Notice of Public Meeting

Pursuant to O.R.S. §192.640, legal notice is hereby given to the members of the Tillamook Bay Community College Board of Education (Board) and to the general public that the Board will hold a meeting open to the public on Monday, February 4, 2008, at 6:30 p.m., in Room Nine of the First Street Campus, 2510 First Street, Tillamook, Oregon, 97141.

A copy of the agenda for the meeting will be available beginning Thursday prior to the meeting, after 9:00 a.m. at the Office of the College President, Tillamook Bay Community College, First St. Campus, 2510 First St., Tillamook, Oregon 97141.

Agenda items include an Invitation for Public Comment, Business Meeting, Announcements, and General Information. The Board reserves the right to change the order of items on the agenda.

The Board Meetings are held in accordance with open meeting laws and accessibility requirements. If a person with a disability needs assistance in order to attend or participate in a meeting, please notify Board Secretary, Sue Owens, at (503) 842-8222, Ext. 1159, at least 48 hours in advance.

Pursuant to O.R.S. §192.660, the Board may, upon a vote of a majority of the members constituting a quorum, elect to go into Executive Session, which will not be open to the public.

DATE NOTICE PUBLISHED: Wednesday, January 30, 2008

TIME NOTICE PUBLISHED: 9:00 a.m.

ATTEST: _____

Jon Carnahan – President

TILLAMOOK BAY COMMUNITY COLLEGE

Notice Distribution

1. TBCC BOARD OF EDUCATION MEMBERS
2. HEADLIGHT-HERALD NEWSPAPER
3. NORTH COAST CITIZEN NEWSPAPER
4. PACIFIC SUN NEWSPAPER
5. NORTH COAST CITIZEN NEWSPAPER
6. KTIL/KMBD RADIO
7. COAST 105 RADIO
8. TBCC WEB SITE
9. TBCC ADMINISTRATORS AND STAFF
10. TBCC FACULTY SENATE PRESIDENT
11. PORTLAND COMMUNITY COLLEGE PRESIDENT & LIAISON
12. ESD ADMINISTRATOR
13. OCCA EXECUTIVE DIRECTOR
14. PUBLIC BUDGET COMMITTEE

Tillamook Bay Community College

2510 First Street • Tillamook, Oregon 97141 • (503) 842-8222 • Fax: (503) 842-2214 • www.TillamookBay.cc

Board of Education Meeting Agenda

Date: Monday, February 4, 2008

First Street Campus, Room 9
2510 First Street, Oregon 97141

Time: 6:30 p.m.

Item	Description	Resource
1.	**Call to Order • Acknowledge Guests**	Chairman McGinnis
2.	**Approval of the Agenda** **(Action)**	Chairman McGinnis
3.	**Invitation of Public Comment**	Chairman McGinnis
	Available at both the beginning and end of the meeting is an opportunity for the public to comment on any issue within the jurisdiction of the Tillamook Bay Community College Board of Education. The Board Chair may determine reasonable time, space and manner limitations. At the conclusion of public comment, individual members of the Board may respond to comments made by those who have addressed the Board, may ask staff to review a matter, or may ask that a matter be put on a future agenda.	
4.	**Approval of Meeting Minutes** **(Action)**	Chairman McGinnis
5.	**Reports:**	
	A. Oregon Community College Association	Director Swain/ President Carnahan
	B. Financial Report	Comptroller Williams
	C. Annual Audit **(Action)**	Comptroller Williams
6.	**Old Business:**	
7.	**New Business:**	
	A. Academic Calendar	Dean Gates
8.	**Standing Business:**	
	A. Strategic Planning and Accreditation	Dean Gates
	B. Courses and Curricula	Dean Gates
	C. Grants and Contracts	Dean Ellison
	D. Board of Education Policy **(Action)**	President Carnahan
	E. Facilities	President Carnahan
	F. Capital Construction Projects **(Action)**	President Carnahan
	G. Personnel	President Carnahan
9.	**Announcements and General Information**	President Carnahan
10.	**Invitation of Public Comment**	Chairman McGinnis
11.	**Executive Session**	President Carnahan
	Pursuant to O.R.S. § 192.660 (1)(e), the Board, may, upon a vote of a majority of the members constituting a quorum, elect to go into Executive Session, which will not be open to the public to consider Agenda Item 8.E.	
12.	**Board Member Discussion Items**	Chairman McGinnis
13.	**Adjournment** **(Action)**	Chairman McGinnis

Tillamook Bay Community College

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Board of Education Meeting Minutes

January 7, 2008
2510 First Street, Tillamook, OR, 97141 - Room 9

Directors Present: Craig Wakefield, Ruth Jensen, Steve Shaw, and Ann Swain

Directors Absent: James McGinnis, Bob Weitman, and Rose Wharton

Staff Present: Jon Carnahan, Lori Gates, Ron Ellison, Kyra Williams, and Sue Owens

Guests Present: Dr. Fred Smith, and Sheryl Neu, TBCC staff, and Daniel Hettenbach, ASTBCC Office Manager.

Call to Order:
Vice-Chair Wakefield called the meeting to order at 6:35 p.m. and welcomed the guests.

Approval of Agenda:
On approval of a motion by Director Shaw and seconded by Director Swain, it was resolved to approve the agenda as presented.

Invitation of Public Comment:
Director Swain commented positively on the student newsletter to which Mr. Hettenbach replied that it was the goal of the student body to have a new edition out soon. The students are working to establish projects that can be on-going as membership changes.

Approval of Minutes:
On approval of a motion by Director Swain and seconded by Director Shaw, it was resolved that the November 5, 2007 Meeting Minutes be approved. Minutes attached and made a part of the official records.

