net	<u>183,178,067</u>	<u>352,337</u>	<u>140,222</u>	<u>183,390,182</u>
Total capital assets	<u>\$ 203,783,814</u>	<u>\$ 4,150,430</u>	<u>\$ 3,904,389</u>	<u>\$ 204,029,855</u>

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**5. LONG-TERM DEBT**

During the fiscal year ended June 30, 2023 the following changes occurred related to long-term debt obligations:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due within One Year	Interest Paid
GO, Series 2014	\$ 20,210,000	\$ -	\$ 5,485,000	\$ 14,725,000	\$ 5,985,000	\$ 1,010,500
GO, Series 2015	18,250,000	-	4,110,000	14,140,000	4,315,000	615,856
Pension Bonds, Series 2003:						
Deferred interest bonds	2,172,334	137,666	2,310,000	-	-	-
Current interest bonds	13,305,000	-	-	13,305,000	2,460,000	750,937
Pension Bonds, Series 2004	14,500,000	-	2,065,000	12,435,000	2,295,000	799,992
Pension Bonds, Series 2021	54,520,000	-	1,830,000	52,690,000	1,895,000	1,163,594
Bond premiums/discounts	3,807,698	2,955	956,354	2,854,299	-	-
Lease Liability	647,018	-	91,714	555,304	89,368	8,993
Subscription Liability	-	2,511,590	1,226,564	1,285,026	768,657	14,059
Vested compensated absences	3,135,921	2,409,946	2,461,488	3,084,379	2,457,484	-
<b>Total</b>	<b>\$ 130,547,971</b>	<b>\$ 5,062,157</b>	<b>\$ 20,536,120</b>	<b>\$ 115,074,008</b>	<b>\$ 20,265,509</b>	<b>\$ 4,363,931</b>

**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 percent to 6.25 percent.

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 5.44 percent to 5.53 percent.

In August 2021, the College issued \$55,965,000 of Full Faith and Credit 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, 2040 and interest is payable in December and June of each year with rates ranging from 0.20 percent to 2.95 percent.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

Fiscal Year	Series 2004		Series 2003	
	Principal	Interest	Principal	Interest
2023-24	\$ 2,295,000	\$ 687,656	\$ 2,460,000	\$ 750,937
2024-25	2,550,000	560,742	2,750,000	611,701
2025-26	2,825,000	419,727	3,070,000	455,776
2026-27	3,115,000	263,505	3,410,000	281,400
2027-28	1,650,000	91,245	1,615,000	90,440
Totals	\$ <u>12,435,000</u>	\$ <u>2,022,875</u>	\$ <u>13,305,000</u>	\$ <u>2,190,254</u>

Fiscal Year	Series 2021	
	Principal	Interest
2023-24	\$ 1,895,000	\$ 1,158,305
2024-25	2,010,000	1,147,257
2025-26	2,135,000	1,129,469
2026-27	2,270,000	1,105,023
2027-28	2,415,000	1,073,924
2028-29	2,570,000	1,037,216
2029-30	2,740,000	994,220
2030-31	2,915,000	945,092
2031-32	3,100,000	890,202
2032-33	3,300,000	825,939
2033-34	3,515,000	752,580
2034-35	3,740,000	669,169
2035-36	3,985,000	576,679
2036-37	4,240,000	474,145
2037-38	4,525,000	349,277
2038-39	4,825,000	216,016
2039-40	2,510,000	73,919
Totals	\$ <u>52,690,000</u>	\$ <u>13,418,432</u>

**General Obligation Bonds**

In June 2014, the College issued Series 2014 General Obligation Bonds in the amount of \$51,150,000 which consisted of \$14,000,000 of general obligation bonds approved by the voters on May 20, 2008 plus \$37,150,000 of refunding bonds whose proceeds were used to extinguish Series 2008 bonds. The refunding bonds proceeds were used to extinguish \$37,510,000 of outstanding 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, 2023, \$17,220,000 in Series 2008 bonds were outstanding and considered defeased.

In March 2015, the College issued Series 2015 General Obligation Bonds in the amount of \$26,800,000 and extinguished \$23,905,000 of outstanding Series 2011A General Obligation Bonds through an in-substance defeasance. The in-substance defeasance was accomplished by placing the proceeds of the Series 2015 General Obligation Bonds in an irrevocable trust from which principal and interest payments will be made on the defeased debt. The excess of the reacquisition price of the defeased debt over its carrying value was deferred and is being amortized over the term of the Series

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

2015 bonds. At June 30, 2023, \$17,685,000 in Series 2011A bonds were outstanding and considered defeased.

Annual requirements to repay General Obligation Bonds are shown below:

Fiscal Year	Series 2014		Series 2015	
	Principal	Interest	Principal	Interest
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	<u>\$ 14,725,000</u>	<u>\$ 1,314,750</u>	<u>\$ 14,140,000</u>	<u>\$ 1,051,700</u>

## 6. LEASES

A lease is defined as a contractual agreement that conveys control of the right to use another entity's nonfinancial asset, for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction. Chemeketa leases assets such as buildings and equipment. The related obligations are presented in the amounts equal to the present value of lease payments, payable during the remaining lease term. As the lessee, a lease liability and the associated right to use asset is recognized on the Statement of Net Position within capital assets and long term debt (refer to Notes 4 & 5)

As of June 30, 2023, principal and interest payment requirements for lessee leasing activities are as follows:

Fiscal Year	Principal	Interest	Total
2023-2024	\$ 89,368	\$ 7,720	\$ 97,088
2024-2025	87,385	6,460	93,845
2025-2026	78,184	5,228	83,412
2026-2027	78,425	4,039	82,464
2027-2028	79,631	2,833	82,464
2028-2030	142,311	2,001	144,312
Total	<u>\$ 555,304</u>	<u>\$ 28,281</u>	<u>\$ 583,585</u>

In addition, as a lessor, lease agreements are entered into for college owned properties. The related receivables are presented in the Statement of Net Position for the amounts equal to the value of the lease payments expected to be received during the lease term.

As of June 30, 2023, principal and interest lease receivable payments for lessor leasing activities in excess of one year are as follows:

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

Fiscal Year	Principal	Interest	Total
2023-2024	\$ 3,333,698	\$ 477,012	\$ 3,810,710
2024-2025	3,209,753	424,174	3,633,927
2025-2026	2,962,985	374,306	3,337,291
2026-2027	2,885,969	327,942	3,213,911
2027-2028	2,314,292	284,805	2,599,097
2028-2033	10,040,713	846,462	10,887,175
2033-2038	3,575,704	203,920	3,779,624
2038-2041	514,180	12,322	526,502
Total	\$ 28,837,294	\$ 2,950,943	\$ 31,788,237

**7. SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

A Subscription Based Information Technology Arrangement (SBITA) is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Chemeketa's related obligations are presented in the amounts equal to the present value of subscription payments, payable during the remaining subscription term. A subscription liability and the associated right to use asset is recognized on the Statement of Net Position within capital assets and long term debt (refer to Notes 4 & 5)

As of June 30, 2023, principal and interest subscription payments in excess of one year are as follows:

Fiscal Year	Principal	Interest	Total
2023-2024	\$ 768,658	\$ 27,418	\$ 796,076
2024-2025	407,521	11,299	418,820
2025-2026	95,247	2,157	97,404
2026-2027	13,600	343	13,943
2027-2028	-	-	-
Total	\$ 1,285,026	\$ 41,217	\$ 1,326,243

**8. 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 on or after August 29, 2003. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. 2) The Individual Account Program (IAP), the defined contribution portion of the plan. Effective January 1, 2004, all PERS member contributions began going into the IAP, but effective July 1, 2020 a portion of member contributions were redirected to help fund the defined benefits provided under OPERF Tier



## NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

One/Tier Two and OPSRP. PERS members retain their existing PERS accounts, but the IAP portion of any future member contributions are deposited into the member's IAP, not the member's PERS account.

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

### **Benefits provided**

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

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

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

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

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

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

**Benefit Changes After Retirement** – Members may choose to continue participation in a

## NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the fair value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2 percent.

### B. OPSRP Pension Program (OPSRP DB)

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

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

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

**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. Senate Bill 111, enacted in June 2021, increased this benefit from 50% to 100%.

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

**Benefit Changes After Retirement** – Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2 percent.

### C. OPSRP Individual Account Program (OPSRP IAP)

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

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

**Death Benefits** – Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are

## NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2023

completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

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

### **Contributions**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. Employer contributions for the year ended June 30, 2023 were \$2,469,373, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2023 were 15.20 percent for Tier One/Tier Two General Service Members and 11.56 percent for OPSRP Pension Program General Service Members, net of 19.87 percent of side account rate relief. An additional 6 percent contribution is required for the OPSRP Individual Account Program, of which a portion is used to help fund the defined benefits provided under OPERF Tier One/Tier Two and OPSRP

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

At June 30, 2023, the College reported an asset of \$11,425,121 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities actuarially determined. PERS has established side accounts for employers that made lump sum payments to the plan in excess of their actuarially required contributions. Since different contribution rates are assessed to employers based on the value of the side accounts, the side account values were reflected separately in the proportionate share calculation. On June 30, 2022, the College's proportion was 0.39870165 percent.

For the year ended June 30, 2023, the College recognized pension income of approximately \$36.2 million. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,963,446	\$ 380,714.00
Changes in assumptions	9,578,953	87,513
Net difference between projected and actual earnings on investments	-	10,914,422
Changes in proportionate share	634,032	7,720,410
Changes in proportion and differences between employer contributions and proportionate share of contributions	34,771,004	3,371,073
College's contributions subsequent to the measurement date:		
Required contributions	2,469,373	-
Deferred outflows/inflows at June 30, 2023	<u>\$ 50,416,808</u>	<u>\$ 22,474,132</u>

Required contributions subsequent to the measurement date of \$2,469,373 reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other deferred outflows of resources totaling \$47,947,435 less deferred inflows of resources of \$22,474,132 related to pensions will be recognized in pension expense as follows:

<u>Year Ending, June 30,</u>	<u>Amount</u>
2024	\$ 5,354,632
2025	4,536,438
2026	819,475
2027	11,299,454
2028	3,463,304
Total	<u>\$ 25,473,303</u>

**Actuarial assumptions**

The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (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. However, Senate Bill 1049, signed into law in June 2019, requires a one-time re-amortization of Tier One/TierTwo unfunded actuarial accrued liability over a 22 year period in the December 31, 2019 actuarial valuation. 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

## NOTES TO BASIC FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2023

Valuation Date	December 31, 2020 rolled forward to June 30, 2022
Experience Study Report	2020, published July 20, 2021
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. However, Senate Bill 1049, signed into law in June 2019, requires a one-time re-amortization of Tier One/Tier Two UAL over a closed 22 year period in the December 31, 2019 actuarial valuation.
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Investment Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><b>Healthy retirees and beneficiaries:</b> Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Active Members:</b> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

#### Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, 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

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnership	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Total	100.00%	
Assumed Inflation - Mean		2.40%

**Discount rate**

The discount rate used to measure the total pension liability was 6.90 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.

**Sensitivity of the College's proportionate share of the net pension asset to changes in the discount rate**

The following presents the College's proportionate share of the net pension asset calculated using the discount rate of 6.90 percent, as well as what the College's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
College's proportionate share of the net pension liability (asset)	\$ 35,791,097	\$ (11,425,121)	\$ (50,942,860)

**Changes of plan provisions**

Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed for inflation in future years) will be excluded when determining member benefits. Additionally, effective July 1, 2020, a portion of the 6% of salary member contribution to the Individual Account Program was redirected to Employee Pension Stability Accounts, which will help fund the defined

## **NOTES TO BASIC FINANCIAL STATEMENTS**

### **YEAR ENDED JUNE 30, 2023**

benefits provided under Tier One/Tier Two and OPSRP. For Tier One/Tier Two members, the prospectively redirected amount was updated to 2.5% of salary, and for OPSRP members the amount was updated to 0.75% of salary. The redirection only applies to members earning \$2,500 per month (\$3,333 per month beginning in 2022) or more (indexed for inflation). The prospectively redirected amount was updated to 2.40% of salary for Tier One/Tier Two members and 0.65% of salary for OPSRP members beginning with the December 31, 2020 actuarial valuations.

Senate Bill 111, enacted in June 2021, increased the optional death benefit available to a surviving spouse when a retirement-eligible member dies. Previously, this benefit was based on 50% of the actuarial equivalent value of the member's retirement benefit, but this was increased to 100% of the actuarial equivalent value.

#### **Changes in actuarial assumptions**

Senate Bill 1049, signed into law in June 2019, requires a one-time re-amortization of Tier One/Tier Two unfunded actuarial accrued liability over a closed 22 year period in the December 31, 2019 actuarial valuation.

In July 2021, the PERS Board selected a lower long-term expected rate of investment return assumption of 6.90% to be used in the December 31, 2020 and December 31, 2021 actuarial valuations. At the same time, the PERS Board reduced the inflation and payroll growth assumptions to 2.40% and 3.40%, respectively. The PERS Board has also chosen to reflect these updated economic assumptions in the roll-forward of the December 31, 2019 actuarial valuation amounts for the June 30, 2021 measurement date.

#### **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 \$2.9 million at June 30, 2023. The liability represents the College's allocated share of the pre-SLGRP pooled liability. The College is being assessed an employer contribution rate of 1.52 percent of covered payroll for payment of this transition liability.

