

**Item D.a. –
Annual Audit**

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025



CLEAR TRAIL CPAS
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**OREGON COAST COMMUNITY COLLEGE
400 SE COLLEGE WAY
NEWPORT, OREGON 97366**

**FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2025**



CLEAR TRAIL CPAS
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OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON

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OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON

BOARD OF DIRECTORS

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Rich Emery	Chair Director - Zone 1	June 30, 2025
Patrick Alexander	Interim Director - Zone 2	June 30, 2025
Paul Schuytema	Director - Zone 3	June 30, 2027
Bud Shoemake	Director - Zone 4	June 30, 2025
Chris Chandler	Director - Zone 5	June 30, 2025
Marion Mann	Director - Zone 6	June 30, 2027
Debbie Kilduff	Vice-Chair Director - Zone 7	June 30, 2027

ADMINISTRATION

Dr. Marshall Mease Roache
President
Date Appointed: January 1, 2025

MAILING ADDRESS

Oregon Coast Community College
400 SE College Way
Newport, Oregon 97366
Phone (541) 265-2383 – Fax (541) 265-3820



CLEAR TRAIL CPAS

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2850 SW Cedar Hills Blvd, #2074, Beaverton OR 97005 • 503-586-7170 • ClearTrailCPAS.com

March 5, 2026

To the Board of Directors
Oregon Coast Community College
Newport, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Oregon Coast Community College as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Oregon Coast Community College as of June 30, 2025, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Oregon Coast 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.

Change in Accounting Principle

The District adopted new accounting guidance, GASB Statement No. 101 – *Compensated Absences*, during the fiscal year under audit. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Oregon Coast 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 Oregon Coast 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 the management's discussion and analysis and 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are 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 listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' 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.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated March 5, 2026 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated March 5, 2026, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Kenneth Allen, CPA
Municipal Auditor
Clear Trail CPAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis section of the College's annual financial performance provides an overview of the financial activities of Oregon Coast Community College (the College) for the fiscal year ended June 30, 2025. This report has been prepared by management and should be read in conjunction with 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.

Overview of the Financial Statements

The discussion and analysis serve as an introduction to the College's basic entity-wide financial statements. The entity-wide presentation is designed to provide readers with a broad overview of the College's finances, in a manner similar to a private sector business. These financial statements focus on the College's overall financial condition, its results of operations and its cash flows. The entity-wide statements are comprised of the following:

- The ***Statement of Net Position*** presents the College's assets, deferred outflows, liabilities, and deferred inflows with the difference between the four reported as *net position*. Over time, increases or decreases in net position are indicators of the improvement or erosion of the College's financial condition. Assets and liabilities are generally measured using current values; capital assets are stated at historical cost, less an allowance for depreciation.
- The ***Statement of Revenues, Expenses and Changes in Net Position*** presents the revenues earned and the expenses incurred during the year. Revenues and expenses are generally reported using the accrual method of accounting, which records transactions as soon as they occur, regardless of when cash is exchanged. Usage of capital assets is reported as depreciation expense, which amortizes the cost of the assets over their estimated useful lives. Revenues and expenses are reported as either operating or non-operating. Primary sources of operating revenues include tuition, grants and contracts. State appropriations and property taxes are classified as non-operating revenues.
- The ***Statement of Cash Flows*** presents information on cash flows from operating activities, non-capital financial 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 financial viability and the College's ability to meet financial obligations as they become due.
- The ***Notes to the Basic Financial Statements*** provide additional information that is essential to a full understanding of the data provided in the entity-wide financial statements.

The ***Fund Financial Statements*** are included in a latter section of the financial report. The governmental fund reporting focuses on how money flows in and out of funds and the balances left at year end that are available for spending. They are reported using the accounting method called "modified accrual" accounting, which measures cash and all other financial assets that can be readily converted to cash. This

information is essential for preparation of, and compliance with, annual budgets. Fund financial statements also report the College's operations in more detail than the government-wide financial statements by providing information about the College's most significant fund, the general fund. The remaining statement, the ***Statement of Fiduciary Net Position***, presents financial information about activities for which the College acts solely as an agent for the benefit of students.

Financial Highlights

- As of June 30, 2025, the College's assets and deferred outflows of resources exceeded its liabilities by \$18,619,363 (*Net Position*). Of this amount, (\$116,266) is classified as unrestricted net position. The largest component of net position, \$18,383,762, is the College's investment in capital assets, which represents its land, buildings, machinery and equipment, net of accumulated depreciation and related debt. The College uses its capital assets to provide educational services to its students consequently, these assets are not available for future spending. Additionally, there is \$241,628 that is restricted for the purpose of meeting grant requirements and \$110,239 that is restricted for Retirement Health Insurance Account (RHIA) purposes. RHIA is a post-employment defined insurance benefit for eligible retirees that is administered by Oregon PERS.
- In the May 2024 general election, the College was successful in passing a ballot to allow the issuance of new general obligation bonds through the State. The proceeds from the bond sale will be used to build the Oregon Coast Advanced Technology & Trades center and also to carry out needed renovations and equipment replacement in the four original buildings. The capital construction work will be carried out over the next several years.
- In response to community college funding uncertainties at the state level, ongoing state-wide enrollment fluctuations and also inflation, the College was deliberate and thoughtful in the execution of the fiscal year operating budget.

Analysis of the Statement of Net Position

The Statement of Net Position includes all assets, deferred outflows, liabilities, and deferred inflows of the College using the accrual basis of accounting. Net position is the difference between assets plus deferred outflows, and liabilities plus deferred inflows. It is an important measure of the financial condition of the college.

Oregon Coast Community College
For year ended June 30, 2025

Assets			
Current Assets	\$ 42,093,686	\$ 5,107,414	724.2%
Capital Assets, net of depreciation	20,099,690	18,785,703	7.0%
Other Non-current Assets	307,031	220,864	39.0%
Total Assets	<u>\$ 62,500,407</u>	<u>\$ 24,113,981</u>	159.2%
Deferred Outflows of Resources			
Pension Related Deferrals	\$ 2,834,769	\$ 1,973,152	43.7%
Other Post Employment Benefit Deferrals	7,975	11,174	
Deferred Loss on Bond Refunding	-	133,953	-100.0%
Total Deferred Outflows	<u>\$ 2,842,744</u>	<u>\$ 2,118,279</u>	34.2%
Liabilities			
Current Liabilities	\$ 2,378,427	\$ 3,778,768	-37.1%
Long-term Debt, Non-current Portion	43,725,630	5,992,476	629.7%
Total Liabilities	<u>\$ 46,104,057</u>	<u>\$ 9,771,244</u>	371.8%
Deferred Inflows of Resources			
Pension & Post Employment Benefit Deferrals	<u>\$ 619,731</u>	<u>\$ 558,979</u>	10.9%
Net Position			
Invested in Capital Assets, net of related debt	\$ 18,383,762	\$ 14,569,143	26.2%
Restricted	351,867	560,441	0.0%
Unrestricted	(116,266)	772,453	-115.1%
Total Net Position	<u>\$ 18,619,363</u>	<u>\$ 15,902,037</u>	17.1%

Current assets consist primarily of cash and cash equivalents, receivables from student accounts, property taxes and grants. At June 30, 2025, the College's ending balance of \$42,093,686 in current assets was sufficient to cover the College's current liabilities of \$2,378,427 representing a 17.70 current ratio. The College's pension-related deferrals outflow of \$2,834,769 represents actuarial adjustments related to the pension plan that have a positive effect on Net Position. The deferrals totaling \$7,975 for other post-employment benefits are related to cost and liability recognition rules under GASB 75 for health insurance benefits for retirees. Information around these requirements can be found in Notes 6 & 7. Included in non-current assets are capital assets, net of accumulated depreciation, used to provide services to students, a note receivable, detailed in Note 9, for financial aid-related loans to nursing students and an amount related to the PERS Retirement Health Insurance Account.

Current liabilities consist of accounts payable, payroll and payroll taxes payable, amounts held in a fiduciary capacity for the College's student clubs, current portions of long-term obligations and a liability for compensated absences. Long-term debt/non-current portion contains the greater-than-one-year portion of debt relating to general obligation bonds and pension bonds, an allocation for a portion of the State's pension liability as required by GASB 68, a note payable to the Department of Health & Human Services (HHS) for direct loans to nursing students, a post-employment benefit amount detailed in Note 7 and an amount for compensated absences related to the new GASB 101 requirement. See Note 9 for information related to direct borrowing for nursing loans and also compensated absences.

Within Net Position, the "net investment in capital assets" amount of \$18,383,762 represents the total original cost of all the College's land, buildings, machinery and equipment and infrastructure, less total accumulated depreciation on these assets, and also less debt related to their acquisition.

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

The Statement of Revenues, Expenses and Changes in Net Position presents the operating results of the College as well as the non-operating revenues and expenses. Annual state reimbursements and property taxes, while budgeted to fund operations, are considered non-operating revenues according to generally accepted accounting principles in the United States of America (GAAP).