Reports:
Oregon Community Colleges Association: (Item 5.A)
Director Swain gave the OCCA report as included in the Board Packet stressing the need to be familiar with the 40-40-20 project and asked for feedback as to how supportive she should be as the TBCC representative. President Carnahan offered more information stating that it is a good conversation piece but currently it is not realistic. He has requested more information as to how it would affect our community.

Financial Position: (Item 5.B)
Ms. Williams presented the information as included in the packet adding that the audit was complete and we had unqualified results meaning it was a good report. The final report should be available in February.

Old Business:
Board Self-Evaluation: (Item 6.A)
President Carnahan stated the results had been tallied from the 2007-2008 Board of Director's Self-Evaluation survey. Although positive, the area needing the most discussion is around the important issue of policy. He added that since much of our policy administration has been under the influence of PCC, this was an understandable weakness. However, now that we are seeking independent accreditation the Board would need to take a more active roll in this process.

President Carnahan then stated we would begin a systematic annual policy review process starting next week when his office would be mailing a copy of the first two sections of the current policy manual for their review and comments. By covering section(s) quarterly, the entire manual could be reviewed on a regular, annual basis.

New Business:

Administrative Rules: (Item 7.A)

President Carnahan presented drafts of Administrative Rules A 001 and A 002 as included in the Board packet recommending the Board approve them. On approval of a motion by Director Shaw and seconded by Director Swain, it was resolved to use the proposed format of the Tillamook Bay Community College Administrative Rules and Procedures and that Administrative Rule A 001: Policy Development Procedure (current policy), and Administrative Rule A 002: Administrative Rule Procedures be approved as presented.

Associated Students of TBCC Funding: (Item 7.B)

President Carnahan explained the philosophy of the ASTBCC funding noting that with the proposed funding the students would have an active role in preparing and managing their budget. The funding for this would come from the student activities fee and would cover student group activities as well as the tuition waivers for club officers. Vice-Chair Wakefield commended the administration for this action stating he was glad to see the funds being made available to the students and the support of their activities.

On approval of a motion by Director Swain and seconded by Director Shaw, it was resolved to approve the philosophy statement relating to Associated Student Government; Student Activities program; Philosophy and Budget development, and funding the Associated Students of Tillamook Bay Community College (ASTBCC) and activities to become effective with the 2008-2009 budget.

On approval of a motion by Director Shaw and seconded by Director Swain, it was resolved to approve budget resolution 2008 #6 to fund the ASTBCC and activities for the 2007-2008 year.

Standing Business:

Strategic Planning and Accreditation: (Item 8.A)

Dean Gates reported that work continues on the Self Study and that contrary to what was noted in the Board packet, they are not quite finished although she anticipates being completed by the end of January.

Courses and Curricula: (Item 8.B)

Dean Gates stated there was nothing new to report.

Grants and Contracts: (Item 8.C)

Dean Ellison gave a brief report on the grants and contracts as included in the Board packet.

Board of Education Policy: (Agenda Item 8.D)

Covered in Agenda Item 6.A.

Facilities: (Agenda Item 8.E)
President Carnahan stated that he would be attending the Neah-Kah-Nie Board of Education meeting next week to discuss the proposal of locating the TBCC North County Center near the NKN High School on district property. He also shared that the Bay City site had been renovated to make the contents more secure.

Capital Construction Projects: (Agenda Item 8.F)
President Carnahan shared the updates on the Capital Construction projects as included in the Board packet adding that he'd met with Nestucca Valley School District's Board of Education last month and they had approved the proposal to locate the South County Center on district property near the high school. He stated that a joint resolution should be ready for signature at the February meeting.

Personnel: (Agenda Item 8.G)
Nothing new to report.

Announcements and General Information:
President Carnahan shared the information included in the packed adding that the Foundation had received $1,000 donation today in undesignated funds.

There was discussion regarding the Strategic Fund Allocation Request.

Invitation for Public Comment:
Mr. Hettenbach thanked President Carnahan for being so supportive of the student body and also the Board for their demonstrated interest and support. He was excited about what the funding could help the organization do for student outreach. Vice-Chair Wakefield reminded Mr. Hettenbach of the importance to include fun activities to the list of things to support.

Executive Session
Tabled until a full board could be present.

Board Member Discussion Items:
Director Swain asked if Mr. Hettenbach would like a Board packet on a regular basis and asked Board Secretary Sue Owens to make sure he got one.

Adjournment:
On approval of a motion by Vice Chair Wakefield and seconded by Director Shaw, it was resolved to adjourn at 7:30 p.m.

Respectfully submitted,
President Jon Carnahan, Clerk of the Board

Oregon Community College Association

RECOMMENDATION

Information only—no action required.

BACKGROUND INFORMATION---------- Director Swain & President Carnahan

The OCCA had a Board meeting on January 18, 2008 in Salem. President Carnahan and Director Swain were in attendance. The Board heard reports on the OCCA goals, February Legislative Session, and had a presentation on the 40-40-20 Oregon Business Council proposal. Attached is the handout for that discussion. As a Board, we should have a discussion on the impact of 40-40-20 in Tillamook County and our community college. The OCCA Board also heard an update from President Carnahan on the community college health insurance issue.

OREGON COMMUNITY COLLEGE ASSOCIATION

Oregon Community College Association
260 13th Street NE
Salem, OR 97301
Phone: (503) 399-9912 Fax: (503) 399-9286
http://www.occa17.com

Title	Docket Number
Strategic Conversation **Community Colleges Role in 40-40-20**	**J3**
Presenter	**Action**
Connie Lee, OCCA Board President	**Discussion**

STRATEGIC CONVERSATION
COMMUNITY COLLEGES ROLE IN 40-40-20 GOAL

BACKGROUND

Developing the goal
In 2005, Oregon Business Council convened the Education Roundtable to formulate key policy recommendations for Oregon's education system. Comprised of business leaders, policy makers, and legislators, the roundtable recommended an education attainment goal for Oregon: by 2025, 40% of Oregonians will have a bachelor's degree or higher, 40% will have an associate's degree or postsecondary credential, and 20% will have a high school diploma as their highest educational credential by the age of 25.