## **9. POSTEMPLOYMENT HEALTHCARE BENEFITS**

### **PUBLIC EMPLOYEES RETIREMENT SYSTEM**

#### **Plan Description**

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

<https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

### **YEAR ENDED JUNE 30, 2023**

#### **Benefits Provided**

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

#### **Contributions**

PERS funding policy provides for monthly employer contributions at an actuarially determined rate. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. Employer contributions for the year ended June 30, 2023 were \$12,654. The rates in effect for the fiscal year ended June 30, 2023 were 0.05 percent for Tier One/Tier Two General Service Members and 0.00 percent for OPSRP Pension Program General Service Members. Employees are not required to contribute to the RHIA Program.

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

At June 30, 2023, the College reported an asset of \$1,444,198 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2022 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. The College's proportion of the net OPEB asset was based on a projection of the College's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities actuarially determined. On June 30, 2022, the College's proportion was 0.40643273 percent. For the year ended June 30, 2023, the College recognized PERS related OPEB expense (income) of approximately (\$168) thousand. Total OPEB expense for all plans is approximately \$95 thousand. At June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:



**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ -	\$ 39,137
Changes of assumptions	11,308	48,139
Net difference between projected and actual earnings on investments	-	110,139
Changes in proportionate share	35,044	-
College's contributions subsequent to measurement date	12,654	-
Deferred outflows/inflows at June 30, 2023	<u>\$ 59,006</u>	<u>\$ 197,415</u>

Subsequent to the measurement date, contributions of \$12,654 reported as deferred outflows of resources will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other deferred outflows of resources totaling \$46,352 less deferred inflows of resources of \$197,415 related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2024	\$ (54,182)
2025	(62,652)
2026	(69,503)
2027	35,274
2028	-
Total	<u>\$ (151,063)</u>

**Actuarial assumptions**

The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the entry age normal actuarial cost method. This method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

The total OPEB asset in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

## NOTES TO BASIC FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2023

Valuation Date	December 31, 2020 rolled forward to June 30, 2022
Experience Study Report	2020, published July 20 2021
Actuarial Cost Method	Entry age normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed 10-year period.
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Investment Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent overall payroll growth
Retiree Healthcare Participation	Healthy retirees: 27.5%; disabled retirees: 15%
Healthcare Cost Trend Rate	Not applicable
Mortality	<p><b>Healthy retirees and beneficiaries:</b> Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs, as described in the valuation.</p> <p><b>Active members:</b> Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b> Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

#### Long-term expected rate of return

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

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnership	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Total	100.00%	
Assumed Inflation - Mean		2.40%

**Discount rate**

The discount rate used to measure the total OPEB asset was 6.90 percent for the OPEB plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the OPEB plan was applied to all periods of projected benefit payments to determine the total OPEB asset.

**Sensitivity of the College's proportionate share of the net OPEB asset to changes in the discount rate**

The following presents the College's proportionate share of the net OPEB asset calculated using the discount rate of 6.90 percent, as well as what the College's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
College's proportionate share of the net OPEB liability (asset)	\$ (1,301,630)	\$ (1,444,198)	\$ (1,566,413)

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

**Changes in Actuarial Assumptions**

In July 2021, the PERS Board selected a lower long-term expected rate of investment return assumption of 6.90% to be used in the December 31, 2020 and December 31, 2021 actuarial valuations. At the same time, the PERS Board reduced the inflation and payroll growth assumptions to 2.40% and 3.40%, respectively. The PERS Board has also chosen to reflect these updated economic assumptions in the roll-forward of the December 31, 2019 actuarial valuation amounts for the June 30, 2021 measurement date.

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

**OPEB plan fiduciary net position**

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

**POSTEMPLOYMENT HEALTH AND DENTAL PLAN**

**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. The College is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. Although the College does not pay any portion of the plan premiums for retirees, there is an implicit benefit because (a) the greater claims associated with retirees are reflected in the plan rates and (b) those who opt to be covered by the College pay lesser premiums than they would had they bought coverage elsewhere. 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. This OPEB is not a stand-alone plan and therefore does not issue its own financial statements.

**Employees Covered by Benefit Terms**

The following employees were covered by the benefit terms:

Active employees	657
Eligible Retirees	26
Spouses of Ineligible Retirees	<u>3</u>
Total Participants	686
 Spouses of Eligible Retirees	 6

**Contributions and Funding**

The plan is currently unfunded as defined by current GASB standards. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. For the year ended June 30, 2023, changes in the postemployment healthcare benefits liability are as follows:

Total OPEB liability - July 1, 2022	\$ 3,841,325
Service cost	297,268
Interest on total OPEB liability	86,876
Effect of assumptions changes or inputs	(375,694)
Benefit payments	<u>(234,326)</u>
Total OPEB liability - June 30, 2023	<u>\$ 3,615,449</u>

For the year ended June 30, 2023, the College recognized Post Employment Health and Dental Plan OPEB expense of \$262,360. Total OPEB expense for all plans is approximately \$95 thousand. At

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

June 30, 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,260	\$ 119,274.00
Changes in assumptions	173,726	635,588
Benefits Payments	248,850	-
Deferred outflows/inflows at June 30, 2023	<u>\$ 430,836</u>	<u>\$ 754,862</u>

Benefit payments will be recognized as a reduction of the OPEB liability for the year ending June 30, 2024. Other amounts reported as deferred inflows of resources less deferred outflows of resources will be recognized in expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ (121,784)
2025	(121,780)
2026	(96,073)
2027	(85,798)
2028	(32,396)
All subsequent years	<u>(115,045)</u>
Total	<u>\$ (572,876)</u>

**Actuarial Valuation**

The actuarial information is from a valuation dated July 1, 2022 rolled forward to June 30, 2023. The actuarial funding method used to determine the plan cost is the entry age actuarial cost method. In applying this method, projected benefit payments are determined for each active employee and retiree. The actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level percentage of pay basis over the service of the active employee between assumed entry age (date of hire) and assumed exit age(s). The portion of this actuarial present value allocated to the valuation year is called the service cost for that active employee. The service cost for retirees equals \$0. The sum of these individual service costs is the plan's service cost for the valuation year. The actuarial assumptions included (a) a discount rate of 3.54 percent, (b) an assumed inflation rate of 2.40 percent for all future years, (c) 3.40 percent salary increases per annum for all future years; and (d) healthcare cost trend rates between 3.25 percent and 5.25 percent for medical, and 4.00 percent for dental and vision for all future years.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability calculated using the discount rate of 3.54 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability - 6/30/2023	\$ 3,886,054	\$ 3,615,449	\$ 3,361,998

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

The following presents the total OPEB liability calculated using the current healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using a rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB liability - 6/30/2023	\$ 3,252,676	\$ 3,615,449	\$ 4,040,718

**Changes in Actuarial Assumption**

In the latest actuarial valuation used to determine the total OPEB liability as of June 30, 2023, the discount rate was increased from 2.16 percent to 3.54.

**10. 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 2022-2023. Certain products were also purchased by the Foundation from the College during the year.

**11. COMMITMENTS AND CONTINGENCIES**

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

**12. 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, 2023**

**13. ESTIMATED TAX ABATEMENTS**

The College's property tax revenues were reduced by \$187,465 under agreements entered into by the four counties within the College's district. The amounts abated by county are as follows:

	Year Ended June 30, 2023
Marion County	\$ 172,322
Linn County	1,074
Polk County	2,624
Yamhill County	11,445
	<u>\$ 187,465</u>

**14. BUDGET**

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

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

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

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**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM PENSION PLAN  
FOR THE LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	(a) College's proportion of the net pension liability (asset)	(b) College's proportionate share of the net pension liability (asset)	(c) College's covered payroll	(b/c) College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.39870165%	\$ (11,425,121)	\$ 52,745,514	-21.66%	84.50%
2022	0.42185329%	29,731,431	50,188,650	59.24%	87.60%
2021	0.44419602%	81,852,312	52,107,564	157.08%	75.80%
2020	0.43730399%	58,690,147	51,294,821	114.42%	80.23%
2019	0.44104164%	46,829,441	49,924,743	93.80%	82.07%
2018	0.43784751%	39,456,943	48,130,768	81.98%	83.12%
2017	0.44226033%	47,838,753	46,420,291	103.06%	80.53%
2016	0.45298593%	5,670,724	44,840,619	12.65%	91.88%
2015	0.48892925%	(35,476,696)	44,817,535	-79.16%	103.60%
2014	0.48892925%	1,912,270	44,786,979	4.27%	91.97%

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

**SCHEDULE OF CONTRIBUTIONS  
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM PENSION PLAN  
FOR THE LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) College's covered payroll	(b/c) Contributions as a percent of covered payroll
2023	\$ 2,469,373	\$ 2,469,373	-	\$ 54,405,529	4.54%
2022	3,268,712	3,268,712	-	52,745,514	6.20%
2021	5,645,039	5,645,039	-	50,188,650	11.25%
2020	6,035,883	6,035,883	-	52,107,564	11.58%
2019	4,361,497	4,361,497	-	51,294,821	8.50%
2018	4,251,389	4,251,389	-	49,924,743	8.52%
2017	2,621,410	2,621,410	-	48,130,768	5.45%
2016	2,279,487	2,279,487	-	46,420,291	4.91%
2015	2,494,960	2,494,960	-	44,840,619	5.56%
2014	2,292,080	2,292,080	-	44,817,535	5.11%

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

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM PENSION PLAN**  
**YEAR ENDED JUNE 30, 2023**

**1. PURPOSE OF THE SCHEDULE**

**Changes in Plan Provisions**

Key changes in plan provisions effective for the June 30, 2015 measurement date are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which was published on September 18, 2013 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2014/GASB-Disclosure-Information.pdf> and in a letter from the plan's actuary dated May 23, 2016 which can be found at:  
<https://www.oregon.gov/pers/EMP/Documents/GASB/2015/Letter-From-Actuary-5-23-16.pdf>

Key changes in plan provisions effective for the June 30, 2020 measurement date are as follows: Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed for inflation in future years) will be excluded when determining member benefits. Additionally, effective July 1, 2020, a portion of the 6% of salary member contribution to the Individual Account Program will be redirected to Employee Pension Stability Accounts, which will help fund the defined benefits provided under Tier One/Tier Two and OPSRP. For Tier One/Tier Two members, the prospectively redirected amount will be 2.50% of salary, and for OPSRP members the amount will be 0.75% of salary. The redirection will only apply to members earning \$2,500 per month (\$3,333 per month beginning in 2022) or more (indexed for inflation). The prospectively redirected amount was updated to 2.40% of salary for Tier One/Tier Two members and 0.65% of salary for OPSRP members beginning with the December 31, 2020 actuarial valuation.

Senate Bill 111, enacted in June 2021, increased the optional death benefit available to a surviving spouse when a retirement-eligible member dies. Previously, this benefit was based on 50% of the actuarial equivalent value of the member's retirement benefit, but this was increased to 100% of the actuarial equivalent.

**Changes in Assumptions**

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

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

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

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

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

Key changes in assumptions for the December 31, 2019 valuation are as follows:

Senate Bill 1049, signed into law in June 2019, requires a one-time re-amortization of Tier One/Tier Two unfunded actuarial accrued liability over a closed 22 year period in the December 31, 2019 actuarial valuation.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM PENSION PLAN**  
**YEAR ENDED JUNE 30, 2023**  
**(Continued)**

In July 2021, the PERS Board selected a lower long-term expected rate of investment return assumption of 6.90% to be used in the December 31, 2020 and December 31, 2021 actuarial valuations. At the same time, the PERS Board reduced the inflation and payroll growth assumptions to 2.40% and 3.40%, respectively. The PERS Board has also chosen to reflect these updated economic assumptions in the roll-forward of the December 31, 2019 actuarial valuation amounts for the June 30, 2021 measurement date.

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM OPEB PLAN  
FOR THE LAST SEVEN FISCAL YEARS**

Fiscal Year Ended June 30,	(a) College's proportion of the net OPEB liability (asset)	(b) College's proportionate share of the net OPEB liability (asset)	(c) College's covered payroll	(b/c) College's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	0.4064327%	\$ (1,444,198)	\$ 52,745,514	-2.74%	194.60%
2022	0.4150942%	(1,425,436)	50,188,650	-2.84%	183.90%
2021	0.4583670%	(933,970)	52,107,564	-1.79%	150.10%
2020	0.4762333%	(920,255)	51,294,821	-1.79%	144.38%
2019	0.4761466%	(531,509)	49,924,743	-1.06%	123.99%
2018	0.4695343%	(195,956)	48,130,768	-0.41%	108.89%
2017	0.4818183%	130,844	46,420,291	0.28%	93.84%

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

This schedule is presented to illustrate the requirements to show information for 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  
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM OPEB PLAN  
FOR THE LAST SEVEN FISCAL YEARS**

Fiscal Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) College's covered payroll	(b/c) Contributions as a percent of covered payroll
2023	\$ 12,654	\$ 12,654	-	\$ 54,405,529	0.02%
2022	10,017	10,017	-	52,745,514	0.02%
2021	11,106	11,106	-	50,188,650	0.02%
2020	32,733	32,733	-	52,107,564	0.06%
2019	236,031	236,031	-	51,294,821	0.46%
2018	230,552	230,552	-	49,924,743	0.46%
2017	233,837	233,837	-	48,130,768	0.49%

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

This schedule is presented to illustrate the requirements to show information for 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  
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM OPEB PLAN  
YEAR ENDED JUNE 30, 2023**

**1. PURPOSE OF THE SCHEDULE**

**Changes in Plan Provisions**

Key changes in plan provisions effective for the June 30, 2015 measurement date are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which was published on September 18, 2013 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2014/GASB-Disclosure-Information.pdf> and in a letter from the plan's actuary dated May 23, 2016 which can be found at:  
<https://www.oregon.gov/pers/EMP/Documents/GASB/2015/Letter-From-Actuary-5-23-16.pdf>

**Changes in Assumptions**

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

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

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

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

Key changes in assumptions for the December 31, 2016 and 2017 valuations are described in the Oregon Public Employees Retirement System's 2016 Experience Study which was published on July 26, 2017 and can be found at:

<https://www.oregon.gov/pers/Documents/2016-Exp-Study.pdf>

In July 2021, the PERS Board selected a lower long-term expected rate of investment return assumption of 6.90% to be used in the December 31, 2020 and December 31, 2021 actuarial valuations. At the same time, the PERS Board reduced the inflation and payroll growth assumptions to 2.40% and 3.40%, respectively. The PERS Board has also chosen to reflect these updated economic assumptions in the roll-forward of the December 31, 2019 actuarial valuation amounts for the June 30, 2021 measurement date.