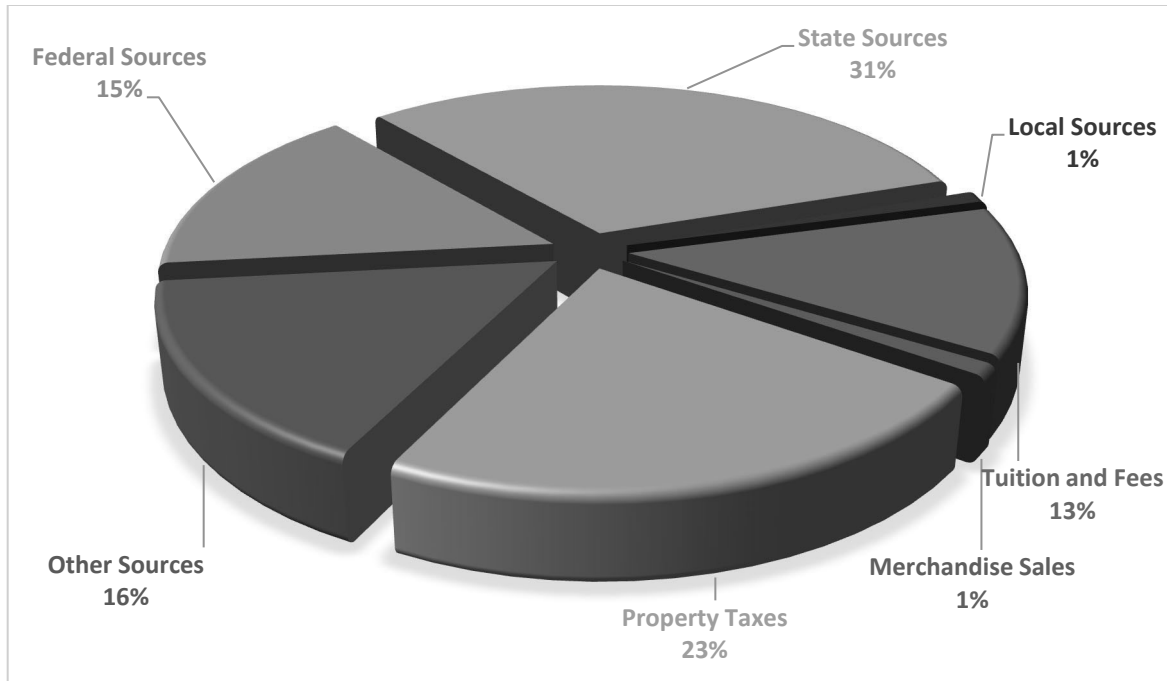
	2025	2024	% Change
Total operating revenues	\$ 2,499,773	\$ 2,053,934	21.7%
Total operating expenses	14,444,424	11,988,821	20.5%
Operating loss	\$ (11,944,651)	\$ (9,934,887)	20.2%
Non-operating revenues, net	15,083,250	11,542,701	30.7%
Total increase/(decrease) in net position	3,138,599	1,607,814	95.2%
Net position, beginning of year, as restated	15,480,764	14,294,223	8.3%
Net position, end of year	\$ 18,619,363	\$ 15,902,037	17.1%

Revenues:

The most significant sources of operating revenue for the College are state funding, student tuition & fees, property taxes, and grants and contracts from federal, state and local sources. Tuition & fees totaled \$2,314,727, which was \$409,692 more than the prior year. This increase reflects the College's efforts around outreach and retention after the significant enrollment decline that followed COVID. Community College Support Fund (CCSF) revenue from the State constituted 43.6% of the College's General Fund revenue. In this fiscal year, the College's General Fund received \$4,297,027 in CCSF funding for operations, which represented a 13.2% increase over the prior year. The State was the largest overall source of revenue for the College.

Of the total property tax resources, \$2,429,034 was received as a result of the general obligation bond levy approved by the voters in May 2004 and was used solely for the purpose of servicing the long-term debt obligation. The property taxes received for the funding of the general operations of the College was \$1,634,950, a 3% increase over the prior year.

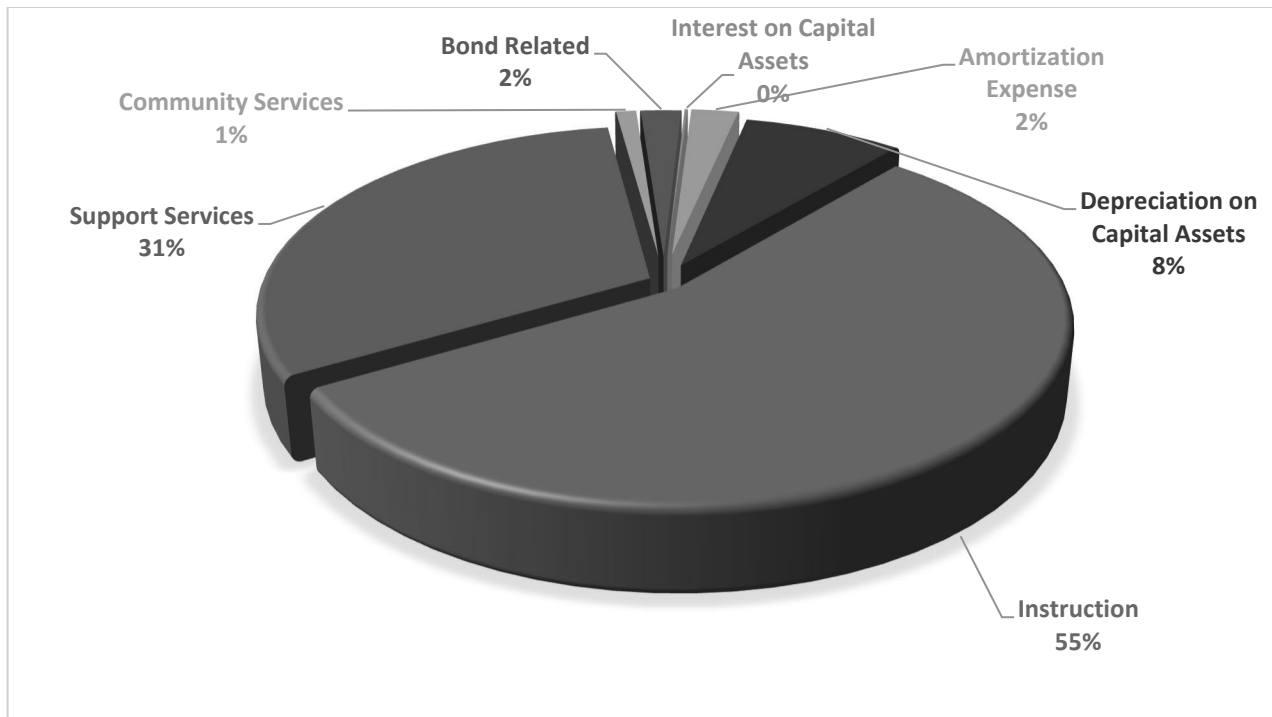
The following graph shows the allocation of total revenues for the College:



Expenses:

Operating expenses totaling \$14,444,424 include salaries and benefits, materials and supplies, utilities, grant expenses, amortization of a software subscription payable and depreciation of capital assets. This represents an increase in total operating expenses of 20% over the prior fiscal year. This was primarily due to additional Instructional costs of just under \$2M.

The following graph shows the allocation of total expenses for the College:



Analysis of the Statement of Cash Flows

The Statement of Cash Flows 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 stated period. The statement of cash flows also helps users assess the ability of the College to meet obligations as they become due and any need for external financing.

In summary, the cash flows for the year were:

	2025	2024	% Change
Cash Provided by (Used In):			
Operating Activities	\$ (10,432,876)	\$ (7,589,864)	37.5%
Noncapital Financing Activities	14,050,117	11,620,340	20.9%
Capital Financing Activities	33,373,787	(2,566,612)	-1400.3%
Investing Activities	(1,236,646)	213,291	-679.8%
Net change in cash	35,754,382	1,677,155	2031.8%
Cash - Beginning of year	3,975,329	2,298,174	73.0%
	\$ 39,729,711	\$ 3,975,329	899.4%

The major sources of cash from operating activities include student tuition and fees, program support agreements and auxiliary enterprises. Major uses were payments made to employees, employee benefit programs and vendors.

State reimbursements and property taxes are primary sources of non-capital financing. Accounting standards require that the College reflect these sources of revenue as non-operating even though the College's budget depends on them for ongoing operations. Property taxes are assessed annually on the properties that are within the College's tax base of Lincoln County, Oregon. The assessment is for the purpose of providing funding for the College's general operations. The College's assessment rate of \$0.1757 per thousand is the lowest of Oregon's seventeen community colleges.

In July 2004, the College began levying additional property taxes to service long-term general obligation bonds that were sold for the purpose of constructing its four current buildings back in 2008-2010. Those original bond obligations were paid in full in June 2025. A new issuance of general obligation bonds for capital construction work took place in August 2024 and property taxes will be levied annually to service that debt. Additional non-operating sources of non-capital financing include local, state and federal grants and funding.

Cash payments for the acquisition of capital assets and principal and interest payments on long-term debt are the primary uses of capital financing cash activities.

Capital Assets and Debt Administration

At June 30, 2025, the College had \$20,099,690, net of accumulated depreciation, invested in a broad range of capital assets, including land, buildings, and equipment. Additional information pertaining to the College's capital assets is located in Note 4 to these financial statements.

Oregon Coast Community College
For year ended June 30, 2025

At June 30, 2025, the College had total long-term bond and note obligations outstanding of \$37,147,850. Additional information pertaining to the College's long-term debt obligations is located in Note 9 to these financial statements.