A policy paper produced by the Oregon Education Roundtable states:

> Education now plays a pivotal role in the individual success of Oregonians and in the competitive health of the Oregon economy. To meet these challenges, more Oregonians must attain a higher level of education than ever before. To achieve this objective at the scale required, Oregon must make the kind of commitment and investment that it did along with the rest of the nation in the 1950s and 1960s, when it dramatically increased higher education output and developed the community college system.

Why are state policy makers talking about increasing educational attainment?

A recent publication from the League for Innovation in Community Colleges and the Education Commission for the States, Keeping America's Promise, stated, "In the 21st century, America's ability to educate its people will increasingly determine its economic competitiveness as the country shifts from an industrial to an information economy."

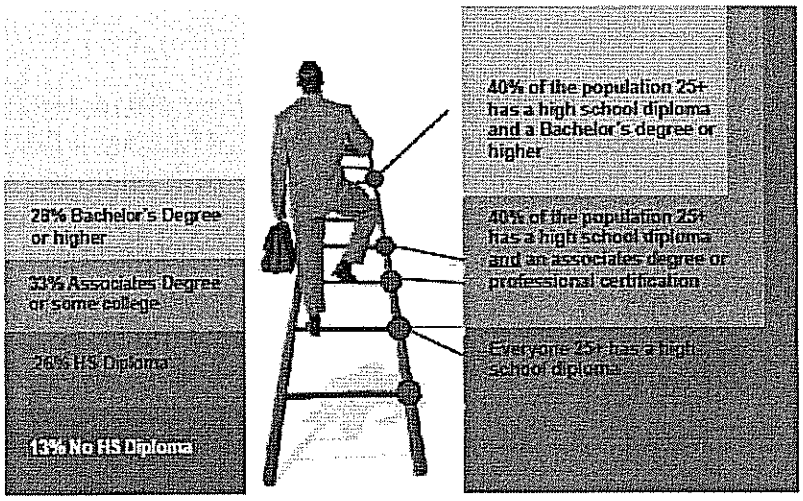
Governor Kulongoski, the Joint Boards of Education and many legislators believe education offers the key to economic growth by providing the means for every Oregonian to benefit from the state's economic prosperity. Together, they have embraced the Education Roundtable's Goal of 40-40-20 for educational attainment by 2025.

Research from the Oregon Employment Department indicates that between 2004 and 2014, over 663,000 job openings will be available in Oregon, either from retirements or the creation of new jobs. At issue is whether Oregon's workforce is sufficiently skilled to meet the coming demand.

Where Oregon is now

While Oregon's population has higher educational attainment than the United States as a whole, we are still far from the 40-40-20 goal. The table below shows that only 28% of Oregonians have a bachelor's degree or better. The data also indicates that 33% of Oregonians have some college, which may include an associates degree or certificate. Further, 26% of Oregonians have only a high school diploma and 13% of Oregonians do not have a high school diploma or GED.

Educational Attainment of Adults Age 25+
2005 Estimates Compared to Oregon's Goal



Oregon in 2005 Oregon at Goal

The education attainment information is also available on a county by county basis so that each college can benchmark the current educational attainment of their community. Further, data shows that Oregon's older population age 45–64 has a higher educational attainment than the younger population age 25-34.

COMMUNITY COLLEGE RESPONSE

The OCCA Board is encouraging and facilitating a collective conversation among and between local community college boards and the State Board of Education about the role of community colleges and how the proffered goal of 40-40-20 could impact their mission.

Moving Oregonians toward greater educational attainment is a lofty goal that could have many impacts on education providers. It will require strategic planning and decision-making by community college boards, both at the local level and collectively throughout the state. Community college leaders should engage state policy makers, legislators and others in strategic conversations and planning if they hope to maximize the benefits to the colleges while maintaining local governance.
Many people believe the adoption of 40-40-20 by state policymakers creates a significant opportunity to enhance the critical and vital roles community colleges play. Community colleges are:

- the primary access point into post-secondary education,
- the primary provider of professional-technical degrees and certificates,
- the primary workforce training provider,
- the primary provider of adult literacy and basic skills education, and
- the primary provider for lifelong learning and community education.

With sufficient funding, community colleges would have the opportunity to chart a pathway toward greater educational attainment for all Oregonians. Nonetheless, while the discussion about 40-40-20 creates an opportunity for community colleges to draw attention to the critical role they play in educational attainment, community colleges cannot allow themselves to accept such a sea-change without full and deliberate consideration of the ramifications of achieving such a goal. The OCCA executive committee proposes that the 17 local community college boards, the OCCA board, and the Oregon Board of Education actively pursue consideration of the goal of increasing the educational attainment and adopt a policy statement documenting a position benefiting community colleges.

With the adoption of a policy statement, community colleges will be well positioned to lead an effort amongst all educational sectors to establish a realistic educational goal that looks at demographic and employment projections.
With a policy statement in place, OCCA can create a projection model that maps a plan for achieving increased educational attainment and can advocate for a funding package based on the projection model. With a broadly supported policy statement, we can also work for the adoption of performance measures that tie to increased educational attainment and the projection model.