**SCHEDULE OF CHANGES IN COLLEGE'S TOTAL OPEB LIABILITY  
AND RELATED RATIOS POSTEMPLOYMENT HEALTH AND DENTAL PLAN  
FOR THE LAST SIX FISCAL YEARS**

	<u>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>
<b>Total OPEB liability</b>			
Service cost	\$ 297,268	\$ 308,547	\$ 258,408
Interest on total OPEB liability	86,876	87,636	119,968
Effect of economic/demographic gains or (losses)	-	10,924	-
Effect of assumption changes or inputs	(375,694)	(131,561)	275,918
Benefit payments	<u>(234,326)</u>	<u>(181,178)</u>	<u>(151,861)</u>
Net change in total OPEB liability	(225,876)	94,368	502,433
Total OPEB liability, beginning	<u>3,841,325</u>	<u>3,746,957</u>	<u>3,244,524</u>
Total OPEB liability, ending	<u>\$ 3,615,449</u>	<u>\$ 3,841,325</u>	<u>\$ 3,746,957</u>
Covered-employee payroll	\$ 49,334,295	\$ 48,581,650	\$ 45,899,262
Total OPEB liability as a % of covered employee payroll	7.33%	7.91%	8.16%

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

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

**Changes of assumptions:** In the latest actuarial valuation used to determine the total OPEB liability as of June 30, 2023, the assumed inflation rate remained at 2.40 percent, the projected salary increases per annum remained at 3.40 percent, the discount rate was increased from 2.16 percent to 3.54 percent and the healthcare cost trend rate for medica remained between 3.25 percent and 5.25 percent.

**SCHEDULE OF CHANGES IN COLLEGE'S TOTAL OPEB LIABILITY  
AND RELATED RATIOS POSTEMPLOYMENT HEALTH AND DENTAL PLAN  
FOR THE LAST SIX FISCAL YEARS (Continued)**

<u>2019-2020</u>	<u>2018-2019</u>	<u>2017-2018</u>
\$ 252,325	\$ 243,977	\$ 258,818
142,679	127,996	104,283
(235,638)	-	-
(244,942)	(82,227)	(205,684)
<u>(206,762)</u>	<u>(166,969)</u>	<u>(285,162)</u>
(292,338)	122,777	(127,745)
<u>3,536,862</u>	<u>3,414,085</u>	<u>3,541,830</u>
<u>\$ 3,244,524</u>	<u>\$ 3,536,862</u>	<u>\$ 3,414,085</u>
\$ 46,153,954	\$ 45,190,978	\$ 43,320,036
7.03%	7.83%	7.88%

**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.
- ▶ **Pension Adjustment Fund** – accounts for the proceeds from the issuance of the limited tax pension obligation bonds and the payment of the proceeds to PERS.
- ▶ **Debt Service Fund** – accounts for payments of interest and principal on general obligation bonds, limited tax pension obligation bonds, and full faith and credit obligations.
- ▶ **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** – accounts for revenues, primarily from fees and fundraising, and expenditures for the associated student body, clubs and student newspaper.
- ▶ **Athletics Fund** – accounts for revenues, primarily from fees, and expenditures 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, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes:				
Current year's levy	\$ 25,600,000	\$ 25,600,000	\$ 26,252,149	\$ 652,149
Prior year's levy	590,000	590,000	486,360	(103,640)
Total property taxes	<u>26,190,000</u>	<u>26,190,000</u>	<u>26,738,509</u>	<u>548,509</u>
Tuition	17,160,000	17,160,000	19,440,755	2,280,755
Fees	7,570,000	7,570,000	6,692,571	(877,429)
State community college support	36,830,000	36,830,000	27,341,887	(9,488,113)
Other sources:				
Interest	610,000	610,000	1,028,301	418,301
Indirect recovery	940,000	940,000	1,142,147	202,147
Miscellaneous	460,000	460,000	221,541	(238,459)
Total revenues	<u>89,760,000</u>	<u>89,760,000</u>	<u>82,605,711</u>	<u>(7,154,289)</u>
<b>EXPENDITURES:</b>				
President's Office				
Personnel services	5,274,709	5,142,106	4,752,434	389,672
Materials and services	1,089,341	1,189,341	978,862	210,479
Capital outlay	318	318	40	278
Total president's office	<u>6,364,368</u>	<u>6,331,765</u>	<u>5,731,336</u>	<u>600,429</u>
College Support Services				
Personnel services	15,064,457	13,392,559	12,805,340	587,219
Materials and services	6,435,421	7,635,421	7,531,821	103,600
Capital outlay	133,528	483,528	465,932	17,596
Contingency	8,000,000	8,000,000	-	8,000,000
Total college support services	<u>29,633,406</u>	<u>29,511,508</u>	<u>20,803,093</u>	<u>8,708,415</u>
Academic Affairs				
Personnel services	49,266,038	46,178,902	45,381,421	797,481
Materials and services	2,483,734	2,183,734	1,656,138	527,596
Capital outlay	1,554	1,554	360	1,194
Total instruction & student services	<u>51,751,326</u>	<u>48,364,190</u>	<u>47,037,919</u>	<u>1,326,271</u>
Student Affairs				
Personnel services	10,666,157	9,907,794	9,512,310	395,484
Materials and services	1,353,636	1,053,636	859,787	193,849
Capital outlay	101,107	101,107	89,111	11,996
Total instruction & student services	<u>12,120,900</u>	<u>11,062,537</u>	<u>10,461,208</u>	<u>601,329</u>
Total expenditures	<u>99,870,000</u>	<u>95,270,000</u>	<u>84,033,556</u>	<u>11,236,444</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(10,110,000)</u>	<u>(5,510,000)</u>	<u>(1,427,845)</u>	<u>4,082,155</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	800,000	800,000	500,000	(300,000)
Transfers out	(5,190,000)	(9,790,000)	(9,560,327)	229,673
Total other financing sources (uses)	<u>(4,390,000)</u>	<u>(8,990,000)</u>	<u>(9,060,327)</u>	<u>(70,327)</u>
NET CHANGE IN FUND BALANCE	(14,500,000)	(14,500,000)	(10,488,172)	4,011,828
FUND BALANCE, beginning	<u>16,000,000</u>	<u>16,000,000</u>	<u>27,518,247</u>	<u>11,518,247</u>
FUND BALANCE, ending	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 17,030,075</u>	<u>\$ 15,530,075</u>

**STUDENT FINANCIAL AID FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Grants and scholarships:				
Federal sources	\$ 35,000,000	\$ 35,000,000	\$ 22,398,614	\$ (12,601,386)
State sources	10,000,000	10,000,000	9,635,194	(364,806)
Local scholarship funds	2,000,000	2,000,000	1,135,471	(864,529)
Loan collections, including interest	<u>1,255,000</u>	<u>1,255,000</u>	<u>33,369</u>	<u>(1,221,631)</u>
Total revenues	<u>48,255,000</u>	<u>48,255,000</u>	<u>33,202,648</u>	<u>(15,052,352)</u>
<b>EXPENDITURES:</b>				
Grants and scholarships, including administrative expenditures:				
Federal funds, including matching funds	35,000,000	35,000,000	22,534,760	12,465,240
State funds	10,000,000	10,000,000	9,629,233	370,767
Local scholarship and loan funds	3,255,000	3,255,000	1,130,360	2,124,640
Loan program	325,000	325,000	-	325,000
Tuition grants	<u>2,920,000</u>	<u>2,920,000</u>	<u>2,449,001</u>	<u>470,999</u>
Total expenditures	<u>51,500,000</u>	<u>51,500,000</u>	<u>35,743,354</u>	<u>15,756,646</u>
REVENUES OVER (UNDER) EXPENDITURES	(3,245,000)	(3,245,000)	(2,540,706)	704,294
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	3,245,000	3,245,000	2,420,942	(824,058)
Transfers out	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>	<u>400,000</u>
NET CHANGE IN FUND BALANCE	(400,000)	(400,000)	(119,764)	280,236
FUND BALANCE, beginning	<u>400,000</u>	<u>400,000</u>	<u>575,296</u>	<u>175,296</u>
FUND BALANCE, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 455,532</u>	<u>\$ 455,532</u>

**SPECIAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>REVENUES:</b>				
Federal sources	\$ 25,000,000	\$ 25,000,000	\$ 9,951,539	\$ (15,048,461)
Federal pass through	4,000,000	4,000,000	3,259,802	(740,198)
State sources	3,000,000	3,000,000	3,564,430	564,430
Local/Private sources	500,000	500,000	135,711	(364,289)
Miscellaneous	50,000	50,000	21,228	(28,772)
Total revenues	<u>32,550,000</u>	<u>32,550,000</u>	<u>16,932,710</u>	<u>(15,617,290)</u>
<b>EXPENDITURES:</b>				
Personnel services	6,670,000	6,670,000	6,112,541	557,459
Materials and services	22,430,000	20,430,000	7,598,386	12,831,614
Capital outlay	2,500,000	4,500,000	3,221,783	1,278,217
Total expenditures	<u>31,600,000</u>	<u>31,600,000</u>	<u>16,932,710</u>	<u>14,667,290</u>
REVENUES OVER (UNDER) EXPENDITURES	950,000	950,000	-	(950,000)
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	-	1,000,000
NET CHANGE IN FUND BALANCE	(50,000)	(50,000)	-	50,000
FUND BALANCE, beginning	<u>50,000</u>	<u>50,000</u>	-	<u>(50,000)</u>
FUND BALANCE, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SELF-SUPPORTING SERVICES FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Tuition	\$ 5,000,000	\$ 5,000,000	\$ 3,571,977	\$ (1,428,023)
Fees	4,000,000	4,000,000	3,143,707	(856,293)
Indirect recovery	515,000	515,000	834,062	319,062
Contracted	4,000,000	4,000,000	4,453,917	453,917
Miscellaneous	1,200,000	1,200,000	2,375,623	1,175,623
<b>Total revenues</b>	<b>14,715,000</b>	<b>14,715,000</b>	<b>14,379,286</b>	<b>(335,714)</b>
<b>EXPENDITURES:</b>				
Personnel services	16,050,000	16,050,000	9,586,366	6,463,634
Materials and services	7,850,000	7,850,000	4,739,464	3,110,536
Capital outlay	250,000	250,000	159,360	90,640
<b>Total expenditures</b>	<b>24,150,000</b>	<b>24,150,000</b>	<b>14,485,190</b>	<b>9,664,810</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(9,435,000)</b>	<b>(9,435,000)</b>	<b>(105,904)</b>	<b>9,329,096</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,915,000	1,915,000	2,840,736	925,736
Transfers out	(480,000)	(480,000)	(351,116)	128,884
<b>Total other financing sources (uses)</b>	<b>1,435,000</b>	<b>1,435,000</b>	<b>2,489,620</b>	<b>1,054,620</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(8,000,000)</b>	<b>(8,000,000)</b>	<b>2,383,716</b>	<b>10,383,716</b>
<b>FUND BALANCE, beginning</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>11,834,645</b>	<b>3,834,645</b>
<b>FUND BALANCE, ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,218,361</b>	<b>\$ 14,218,361</b>



**INTRA-COLLEGE SERVICES FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intra-College sales	\$ 3,500,000	\$ 3,500,000	\$ 2,050,211	\$ 1,449,789
Fees	120,000	120,000	(220)	120,220
Rental income	1,300,000	1,300,000	1,008,772	291,228
Miscellaneous	610,000	610,000	433,817	176,183
Total revenues	<u>5,530,000</u>	<u>5,530,000</u>	<u>3,492,580</u>	<u>(2,037,420)</u>
<b>EXPENDITURES:</b>				
Personnel services	2,380,000	2,380,000	1,829,541	550,459
Materials and services	5,100,000	5,100,000	2,807,577	2,292,423
Capital outlay	500,000	500,000	248,617	251,383
Contingency	5,500,000	5,500,000	-	5,500,000
Total expenditures	<u>13,480,000</u>	<u>13,480,000</u>	<u>4,885,735</u>	<u>8,594,265</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(7,950,000)</u>	<u>(7,950,000)</u>	<u>(1,393,155)</u>	<u>6,556,845</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,000,000	1,000,000	2,232,829	1,232,829
Transfers out	(300,000)	(300,000)	-	300,000
Total other financing sources (uses)	<u>700,000</u>	<u>700,000</u>	<u>2,232,829</u>	<u>1,532,829</u>
NET CHANGE IN FUND BALANCE	<u>(7,250,000)</u>	<u>(7,250,000)</u>	<u>839,674</u>	<u>8,089,674</u>
FUND BALANCE, beginning	<u>7,250,000</u>	<u>7,250,000</u>	<u>7,632,993</u>	<u>382,993</u>
FUND BALANCE, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,472,667</u>	<u>\$ 8,472,667</u>