Requests for Information

This financial report is designed to provide a general overview of Oregon Coast Community College's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Vice President of Administrative Services, Oregon Coast Community College, 400 SE College Way, Newport, Oregon 97366

OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON

BASIC FINANCIAL STATEMENTS

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

**STATEMENT OF NET POSITION
June 30, 2025**

ASSETS:	
Cash and Investments	\$ 39,729,711
Accounts Receivable, net	2,304,680
Inventory	58,777
Notes Receivable	196,792
Prepaid	518
OPEB Asset (PERS RHIA)	110,239
Capital Assets:	
Subscription Assets, net of amortization	23,553
Land	1,660,153
Construction In Progress	2,684,403
Buildings, net of depreciation	15,547,844
Equipment, net of depreciation	183,737
Total Assets	62,500,407
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Deferrals	2,834,769
Other Post Employment Benefit Deferrals - PERS RHIA	3,113
Other Post Employment Benefit Deferrals - Health Insurance Subsid	4,862
Total Deferred Outflows	2,842,744
Total Assets and Deferred Outflows	\$ 65,343,151
LIABILITIES	
Accounts Payable	\$ 591,714
Payroll Liabilities	980,240
Due to Other Groups	15,399
Long Term Liabilities	
Due Within One Year	
Compensated Absences	210,791
Bonds Payable	580,283
Due in More Than One Year	
Compensated Absences	535,941
Proportionate Share of the Net Pension Liability	6,488,790
Other Post Employment Benefits	133,332
Notes Payable	208,824
Bonds Payable	36,358,743
Total Liabilities	46,104,057
DEFERRED INFLOWS:	
Pension Deferrals	531,636
Other Post Employment Benefit Deferrals - PERS RHIA	47,490
Other Post Employment Benefit Deferrals - Health Insurance Subsid	40,605
Total Deferred Inflows	619,731
NET POSITION:	
Net Investment in Capital Asset	18,383,762
Restricted for:	
PERS RHIA	110,239
Grant Purpose Requirements	241,628
Unrestricted	(116,266)
Total Net Position	18,619,363
Total Liabilities, Deferred Inflows and Net Position	\$ 65,343,151

The accompanying notes are an integral part of this statement

OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the Year Ended June 30, 2025

OPERATING REVENUES	
Tuition and Fees	\$ 2,314,727
Merchandise Sales	<u>185,046</u>
Total Operating Revenues	<u>2,499,773</u>
OPERATING EXPENSES	
Instruction	8,254,586
Support Services	4,670,509
Community Services	148,913
Amortization, Subscriptions	211,845
Depreciation, Buildings and Equipment	<u>1,158,571</u>
Total Operating Expenses	<u>14,444,424</u>
Operating Income (Loss)	<u>(11,944,651)</u>
NONOPERATING REVENUES (EXPENSES)	
Property Taxes	4,093,649
Investment Income	1,457,427
Donations	209,613
Miscellaneous	1,206,963
Interest Expense	(21,063)
Federal Sources	2,779,815
State Sources	5,608,975
Local Sources	180,766
Amortization of Deferred Loss on Bond Refunding	(133,953)
Bond Issue Costs	<u>(298,942)</u>
TEMP PROCEEDS	-
Gain/(Loss) on Sale of Assets	<u>-</u>
Net Nonoperating Revenues (Expenses)	<u>15,083,250</u>
Increase (Decrease) in Net Position	3,138,599
Net Position, Beginning of the Year	<u>15,902,037</u>
Restatement of Net Position	(421,273)
Net Position, End of the Year	<u><u>\$ 18,619,363</u></u>

The accompanying notes are an integral part of this statement.

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2025

Cash Flows From Operating Activities:

Cash Received from Customers	\$ 1,332,592
Cash Paid to Suppliers	(5,381,691)
Cash Paid to Employees	<u>(6,383,777)</u>
Net cash provided (used) by Operating activities	<u>(10,432,876)</u>

Cash flows from investing activities

Capital Asset Purchases	(2,694,073)
Interest on Investments	<u>1,457,427</u>
Net cash provided (used) by Investing activities	<u>(1,236,646)</u>

Cash flows from Noncapital financing activities

Cash Received from Property Taxes	4,063,985
Cash Received from State	5,608,975
Cash Received from Federal Sources	2,779,815
Cash Received from Local Sources	<u>1,597,342</u>
Net cash provided (used) by Noncapital financing activities	<u>14,050,117</u>

Cash flows from Capital Financing activities

Subscription Principal Paid	(186,660)
Debt Issued	36,324,026
Cost of Debt Issuance	(298,942)
Debt Principal Paid	(2,310,000)
Debt Interest Paid	<u>(154,637)</u>
Net cash provided (used) by Capital financing activities	<u>33,373,787</u>

Net increase (decrease) in cash and investments

35,754,382

Cash and investments, beginning of year

3,975,329

Cash and investments, end of year

\$ 39,729,711

Reconciliation of Operating Income to Net Cash Provided by Operating Activities

Operating Income (Loss)	\$ (11,944,651)
Amortization Expense	211,845
Depreciation Expense	1,168,241
Pension and OPEB Adjustments	555,286
OPEB Adjustments	
(Increase) Decrease in Inventory	(10,693)
(Increase) Decrease in Receivables	(1,167,181)
(Increase) Decrease in Prepaid Expenses	(280)
Increase (Decrease) in Payables	497,606
Increase (Decrease) in Unearned Revenue	
Increase (Decrease) in Due to Other Groups	1,116
Increase (Decrease) in Payroll Liabilities	<u>255,835</u>
Net Cash Provided by Operating Activities	<u>\$ (10,432,876)</u>

Non-Cash Investing, Capital and Financing Activities:

Amortization of Premium on Bond Issue	\$ (123,843)
Amortization of Deferred Loss on Bond Refunding	(133,953)

The accompanying notes are an integral part of this statement.

OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the College's accounting policies are described below.

REPORTING ENTITY

The Oregon Coast Community College ("College") was formed on May 19, 1987. The College is managed by a seven member Board of Directors whose members are elected independently.

The accompanying financial statements present the College and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The College does not have any component units.

BASIS OF PRESENTATION

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for state and local governments, and Statement No. 35, Basic Financial Statements and Management's Discussion and Analysis of Public College and Universities, issued in June and November of 1999. The College now follows the "business-type activities" reporting requirements of GASB Statement No. 35 that provides a comprehensive one-column look at the College's financial activities.

BASIS OF ACCOUNTING

The basic financial statements are accounted for on the flow of economic resources measurement focus and are prepared on the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Property taxes are recognized as revenue in the years for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the grantor have been met. Under terms of grant agreements, the College funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted portions of net position available to finance the program. It is the College's policy to first apply cost-reimbursement grant resources to such programs and then general revenues. The College's basic financial statements have elected to apply all applicable GASB pronouncements.

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OPERATING REVENUES AND EXPENSES

Proprietary funds (enterprise) distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund is tuition and sale of educational material. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

BUDGETS

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by the Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles, except the property taxes received after year-end are not considered budgetary resources in the funds. A budget is not prepared for the agency funds as allowed by Oregon 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 generally published in spring with a public hearing being held approximately two weeks later. The Board may amend the budget prior to adoption. However, budgeted expenditures for each fund may not be increased by more than ten percent without re-publication. The budget is then adopted, appropriations are made, and the tax levy declared no later than June 30th.

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

LEVEL OF CONTROL

- Personnel Services
- Materials and Services
- Capital
- Other Uses - Debt Service and Interfund Transfers
- Operating Contingency

Expenditures cannot legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need which exists which was not determined at the time the budget was adopted. The College adopted one supplemental budget in 2024-2025. All expenditures were within budget for the year.

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, the statement of net position and the balance sheets, monies in the Oregon State Local Government Investment Pool, savings deposits, and demand deposits are considered to be cash and cash equivalents. Investments with a remaining maturity of more than one year at the time of purchase are stated at fair value.

PROPERTY TAXES RECEIVABLE

Uncollected real and personal property taxes are reflected on the statement of net position as receivables. Uncollected taxes are deemed to be substantially collectible or recoverable through liens. All property taxes receivable are due from property owners within the County.

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

GRANTS

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the statement of net position and the balance sheet.

INVENTORIES

Inventories are valued at the lower of cost (using the first-in/first-out (FIFO) method) or market. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed.

CAPITAL ASSETS

Capital assets are recorded at original cost or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life longer than a single reporting period. Interest incurred during construction is not capitalized. The cost of routine maintenance and repairs that do not add to the value of the assets or materially extend asset lives are charged to expenditures as incurred and not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	50 years
Vehicles and Equipment	5 years

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPENSATED ABSENCES

The College recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The College's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The College's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the College and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

RETIREMENT PLANS

Substantially all of the College's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's 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. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

USE OF ESTIMATES

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

LONG-TERM OBLIGATIONS

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-TERM OBLIGATIONS (CONTINUED)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

During the 1996-1997 fiscal year, the State legislature passed HB 2610 that allows community colleges to incur bonded indebtedness.

NET POSITION

Net position comprises the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is made up of items classified in the following three categories:

Net Investment in Capital Assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

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

If both restricted and unrestricted net position is available for use, restricted net position is assumed to be utilized first.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

FAIR VALUE INPUTS, METHODOLOGIES AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FAIR VALUE INPUTS, METHODOLOGIES AND HIERARCHY (CONTINUED)

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

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

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

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

2. CASH AND INVESTMENTS

The College's cash management policies are governed by state statutes. Statutes authorize the College to invest in bankers' acceptances, time certificates of deposit, commercial paper, repurchase agreements, obligations of the United States and its agencies and instrumentalities, Local Government Investment Pools and fixed or variable life insurance or annuity contracts for funding the deferred compensation plan.

For financial reporting purposes, the College considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

DEPOSITS

Cash and Investments at June 30, 2025 (recorded at fair value) consisted of:

Deposits with Financial Institutions:

Petty Cash	\$ 700
Demand Deposits	608,119
Investments	<u>39,120,892</u>
 Total Cash and Investments	 <u>\$ 39,729,711</u>

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments.

The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2025. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2025, the fair value of the position in the LGIP is 100.49% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

There were no known violations of legal or contractual provisions for deposits.

As of June 30, 2025, the College had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
Piper Sandler Investment	\$ 23,036,200	\$ -	\$ 5,886,360	\$ 17,149,840
State Treasurer's Investment Pool	16,084,692	16,084,692	-	-
Total	\$ 39,120,892	\$ 16,084,692	\$ 5,886,360	\$ 17,149,840

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB.

The College limits investment maturities as follows:

Less than 30 days	10%
Less than 1 year	50%
Less than 18 months	65%
Less than 3 years	100%

Deposit Risk

At year-end, the College's net carrying amount of deposits was \$608,119 and the bank balance was \$678,065 of which \$250,000 was covered by federal depository insurance. The remaining balance was collateralized by the State of Oregon.

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

Concentration of Credit Risk

To avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the College's investment policy sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. At June 30, 2025 the College was in compliance with all percentage restrictions. Amounts in the State Treasurer's Local Government Investment Pool are not required by law to be collateralized.