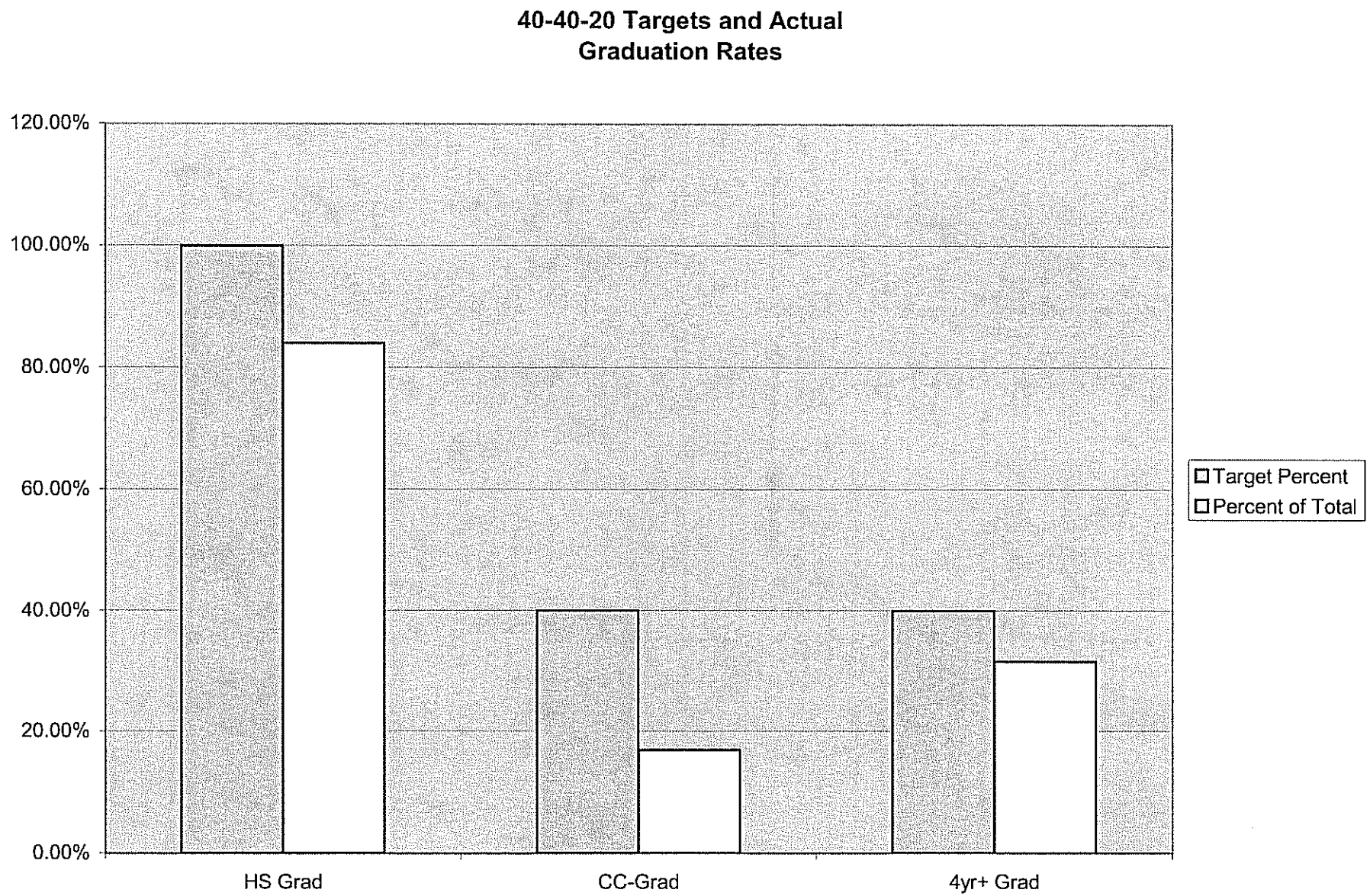
The OCCA executive committee asks local boards to consider the following:

1. What opportunities would the adoption of a 40/40/20 plan create for community colleges to further their mission?
2. What challenges would the adoption of a 40/40/20 plan create for community colleges in furthering their mission?

3. What might be reasons for us NOT to adopt the 40-40-20 plan?
4. Are you willing to tie our legislative appropriation request to the strategy identified in an OCCA Board adopted policy about increased educational attainment?

In the future, you will be asked to consider a second round of questions that have to do with next steps toward the implementation of whatever policy the OCCA Board adopts. While it is not necessary to answer the following questions now, we do want to give you a preview. At this time we believe those questions will be:

5. In order to achieve the 40-40-20 goal, who, or what population will we need to serve that we are not currently serving, or not serving to the extent necessary?
6. In order to achieve the 40-40-20 goal, how will we need to be different in order to effectively serve those not currently served?
7. What goals not addressed by 40-40-20 nonetheless remain important to us and need to be articulated in statements of goals and measures of performance.
8. If the seventeen boards agree to support a model of increased educational attainment, are you willing to actively support it?