**REGIONAL LIBRARY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Current taxes	\$ 3,240,000	\$ 3,240,000	\$ 3,407,982	\$ 167,982
Prior year taxes	70,000	70,000	64,114	(5,886)
State sources	40,000	40,000	38,833	(1,167)
Local sources	195,000	195,000	-	(195,000)
Miscellaneous	20,000	20,000	285,772	265,772
Total revenues	<u>3,565,000</u>	<u>3,565,000</u>	<u>3,796,701</u>	<u>231,701</u>
<b>EXPENDITURES:</b>				
Personnel services	985,000	985,000	744,652	240,348
Materials and services	2,880,000	2,880,000	2,720,401	159,599
Capital outlay	5,000	5,000	-	5,000
Contingency	630,000	630,000	-	630,000
Total expenditures	<u>4,500,000</u>	<u>4,500,000</u>	<u>3,465,053</u>	<u>1,034,947</u>
REVENUES OVER (UNDER) EXPENDITURES	(935,000)	(935,000)	331,648	1,266,648
<b>OTHER FINANCING USES:</b>				
Transfers out	<u>(65,000)</u>	<u>(65,000)</u>	<u>(65,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,000,000)	(1,000,000)	266,648	1,266,648
FUND BALANCE, beginning	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,570,999</u>	<u>570,999</u>
FUND BALANCE, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,837,647</u>	<u>\$ 1,837,647</u>

**REGIONAL LIBRARY RESERVE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Materials and services	\$ 30,000	\$ 30,000	\$ -	\$ 30,000
Capital outlay	410,000	410,000	152,635	257,365
Total expenditures	440,000	440,000	152,635	287,365
OTHER FINANCING SOURCES:				
Transfers in	65,000	65,000	65,000	-
NET CHANGE IN FUND BALANCE	(375,000)	(375,000)	(87,635)	287,365
FUND BALANCE, beginning	375,000	375,000	515,148	140,148
FUND BALANCE, ending	\$ -	\$ -	\$ 427,513	\$ 427,513

**PENSION ADJUSTMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Personnel services	\$ -	\$ -	\$ -	\$ -
Materials and services	-	-	-	-
Debt Service	-	-	-	-
Total expenditures	-	-	-	-
OTHER FINANCING SOURCES :				
Proceeds from the sale of pension bonds	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, beginning	-	-	1,205	(1,205)
FUND BALANCE, ending	\$ -	\$ -	\$ 1,205	\$ (1,205)

**DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Current taxes	\$ 11,800,000	\$ 11,800,000	\$ 11,248,638	\$ (551,362)
Prior year taxes	250,000	250,000	212,380	(37,620)
Miscellaneous	200,000	200,000	345,943	145,943
PERS adjustment revenue	8,600,000	8,600,000	9,204,386	604,386
Total revenues	20,850,000	20,850,000	21,011,347	161,347
EXPENDITURES:				
Debt service	36,100,000	36,100,000	20,140,879	15,959,121
REVENUES OVER (UNDER) EXPENDITURES	(15,250,000)	(15,250,000)	870,468	16,120,468
OTHER FINANCING SOURCES:				
Transfers in	250,000	250,000	150,000	(100,000)
NET CHANGE IN FUND BALANCE	(15,000,000)	(15,000,000)	1,020,468	16,020,468
FUND BALANCE, beginning	15,000,000	15,000,000	14,348,345	(651,655)
FUND BALANCE, ending	\$ -	\$ -	\$ 15,368,813	\$ 15,368,813

**CAPITAL DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fees	\$ 585,000	\$ 585,000	\$ 671,039	\$ 86,039
State sources	400,000	400,000	-	(400,000)
Other sources:				
Interest revenue	100,000	100,000	261,789	161,789
Rental income	4,000,000	4,000,000	3,750,763	(249,237)
Miscellaneous	500,000	500,000	137,887	(362,113)
<b>Total revenues</b>	<u>5,585,000</u>	<u>5,585,000</u>	<u>4,821,478</u>	<u>(763,522)</u>
<b>EXPENDITURES:</b>				
Personnel services	275,000	275,000	109,269	165,731
Materials and services	8,000,000	8,000,000	2,476,952	5,523,048
Noncurrent:				
Capital outlay	12,825,000	12,825,000	1,300,645	11,524,355
<b>Total expenditures</b>	<u>21,100,000</u>	<u>21,100,000</u>	<u>3,886,866</u>	<u>17,213,134</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(15,515,000)</u>	<u>(15,515,000)</u>	<u>934,612</u>	<u>16,449,612</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,015,000	1,015,000	2,616,936	1,601,936
Transfers out	(800,000)	(800,000)	(800,000)	-
Proceeds from sale of certificates of participation	6,000,000	6,000,000	-	(6,000,000)
<b>Total other financing sources (uses)</b>	<u>6,215,000</u>	<u>6,215,000</u>	<u>1,816,936</u>	<u>(4,398,064)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(9,300,000)</u>	<u>(9,300,000)</u>	<u>2,751,548</u>	<u>12,051,548</u>
<b>FUND BALANCE, beginning</b>	<u>9,300,000</u>	<u>9,300,000</u>	<u>10,631,902</u>	<u>1,331,902</u>
<b>FUND BALANCE, ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,383,450</u>	<u>\$ 13,383,450</u>

**PLANT EMERGENCY FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
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	-	(75,000)
NET CHANGE IN FUND BALANCE	(675,000)	(675,000)	-	675,000
FUND BALANCE, beginning	675,000	675,000	750,000	75,000
FUND BALANCE, ending	\$ -	\$ -	\$ 750,000	\$ 750,000

**ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Bookstore sales	\$ 3,000,000	\$ 3,000,000	\$ 2,572,993	\$ (427,007)
EXPENDITURES:				
Personnel services	970,000	970,000	756,706	213,294
Materials and services	4,860,000	4,785,000	2,234,767	2,550,233
Capital outlay	10,000	85,000	47,555	37,445
Total expenditures	<u>5,840,000</u>	<u>5,840,000</u>	<u>3,039,028</u>	<u>2,800,972</u>
REVENUES OVER (UNDER) EXPENDITURES	(2,840,000)	(2,840,000)	(466,035)	2,373,965
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	<u>(160,000)</u>	<u>(160,000)</u>	<u>(150,000)</u>	<u>10,000</u>
Total other financing sources (uses)	<u>(160,000)</u>	<u>(160,000)</u>	<u>(150,000)</u>	<u>10,000</u>
NET CHANGE IN FUND BALANCE	(3,000,000)	(3,000,000)	(616,035)	2,383,965
FUND BALANCE, beginning	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,724,655</u>	<u>724,655</u>
FUND BALANCE, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,108,620</u>	<u>\$ 3,108,620</u>



**STUDENT GOVERNMENT, STUDENT CLUBS & STUDENT NEWSPAPER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE-BUDGET AND ACTUAL**  
**Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fees	\$ 170,000	\$ 170,000	\$ 159,908	\$ (10,092)
Student government	5,000	5,000	-	(5,000)
Student clubs	60,000	60,000	169,303	109,303
Student newspaper	1,000	1,000	-	(1,000)
College support	5,000	5,000	-	(5,000)
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	<u>242,000</u>	<u>242,000</u>	<u>329,211</u>	<u>87,211</u>
<b>EXPENDITURES:</b>				
Personnel services	152,000	152,000	50,521	101,479
Materials and services	<u>215,000</u>	<u>215,000</u>	<u>115,258</u>	<u>99,742</u>
Total expenditures	<u>367,000</u>	<u>367,000</u>	<u>165,779</u>	<u>201,221</u>
NET CHANGE IN FUND BALANCE	(125,000)	(125,000)	163,432	288,432
FUND BALANCE, beginning	<u>125,000</u>	<u>125,000</u>	<u>271,171</u>	<u>146,171</u>
FUND BALANCE, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 434,603</u>	<u>\$ 434,603</u>

**ATHLETICS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE-BUDGET AND ACTUAL**  
**Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Fees	\$ 260,000	\$ 260,000	\$ 217,491	\$ (42,509)
Miscellaneous	25,000	25,000	520	(24,480)
Total revenues	<u>285,000</u>	<u>285,000</u>	<u>218,011</u>	<u>(66,989)</u>
EXPENDITURES:				
Personnel services	115,000	115,000	80,295	34,705
Materials and services	170,000	170,000	149,742	20,258
Total expenditures	<u>285,000</u>	<u>285,000</u>	<u>230,037</u>	<u>54,963</u>
NET CHANGE IN FUND BALANCE	-	-	(12,026)	(12,026)
FUND BALANCE, beginning	<u>-</u>	<u>-</u>	<u>34,852</u>	<u>34,852</u>
FUND BALANCE, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,826</u>	<u>\$ 22,826</u>

**EXTERNAL ORGANIZATIONS BILLING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN BALANCE**  
**DUE TO OTHERS-BUDGET AND ACTUAL**  
**Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Miscellaneous	\$ 500,000	\$ 500,000	\$ 137,301	\$ (362,699)
EXPENDITURES:				
Personnel services	90,000	90,000	107	89,893
Materials and services	410,000	410,000	133,191	276,809
Capital outlay	10,000	10,000	-	10,000
Total expenditures	510,000	510,000	133,298	376,702
NET CHANGE IN DUE TO OTHERS	(10,000)	(10,000)	4,003	14,003
DUE TO OTHERS, beginning	10,000	10,000	613	(9,387)
DUE TO OTHERS, ending	\$ -	\$ -	\$ 4,616	\$ 4,616

# STATISTICAL SECTION

## STATISTICAL SECTION NARRATIVE

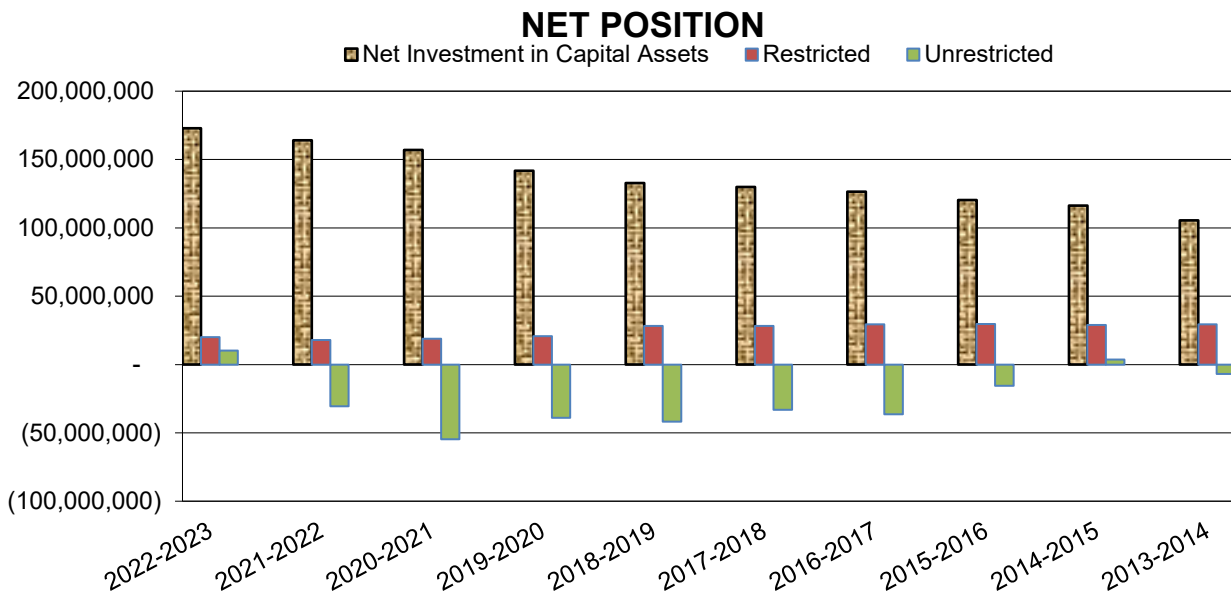
This section of Chemeketa Community College's Annual Comprehensive Financial Report presents detailed information as a basis for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the College's overall financial health.

<b><u>Contents</u></b>	<b><u>Begins on Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.	84
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the College's most significant own-source revenue, property taxes.	88
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.	94
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the socioeconomic environment within which the College operates.	102
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.	106

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

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

	<u>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>
Net Investment in Capital Assets	\$ 172,856,575	\$ 164,052,864	\$ 156,979,228	\$ 141,765,421
Restricted	20,036,231	17,855,415	18,981,282	20,734,886
Unrestricted	<u>10,291,685</u>	<u>(30,575,926)</u>	<u>(54,582,063)</u>	<u>(39,003,051)</u>
Total Net Position	<u>\$ 203,184,491</u>	<u>\$ 151,332,353</u>	<u>\$ 121,378,447</u>	<u>\$ 123,497,256</u>



Note: The College implemented GASB Statements No. 68 and 71 in 2014-2015. Net position 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.