No more than the stated percentage of the overall portfolio will be invested in each of the following categories of securities:

U.S. Treasury Obligations	100%
Federal Instrumentality Securities	100%
Commercial Paper and Corporate Indebtedness	35%
Banker's Acceptances	25%
Local Government Investment Pool (up to Statutory limit)	100%
Time Certificates of Deposit	25%
Repurchase Agreements	100%
Obligations of the States of Oregon, California, Idaho, and Washington	25%

3. ACCOUNTS/GRANTS RECEIVABLE

Total current receivables are equal to \$2,304,680 at June 30, 2025. Tuition receivable is recorded when earned. At June 30, 2025, General Fund accounts receivable consisted of tuition and fees for \$159,277 (equal to the gross amount of \$421,015 less an allowance for doubtful accounts of \$261,738), grants and reimbursements for \$718,243, and property taxes for \$77,971. The college reports the majority of balances that are delinquent over 90 days in the allowance account). The remaining receivables are composed of Property Taxes, Grants and other miscellaneous items reported in other funds.

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2025 are as follows:

	<u>6/30/2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2025</u>
Land	\$ 1,660,153	\$ -	\$ -	\$ 1,660,153
Construction In Progress	-	2,684,403	-	2,684,403
Buildings	32,919,743	-	-	32,919,743
Furniture and Equipment	2,126,087	9,672	-	2,135,759
Total	<u>36,705,983</u>	<u>2,694,075</u>	<u>-</u>	<u>39,400,058</u>
 Accumulated Depreciation				
Buildings	(16,274,574)	(1,097,325)	-	(17,371,899)
Equipment	(1,881,104)	(70,918)	-	(1,952,022)
Total	<u>(18,155,678)</u>	<u>(1,168,243)</u>	<u>-</u>	<u>(19,323,921)</u>
 Totals	 <u>\$ 18,550,305</u>			 <u>\$ 20,076,137</u>

5. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. **Pension Benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 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 benefits 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 (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if

OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
- ii. **Death Benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following contributions are met:
- member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
- iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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. The 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, 2022 actuarial valuation, which became effective July 1, 2023. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2025 were \$725,289, excluding amounts to fund employer specific liabilities. In addition approximately \$255,984 in employee contributions were paid or picked up by the College in fiscal 2025. At June 30, 2025, the College reported a net pension liability of \$6,488,790 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 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 employers, actuarially determined. As of the measurement date of June 30, 2024 and 2023, the College's proportion was .029 percent and .027 percent, respectively. Pension expense for the year ended June 30, 2025 was \$606,823.

The rates in effect for the year ended June 30, 2025 were:

- (1) Tier 1/Tier 2 – 20.00%
- (2) OPSRP general services – 16.81%

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 384,401	\$ 15,487
Changes in assumptions	652,385	836
Net difference between projected and actual earnings on pension plan investments	412,220	-
Net changes in proportionate share	660,474	-
Differences between contributions and proportionate share of contributions	-	515,313
Subtotal - Amortized Deferrals (below)	2,109,480	531,636
Contributions subsequent to measuring date	725,289	-
Deferred outflow (inflow) of resources	\$ 2,834,769	\$ 531,636

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2026.

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

<u>Year ending June 30,</u>	<u>Amount</u>
2026	\$ 90,825
2027	784,219
2028	425,457
2029	231,339
2030	46,004
Thereafter	-
Total	<u>\$ 1,577,844</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated January 31, 2025. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2023 through June 30, 2025, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions:

Valuation date	December 31, 2022
Experience Study Report	2022, Published July 24, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Fair value
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2022 Experience Study which is reviewed for the four-year period ending December 31, 2022.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	20.0%	30.0%	25.0%
Public Equity	22.5%	32.5%	27.5%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

(Source: June 30, 2024 PERS ACFR; p. 116)

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
<i>Assumed Inflation - Mean</i>		2.35%

(Source: June 30, 2024 PERS ACFR; p. 88)

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 the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College’s proportionate share of the net pension liability to changes in the discount rate – the following presents the College’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the College’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$ 10,235,803	\$ 6,488,790	\$ 3,350,484

OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2024 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the College for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the College.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the College are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. 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 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.

OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Death Benefits:

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

Contributions:

Employees of the College pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The College made approximately \$255,984 of optional contributions to member IAP accounts for the year ended June 30, 2025.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

6. OTHER POST EMPLOYMENT BENEFIT PLAN – (RHIA)

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the College contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. 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 OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS 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 OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST EMPLOYMENT BENEFIT PLAN – (RHIA) – (CONTINUED)

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the College currently contributes 0.06% of annual covered OPERF payroll and 0.0% of OPSRP payroll under a contractual requirement in effect until June 30, 2025. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The College has not made significant contributions to RHIA in any of the three previous fiscal years.

At June 30, 2025, the College reported a net OPEB liability/(asset) of (\$110,239) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2024, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2022. Consistent with GASB Statement No. 75, paragraph 59(a), the College's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2024 and 2023, the College's proportion was .03 percent and .00 percent, respectively. OPEB expense for the year ended June 30, 2025 was (\$57,557).

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (13,106)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(44,451)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	\$ (57,557)

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 2,156
Changes in assumptions	-	1,394
Net difference between projected and actual earnings on pension plan investments	3,113	-
Net changes in proportionate share	-	43,940
Differences between contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	3,113	47,490
Contributions subsequent to measuring date	-	-
Deferred outflow (inflow) of resources	\$ 3,113	\$ 47,490

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2026.

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST EMPLOYMENT BENEFIT PLAN – (RHIA) – (CONTINUED)

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

Year ending June 30,	Amount
2026	\$ (46,364)
2027	(57)
2028	1,684
2029	359
2030	-
Thereafter	-
Total	\$ (44,378)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2024. That independently audited report was dated January 31, 2025 and can be found at:

<https://www.oregon.gov/pers/emp/Documents/GASB/2024/Oregon-Public-Employees-Retirement-System-RHIA-Schedule-Plan-FY06302024.pdf>

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2022
Experience Study Report	2022, Published July 24, 2023
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 25%; Disabled retirees: 15%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST EMPLOYMENT BENEFIT PLAN – (RHIA) – (CONTINUED)

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2022 Experience Study which is reviewed for the four-year period ending December 31, 2022.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2024 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
<i>Assumed Inflation - Mean</i>		<i>2.35%</i>

(Source: June 30, 2024 PERS ACFR; p. 88)

Sensitivity of the College’s proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the College’s proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 percent, as well as what the College’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. OTHER POST EMPLOYMENT BENEFIT PLAN – (RHIA) – (CONTINUED)

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net OPEB liability (asset)	\$ (102,048)	\$ (110,239)	\$ (117,292)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2024 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

7. OTHER POST EMPLOYMENT BENEFIT PLAN (GASB 75)

Plan Description

The College administers a single-employer defined benefit healthcare plan that covers both active and retired participants. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the College’s group health insurance plans. The College’s post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active members, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. The valuation date was July 1, 2024 and the measurement date was June 30, 2025.

Funding Policy

The College has not established a trust fund to finance the cost of post-employment health care benefits related to implicit rate subsidies. Premiums are paid by retirees based on the rates established for active employees. Additional costs related to an implicit subsidy are paid by the College on a pay-as-you-go basis. There is no obligation on the part of the College to fund these benefits in advance. The College considered the liability to be solely the responsibility of the College as a whole and it is allocated to the governmental statements.

Actuarial Methods and Assumptions

The College engaged an actuary to perform a valuation as of July 1, 2024 using the Entry Age Normal, level percent of salary Actuarial Cost Method. Mortality rates were based on the Pub-2010 Teachers table, separate Employee/Healthy Annuitant, sex distinct, generational with no setback. Demographic assumptions regarding retirement, disability, and turnover are based on the amounts actuarially determined on behalf of Oregon PERS. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST EMPLOYMENT BENEFIT PLAN (GASB 75) – (CONTINUED)

Health Care Cost Trend	Medical and vision:																				
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">Year</th> <th style="text-align: center; border-bottom: 1px solid black;">Pre-65 Trend</th> </tr> </thead> <tbody> <tr><td style="text-align: center;">2022</td><td style="text-align: center;">3.50%</td></tr> <tr><td style="text-align: center;">2023</td><td style="text-align: center;">4.00%</td></tr> <tr><td style="text-align: center;">2024</td><td style="text-align: center;">4.50%</td></tr> <tr><td style="text-align: center;">2025</td><td style="text-align: center;">5.00%</td></tr> <tr><td style="text-align: center;">2026</td><td style="text-align: center;">5.50%</td></tr> <tr><td style="text-align: center;">2026-2031</td><td style="text-align: center;">5.60%-6.00%</td></tr> <tr><td style="text-align: center;">2031-2036</td><td style="text-align: center;">5.10%-5.50%</td></tr> <tr><td style="text-align: center;">2036-2041</td><td style="text-align: center;">4.60%-4.90%</td></tr> <tr><td style="text-align: center;">2041+</td><td style="text-align: center;">4.50%</td></tr> </tbody> </table>	Year	Pre-65 Trend	2022	3.50%	2023	4.00%	2024	4.50%	2025	5.00%	2026	5.50%	2026-2031	5.60%-6.00%	2031-2036	5.10%-5.50%	2036-2041	4.60%-4.90%	2041+	4.50%
Year	Pre-65 Trend																				
2022	3.50%																				
2023	4.00%																				
2024	4.50%																				
2025	5.00%																				
2026	5.50%																				
2026-2031	5.60%-6.00%																				
2031-2036	5.10%-5.50%																				
2036-2041	4.60%-4.90%																				
2041+	4.50%																				

Health care cost trend affects both the projected health care costs as well as the projected health care premiums.

General Inflation

2.00% per year, used to develop other economic assumptions

Annual Pay Increases

3.00% per year, based on general inflation and the likelihood of raises throughout participants' careers

Mortality

Mortality rates for active male participants are 125% of the Pub-210 rates, 100% for females

Disability

Based on the Oregon PERS assumptions

Withdrawal

Based on Oregon PERS assumptions. Annual rates are based on employment classification, gender, and duration from hire date.

Retirement

Based on Oregon PERS assumptions. Annual rates are based on age, Tier/OPSRP, duration of service, and employment classification.