40-40-20 Targets and Actual
Graduation Rates
120.00%
100.00%
80.00%
60.00%
40.00%
20.00%
0.00%
HS Grad
CC-Grad
4yr+ Grad
Target Percent
Percent of Total

OR Educational System
Current and 40-40-20 Target Data

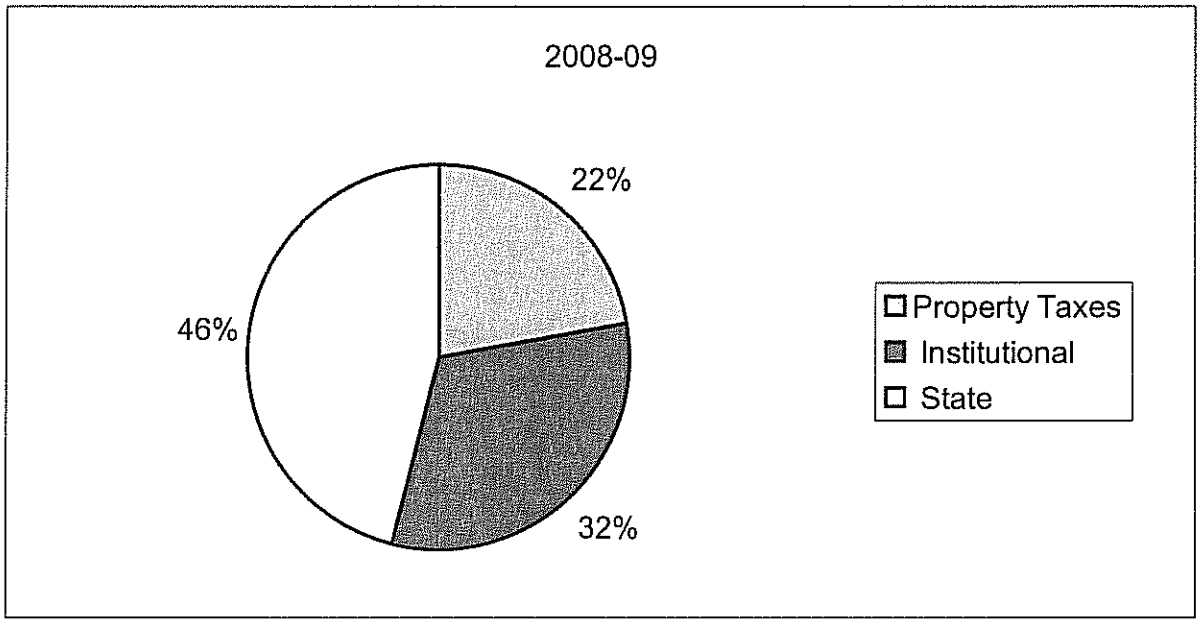
	HS Grad	CC-Grad	4yr+ Grad
Targeted	50,000	20,000	20,000
Actual	42,000	8,470	15,795
Difference	-8,000	-11,530	-4,205
Target Percent	100.00%	40.00%	40.00%
Percent of Target	84.00%	42.35%	78.97%
Percent of Total	84.00%	16.94%	31.59%
Public HS	32,000		
Other HS	5,000		
GED	5,000		
Public CC		7,700	
Other 2-yr		770	
OUS			11,000
Other 4-yr			4,795
TOTALS	42,000	8,470	15,795
Current Enrollment		90,000	
Current Grad Rates		7,700	
Targeted Grad Rates		23,600	
Calc Targeted Enrollment		121,800	
Tuition Rate to achieve Target		$48.45	
State Funding required per Bi		$1,425,185,910	

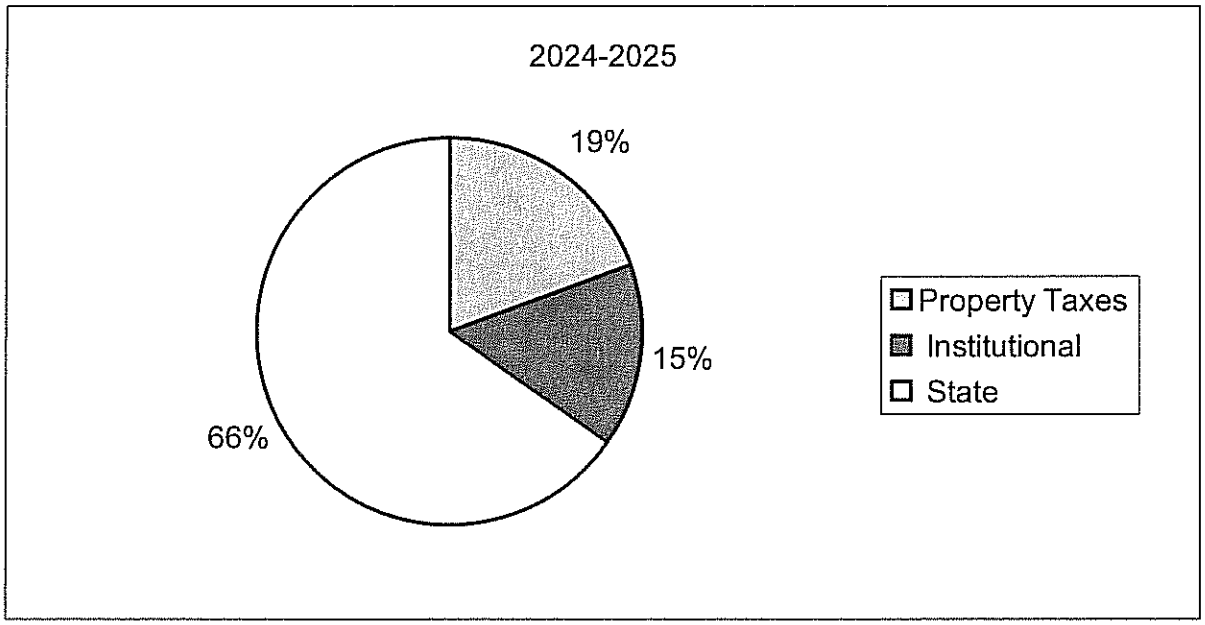
Community College Capacity and Funding for 40-40-20

	Actual 2008-09	Target 2024-25	Change	% Change	% per Biennium**
Graduations	7,700	23,600	15,900	206.49%	25.81%
FTE Enrollment	90,000	121,800	31,800	35.33%	4.42%
Calc Cost per FTE	$6,540	$8,978	$2,438	37.28%	4.66%
Tuition per FTE	$66.51	$47.89	-$18.62	-28.00%	-3.50%
State Funding Per FTE	$2,769	$5,851	$3,082	111.29%	13.91%
Total State Funding	$500,000,000	$1,425,185,910	$925,185,910	185.04%	23.13%