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<u>2018-2019</u>	<u>2017-2018</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>2013-2014</u>
\$ 132,772,510	\$ 129,899,346	\$ 126,462,303	\$ 120,345,397	\$ 116,274,920	\$ 105,459,693
28,148,031	28,317,374	29,418,828	29,643,104	29,056,964	29,344,769
<u>(41,909,740)</u>	<u>(33,098,830)</u>	<u>(36,332,041)</u>	<u>(15,493,021)</u>	<u>3,532,333</u>	<u>(6,866,148)</u>
<u>119,010,801</u>	<u>125,117,890</u>	<u>119,549,090</u>	<u>134,495,480</u>	<u>148,864,217</u>	<u>127,938,314</u>

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	2022-2023	2020-2021	2019-2020	2018-2019
<b>Operating Revenues</b>				
Student tuition and fees	\$ 21,054,253	\$ 21,936,403	\$ 25,158,473	\$ 20,657,647
Grants and contracts	40,716,877	50,170,801	40,279,676	35,319,544
Bookstore sales	2,688,786	2,562,352	1,980,220	2,585,686
Rental income	4,778,706	4,822,570	5,013,403	4,751,772
Other operating revenues	7,425,011	6,636,281	6,512,014	5,532,308
<b>Total operating revenues</b>	<u>76,663,633</u>	<u>86,128,407</u>	<u>78,943,786</u>	<u>68,846,957</u>
<b>Operating Expenses</b>				
President's office	3,294,257	5,039,923	5,981,214	5,677,770
College support services	12,433,792	16,959,898	19,262,266	22,519,224
Instruction and student services	-	-	57,792,191	54,299,753
Academic Affairs	21,349,135	40,105,836	-	-
Student Affairs	5,236,279	8,878,689	-	-
College facilities	1,714,353	2,278,743	2,675,589	2,723,421
Grants and scholarships	24,082,513	38,349,113	31,136,295	25,047,764
Self-supporting services	8,094,970	10,654,488	14,041,486	17,070,439
Intra-college services	1,749,099	2,456,590	1,733,543	2,210,554
Regional library	2,938,804	3,157,424	3,193,629	3,351,467
Bookstore	2,297,610	2,457,733	2,417,225	2,878,511
Student Activities	166,642	123,518	5,557	-
Athletics	211,394	225,929	254,585	-
Depreciation expense	8,790,444	7,196,740	6,952,967	6,766,873
<b>Total operating expenses</b>	<u>92,359,292</u>	<u>137,884,624</u>	<u>145,446,547</u>	<u>142,545,776</u>
<b>Operating income (loss)</b>	<u>(15,695,659)</u>	<u>(51,756,217)</u>	<u>(66,502,761)</u>	<u>(73,698,819)</u>
<b>Nonoperating Revenues (Expenses)</b>				
State community college support	27,341,887	46,219,946	26,205,705	42,892,242
Other state sources	210,688	613,229	384,056	297,150
Property taxes	41,737,032	39,758,100	37,707,425	36,114,070
Investment income	2,560,119	562,546	507,331	2,033,496
Interest expense	(4,332,181)	(4,775,270)	(4,362,101)	(4,915,400)
Issuance costs	-	(464,254)	-	-
Unrealize gain (loss) on investements	145,370	(838,550)	-	-
Gain (loss) on sale of capital assets	(129,652)	625,798	(9,813)	(11,822)
<b>Total nonoperating revenues (expenses)</b>	<u>67,533,263</u>	<u>81,701,545</u>	<u>60,432,603</u>	<u>76,409,736</u>
<b>Income (loss) before contributions</b>	51,837,604	29,945,328	(6,070,158)	2,710,917
<b>Capital Contributions</b>	<u>14,534</u>	<u>8,578</u>	<u>3,840,718</u>	<u>1,775,538</u>
<b>Total change in net position</b>	<u>\$ 51,852,138</u>	<u>\$ 29,953,906</u>	<u>\$ (2,229,440)</u>	<u>\$ 4,486,455</u>

Note: In 2021-2022 Instruction and student services was split into Academic Affairs and Student Affairs. In 2020-2021, Student Activities and Athletics incorporated into the Colleges financial reporting as a result of implementing GASB Statement No. 84. The College implemented GASB Statements No. 68 and 71 in 2014-2015. The pension reporting requirements impact expenses and may cause fluctuations between years. Beginning in 2015-2016, student tuition & fee revenue is reported net of scholarship allowances; amounts for prior years have not been restated.



	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
\$	21,527,438	\$ 21,394,230	\$ 22,163,943	\$ 23,613,807	\$ 35,214,098	\$ 38,073,043
	31,499,528	30,174,684	29,525,862	28,779,949	32,296,012	35,364,450
	3,250,749	3,339,985	3,916,797	4,445,037	4,766,127	4,761,251
	4,540,253	4,692,445	4,177,237	3,847,903	3,532,732	3,647,087
	6,317,299	6,587,993	6,511,849	8,549,926	7,928,103	6,787,051
	<u>67,135,267</u>	<u>66,189,337</u>	<u>66,295,688</u>	<u>69,236,622</u>	<u>83,737,072</u>	<u>88,632,882</u>
	5,184,115	5,616,122	5,212,541	6,021,062	3,490,453	2,690,172
	16,822,496	16,567,635	17,089,623	18,863,550	12,291,216	15,871,095
	50,074,766	48,752,867	47,707,170	57,477,998	31,446,449	42,094,026
	-	-	-	-	-	-
	-	-	-	-	-	-
	2,403,860	2,073,322	2,622,641	3,666,689	2,369,854	2,505,767
	21,964,625	21,482,720	22,213,593	22,074,710	34,049,861	37,681,633
	17,916,948	19,534,540	20,698,046	22,813,182	15,997,170	19,123,390
	2,549,698	2,651,836	3,511,219	2,882,706	2,711,110	2,298,427
	3,230,040	3,042,433	3,074,361	3,170,890	2,540,548	2,654,461
	3,440,274	3,493,833	3,874,286	4,495,697	4,256,311	4,693,582
	-	-	-	-	-	-
	-	-	-	-	-	-
	6,726,957	6,690,976	6,245,057	5,877,700	5,480,316	5,275,235
	<u>130,313,779</u>	<u>129,906,284</u>	<u>132,248,537</u>	<u>147,344,184</u>	<u>114,633,288</u>	<u>134,887,788</u>
	<u>(63,178,512)</u>	<u>(63,716,947)</u>	<u>(65,952,849)</u>	<u>(78,107,562)</u>	<u>(30,896,216)</u>	<u>(46,254,906)</u>
	23,660,246	40,493,074	23,759,227	37,774,756	20,152,851	28,717,709
	628,795	331,917	286,369	177,931	171,601	242,163
	34,930,273	33,922,993	32,361,579	31,559,365	29,570,587	26,880,384
	2,068,963	842,556	812,360	657,411	520,301	9,685,384
	(5,381,367)	(5,772,684)	(6,135,333)	(6,534,937)	(6,490,482)	(6,977,743)
	-	-	(60,200)	-	(216,562)	(326,782)
	-	-	-	-	-	-
	678,385	(19,953)	(33,999)	(67,253)	(190,597)	(13,786)
	<u>56,585,295</u>	<u>69,797,903</u>	<u>50,990,003</u>	<u>63,567,273</u>	<u>43,517,699</u>	<u>58,207,329</u>
	(6,593,217)	6,080,956	(14,962,846)	-14,540,289	12,621,483	11,952,423
	486,128	17,328	16,456	171,552	8,304,420	547,041
\$	<u>(6,107,089)</u>	<u>6,098,284</u>	<u>(14,946,390)</u>	<u>-14,368,737</u>	<u>20,925,903</u>	<u>12,499,464</u>

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

<u>Fiscal Year</u>	<u>Real Market Value</u>	<u>Taxable Assessed Value</u>	<u>Assessed Value Increase (Decrease)</u>	<u>Assessed Value Percentage Change</u>	<u>Total Direct Rate</u>
Linn County:					
2022-2023	\$ 1,029,666,174	\$ 527,833,072	\$ 39,821,781	8.16%	0.97
2021-2022	835,564,073	488,011,291	45,089,417	10.18%	0.97
2020-2021	731,582,774	442,921,874	25,211,676	6.04%	0.97
2019-2020	671,103,265	417,710,198	22,032,873	5.57%	0.97
2018-2019	626,434,839	395,677,325	10,173,883	2.64%	0.97
2017-2018	565,856,595	385,503,442	15,944,884	4.31%	0.98
2016-2017	506,748,944	369,558,558	13,753,331	3.87%	0.98
2015-2016	459,231,627	355,805,227	18,395,295	5.45%	1.00
2014-2015	430,172,604	337,409,932	13,409,916	4.14%	0.98
2013-2014	407,624,291	324,000,016	26,476,655	8.90%	0.94
Marion County:					
2022-2023	\$ 60,686,742,850	\$ 30,600,789,982	\$ 1,344,287,377	4.59%	0.97
2021-2022	57,702,818,724	29,256,502,605	2,483,420,677	9.28%	0.97
2020-2021	53,148,678,076	26,773,081,928	1,110,676,017	4.33%	0.97
2019-2020	50,681,034,646	25,662,405,911	1,060,095,802	4.31%	0.97
2018-2019	46,399,106,709	24,602,310,109	1,023,079,090	4.34%	0.97
2017-2018	42,213,950,459	23,579,231,019	811,236,528	3.56%	0.98
2016-2017	39,002,299,869	22,767,994,491	856,145,710	3.91%	0.98
2015-2016	36,716,577,379	21,911,848,781	952,682,288	4.55%	1.00
2014-2015	34,877,589,110	20,959,166,493	829,692,057	4.12%	0.98
2013-2014	33,102,805,137	20,129,474,436	1,331,622,384	7.08%	0.94

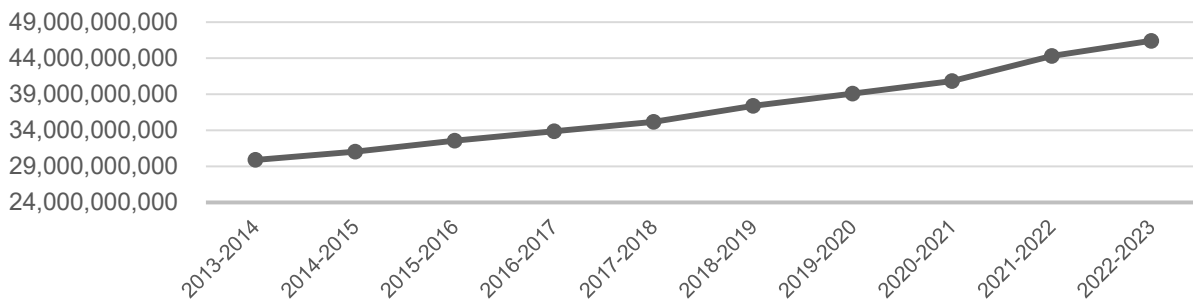
Note: Rates per \$1,000 of assessed value. This is the combined rate in all funds.

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)**

<u>Fiscal Year</u>	<u>Real Market Value</u>	<u>Taxable Assessed Value</u>	<u>Assessed Value Increase (Decrease)</u>	<u>Assessed Value Percentage Change</u>	<u>Total Direct Rate</u>
Polk County:					
2022-2023	\$ 16,957,180,448	\$ 7,732,422,105	\$ 318,050,853	4.29%	0.97
2021-2022	15,644,105,817	7,414,371,252	642,196,494	9.48%	0.97
2020-2021	11,718,663,086	6,772,174,758	332,711,303	5.17%	0.97
2019-2020	10,829,834,772	6,439,463,455	307,753,806	5.02%	0.97
2018-2019	9,823,481,564	6,131,709,649	230,869,733	3.91%	0.97
2017-2018	9,188,721,598	5,900,839,916	278,916,054	4.96%	0.98
2016-2017	8,121,188,858	5,621,923,862	263,258,931	4.91%	0.98
2015-2016	7,589,309,121	5,358,664,931	248,266,163	4.86%	1.00
2014-2015	7,020,684,624	5,110,398,768	189,274,992	3.85%	0.98
2013-2014	6,716,393,804	4,921,123,776	295,584,905	6.39%	0.94
Yamhill County:					
2022-2023	\$ 16,472,013,083	\$ 7,560,106,245	\$ 395,896,249	5.53%	0.97
2021-2022	13,437,332,446	7,164,209,996	336,152,314	4.92%	0.97
2020-2021	12,106,552,576	6,828,057,682	257,296,424	3.92%	0.97
2019-2020	11,449,375,245	6,570,761,258	320,772,879	5.13%	0.97
2018-2019	10,556,985,306	6,249,988,379	926,233,739	17.40%	0.97
2017-2018	9,648,719,821	5,323,754,640	214,793,652	4.20%	0.98
2016-2017	7,092,315,978	5,108,960,988	177,260,610	3.59%	0.98
2015-2016	6,453,088,841	4,931,700,378	273,625,903	5.87%	1.00
2014-2015	5,999,591,447	4,658,074,475	137,400,089	3.04%	0.98
2013-2014	5,810,681,601	4,520,674,386	347,327,116	8.32%	0.94