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST EMPLOYMENT BENEFIT PLAN (GASB 75) – (CONTINUED)

Changes in the Net OPEB Liability

	Increase/ (Decrease)
Total OPEB Liability at June 30, 2024	\$ 115,497
Changes for the year:	
Service cost	14,886
Interest	5,171
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other input	-
Benefit payments	(2,222)
Balance as of June 30, 2025	\$ 133,332

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Trend Rates

The following analysis presents the net OPEB liability using a discount rate of 4.00%, as well as what the College's net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (3.00%) or one percentage point higher (5.00%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

	1% Decrease 3.00%	Current Discount Rate 4.00%	1% Increase 5.00%
Total OPEB Liability	\$ 142,880	\$ 133,332	\$ 124,313
	1% Decrease Healthcare	Current Trend Rate Healthcare	1% Increase Healthcare
Total OPEB Liability	\$ 115,906	\$ 133,332	\$ 154,308

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST EMPLOYMENT BENEFIT PLAN (GASB 75) – (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits

The College reports information on deferred outflows and deferred inflows of resources at year end as well as a schedule of amounts of those deferred outflows of resources and deferred inflows of resources that will be recognized in other post-employment benefit expense for the following five years.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,980	\$ 8,936
Changes in assumptions or other input	882	31,669
Benefit Payments	-	-
Deferred outflow (inflow) of resources	\$ 4,862	\$ 40,605

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	Amount
2026	\$ (7,613)
2027	(7,425)
2028	(7,429)
2029	(6,636)
2030	(6,640)
Thereafter	-
Total	\$ (35,743)

8. INTERFUND BALANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2025 is as follows:

Fund	Due From	Due To	Transfer In	Transfer Out
General	\$ -	\$ 164,396	\$ -	\$ 7,553
Debt Service	-	133,076	-	-
Special Revenue Grant	-	74,718	7,553	-
Reserve	307,024	-	229,342	-
Campus Project	-	5,220	-	229,342
Enterprise	-	83,525	-	-
Internal Service	153,911	-	-	-
Total	\$ 460,935	\$ 460,935	\$ 236,895	\$ 236,895

OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEBT

All long-term obligations of the College are payable from the General and Debt Service funds.

GO Bonds

In July of 2004 the College issued general obligation bonds. The proceeds were used for capital construction projects. The interest rates range from 2.25% to 5.25%. In March of 2012, \$17,295,000 of these bonds was defeased through the issuance of \$17,425,000 in advance refunding bonds. The proceeds of the refunding bonds have been set aside in an irrevocable escrow account pending the call date or maturity of the defeased bonds. The interest rates on the refunding bonds range from 1.50% to 5.00%. The amount of defeased bonds outstanding (but no longer owed by the College) was \$17,295,000. The advance refunding bonds were also issued at a premium of \$1,609,971, resulting in a deferred loss on the transaction of \$1,739,971.

In July, 2024, the College issued general obligation bonds in the amount of \$33,161,742 for the purpose of financing construction. The bonds were sold at a premium of \$3,162,284 which increased the proceeds received. The bonds bear interest at 5% annually and are scheduled to be paid off in 2045. The premium is amortized over the life of the bonds and the annual amortization will offset interest expense for the year.

Pension Obligation Bonds

In June of 2005, the College issued \$2,370,000 of limited tax pension obligation bonds to finance its unfunded actuarially accrued liability (UAL) with the State of Oregon Public Employees Retirement System (PERS). The issuance of the bonds was considered an advance refunding of the College's UAL and resulted in an estimated present value savings of approximately \$729,811 over the life of the bonds. The actual savings realized by the College over the life of the bonds is uncertain because of the various legislative changes and legal issues pending with the PERS system which could impact the College's future required contribution rate. The interest rates range from 4.643% to 4.831%, which change over the life of the bonds.

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

9. DEBT (continued)

Current year activity and future maturities for long term debt are as follows:

	Outstanding 6/30/2024	Issued	Matured and Redeemed	Outstanding 6/30/2025
2005 Pension Bonds	\$ 825,000	\$ -	\$ 210,000	\$ 615,000
2012 GO Refunding Bonds	2,100,000	-	2,100,000	-
2024 GO Bonds	-	33,161,742	-	33,161,742
Unamortized Premium on 2024 GO Bonds	123,843	3,162,284	123,843	3,162,284
Total Bonds Payable	\$ 3,048,843	\$ 36,324,026	\$ 2,433,843	\$ 36,939,026
Amounts Payable in Fiscal Year:	2005 Pension Bonds	2024 GO Bonds		
2025-2026	\$ 230,000	\$ 29,711	\$ 350,283	\$ 1,727,750
2026-2027	250,000	18,599	431,856	1,709,500
2027-2028	135,000	6,522	571,010	1,687,000
2028-2029	-	-	666,978	1,657,250
2029-2030	-	-	762,946	1,622,500
2030-2035	-	-	5,940,420	7,364,000
2035-2040	-	-	9,707,163	5,438,000
2040-2045	-	-	14,731,086	2,428,750
Total	\$ 615,000	\$ 54,832	\$ 33,161,742	\$ 23,634,750

Direct Borrowing

The College receives loans from HHS to distribute to Nursing Students. As of June 30, 2025 \$208,824 has been drawn down by the College. This amount is recorded as Notes Payable on the balance sheet. As of the date of this report, no formal payback timeline has been set. HHS evaluates the loan status annually and amends future distributions accordingly.

As of June 30, 2025, the College has distributed \$196,792 in loans to students. This amount is recorded as Notes Receivable on the balance sheet.

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Subscription Assets and Subscriptions Payable

For the year ended 6/30/2025, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

As of 06/30/2025, Oregon Coast Community College, OR had 4 active subscriptions. The subscriptions have payments that range from \$20,000 to \$108,532 and interest rates that range from 2.3540% to 2.5330%. As of 06/30/2025, the total combined value of the subscription liability is \$0, and the total combined value of the short-term subscription liability is \$0. The combined value of the right to use asset, as of 06/30/2025 of \$76,035 with accumulated amortization of \$52,483 is included within the Subscription Class activities table found below. The subscriptions had \$0 of Variable Payments and \$0 of Other Payments, not included in the Subscription Liability, within the Fiscal Year.

Principal and Interest Requirements to Maturity

<u>Fiscal Year</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2026	\$ -	\$ -	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Current Year Changes in Subscription Assets and Subscriptions Payable

	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025
Subscription Liability				
Software				
Campus Management	\$ 106,954	\$ -	\$ 106,954	\$ -
Dark Trace	54,603	-	54,603	-
Faronics	-	-	-	-
Watermark	25,103	-	25,103	-
Total Software Subscription Liability	186,660	-	186,660	-
Total Subscription Liability	\$ 186,660	\$ -	\$ 186,660	\$ -
Subscription Assets				
Software				
Campus Management	\$ 315,321	\$ -	\$ -	\$ 315,321
Dark Trace	163,243	-	-	163,243
Faronics	1,369	-	-	1,369
Watermark	80,450	-	-	80,450
Total Software Subscription Assets	560,383	-	-	560,383
Total Subscription Assets	\$ 560,383	\$ -	\$ -	\$ 560,383
Subscription Accumulated Amortization				
Software				
Campus Management	\$ 210,214	\$ 105,107	\$ -	\$ 315,321
Dark Trace	108,828	54,414	-	163,242
Faronics	1,473	392	-	1,865
Watermark	4,470	51,932	-	56,402
Total Software Subscription Accumulated Amortizat	324,985	211,845	-	536,830
Total Subscription Accumulated Amortization	324,985	211,845	-	536,830
Total Governmental Subscription Assets, Net	\$ 235,398	\$ (211,845)	\$ -	\$ 23,553

OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. PROPERTY TAX LIMITATIONS

The voters of the State of Oregon approved ballot Measure 5, a constitutional limit on property taxes for schools and non-school government operations, in November 1990. School operations include community colleges, local school districts and education service districts. The limitation provides that property taxes for school operations are limited to \$5.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The result of this initiative has been that entities have become more dependent upon state funding and less dependent upon property tax revenues as their major source of operating revenue. The voters of the State of Oregon passed ballot Measure 50 in May, 1997 to further reduce property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit.

Measure 50 reduced the amount of operating property tax revenues available to the College for its 1997-98 fiscal year, and thereafter. This reduction is accomplished by rolling assessed property values back to their 1995-96 values less 10%, and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Measure also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State of Oregon to minimize the impact of the tax cuts to schools. The State of Oregon, in its 2001 legislative session, provided additional State revenues for the 2002-2003 biennium to help alleviate the impact on school operations.

12. RISK MANAGEMENT

The College sets aside funds to pay worker unemployment claims and insurance deductible expenses and other related costs. This activity is accounted for in the Internal Service Funds. 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 purchases commercial insurance to minimize its exposure to these risks. Settled claims did not exceed this commercial coverage for the past three years.

13. COMMITMENTS AND CONTINGENCIES

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

14. CERTAIN RISK DISCLOSURES

State and Federal Funding

The College operates as a subdivision of the state, and as such, its funding is heavily reliant on appropriations from the state legislature. For the year ended June 30, 2025, approximately 25% of the College's total revenues were provided by unrestricted funding from the State of Oregon. This concentration of funding exposes the College to significant financial risk should state funding levels decrease. Although the legislature approved the next biennial funding cycle, effective beginning July 1, 2025, the College's future funding remains uncertain, particularly given the state's dependence on federal aid for various programs, including education. Federal funding, as noted in subsequent sections, is currently experiencing reductions and is expected to face further reductions in the foreseeable future.

OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

14. CERTAIN RISK DISCLOSURES (Continued)

The College also receives federal grants, which made up 15% of its revenues for the year ending June 30, 2025. Most of these federal grants are scheduled to begin in the upcoming fiscal year starting October 1, 2025. As of the financial statement date, federal budget negotiations for 2025-26 are ongoing, and the College's reliance on federal funding introduces exposure to the broader implications of national debt levels and potential federal spending adjustments. Management actively monitors economic and legislative developments to assess potential impacts on future federal funding.

The College's long-term financial strategies are reviewed periodically to address the risks associated with these funding concentrations.