Biennium Ending In	CCSF Needed	% Increase	CCSF Needed	% Increase
2009	$500,000,000		$500,000,000	
2011	$615,648,239	23.13%	$569,945,000	13.99%
2013	$731,296,478	18.78%	$649,674,606	13.99%
2015	$846,944,716	15.81%	$740,557,587	13.99%
2017	$962,592,955	13.65%	$844,154,187	13.99%
2019	$1,078,241,194	12.01%	$962,242,917	13.99%
2021	$1,193,889,433	10.73%	$1,096,851,078	13.99%
2023	$1,309,537,671	9.69%	$1,250,289,576	13.99%
2025	$1,425,185,910	8.83%	$1,425,192,585	13.99%

Revenue By Source and Percent of Total Resources





Top 10 Things Public Officials Should Know About Oregon's New Government Ethics Laws

1. There will be more frequent reporting for those public officials who must file a yearly statement of economic interest (SEI). In addition to the yearly SEI (still due on April 15), public officials must file a quarterly report that lists 4 things: 1) expenses for conventions, missions, trips, or other meetings paid for by tribes, governments, or certain non-profit organizations; 2) expenses for missions, negotiations, or economic development activities paid for by third parties; 3) honoraria greater than $15; and 4) certain income exceeding $1000. The first quarterly report is due April 15, 2008, for the January to March 2008 quarter.

2. Public officials may not have a direct beneficial financial interest in a contract they "authorized" as a public official for two years after they cease to hold that official position.

3. The yearly gift limit from a "single source" with a legislative or administrative interest is now $50. (It was $100.) That limit applies to the public official's relatives and members of the household.

4. Public officials (including relatives and members of the household) may receive NO gifts of entertainment from persons with a legislative or administrative interest unless the entertainment is "incidental" to an event or the entertainment is "ceremonial." (It was $250 per year and $100 per event.)

5. There is no longer a general trip expense exception to the gift limits. There are several narrowly defined new trip expense exceptions for certain givers (tribes, governments, public officials and limited non-profits) and certain defined trips (officially sanctioned trade-promotion or fact-finding missions; officially designated negotiations or economic development activities).

6. Food and beverage consumed in the presence of the giver is no longer a gift exception. Thus, food and beverage will be subject to the $50 per year unless another gift exception applies (e.g. reception).

7. A public body can hire the relative of a public official but a public official can neither be involved in the hiring process nor supervise a relative unless the public body authorizes such supervision.

8. Commission advisory opinions, staff opinions and staff advice now provide greater immunity or mitigation from sanctions. In addition, there are timelines for the commission and staff to issue their opinions.

9. State wide associations may adopt rules or policies interpreting the ethics laws and submit them to the ethics commission for review. The commission shall approve or reject them, giving reasons for any rejection. Officials who act in compliance with approved rules or policies may not be sanctioned by the ethics commission.

10. The ethics commission is still in the process of rulemaking to define new terms, create new forms, and otherwise implement SB 10 and HB 2595. The ethics commission's website is http://www.gspc.state.or.us/OGEC/contact_us.shtml. The website contains the statutes, rules, forms, and opinions. The ethics commission's phone number is (503) 378-5105.

** *Prepared by Wendy J. Johnson*, Deputy Director and General Counsel, Oregon Law Commission

Disclaimer: This information is not intended to constitute legal advice and should not be relied upon in lieu of consultation with the Ethics Commission or your legal counsel.

November 15, 2007

Top 10 Myths About Oregon's New Government Ethics Laws

1. Lots more public officials will be required to report information with the ethics commission.

   (Truth: A few counties and cities that previously were exempt from the SEI reporting were added, but otherwise there are not new categories of people who must report. A hodge-podge of cities and counties were previously exempt because they were not incorporated in 1974 or the voters didn't approve the ethics measure back in 1974. Now all cities and counties will be treated the same.)

2. All gifts, even small gifts, received by public officials must be reported to the ethics commission.

   (Truth: Gifts received will not be reported by the public official to the commission at all. There is a new yearly gift limit of $50. Because of the low gift limit, best practices would be to keep personal records of gifts received from each source so as not to go over the limit. Note: Registered lobbyists and persons employing lobbyists, however, must report expenditures. In addition, certain items defined as "not gifts" must be reported by SEI filers.)

3. Every time a public official violates an ethics law (and even if due to ignorance of the new law), the official will be slapped with a big $5,000 fine.

   (Truth: The maximum fine that the ethics commission may impose did increase from $1,000 to $5,000. The maximum had not been changed since 1974. However, the commission has had and will continue to have, discretion in imposing fines. Most cases settle for much lower fines. To help standardize fines, the new law also requires the commission to adopt by rule criteria for determining the amount of civil penalties that the commission may impose. In addition, the commission now will have statutory authority to issue letters of reprimand, explanation, or education in lieu of imposing a civil penalty.)

4. If a public official approved, worked on, researched, or assisted in any way with a public contract, that public official can not later benefit from that contract.

   (Truth: Conflict of interest ethics rules will continue to govern this area of law. That is, a public official will have had a conflict of interest if they knew they would benefit from a contract they authorized and the class exception did not apply. The new law does add a more specific objective prohibition, providing that a public official may not, for "two years after the person ceases to hold a position as a public official, have a direct beneficial financial interest in a public contract that was authorized" by the public official. Pending administrative rules likely will define what "authorized" means.)