**ASSESSED VALUE OF TAXABLE PROPERTY**



**PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Company Name	2023			2014		
	Assessed Value	Rank	Percent of Total District Assessed Value	Assessed Value	Rank	Percent of Total District Assessed Value
<b>Linn County:</b>						
Freres Engineered Wood	\$ 108,668,348	1	22.27%	\$ -	-	-
Weyerhaeuser (Willamette)	21,699,148	2	4.45%	11,052,917	2	3.41%
PacifiCorp (PP&L)	16,876,464	3	3.46%	8,218,000	3	2.54%
Frank Lumber Co	10,488,930	4	2.15%	7,454,020	4	2.30%
Follansbee Rogers V ET AL	6,519,289	5	1.34%	4,547,431	7	1.40%
Freres Lumber Co	7,163,380	6	1.47%	16,817,073	1	5.19%
Stayton Coop Telephone Co	5,606,925	7	1.15%	3,479,410	8	1.07%
NW Natural Gas	4,299,000	8	0.88%	2,373,000	10	0.73%
Evergreen Biopower LLC	4,590,590	9	0.94%	5,308,020	6	1.64%
Frank Pellets LLC	2,456,680	10	0.50%	-	-	0.00%
Longview Fibre Company	-	-	-	5,578,334	5	1.72%
Baughman, Scott, Property Owner	-	-	-	2,455,750	9	0.76%
	<u>188,368,754</u>		<u>38.60%</u>	<u>67,283,955</u>		<u>20.77%</u>
<b>ALL OTHER TAXPAYERS</b>	<u>299,642,537</u>		<u>61.40%</u>	<u>256,716,061</u>		<u>79.23%</u>
<b>TOTAL</b>	<u>\$ 488,011,291</u>		<u>100.00%</u>	<u>\$ 324,000,016</u>		<u>100.00%</u>
<b>Marion County:</b>						
Portland General Electric	\$ 498,654,160	1	1.81%	\$ 256,592,280	1	1.28%
NW Natural Gas	225,412,000	2	0.82%	130,546,000	2	0.65%
Comcast Corporation	125,300,791	3	0.45%	-	-	0.01%
Winco Foods LLC	112,943,630	4	0.41%	84,312,689	3	0.42%
BIT Investment Ninety-Seven LLC	82,971,150	5	0.30%	-	-	-
Lumen Technologies INC	85,084,406	6	0.31%	-	-	-
State Accident Insurance Fund	60,798,550	7	0.22%	-	-	-
Lancaster Development Co LLC	55,599,510	8	0.20%	63,861,330	4	0.32%
Wal-Mart Real Estate	55,254,160	9	0.20%	47,127,070	9	0.23%
Snyders-Lance Inc	52,623,950	10	0.19%	-	-	-
Norpac Foods Inc	-	-	-	56,693,593	7	0.28%
Woodburn Premium Outlets LLC	-	-	-	56,980,260	6	0.28%
Donahue Schriber Realty Group	-	-	-	48,762,870	8	0.24%
Century Link	-	-	-	57,396,660	5	0.29%
Metropolitan Life Insurance Co	-	-	-	42,822,470	10	0.21%
	<u>1,354,642,307</u>		<u>4.91%</u>	<u>845,095,222</u>		<u>4.21%</u>
<b>ALL OTHER TAXPAYERS</b>	<u>26,263,652,933</u>		<u>95.10%</u>	<u>19,284,379,214</u>		<u>95.79%</u>
<b>TOTAL</b>	<u>\$ 27,618,295,240</u>		<u>100.00%</u>	<u>\$ 20,129,474,436</u>		<u>100.00%</u>

Note: Rank is based upon total taxes assessed.

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

**PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO (Continued)**

Company Name	2023			2014		
	Assessed Value	Rank	Percent of Total District Assessed Value	Assessed Value	Rank	Percent of Total District Assessed Value
Polk County:						
NW Natural Gas	\$ 96,352,000	1	1.30%	\$ 61,566,000	1	1.25%
Orchard Heights Apartments LLC	35,409,410	2	0.48%	-	-	-
Portland General Electric	45,220,530	3	0.61%	23,161,490	3	0.47%
Capital Manor	26,048,210	4	0.35%	-	-	0.00%
Pacificorp (PP&L)	36,317,911	5	0.49%	16,350,000	5	0.33%
Weyerhaeuser Co	32,623,451	6	0.44%	16,359,322	4	0.33%
Riverplace Apartment Homes LLC	19,634,110	7	0.26%	-	-	-
Meduri Farms INC	32,131,916	8	0.43%	-	-	-
Alameda Lawrence, Exempt Trust	16,035,740	9	0.22%	-	-	-
Orchard Ridge Apartments LLC	15,749,770	10	0.21%	-	-	-
Meriweather NW Land Mgmt	-	-	-	27,357,023	2	0.56%
Comcast Corporation	-	-	-	16,039,700	6	0.33%
Capital Manor	-	-	-	14,400,150	7	0.29%
Elkay Wood Products Company	-	-	-	10,211,010	8	0.21%
Roth IGA Foodliner, Inc	-	-	-	10,056,800	9	0.20%
Legacy Oaks LLC	-	-	-	9,696,250	10	0.20%
	<u>355,523,048</u>		<u>4.79%</u>	<u>205,197,745</u>		<u>4.17%</u>
ALL OTHER TAXPAYERS	<u>7,058,848,204</u>		<u>95.20%</u>	<u>4,715,926,031</u>		<u>95.83%</u>
TOTAL	<u>\$ 7,414,371,252</u>		<u>100.00%</u>	<u>\$ 4,921,123,776</u>		<u>100.00%</u>
Yamhill County:						
Cascade Steel Rolling Mills	\$ 109,690,450	1	1.70%	\$ 66,738,076	1	1.48%
Portland General Electric	114,553,783	2	1.78%	61,912,000	2	1.37%
MPT of McMinnville-Capella LLC	66,564,440	3	1.03%	-	-	-
Stoller Vineyards Inc	44,738,855	4	0.69%	-	-	-
Northwest Natural Gas	32,061,788	5	0.50%	16,788,000	8	0.37%
Foxglove Properties	33,707,559	6	0.52%	-	-	-
Cooperative Regions of Organic Prod	28,623,003	7	0.44%	-	-	-
RiverBend Landfill Co	27,739,298	8	0.43%	-	-	-
HG Hillside LLC	23,166,391	9	0.36%	-	-	-
Jackson Family Wines INC	23,404,226	10	0.36%	-	-	-
Willamette Valley Med Center	-	-	-	61,223,418	3	1.35%
Evergreen Vintage Aircraft Inc	-	-	-	24,968,291	4	0.55%
Comcast Corporation	-	-	-	20,761,100	5	0.46%
Frontier Communications	-	-	-	19,978,000	6	0.44%
Hillside Senior Living Community	-	-	-	17,979,496	7	0.40%
Lowes HIW Inc	-	-	-	15,689,504	9	0.35%
Hampton Lumber Co	-	-	-	13,542,309	10	0.30%
	<u>504,249,793</u>		<u>7.82%</u>	<u>319,580,194</u>		<u>7.07%</u>
ALL OTHER TAXPAYERS	<u>5,943,859,337</u>		<u>92.18%</u>	<u>4,201,094,192</u>		<u>92.93%</u>
TOTAL	<u>\$ 6,448,109,130</u>		<u>100.00%</u>	<u>\$ 4,520,674,386</u>		<u>100.00%</u>

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND RATES  
LAST TEN FISCAL YEARS**

	<u>2022-23</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>
Levy extended by assessor	\$ 42,629,327	\$ 40,826,599	\$ 37,880,725	\$ 36,717,060
Reduction of taxes receivable:				
Current year	41,736,841	39,859,126	37,855,027	35,298,607
Tax roll adjustments	(106,893)	(228,358)	641,482	(680,242)
Beginning taxes receivable:				
Prior year	1,357,907	1,289,913	1,394,318	1,443,913
Reduction of taxes receivable:				
Prior years	659,759	745,300	753,767	834,510
Tax roll adjustments	(60,430)	74,179	(17,818)	46,704
Total taxes receivable, end of year	<u>\$ 1,423,311</u>	<u>\$ 1,357,907</u>	<u>\$ 1,289,913</u>	<u>\$ 1,394,318</u>
Collections				
Current year	\$ 41,736,841	\$ 39,859,126	\$ 37,855,027	\$ 36,268,868
Prior year	659,759	745,300	753,757	723,188
Comcast/Urban Dev./Solar /Foreclosure	319,679	67,320	97,297	30,548
Discounts & Interest	(1,044,656)	(981,640)	(894,251)	(858,939)
Total received by college	<u>\$ 41,671,623</u>	<u>\$ 39,690,106</u>	<u>\$ 37,811,830</u>	<u>\$ 36,163,665</u>
Total collections as a percentage of of current levy	97.8%	97.2%	99.8%	98.5%
Delinquent taxes by levy year :				
1st year prior	\$ 283,455	\$ 266,827	\$ 277,426	\$ 302,628
2nd year prior	158,218	160,453	160,132	181,762
3rd year prior	73,942	72,306	68,782	66,266
4th year prior	24,451	27,298	25,905	22,583
5th year prior	18,583	17,084	16,961	13,772
6th year prior and earlier	79,070	74,824	73,539	69,095
Tax levy rates:				
Chemeketa Community College	0.89	0.89	0.89	0.89
Chemeketa Cooperative Regional Library	0.08	0.08	0.08	0.08
Total direct rate	<u>0.97</u>	<u>0.97</u>	<u>0.97</u>	<u>0.97</u>

Source: Chemeketa Community College financial records

	<u>2018-2019</u>	<u>2017-2018</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>2013-2014</u>
\$	35,934,510	\$ 34,385,533	\$ 32,977,920	\$ 32,399,179	\$ 30,306,146	\$ 27,774,436
	35,161,747 (18,768)	33,515,556 (53,412)	32,304,805 145,653	31,488,147 (52,769)	29,150,571 (283,852)	26,706,977 (171,072)
	2,230,859	1,746,573	1,796,803	1,846,085	1,936,189	2,130,103
	1,236,404 (304,537)	681,849 349,570	824,658 (44,340)	781,038 (126,507)	937,841 (23,986)	1,003,663 (86,638)
\$	<u>1,443,913</u>	<u>2,230,859</u>	<u>1,746,573</u>	<u>1,796,803</u>	<u>1,846,085</u>	<u>1,936,189</u>
\$	35,161,747	\$ 33,515,556	\$ 32,304,805	\$ 31,488,147	\$ 29,150,571	\$ 26,706,977
	1,236,404	681,849	824,658	781,038	937,841	1,003,663
	166,762	16,559	5,113	19,058	38,488	22,081
	(847,694)	(775,257)	(722,767)	(679,596)	(599,927)	(524,705)
\$	<u>35,717,219</u>	<u>33,438,707</u>	<u>32,411,809</u>	<u>31,608,647</u>	<u>29,526,973</u>	<u>27,208,016</u>
	99.4%	97.2%	98.3%	97.6%	97.4%	98.0%
\$	323,373	\$ 426,540	\$ 384,858	\$ 401,415	\$ 423,579	\$ 596,533
	193,566	262,116	245,080	238,799	281,986	342,665
	74,165	187,648	111,549	126,333	121,006	143,981
	20,975	114,869	51,394	53,814	51,858	75,464
	14,702	107,064	41,313	39,003	47,406	19,187
	63,137	316,057	93,610	79,176	48,527	66,673
	0.89	0.90	0.90	0.92	0.90	0.86
	0.08	0.08	0.08	0.08	0.08	0.08
	<u>0.97</u>	<u>0.98</u>	<u>0.98</u>	<u>1.00</u>	<u>0.98</u>	<u>0.94</u>

**RATIOS OF OUTSTANDING DEBT  
LAST TEN FISCAL YEARS**

	<u>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>
Outstanding Debt:				
General obligation bonds	\$ 31,734,066	\$ 42,285,420	\$ 52,126,774	\$ 61,317,601
Limited tax pension bonds	78,415,233	84,479,612	33,713,062	37,026,735
Full faith and credit obligations	-	-	775,992	2,283,375
Lease Liability	555,304	647,018	-	-
Subscription Liability	1,285,026	-	-	-
<b>Total Outstanding Debt</b>	<b>\$ <u>111,989,629</u></b>	<b>\$ <u>127,412,050</u></b>	<b>\$ <u>86,615,828</u></b>	<b>\$ <u>100,627,711</u></b>

Ratios of Outstanding Debt:

Real Market Value	\$ 95,145,602,555	\$ 87,619,821,060	\$ 77,705,476,512	\$ 73,631,347,928
Population (estimate)	675,010	674,361	675,666	670,752
Percentage of actual property value	0.12%	0.15%	0.11%	0.14%
Outstanding debt per capita	\$ 166	\$ 189	\$ 128	\$ 150

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



	<u>2018-2019</u>	<u>2017-2018</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>2013-2014</u>
\$	69,853,429	\$ 77,809,257	\$ 85,230,514	\$ 92,116,771	\$ 98,498,028	\$ 99,906,721
	39,930,919	42,464,199	44,654,658	46,538,982	48,137,749	49,475,404
	2,283,375	3,008,244	3,726,466	4,363,481	4,999,061	5,609,641
	-	-	-	-	-	-
	-	-	-	-	-	-
\$	<u>112,067,723</u>	<u>\$ 123,281,700</u>	<u>\$ 133,611,638</u>	<u>\$ 143,019,234</u>	<u>\$ 151,634,838</u>	<u>\$ 154,991,766</u>
\$	67,406,008,418	\$ 61,617,248,473	\$ 54,722,553,649	\$ 51,218,206,968	\$ 48,328,037,785	\$ 46,037,504,833
	666,439	640,985	632,830	629,115	620,010	615,705
	0.17%	0.20%	0.24%	0.28%	0.31%	0.34%
\$	168	\$ 192	\$ 211	\$ 227	\$ 245	\$ 252