15. RESTATEMENT OF NET POSITION

Implementation of GASB No. 101 – Compensated Absences

In fiscal year 2024-25, the College implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. This Statement was issued to improve the recognition and measurement of compensated absences and liabilities, such as vacation and sick leave, and to enhance consistency in financial reporting among governments.

GASB 101 requires that compensated absences be recognized as a liability when the related leave is earned rather than when it is paid or taken. Under the previous standard, GASB Statement No. 16, certain leave types were only recognized when they were due and payable.

As a result of implementing GASB 101, the beginning net position as of July 1, 2024 has been restated as follows:

Government-wide Statement of Net Position	Governmental Activities
Beginning Net Position, as previously reported	\$ 15,902,037
Adjustment for implementation of GASB 101 (increase in compensated absences liability)	<u>(421,273)</u>
Beginning Net Position, as restated	\$ 15,480,764

The adjustment reflects the cumulative effect of applying the new standard retroactively to beginning balances. The change had to impact on fund balance in the governmental fund financial statements because liabilities for compensated absences are recognized only to the extent they are due and payable in those statements.

OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability - NPL or, (OPEB asset)	(b) Employer's proportionate share of the net pension liability - NPL or, (OPEB asset)	(c) College's covered payroll	(b/c) NPL or (OPEB asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
<u>Net Pension Liability - Oregon PERS</u>					
2025	0.03 %	\$ 6,488,790	\$ 3,731,409	173.9 %	79.3 %
2024	0.03	5,043,434	3,713,973	135.8	81.3
2023	0.02	3,771,359	3,465,755	108.8	84.5
2022	0.02	2,815,431	3,077,541	91.5	87.6
2021	0.02	4,859,574	2,978,837	163.1	75.8
2020	0.02	3,621,489	2,750,965	131.6	80.2
2019	0.02	2,783,955	2,548,423	109.2	82.1
2018	0.01	1,923,104	2,255,421	85.3	83.1
2017	0.02	2,709,625	1,854,386	146.1	80.5
2016	0.02	1,145,957	2,035,890	56.3	91.2

SCHEDULE OF CONTRIBUTIONS

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
<u>Oregon PERS</u>					
2025	\$ 725,289	\$ 725,289	\$ -	\$ 4,266,404	17.0 %
2024	634,339	634,339	-	3,731,409	17.0
2023	594,236	594,236	-	3,713,973	16.0
2022	560,578	560,578	-	3,465,755	16.2
2021	393,043	393,043	-	3,077,541	12.8
2020	369,491	369,491	-	2,978,837	12.4
2019	188,441	188,441	-	2,750,965	6.8
2018	197,758	197,758	-	2,548,423	7.8
2017	143,781	143,781	-	2,255,421	6.4
2016	147,514	147,514	-	1,854,386	8.0

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

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2025**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/(ASSET)

Year Ended June 30,	(a) Employer's proportion of the net pension liability - NPL or, (OPEB asset)	(b) Employer's proportionate share of the net pension liability - NPL or, (OPEB asset)	(c) College's covered payroll	(b/c) NPL or (OPEB asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
<u>Net OPEB Liability/(Asset) - PERS RHIA</u>					
2025	0.03 % \$	(110,239) \$	3,731,409	(3.0) %	220.6 %

SCHEDULE OF CONTRIBUTIONS

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
<u>PERS RHIA</u>					
2025	\$ -	\$ -	\$ -	\$ 4,266,404	- %

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

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

**SCHEDULE OF CHANGES IN OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
For the Year Ended June 30, 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total Other Post Employment Benefits Liability, Beginning	\$ 115,497	\$ 147,767	\$ 134,826
Changes for the year:			
Service Cost	14,886	15,084	14,645
Interest	5,171	5,586	5,112
Differences between expected and actual experience	-	(11,012)	-
Changes in assumptions or other input	-	(35,444)	-
Benefit Payments	<u>(2,222)</u>	<u>(6,484)</u>	<u>(6,816)</u>
Net changes for the year	<u>17,835</u>	<u>(32,270)</u>	<u>12,941</u>
Total Other Post Employment Benefits Liability, Ending	<u>\$ 133,332</u>	<u>\$ 115,497</u>	<u>\$ 147,767</u>
Fiduciary Net Position - Beginning	\$ -	\$ -	\$ -
Contributions - Employer	2,222	6,484	6,816
Contributions - Employee	-	-	-
Net Investment Income	-	-	-
Benefit Payments	(2,222)	(6,484)	(6,816)
Administrative Expense	<u>-</u>	<u>-</u>	<u>-</u>
Net changes for the year	<u>-</u>	<u>-</u>	<u>-</u>
Fiduciary Net Position - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Liability for Other Post Employment Benefits - End of Year	<u>\$ 133,332</u>	<u>\$ 115,497</u>	<u>\$ 147,767</u>
Fiduciary Net Position as a percentage of the total Single Employer Pension Liability	0%	0%	0%
Covered Payroll	\$ 3,775,713	\$ 3,578,875	\$ 3,169,867
Net Single Employer Pension Plan as a Percentage of Covered Payroll	4%	3%	5%

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$	127,095	\$ 115,189	\$ 107,034	\$ 63,356	\$ 52,215
	14,748	14,249	13,441	12,986	9,014
	3,139	2,854	4,361	3,664	2,127
	9,288	-	(7,490)	-	-
	(14,815)	-	6,192	28,706	-
	<u>(4,629)</u>	<u>(5,197)</u>	<u>(8,349)</u>	<u>(1,678)</u>	<u>-</u>
	<u>7,731</u>	<u>11,906</u>	<u>8,155</u>	<u>43,678</u>	<u>11,141</u>

\$ 134,826 \$ 127,095 \$ 115,189 \$ 107,034 \$ 63,356

\$	-	\$ -	\$ -	\$ -	\$ -
-	4,629	5,197	8,349	1,678	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(4,629)	(5,197)	(8,349)	(1,678)	-
-	-	-	-	-	-
-	-	-	-	-	-

\$ - \$ - \$ - \$ - \$ -

\$ 134,826 \$ 127,095 \$ 115,189 \$ 107,034 \$ 63,356

	0%	0%	0%	0%	0%
\$	3,077,541	\$ 2,467,260	\$ 2,383,826	\$ 2,734,412	\$ 2,641,944

4% 5% 5% 4% 2%

OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON

SUPPLEMENTARY INFORMATION

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

COMBINING BALANCE SHEET - MODIFIED ACCRUAL BASIS

June 30, 2025

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE GRANT FUND</u>	<u>DEBT SERVICE FUND</u>	<u>CAMPUS PROJECT FUND</u>	<u>ENTERPRISE FUND</u>
ASSETS:					
Cash and Investments	\$ 4,427,725	\$ 38,736	\$ 703,391	\$ 34,559,167	\$ 692
Receivables:					
Property Taxes	77,971	-	108,360	-	-
Accounts, net	175,922	-	16,758	136,875	13,072
Grants and Reimbursements	1,306,601	469,121	-	-	-
Other	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
Inventory	-	-	-	-	58,777
Prepaid Expenses	518	-	-	-	-
Total Assets	<u><u>\$ 5,988,737</u></u>	<u><u>\$ 507,857</u></u>	<u><u>\$ 828,509</u></u>	<u><u>\$ 34,696,042</u></u>	<u><u>\$ 72,541</u></u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 97,720	\$ 179,479	\$ -	\$ 312,066	\$ -
Payroll Liabilities	980,240	-	-	-	-
Due to Other Groups	15,399	-	-	-	-
Due To Other Funds	164,396	74,718	133,076	5,220	83,525
Unearned Revenue	-	12,032	-	-	-
Total Liabilities	<u>1,257,755</u>	<u>266,229</u>	<u>133,076</u>	<u>317,286</u>	<u>83,525</u>
Deferred Inflows:					
Unavailable Revenue - Property Taxes	77,971	-	108,360	-	-
Fund Balances:					
Restricted for Grant Programs	-	241,628	-	-	-
Unrestricted	4,653,011	-	587,073	34,378,756	(10,984)
Total Fund Balances	<u>4,653,011</u>	<u>241,628</u>	<u>587,073</u>	<u>34,378,756</u>	<u>(10,984)</u>
Total Liabilities, Deferred Inflows, and Fund Balance:	<u><u>\$ 5,988,737</u></u>	<u><u>\$ 507,857</u></u>	<u><u>\$ 828,509</u></u>	<u><u>\$ 34,696,042</u></u>	<u><u>\$ 72,541</u></u>

INTERNAL SERVICE FUND	RESERVE FUND	TOTAL COLLEGE
\$ -	\$ -	\$ 39,729,711
-	-	186,331
-	-	342,627
-	-	1,775,722
-	-	-
153,911	307,024	460,935
-	-	58,777
-	-	518
<u>\$ 153,911</u>	<u>\$ 307,024</u>	<u>\$ 42,554,621</u>

\$ 2,449	\$ -	\$ 591,714
-	-	980,240
-	-	15,399
-	-	460,935
-	-	12,032
<u>2,449</u>	<u>-</u>	<u>2,060,320</u>

<u>-</u>	<u>-</u>	<u>186,331</u>
----------	----------	----------------

-	-	241,628
<u>151,462</u>	<u>307,024</u>	<u>40,066,342</u>

<u>151,462</u>	<u>307,024</u>	<u>40,307,970</u>
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<u>\$ 153,911</u>	<u>\$ 307,024</u>	<u>\$ 42,554,621</u>
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OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON

Reconciliation of the Modified Accrual
Combining Balance Sheet to the Statement of Net Position
June 30, 2025

Total Fund Balances - Governmental Funds	\$	40,307,970
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The cost of capital assets (land, buildings, equipment, subscriptions) purchased or constructed is reported as an expenditure in governmental funds. The statement of Net Position includes those capital assets among the assets of the District as a whole.