5. Fire victims in a neighborhood can no longer bring down pizzas to the local firehouse to thank the firefighters.

   (Truth: Firefighters, including volunteer firefighters are public officials. However, most neighbors won't have a "legislative or administrative interest" with the firefighters or fire district. There are no longer any gift dollar limits for persons without a "legislative or administrative interest." The class exception must also be kept in mind when determining whether a person has a legislative or administrative interest. Only if the giver has an administrative or legislative interest, and there is no class exception, would the pizza value need to be kept to the new $50 per year limits.)

** Prepared by Wendy J. Johnson, Deputy Director and General Counsel, Oregon Law Commission
Disclaimer: This information is not intended to constitute legal advice and should not be relied upon in lieu of consultation with the Ethics Commission or your legal counsel.

6. Public officials can no longer attend charity dinners if someone else pays for their ticket.

(Truth: Maybe not a myth. Unless one of the special exceptions applies, charity dinners will be treated as gifts subject to the $50 per person per year limit (unless the giver does not have a legislative or administrative interest). However, pending administrative rules may provide that the benefit/value to the official is the value of the meal itself, and not the contribution to the charity (i.e. ticket price minus cost of food).)

7. The new ethics laws substantially broaden the relatives/household members to which the gift limits apply.

(Truth: The ethics laws have always applied to relatives of public officials as well as members of the household. The definition of relative for most ethics law purposes was broadened to include 1) domestic partners; 2) spouses of siblings (old law had covered siblings, but not their spouses); 3) any individual for whom the public official has a legal support obligation; 4) and any individual for whom the public official provides benefits arising from the public official's public employment or from whom the public official receives benefits arising from that individual's employment. The definition of member of the household now means any person who resides with the public official. Note: The definition of "relative" for purposes of the nepotism law is much broader.)

8. Public officials can no longer work in the same public body as any of their relatives.

(Truth: A public official generally may not appoint, employ, or promote a relative (new broader definition). However, the public body or another individual in the public body may appoint, employ, or promote a public official's relative. This was covered under general conflict of interest rules before, but people found those rules difficult to understand in the employment context. Thus, a specific nepotism rule was codified to largely reflect practice and ethics opinions.)

9. All persons who lobby "legislative officials" or "executive officials" at any level of government will be subject to the lobbying registration and new reporting requirements of the lobbying laws found in ORS Chapter 171.

(Truth: The definition of "lobbying" continues to focus only on those who influence or attempt to influence "legislative action." "Legislative action" is narrowly defined to cover matters that are the subject or may be subject to action by either house of the Legislative Assembly, committee of the Assembly, or the approval or veto of the Governor. Note: ORS Chapter 244 regulates public officials at all levels of government, but the laws regulating lobbyists are focused only on state legislative action.)

10. The new ethics laws had an emergency clause and thus all these new ethics laws took effect upon the Governor's signature on July 31, 2007—and we don't know what the new rules require!

(Truth: The two large ethics reform bills, SB 10 and HB 2595, passed during the 2007 Legislative Session did have Emergency Clauses-- making them effective on signing. However, the bills also had extensive operative date provisions. Nearly all sections of the bills do not become operative until January 1, 2008. Thus, the emergency clauses were really there only to allow the commission to start producing forms, rules, etc. to prepare for the operative date of January 1, 2008.)

** Prepared by Wendy J. Johnson, Deputy Director and General Counsel, Oregon Law Commission
Disclaimer: This information is not intended to constitute legal advice and should not be relied upon in lieu of consultation with the Ethics Commission or your legal counsel.

Financial Report

RECOMMENDATION

Information only – no action requested.

BACKGROUND INFORMATION ---------- Comptroller Williams

Comptroller Williams will be prepared to present the financial reports and address questions.

Agenda Item 5.B. Attachment #1

Tillamook Bay Community College
Unaudited Summary Financial Information
General Fund
Fiscal Year-to-Date Ended December 2007
50.00% of fiscal year elapsed

	2006-2007 Annual Budget	2006-2007 Actual	2006-2007 Percentage of Budget	2007-2008 Annual Budget	2007-2008 Actual	2007-2008 Percentage of Budget
Resources						
Beginning Fund Balance	$ 655,245	$ 1,107,367.18	169.00%	$ 1,070,272	$ 1,212,482.15	113.29%
State	$ 667,609	$ 608,111.76	91.09%	$ 1,024,589	$ 660,975.73	64.51%
Property Taxes	$ 815,000	$ 704,782.77	86.48%	$ 895,000	$ 743,505.95	83.07%
Timber Taxes	$ 275,000	$ 80,438.93	0.00%	$ -	$ -	0.00%
Tuition	$ 325,000	$ 298,305.00	91.79%	$ 547,935	$ 304,079.64	55.50%
Fees	$ 95,000	$ 65,192.08	68.62%	$ 124,676	$ 66,943.03	53.69%
Sale of Goods	$ 2,000	$ 1,150.00	57.50%	$ 2,000	$ 1,050.00	52.50%
Interest	$ 32,000	$ 31,910.02	99.72%	$ 55,000	$ 34,448.81	62.63%
Miscellaneous	$ 5,000	$ 2,187.44	43.75%	$ 5,000	$ 2,130.30	42.61%
Transfers	$ 8,871	$ 3,612.39	40.72%	$ 73,231	$ 28,705.33	39.20%
Repayment of Short-Term Loar	$ 154,042	$ -	0.00%	$ 115,475	$ -	0.00%
Total resources	$ 3,034,767	$ 2,903,057.57	95.66%	$ 3,913,178	$ 3,054,320.94	78.05%
Expenditures						
Instruction	$ 811,091	$ 365,464.40	45.06%	$ 972,740	$ 419,138.81	43.09%
Instructional Support	$ 242,823	$ 116,226.52	47.86%	$ 331,892	$ 131,497.04	39.62%
Student Services	$ 430,603	$ 169,103.83	39.27%	$ 386,276	$ 179,327.81	46.42%
College Support	$ 953,502	$ 410,556.00	43.06%	$ 1,016,125	$ 465,210.72	45.78%
Plant Operation	$ 174,492	$ 58,851.10	33.73%	$ 191,832	$ 72,544.65	37.82%
Financial Aid	$ 95,000	$ 61,428.94	64.66%	$ 141,000	$ 40,518.24	28.74%
Transfers	$ 104,000	$ 44,037.70	42.34%	$ 95,000	$ 45,324.74	47.71%
Contingency	$ 50,000	$ -	0.00%	$ 209,200	$ -	0.00%
Total expenditures	$ 2,861,511	$ 1,225,668.49	42.83%	$ 3,344,065	$ 1,353,562.01	40.48%
Ending fund balance	$ 173,256	$ 1,677,389.08	968.16%	$ 569,113	$ 1,700,758.93	298.84%