**RATIOS OF GENERAL BONDED DEBT  
LAST TEN FISCAL YEARS**

	<u>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>
General Bonded Debt Outstanding:				
General obligation bonds	\$ 31,734,066	\$ 42,285,420	\$ 52,126,774	\$ 61,317,601
Limited tax pension bonds	78,415,233	84,479,612	33,713,062	37,026,735
Full faith and credit obligations	<u>-</u>	<u>-</u>	<u>775,992</u>	<u>2,283,375</u>
Total general bonded debt	\$ 110,149,299	\$ 126,765,032	\$ 86,615,828	\$ 100,627,711
Less: Amounts set aside to repay general debt	<u>(1,185,594)</u>	<u>(720,894)</u>	<u>(513,751)</u>	<u>(733,844)</u>
Net General Bonded Debt	<u>\$ 108,963,705</u>	<u>\$ 126,044,138</u>	<u>\$ 86,102,077</u>	<u>\$ 99,893,867</u>

Ratios of General Bonded Debt:

Real market value	\$ 95,145,602,555	\$ 87,619,821,060	\$ 77,705,476,512	\$ 73,631,347,928
Population (estimate)	675,010	674,361	675,666	670,752
Percentage of actual property value	0.11%	0.14%	0.11%	0.14%
Net bonded debt per capita	\$ 161	\$ 187	\$ 127	\$ 149

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

	<u>2018-2019</u>	<u>2017-2018</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>2013-2014</u>
\$	69,853,429	\$ 77,809,257	\$ 85,230,514	\$ 92,116,771	\$ 98,498,028	\$ 99,906,721
	39,930,919	42,464,199	44,654,658	46,538,982	48,137,749	49,475,404
	<u>2,283,375</u>	<u>3,008,244</u>	<u>3,726,466</u>	<u>4,363,481</u>	<u>4,999,061</u>	<u>5,609,641</u>
\$	112,067,723	\$ 123,281,700	\$ 133,611,638	\$ 143,019,234	\$ 151,634,838	\$ 154,991,766
	<u>(949,603)</u>	<u>(835,429)</u>	<u>(1,061,726)</u>	<u>(1,215,202)</u>	<u>(954,475)</u>	<u>(1,403,826)</u>
\$	<u><u>111,118,120</u></u>	<u><u>122,446,271</u></u>	<u><u>132,549,912</u></u>	<u><u>141,804,032</u></u>	<u><u>150,680,363</u></u>	<u><u>153,587,940</u></u>
\$	67,406,008,418	\$ 61,617,248,473	\$ 54,722,553,649	\$ 51,218,206,968	\$ 48,328,037,785	\$ 46,037,504,833
	666,439	640,985	632,830	629,115	620,010	615,705
	0.16%	0.20%	0.24%	0.28%	0.31%	0.33%
\$	167	\$ 191	\$ 209	\$ 225	\$ 243	\$ 249

**LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS**

	<u>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>
Legal Debt:				
Legal debt limit	\$ 1,427,184,038	\$ 1,314,297,316	\$ 1,165,582,148	\$ 1,104,470,219
Less: Net general bonded debt applicable to debt limit	<u>(108,963,705)</u>	<u>(126,044,138)</u>	<u>(86,102,077)</u>	<u>(99,893,867)</u>
Legal Debt Margin	<u>\$ 1,318,220,333</u>	<u>\$ 1,188,253,178</u>	<u>\$ 1,079,480,071</u>	<u>\$ 1,004,576,352</u>
Legal debt margin as a percentage of the debt limit	92.4%	90.4%	92.6%	91.0%

Legal Debt Limit Calculation:

Real market value	\$ 95,145,602,555	\$ 87,619,821,060	\$ 77,705,476,512	\$ 73,631,347,928
Applicable %	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>
Legal Debt Limit	<u>\$ 1,427,184,038</u>	<u>\$ 1,314,297,316</u>	<u>\$ 1,165,582,148</u>	<u>\$ 1,104,470,219</u>

Note: The legal debt limit is calculated at 1.5% of actual property value (real market value).

Sources: State of Oregon, Office of the Treasurer (bonded indebtedness); Community College financial and statistical records

<u>2018-2019</u>	<u>2017-2018</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>2013-2014</u>
\$ 1,011,090,126	\$ 924,258,727	\$ 820,838,305	\$ 768,273,105	\$ 724,920,567	\$ 690,562,572
<u>(111,118,120)</u>	<u>(122,446,271)</u>	<u>(132,549,912)</u>	<u>(141,804,032)</u>	<u>(150,680,363)</u>	<u>(153,587,940)</u>
<u>\$ 899,972,006</u>	<u>\$ 801,812,456</u>	<u>\$ 688,288,393</u>	<u>\$ 626,469,073</u>	<u>\$ 574,240,204</u>	<u>\$ 536,974,632</u>
89.0%	86.8%	83.9%	81.5%	79.2%	77.8%
\$ 67,406,008,418	\$ 61,617,248,473	\$ 54,722,553,649	\$ 51,218,206,968	\$ 48,328,037,785	\$ 46,037,504,833
<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>	<u>1.5%</u>
<u>\$ 1,011,090,126</u>	<u>\$ 924,258,727</u>	<u>\$ 820,838,305</u>	<u>\$ 768,273,105</u>	<u>\$ 724,920,567</u>	<u>\$ 690,562,572</u>

**DIRECT AND OVERLAPPING GROSS BONDED DEBT**  
**June 30, 2023**

OVERLAPPING DISTRICT	Percent Overlap	Overlapping Gross Bonded Debt
Direct Debt:		
Chemeketa Community College	100.0000%	\$ 28,865,000
Overlapping Debt:		
Amity RFPD	100.00%	1,840,000
Aumsville RFPD	100.00%	680,000
Benton County SD 17J (Philomath)	63.00%	174,903
City Of Amity	100.00%	1,858,625
City of Aumsville	100.00%	1,177,244
City of Aurora	100.00%	437,666
City of Carlton	100.00%	12,010,895
City of Dallas	100.00%	9,366,132
City of Dayton	100.00%	2,765,989
City of Detroit	100.00%	1,052,269
City of Donald	100.00%	79,294
City of Falls City	100.00%	734,079
City of Gates	100.00%	376,404
City of Gervais	100.00%	381,749
City of Independence	100.00%	24,937,581
City of Jefferson	100.00%	3,225,341
City of Keizer	100.00%	11,066,000
City of Lafayette	100.00%	5,175,000
City of McMinnville	99.97%	23,664,795
City of Mill City	100.00%	3,115,818
City of Monmouth	100.00%	22,633,000
City of Salem	100.00%	204,636,000
City of Sheridan	100.00%	1,235,000
City of Silverton	100.00%	17,547,405
City of Stayton	100.00%	12,119,046
City of Turner	100.00%	780,000
City of Willamina	100.00%	1,055,332
City of Woodburn	100.00%	629,000
City of Yamhill	100.00%	1,504,512
Dayton RFPD	100.00%	340,000
Dundee RFPD	8.10%	72,909
Hubbard RFPD	100.00%	224,507
Jefferson RFPD (Marion-Linn Counties)	75.29%	22,587
Keizer RFPD	100.00%	4,965,000
Linn Cty SD 129J (Santiam Canyon)	100.00%	19,881,478
Linn-Benton-Lincoln ESD	1.65%	95,116
Lyons RFPD 10	94.98%	131,938
Lyons-Mehama Water District	100.00%	235,000
Marion County	100.00%	54,403,263
Marion Cty RFPD 1	100.00%	3,371,384
Marion Cty SD 1 (Gervais)	100.00%	11,032,982

**DIRECT AND OVERLAPPING GROSS BONDED DEBT**  
**June 30, 2023 (Continued)**

OVERLAPPING DISTRICT	Percent Overlap	Overlapping Gross Bonded Debt
Marion Cty SD 103 (Woodburn)	100.00%	\$ 65,705,000
Marion Cty SD 14J (Jefferson)	93.85%	16,769,753
Marion Cty SD 15 (North Marion)	100.00%	60,816,362
Marion Cty SD 24J (Salem/Keizer)	100.00%	859,047,207
Marion Cty SD 29J (North Santiam)	91.91%	34,796,303
Marion Cty SD 45 (St Paul)	100.00%	6,465,000
Marion Cty SD 4J (Silver Falls)	90.75%	56,527,991
Marion Cty SD 5 (Cascade)	100.00%	13,657,472
Marion Cty SD 91 (Mt Angel)	100.00%	7,308,712
New Carlton RFPD	100.00%	465,000
Northwest Regional ESD	0.06%	8,909
Polk County	100.00%	12,807,868
Polk Cty RFPD 1	100.00%	1,125,000
Polk Cty SD 13J (Central)	99.75%	52,606,483
Polk Cty SD 2 (Dallas)	100.00%	51,916,000
Polk Cty SD 21 (Perrydale)	100.00%	2,905,000
Polk Cty SD 57 (Falls City)	100.00%	1,788,664
Sheridan RFPD	100.00%	320,000
Silverton RFPD	95.46%	2,343,599
Sublimity RFPD	100.00%	410,000
SW Polk Fire District	100.00%	5,170,000
Tillamook Cty SD 101 (Nestucca Valley)	0.05%	18,731
Tualatin Valley Fire Rescue District	0.00%	914
Washington Cty SD 511J (Gaston)	17.33%	2,389,540
West Valley Fire District	100.00%	119,000
Willamette ESD	90.07%	14,442,158
Woodburn RFPD 6	100.00%	6,775,000
Yamhill County	62.80%	4,942,842
Yamhill Cty SD 1 (Yamhill-Carlton)	100.00%	19,940,099
Yamhill Cty SD 29J (Newberg)	0.16%	255,242
Yamhill Cty SD 30J (Willamina)	99.31%	1,673,419
Yamhill Cty SD 40 (McMinnville)	100.00%	119,195,000
Yamhill Cty SD 4J (Amity)	100.00%	33,100,597
Yamhill Cty SD 8 (Dayton)	100.00%	20,730,110
Yamhill RFPD	99.69%	269,156
Total Overlapping Debt		<u>1,937,847,374</u>
TOTAL DIRECT AND OVERLAPPING DEBT		<u>\$ 1,966,712,374</u>

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**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Manufacturing</b>				
Durable Goods	6,100	5,900	5,900	6,400
Food Products	3,700	4,000	3,900	4,500
Other Nondurable Goods	6,100	2,400	2,100	2,300
<b>Total Manufacturing</b>	<u>15,900</u>	<u>12,300</u>	<u>11,900</u>	<u>13,200</u>
<b>Non-manufacturing</b>				
Natural Resources and Mining	600	600	600	600
Construction	13,100	13,000	12,500	12,200
Transportation, Warehousing, and Utilities	4,134	7,100	6,600	5,800
Trade	25,883	23,200	22,200	23,200
Information	1,600	1,500	1,300	1,400
Financial Activities	6,900	7,000	6,900	7,100
Professional and Business Services	16,400	15,700	14,500	15,500
Educational and Health Services	31,200	30,400	29,800	29,700
Leisure and Hospitality	15,500	15,400	13,100	15,800
Other Services	5,400	5,400	4,900	5,400
Government	42,600	41,000	40,700	41,800
<b>Total Non-manufacturing</b>	<u>163,317</u>	<u>160,300</u>	<u>153,100</u>	<u>158,500</u>
Other	<u>131,627</u>	<u>30,235</u>	<u>24,279</u>	<u>18,490</u>
<b>Total Employment</b>	310,844	202,835	189,279	190,190
Civilian Labor Force	<u>318,160</u>	<u>211,558</u>	<u>203,222</u>	<u>201,907</u>
Unemployed	7,316	8,723	13,943	11,717
Percentage of Unemployed (Annual Average)	3.5%	4.4%	6.9%	5.8%

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



2018	2017	2016	2015	2014	2013
6,400	6,400	6,200	5,900	5,400	5,100
4,500	4,800	4,800	5,000	4,700	4,600
2,300	2,100	2,200	2,100	2,100	2,100
<u>13,200</u>	<u>13,300</u>	<u>13,200</u>	<u>13,000</u>	<u>12,200</u>	<u>11,800</u>
700	600	700	700	700	700
11,200	10,200	9,400	8,700	7,800	6,800
5,300	5,000	4,700	4,500	4,400	4,300
23,200	23,000	22,500	21,900	21,300	20,500
1,300	1,200	1,200	1,000	1,000	1,000
7,300	7,000	7,000	6,800	7,100	7,100
15,100	14,300	13,900	13,100	12,800	12,200
28,800	26,200	25,500	24,600	23,600	22,600
15,700	15,200	14,700	14,300	13,600	13,000
5,500	5,400	5,400	5,200	5,100	5,000
41,200	43,000	42,800	41,700	40,800	39,800
<u>155,300</u>	<u>151,100</u>	<u>147,800</u>	<u>142,500</u>	<u>138,200</u>	<u>133,000</u>
<u>26,088</u>	<u>28,891</u>	<u>31,897</u>	<u>21,907</u>	<u>20,719</u>	<u>21,094</u>
194,588	193,291	192,897	177,407	171,119	165,894
<u>203,043</u>	<u>201,998</u>	<u>195,890</u>	<u>189,222</u>	<u>184,537</u>	<u>182,009</u>
8,455	8,707	9,875	11,217	13,395	15,812
4.2%	4.3%	5.1%	5.9%	7.3%	8.7%

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

Company Name	2023			2014		
	Total Employees	Rank	Percentage of Total	Total Employees	Rank	Percentage of Total
State of Oregon	21,000	1	7.86%	23,380	1	8.58%
Salem-Keizer School District	5,137	2	1.92%	5,934	2	2.18%
Salem Health (includes West Valley Hospital)	5,058	3	1.89%	4,077	3	1.50%
Marion County	1,742	4	0.65%	1,576	6	0.58%
ATI (Wah Chang)	1,650	5	0.62%	1,054	10	0.39%
Greater Albany Public School	1,525	6	0.57%	-	-	-
Federal Government	1,500	7	0.56%	-	-	-
Linn Benton Community College	1,500	8	0.56%	-	-	-
Amazon Fulfillment Center	1,400	9	0.52%	-	-	-
City of Salem	1,291	10	0.48%	1,312	8	0.48%
Norpac (Seasonal)	-	-	-	3,100	4	1.14%
Samanitan Health Care/Albany Gen Hosp	-	-	-	1,673	5	0.61%
Chemeketa Community College	-	-	-	1,526	7	0.56%
Confederated Tribes/Spirit Mt Casino	-	-	-	1,220	9	0.45%

Note: Percentage of total is based on number of persons employed in all four counties as of June of the fiscal year. Employee data for 2014 is as reported in Chemeketa's June 30, 2014 Comprehensive Annual Financial Report. Employee count for Chemeketa Community College is an average for the year.