Net Capital Assets		20,099,690
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Long-Term Notes Receivable are deferred in the Governmental Funds Balance Sheet but are fully realized on the Statement of Net Position		196,792
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The net pension liability is not accrued in the governmental funds. In the funds, expenditures are recorded for actual contributions only.		(6,488,790)
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The net OPEB asset is not recognized in the governmental funds		110,239
--	--	---------

The cost of compensated absences is expended in the governmental funds, but is capitalized on the Statement of Net Position.		(746,732)
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Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.

Long term Liabilities		
Bonds payable	(36,939,026)	
Notes Payable	(208,824)	
Other Postemployment Benefits - Health Insurance Subsidy	(133,332)	(37,281,182)

Deferred Outflows and Inflows are recorded on the Statement of Net Position to account for changes in the College's pension and OPEB obligations. These deferred items are not recorded in the governmental funds.

Deferred Outflows - Pension	2,834,769	
Deferred Outflows - OPEB (Health Subsidy)	4,862	
Deferred Outflows - OPEB (PERS RHIA)	3,113	
Deferred Inflows - Pension	(531,636)	
Deferred Inflows - OPEB (Health Subsidy)	(40,605)	
Deferred Inflows - OPEB (PERS RHIA)	(47,490)	2,223,013

Unspent Advances received for Nursing Loans are recorded as Deferred Revenue on the Governmental Funds Balance Sheet. On the Statement of Net Position, however, the full amount received is already included in Notes Payable		12,032
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Unavailable Revenue - Property Taxes		186,331
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Net Position	\$	18,619,363
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OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON

**Reconciliation of the Change in Total Fund Balances - Modified Accrual Basis
to the Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2025**

Total Net Changes in Fund Balances - Governmental Funds	\$	36,303,199
Repayment of bond principal and premium is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Additions to bond principal and premium are expenses for the Statement of Activities but not the governmental funds.		2,433,843
Proceeds from newly issued bonds are revenues to the governmental funds, but add to the liability balance on the government-wide statements.		(36,324,026)
Repayment of the principal balance of subscriptions payable are expenditures to the funds but simply reduce the balance of the liability on the Statement of Net Position.		186,660
Amortization of Subscription Assets is not expensed in the funds		(211,845)
Amortization of the deferred loss on bond refunding is not recognized in the governmental funds, but is expensed to reduce the balance of the deferred amount on the Statement of Net Position.		(133,953)
Changes in the estimated balances of Other Postemployment Benefits are not recognized in the fund financial statements, but are recorded as a net (increase)/decrease to expenditures on the Statement of Activities		51,537
Capital Outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation.		
Capitalized Expenditures, land, buildings, equipment	\$	2,684,403
Depreciation Expense		(1,158,571)
		1,525,832
Changes in net pension related assets, deferred outflows, liabilities and deferred inflows are recognized in expenses on the Statement of Activities. These changes are not reflected in the governmental funds		(606,823)
Compensated Absences are an expenditure when used in the governmental funds, but is expensed as earned in the Statement of Activities		(103,350)
The change in deferred nursing loans receivable is recognized as revenue on the statement of activities		(12,140)
Property tax revenue in the Statement of Activities differs from the amount reported in the governmental funds. In the governmental funds, which are on the modified accrual basis, the District recognizes unavailable revenue for all property taxes levied but not received, however in the Statement of Activities, there is no unavailable revenue and the full property tax receivable is accrued.		29,665
Change in Net Position of Governmental Activities	\$	3,138,599

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET
For the Year Ended June 30, 2025**

	<u>GENERAL FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Revenue From Local Sources:				
Property Taxes	\$ 1,594,984	\$ 1,594,984	\$ 1,634,950	\$ 39,966
Tuition and Fees	2,006,942	2,006,942	2,314,727	307,785
Interest	105,662	105,662	113,192	7,530
Donations	100,000	100,000	209,613	109,613
Miscellaneous	319,450	319,450	1,243,133	923,683
Total Local Revenue	4,127,038	4,127,038	5,515,615	1,388,577
Revenue From State Sources:				
Total State Revenue	4,297,713	4,297,713	4,297,027	(686)
Revenue From Federal Sources:				
Total Federal Revenue	48,886	48,886	21,242	(27,644)
Total Revenues	8,473,637	8,473,637	9,833,884	1,360,247
EXPENDITURES:				
Personnel Services	7,237,099	7,237,099 (1)	5,967,168	1,269,931
Materials and Services	1,985,304	1,985,304 (1)	1,949,433	35,871
Capital Outlay	150,000	150,000 (1)	-	150,000
Debt Service	188,683	188,683 (1)	33,929	154,754
Contingency	1,147,330	1,147,330 (1)	-	1,147,330
Total Expenditures	10,708,416	10,708,416	7,950,530	2,757,886
Excess of Revenues Over, (Under) Expenditures	(2,234,779)	(2,234,779)	1,883,354	4,118,133
OTHER FINANCING SOURCES, (USES)				
Subscription Proceeds	-	-	-	-
Transfers Out	(15,000)	(15,000) (1)	(7,553)	7,447
Total Other Financing Sources, (Uses)	(15,000)	(15,000)	(7,553)	7,447
Net Change in Fund Balance	(2,249,779)	(2,249,779)	1,875,801	4,125,580
Beginning Fund Balance	2,249,779	2,249,779	2,777,210	527,431
Ending Fund Balance	\$ -	\$ -	\$ 4,653,011	\$ 4,653,011

(1) Appropriation Level

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2025**

<u>SPECIAL REVENUE GRANT FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Interest	\$ -	\$ -	\$ 2,486	\$ 2,486
State Sources	2,243,124	2,243,124	1,311,948	(931,176)
Federal Sources	4,486,851	4,486,851	2,763,945	(1,722,906)
Local Sources	<u>210,500</u>	<u>210,500</u>	<u>175,394</u>	<u>(35,106)</u>
Total Revenues	<u>6,940,475</u>	<u>6,940,475</u>	<u>4,253,773</u>	<u>(2,686,702)</u>
EXPENDITURES:				
Instruction:				
Personnel Services	1,890,558	1,890,558 (1)	1,128,856	761,702
Materials and Services	1,760,988	1,510,988 (1)	837,726	673,262
Financial Aid Disbursements	3,572,101	3,572,101 (1)	2,613,557	958,544
Capital	<u>100,000</u>	<u>350,000 (1)</u>	<u>-</u>	<u>350,000</u>
Total Expenditures	<u>7,323,647</u>	<u>7,323,647</u>	<u>4,580,139</u>	<u>2,743,508</u>
Excess of Revenues Over (Under) Expenditures	(383,172)	(383,172)	(326,366)	56,806
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>15,000</u>	<u>15,000</u>	<u>7,553</u>	<u>(7,447)</u>
Net Change in Fund Balance	(368,172)	(368,172)	(318,813)	49,359
Beginning Fund Balance	<u>368,172</u>	<u>368,172</u>	<u>560,441</u>	<u>192,269</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,628</u>	<u>\$ 241,628</u>

(1) Appropriation Level

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2025**

DEBT SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Property Taxes	\$ 2,337,467	\$ 2,337,467	\$ 2,429,034	\$ 91,567
Interest	26,980	26,980	76,818	49,838
Other Local Revenue	236,391	236,391	193,663	(42,728)
Total Revenues	2,600,838	2,600,838	2,699,515	98,677
EXPENDITURES:				
Materials and Services	-	-	50	(50)
Debt Service - GO Bonds	3,505,167	3,505,167 (1)	2,205,000	1,300,167
Debt Service - PERS Bonds	249,856	249,856 (1)	249,856	-
Contingency	542,875	542,875 (1)	-	542,875
Total Debt Expenditures	4,297,898	4,297,898	2,454,906	1,842,992
Total Expenditures	4,297,898	4,297,898	2,454,906	1,843,042
Excess of Revenues Over (Under) Expenditures	(1,697,060)	(1,697,060)	244,609	1,941,669
OTHER FINANCING SOURCES (USES):				
Transfers In	1,300,000	1,300,000	-	(1,300,000)
Transfers Out	-	-	-	-
Total Other Financing Sources, (Uses)	1,300,000	1,300,000	-	(1,300,000)
Net Change in Fund Balance	(397,060)	(397,060)	244,609	641,669
Beginning Fund Balance	397,060	397,060	342,464	(54,596)
Ending Fund Balance	\$ -	\$ -	\$ 587,073	\$ 587,073

(1) Appropriation Level

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2025**

<u>ENTERPRISE FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Merchandise Sales	\$ 200,151	\$ 200,151	\$ 185,046	\$ (15,105)
Total Revenues	<u>200,151</u>	<u>200,151</u>	<u>185,046</u>	<u>(15,105)</u>
EXPENDITURES:				
Enterprise and Community Services:				
Personal Services	47,852	47,852 (1)	33,874	13,978
Materials and Services	<u>130,850</u>	<u>130,850 (1)</u>	<u>115,039</u>	<u>15,811</u>
Total Enterprise and Community Services	<u>178,702</u>	<u>178,702</u>	<u>148,913</u>	<u>29,789</u>
Contingency	<u>-</u>	<u>- (1)</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>178,702</u>	<u>178,702</u>	<u>148,913</u>	<u>29,789</u>
Net Change in Fund Balance	21,449	21,449	36,133	14,684
Beginning Fund Balance	<u>(21,449)</u>	<u>(21,449)</u>	<u>(47,117)</u>	<u>(25,668)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,984)</u>	<u>\$ (10,984)</u>

(1) Appropriation Level

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2025**

<u>INTERNAL SERVICE FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Internal Charges	\$ 44,511	\$ 44,511	\$ 32,354	\$ (12,157)
Total Revenues	<u>44,511</u>	<u>44,511</u>	<u>32,354</u>	<u>(12,157)</u>
EXPENDITURES:				
Materials and Services	35,200	35,200 (1)	11,073	24,127
Contingency	<u>142,617</u>	<u>142,617 (1)</u>	<u>-</u>	<u>142,617</u>
Total Expenditures	<u>177,817</u>	<u>177,817</u>	<u>11,073</u>	<u>166,744</u>
Net Change in Fund Balance	(133,306)	(133,306)	21,281	154,587
Beginning Fund Balance	<u>133,306</u>	<u>133,306</u>	<u>130,181</u>	<u>(3,125)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,462</u>	<u>\$ 151,462</u>