Sources: City of Salem, City of Albany, City of McMinnville and City of Dallas employers, State of Oregon Employment Department

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

Fiscal Year	Estimated Combined Population	Average Per Capita Income	Total Personal Income (In Thousands)	Average Unemployment Rate
2022-2023	675,010	\$ -	\$ -	4.6
2021-2022	674,361	53,442	36,348,793	4.12
2020-2021	675,666	53,017	35,992,100	6.43
2019-2020	670,752	48,216	32,605,207	5.74
2018-2019	666,439	45,095	30,302,736	4.35
2017-2018	655,517	43,198	28,784,581	4.21
2016-2017	644,278	41,217	27,024,573	4.55
2015-2016	629,971	39,794	25,638,877	5.5
2014-2015	622,145	38,806	24,376,357	6.97
2013-2014	616,433	36,462	22,641,412	7.56

Note: Average per capita and personal income for 2022-2023 is not yet available. Combined population estimates are as of July 1st of the fiscal year. Average unemployment rate represents average for all counties between July and June of the fiscal year.

Sources: Portland State University's Population Research Center, State of Oregon Employment Department, Bureau of Economic Analysis

**AVERAGE NUMBER OF EMPLOYEES  
LAST TEN FISCAL YEARS**

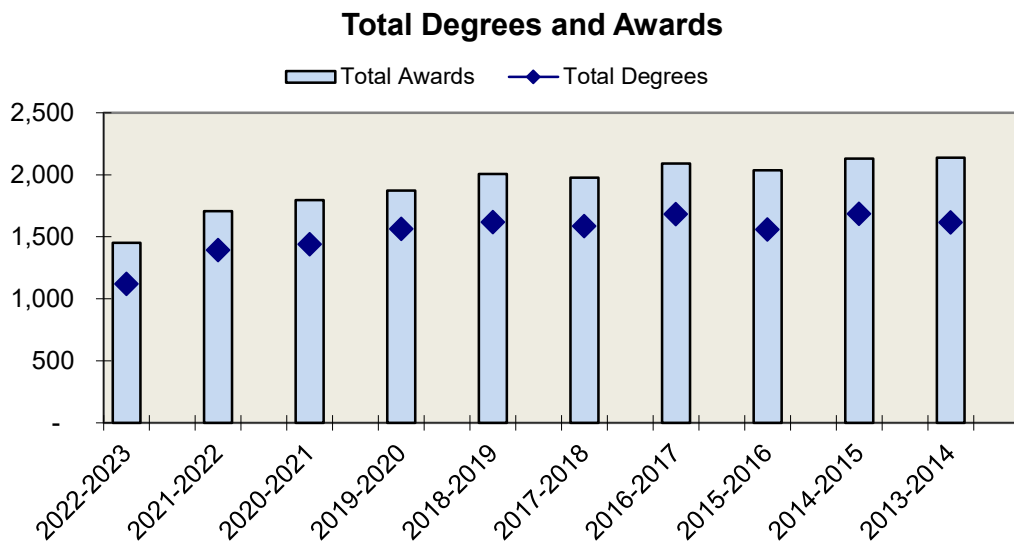
<u>Fiscal Year</u>	<u>Exempt</u>	<u>Classified</u>	<u>Hourly</u>	<u>Faculty</u>	<u>Adjunct Faculty</u>	<u>Students</u>	<u>Total</u>
2022-2023	103	306	115	195	241	88	1048
2021-2022	108	317	80	204	243	48	1000
2020-2021	102	314	37	210	249	30	942
2019-2020	102	337	124	221	297	118	1,199
2018-2019	109	345	150	231	337	172	1,344
2017-2018	108	358	160	236	358	181	1,401
2016-2017	107	358	168	235	373	180	1,421
2015-2016	103	355	174	226	396	193	1,447
2014-2015	99	359	198	227	466	274	1,623
2013-2014	97	357	198	220	458	196	1,526

Note: 2020-2021 reflects a full year of remote operations due to the COVID-19 pandemic.

Source: Human Resources Department at Chemeketa Community College

**CERTIFICATES AND DEGREES AWARDED  
LAST TEN FISCAL YEARS**

Fiscal Year	Degrees			Total Degrees	Certificates	HSC	Total Awards
	AS/AAS	AA/AAOT	AGS				
2022-2023	390	551	178	1,119	332	1	1,452
2021-2022	461	554	378	1,393	312	2	1,707
2020-2021	411	708	321	1,440	354	2	1,796
2019-2020	429	660	473	1,562	312	-	1,874
2018-2019	481	686	451	1,618	385	3	2,006
2017-2018	463	692	431	1,586	389	1	1,976
2016-2017	526	750	407	1,683	408	-	2,091
2015-2016	541	770	247	1,558	478	-	2,036
2014-2015	530	783	371	1,684	444	2	2,130
2013-2014	564	712	340	1,616	514	7	2,137



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

Source: Institutional Research Department at Chemeketa Community College

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

<u>Fiscal Year</u>	<u>Tuition Rate Per Credit Hour</u>	<u>Universal Fee Per Credit Hour</u>	<u>Total FTE</u>	<u>Hold Harmless Adjusted FTE</u>	<u>Unduplicated Headcount</u>
2022-2023	\$ 99	\$ 37	7,153.44	7,357.39	17,894
2021-2022	96	34	6,868.18	7,068.63	17,767
2020-2021	95	31	7,341.24	7,555.75	17,661
2019-2020	91	24	8,642.73	8,906.71	22,326
2018-2019	87	18	9,817.63	10,106.57	24,809
2017-2018	84	15	10,217.20	10,508.73	27,222
2016-2017	80	14	10,571.89	10,877.58	29,207
2015-2016	80	14	11,130.76	11,450.88	29,802
2014-2015	80	14	11,802.03	12,130.46	31,800
2013-2014	80	14	12,491.93	12,837.00	36,369

Note: Information above is historical FTE (Full-Time Equivalency) information as officially reported to and audited by the State. Hold harmless adjusted FTE is calculated and applied by the Higher Education Coordinating Commission for colleges that offer an 11 week Fall term.

Source: Institutional Research Department at Chemeketa Community College

**FULL-TIME EQUIVALENT STUDENTS BY COURSE ACTIVITY  
LAST TEN FISCAL YEARS**

	<u>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>
Lower Division Transfer Courses	3,827.93	3,696.50	4,153.50	4,744.87
CTE Preparatory	1,688.90	1,639.24	1,731.67	1,916.81
Standalone CTE Prep	63.11	34.57	43.56	49.41
CTE Supplementary	127.25	97.55	88.42	184.75
CTE Apprenticeship	245.54	220.34	191.41	188.74
English as a Second Language	505.08	438.99	389.98	397.58
Adult Basic Education	65.04	98.21	97.54	160.03
General Equivalency Diploma	288.32	365.29	386.20	355.21
Adult High School	21.41	18.47	51.16	145.75
Post Secondary Remedial	370.30	348.17	359.45	589.53
Adult Continuing Ed	49.25	47.49	22.72	59.28
Other Non-reimbursable	<u>105.26</u>	<u>63.81</u>	<u>40.14</u>	<u>114.75</u>
Student FTE	7,357.39	7,068.63	7,555.75	8,906.71

Note: Information above is historical FTE (Full-Time Equivalency) information as officially reported to and audited by the State. Due to reporting changes, FTE amounts per activity reflect "hold harmless adjusted FTE" beginning in 2015-2016 as calculated and applied by the Higher Education Coordinating Commission. Standalone CTE Prep added in 2012-2013.

Source: Institutional Research Department at Chemeketa Community College



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<u>2018-2019</u>	<u>2017-2018</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>2013-2014</u>
5,239.69	5,415.23	5,600.96	5,827.56	5,949.33	6,314.18
2,184.26	2,207.83	2,287.72	2,451.79	2,506.48	2,739.01
-	-	9.12	29.07	23.09	34.05
261.24	251.77	247.11	228.21	216.94	223.50
154.84	141.64	126.40	117.29	90.78	66.68
449.08	471.72	481.53	477.89	491.09	540.71
164.77	160.76	115.80	127.79	84.97	64.81
405.06	262.67	246.82	301.90	398.69	440.91
179.50	424.48	480.83	501.19	527.88	480.35
853.65	907.09	977.45	1,071.42	1,235.33	1,371.01
67.17	85.62	94.18	98.24	89.19	77.27
<u>147.31</u>	<u>179.92</u>	<u>209.66</u>	<u>218.53</u>	<u>188.26</u>	<u>139.27</u>
10,106.57	10,508.73	10,877.58	11,450.88	11,802.03	12,491.75

**CAMPUS FACILITIES AND OPERATING INFORMATION  
LAST TEN FISCAL YEARS**

	<u>2022-2023</u>	<u>2021-2022</u>	<u>2020-2021</u>	<u>2019-2020</u>
Salem				
Buildings	49	49	48	43
Net square feet	960,412	960,412	956,812	937,847
Campus student count	8,584	7,507	11,232	13,062
Yamhill Valley				
Buildings	6	6	6	6
Net square feet	196,015	196,015	196,015	196,015
Campus student count	1,037	999	1,753	1,565
Santiam				
Buildings	1	1	1	1
Net square feet	29,828	29,828	29,828	29,828
Campus student count	-	-	-	-
Woodburn				
Buildings	1	1	2	2
Net square feet	43,372	43,372	48,370	48,370
Campus student count	1,082	980	1,675	1,401
Dallas				
Buildings	1	1	1	1
Net square feet	7,870	7,870	7,870	7,870
Campus student count	422	538	1,441	685
Brooks				
Buildings	11	11	11	11
Net square feet	80,393	80,393	80,393	80,393
Campus student count	701	521	653	760
Chemeketa Center for Business and Industry				
Buildings	1	1	1	1
Net square feet	53,374	53,374	53,374	53,374
Campus student count	405	229	358	1,135
Salem - Other				
Buildings	5	5	5	5
Net square feet	22,749	22,749	22,749	22,749
Campus student count	3,651	3,502	2,629	4,245

Note: Student count is unduplicated per campus and includes classes taught in the community. Net square feet include area used by the college as well as area currently occupied by tenants. Salem-Other net square feet includes Chemeketa Eola. Increase in Salem buildings from 2019-2020 to 2020-2021 were the result of the completion of the Agricultural Complex in 2020-2021 (3 new buildings) and a review of all college buildings by facilities (2 buildings added). Increase in Salem buildings from 2020-2021 to 2021-2022 was the addition of a greenhouse at the Agricultural Complex. In 2021 a new "campus" was created for remote learning. The campus student count for this and Chemeketa Online totals to 13,136.

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

<u>2018-2019</u>	<u>2017-2018</u>	<u>2016-2017</u>	<u>2015-2016</u>	<u>2014-2015</u>	<u>2013-2014</u>
43	43	43	43	44	45
937,847	937,847	937,847	937,847	890,707	882,505
13,878	14,833	15,682	16,186	16,763	17,797
6	6	6	6	6	6
196,015	196,015	195,522	195,522	195,522	195,522
1,779	1,904	2,410	2,609	2,940	3,683
1	1	1	1	1	1
29,828	29,828	29,828	29,828	29,828	29,828
-	-	-	-	-	-
2	2	2	2	2	2
48,370	48,370	48,370	48,370	48,370	48,370
1,515	1,642	1,628	1,727	1,783	1,913
1	1	1	1	1	1
7,870	7,870	7,870	7,870	7,870	7,870
832	960	887	1,150	1,073	1,224
11	11	11	11	11	11
80,393	80,393	80,393	80,393	80,393	80,393
887	847	944	785	954	832
1	1	1	1	1	1
53,374	53,374	53,374	53,374	53,374	53,374
960	1,118	2,009	1,358	2,306	5,681
5	5	5	5	5	5
22,749	22,749	22,749	22,749	22,749	22,749
5,430	6,259	6,860	7,437	7,476	7,520

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# DISCLOSURES

**GOVERNMENT AUDITING STANDARDS  
DISCLOSURES SECTION**

KENNETH KUHNS & CO.  
CERTIFIED PUBLIC ACCOUNTANTS  
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TELEPHONE (503) 585-2550

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

December 27, 2023

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, 2023, and have issued our report thereon dated December 27, 2023.

**Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.



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**INDEPENDENT AUDITORS COMMENTS SECTION**

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TELEPHONE (503) 585-2550

INDEPENDENT AUDITOR'S COMMENTS  
REQUIRED BY OREGON STATE REGULATIONS

December 27, 2023

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, 2023, and have issued our report thereon dated December 27, 2023.

**Internal Control Over Financial Reporting**

Our report on Chemeketa Community College's internal control over financial reporting is presented elsewhere in this Annual Comprehensive 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 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe 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 162-010-0000 through 162-010-0320 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.



*Discover*  
**Chemeketa**  
Community College