(1) Appropriation Level

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2025**

	<u>Capital Projects</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Interest	\$ -	\$ -	\$ 1,267,417	\$ 1,267,417
Total Revenues	<u>-</u>	<u>-</u>	<u>1,267,417</u>	<u>1,267,417</u>
EXPENDITURES:				
Facilities:				
Personal Services	-	-		-
Materials and Services	-	1,000,000	1,058,043	(58,043)
Capital Outlay	<u>39,400,000</u>	<u>38,400,000</u>	<u>1,626,360</u>	<u>36,773,640</u>
Total Expenditures	<u>39,400,000</u>	<u>39,400,000 (1)</u>	<u>2,684,403</u>	<u>36,715,597</u>
Excess of Revenues Over (Under) Expenditures	(39,400,000)	(39,400,000)	(1,416,986)	37,983,014
OTHER FINANCING SOURCES (USES):				
Bond Sales & Local Financing	33,000,000	33,000,000	36,025,084	3,025,084
State Matching Funds	8,000,000	8,000,000	-	(8,000,000)
Transfers Out	<u>(1,600,000)</u>	<u>(1,600,000)</u>	<u>(229,342)</u>	<u>1,370,658</u>
Total Other Financing Sources, (Uses)	39,400,000	39,400,000	35,795,742	(3,604,258)
Net Change in Fund Balance	-	-	34,378,756	34,378,756
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,378,756</u>	<u>\$ 34,378,756</u>

(1) Appropriation Level

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2025**

<u>RESERVE FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
EXPENDITURES:				
Materials and Services	\$ 214,364	\$ 214,364 (1)	\$ 163,910	\$ 50,454
Contingency	300,000	300,000 (1)	-	300,000
Total Expenditures	514,364	514,364	163,910	350,454
OTHER FINANCING SOURCES (USES):				
Transfers In	300,000	300,000	229,342	(70,658)
Net Change in Fund Balance	(214,364)	(214,364)	65,432	279,796
Beginning Fund Balance	214,364	214,364	241,592	27,228
Ending Fund Balance	\$ -	\$ -	\$ 307,024	\$ 307,024

(1) Appropriation Level

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

**BALANCE SHEET - FIDUCIARY FUNDS
June 30, 2025**

	STUDENT GOVERNMENT	PHI THETA KAPPA	AQUANAUTS
ASSETS:			
Due From other Funds	\$ 7,119	\$ 1,814	\$ 860
Total Assets	\$ 7,119	\$ 1,814	\$ 860
LIABILITIES , DEFERRED INFLOWS AND FIDUCIARY NET POSITION:			
Liabilities:			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	-	-	-
Fiduciary Net Position:	7,119	1,814	860
DUE TO OTHER GROUPS	\$ 7,119	\$ 1,814	\$ 860

<u>STUDENT NEWS</u>	<u>STEM CLUB</u>	<u>LITERACY</u>	<u>SBM ALUMNI</u>	<u>STUDENT NURSES ORGANIZATION</u>	<u>TRIANGLE CLUB</u>	<u>TOTAL</u>
\$ 25	\$ 164	\$ 1,251	\$ -	\$ 3,916	\$ 250	\$ 15,399
<u>\$ 25</u>	<u>\$ 164</u>	<u>\$ 1,251</u>	<u>\$ -</u>	<u>\$ 3,916</u>	<u>\$ 250</u>	<u>\$ 15,399</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
25	164	1,251	-	3,916	250	15,399
<u>\$ 25</u>	<u>\$ 164</u>	<u>\$ 1,251</u>	<u>\$ -</u>	<u>\$ 3,916</u>	<u>\$ 250</u>	<u>\$ 15,399</u>

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

**STATEMENT OF ADDITIONS AND REDUCTIONS - FIDUCIARY FUNDS
For the Year Ended June 30, 2025**

	<u>STUDENT GOVERNMENT</u>	<u>PHI THETA KAPPA</u>	<u>AQUANAUTS</u>	<u>STUDENT NEWS</u>	<u>STEM CLUB</u>
ADDITIONS:					
Membership Fees	\$ -	\$ 100	\$ -	\$ -	\$ -
Cash Donations	2,000	-	-	-	-
Miscellaneous	3,095	60	-	-	-
Total Additions	<u>5,095</u>	<u>160</u>	<u>-</u>	<u>-</u>	<u>-</u>
REDUCTIONS:					
Materials and services	4,382	-	-	-	-
Total Reductions	<u>4,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additions Over/(Under) Reduction	713	160	-	-	-
Due to Other Groups - Beginning	<u>6,406</u>	<u>1,654</u>	<u>860</u>	<u>25</u>	<u>164</u>
Due to Other Groups - Ending	<u>\$ 7,119</u>	<u>\$ 1,814</u>	<u>\$ 860</u>	<u>\$ 25</u>	<u>\$ 164</u>

<u>LITERACY</u>	<u>SBM ALUMNI</u>	<u>STUDENT NURSES ORGANIZATION</u>	<u>TRIANGLE CLUB</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ -	\$ 100
-	-	-	-	2,000
-	-	535	-	3,690
-	-	535	-	5,790
-	-	292	-	4,674
-	-	292	-	4,674
-	-	243	-	1,116
1,251	-	3,673	250	14,283
<u>\$ 1,251</u>	<u>\$ -</u>	<u>\$ 3,916</u>	<u>\$ 250</u>	<u>\$ 15,399</u>

OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED
BY OREGON STATE REGULATIONS



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March 5, 2026

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Oregon Coast Community College as of and for the year ended June 30, 2025, and have issued our report thereon dated March 5, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

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

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

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

OAR 162-10-0240 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

We noted one matter involving the internal control structure and its operation that we consider to be a significant deficiency under standards established by the American Institute of Certified Public Accountants which we noted in the Schedule of Findings and Questioned Costs on page 60.

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

A handwritten signature in black ink, appearing to read "Ken Allen".

Kenneth Allen, CPA
Municipal Auditor
Clear Trail CPAS

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2025**

GROSS GRANTOR/ PROGRAM	PASS THROUGH ORGANIZATION	FEDERAL AL NUMBER	PASS THROUGH ENTITY NUMBER	GRANT PERIOD	EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS
Programs:	Direct Award	84.063	N/A	7/1/24-6/30/25	\$ 1,121,013	\$ -
	Direct Award	84.268	N/A	7/1/24-6/30/25	757,814	-
Opportunity Grants	Direct Award	84.007	N/A	7/1/24-6/30/25	13,433	-
	Direct Award	84.033	N/A	7/1/24-6/30/25	21,242	-
Distance Programs					<u>1,913,502</u>	<u>-</u>
Agency	Oregon Department of Community Colleges and Workforce Development	84.002	24-008K	7/1/24-6/30/25	202,968	-
Basic Grants to States	Oregon Department of Community Colleges and Workforce Development	84.048	81273	7/1/24-6/30/25	33,350	-
National Programs	Oregon Department of Community Colleges and Workforce Development	84.051	1078400	7/1/24-6/30/25	23,497	-
Secondary Education	Direct Award	84.116	N/A	7/1/24-6/30/25	64,745	-
	Portland Community College	84.421C	P105803	7/1/24-6/30/25	3,987	-
Primary and Secondary (SSER)*	Linn-Benton Community College	84.425	24-002K-001	7/1/24-6/30/25	142,578	-
					<u>2,384,627</u>	<u>-</u>
HUMAN SERVICES						
	Direct Award	93.493	N/A	7/1/24-6/30/25	211,630	-
Human Services					<u>211,630</u>	<u>-</u>

ION	Oregon SBDC	59.037	SBA-2025	7/1/24-6/30/25	<u>182,355</u>	<u>-</u>
on					<u>182,355</u>	<u>-</u>
HUMANITIES						
eral/State Partnership	Direct Award	45.129	N/A	7/1/24-6/30/25	<u>1,203</u>	<u>-</u>
anities					<u>1,203</u>	<u>-</u>
WARDS					<u>\$ 2,779,815</u>	<u>\$ -</u>



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March 5, 2026

To the Board of Directors
Oregon Coast Community College
Newport, Oregon

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Oregon Coast Community College as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated March 5, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of 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*.

Entity’s Response to Findings

The entity’s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Kenneth Allen, CPA
Municipal Auditor
Clear Trail CPAS



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March 5, 2026

To the Board of Directors
Oregon Coast Community College
Newport, Oregon

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Oregon Coast Community College's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2025. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Oregon Coast Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in black ink, appearing to read "Ken Allen". The signature is fluid and cursive, with a large initial "K" and "A".

Kenneth Allen, CPA
Municipal Auditor
Clear Trail CPAS

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2025

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Any GAGAS audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes no

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
84.063, 84.268, 84.007, 84.033 & 93.364	Student Financial Assistance Cluster

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

Auditee qualified as low-risk auditee? yes no

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

2025 – FS- 1

Condition:

The College’s accounting software that was designed by Rogue Community College (RCC) is old and not adequately supported. All support and trouble-shooting services are provided by RCC, an entity with a limited IT staff that has not had formal training in accounting.

Criteria:

The accounting system should be appropriately designed and supported.

Effect:

The support limitations increase the risk of errors occurring and not being corrected. In addition, in the event of any substantial breakdown in RCC’s support apparatus, there is a risk that the College could be stuck with a completely unsupported system.

Cause:

Due to time and budget constraints, the College has not updated its accounting software in many years.

Recommendations:

The College should move to new accounting software as soon as possible.

Management’s Response:

The College has purchased new enterprise management software with full general ledger capabilities. The new software is now being used for student tuition and fees tracking and the full accounting system transition will happen as soon as possible.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:

None

**OREGON COAST COMMUNITY COLLEGE
NEWPORT, OREGON**

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2025

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has not elected to use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance, due to the fact that they already have a negotiated indirect cost rate with Oregon Department of Education, and thus is not allowed to use the de minimus rate.