Agenda Item 5.B. Attachment #2
Tillamook Bay Community College
Unaudited Summary Financial Information (Modified Accrual Basis)
Fiscal Year-to-Date Ended December 2007

	Fund No.	Beginning Working Capital	2007-2008 Revenue	2007-2008 Expenditures	Ending Working Capital	2007-2008 Spendable Budget	2006-2007 Prior Year Expenditures
Adult Basic Education	210	$ -	$ 33,592.29	$ 33,592.29	$ -	$ 64,347	$ 22,964.67
Tutor Grant	211	$ -	$ 6,824.24	$ 6,824.24	$ -	$ 14,167	$ 1,732.46
Adult Ed Program Improvement Project Grant	212	$ -	$ -	$ -	$ -	$ -	$ 3,382.58
Adult Ed Accountablilty Grant	213	$ -	$ -	$ -	$ -	$ 169	$ 3,168.45
Sprint Yellow Pages Literacy Grant	215	$ 3,010.23	$ -	$ 321.39	$ 2,688.84	$ 3,021	$ 32.82
United Way Literacy Grant	216	$ 4,069.09	$ 500.00	$ 1,383.74	$ 3,185.35	$ 3,275	$ 386.97
Adult Ed Program Corrections - Sheriff's Office	217	$ -	$ 2,751.18	$ 2,751.18	$ -	$ 12,285	$ 2,115.84
2005-07 Incentive Grant	218	$ -	$ -	$ -	$ -	$ -	$ 4,885.90
Strategic Reserve Pathways Initiative Grant	225	$ -	$ -	$ -	$ -	$ -	$ -
Industrial Maintenance Tech - Local Contract	226	$ -	$ 9,000.00	$ 2,279.36	$ 6,720.64	$ -	$ -
Industrial Maintenance Tech - State Grant	227	$ -	$ 50,000.00	$ -	$ 50,000.00	$ -	$ -
SBDC Federal Grant	230	$ -	$ 29,881.16	$ 29,881.16	$ -	$ 30,250	$ 15,125.00
SBDC State Grant	231	$ -	$ 10,257.10	$ 10,257.10	$ -	$ 41,982	$ 18,251.27
SBDC Program Income	232	$ 12,327.11	$ 6,103.00	$ 2,292.29	$ 16,137.82	$ 12,000	$ 1,238.22
SBDC Supplement	233	$ 6,220.71	$ -	$ 2,945.17	$ 3,275.54	$ 6,221	$ 899.32
TEC Vocational Education Grant	240	$ -	$ 9,083.22	$ 9,083.22	$ -	$ 18,424	$ 13,624.41
The OR Community Foundation Grant	241	$ 1,180.40	$ -	$ -	$ 1,180.40	$ -	$ -
IWEB Connections Contract	242	$ 5,241.91	$ -	$ -	$ 5,241.91	$ -	$ -
Oregon Healthcare Workforce Partnership	245	$ -	$ 3,235.83	$ 5,875.54	$ (2,639.71)	$ 27,500	$ 6,202.02
First Responder Grant	246	$ -	$ -	$ -	$ -	$ -	$ 2,769.18
Student Assistance	250	$ 3,275.83	$ -	$ 45.00	$ 3,230.83	$ 3,326	$ 90.00
Work Keys Mini Grant	251	$ 2,270.64	$ -	$ 175.00	$ 2,095.64	$ 1,500	$ 105.00
Bay City Rental	260	$ 12,405.14	$ -	$ 1,883.80	$ 10,521.34	$ 1,650	$ 1,346.25
Total Special Fund		$ 50,001.06	$ 161,228.02	$ 109,590.48	$ 101,638.60	$ 240,117	$ 98,320.36

Schedule of Special Fund borrowing from General Fund	Ending Working Capital	Less Accounts Receivable	Add Liabilities	Ending Cash Balance 12/31/2007
Total of Grants that borrow from the General Fund	$ (2,639.71)	$ 69,509.92	$ 14,453.22	$ (57,696.41)
Total of Grants that are not borrowing from the General Fund	$ 104,278.31	$ 755.00	$ -	$ 103,523.31
Total Special Fund	$ 101,638.60	$ 70,264.92	$ 14,453.22	$ 45,826.90

	Fund No.	Beginning Working Capital	2007-2008 Revenue	2007-2008 Expenditures	Ending Working Capital	2007-2008 Spendable Budget	2006-2007 Prior Year Expenditures
Community Education	310	$ (10,294.02)	$ 8,978.00	$ 9,565.96	$ (10,881.98)	$ 21,268	$ 2,736.06
Bookstore	320	$ 42,074.42	$ 79,972.40	$ 86,653.25	$ 35,393.57	$ 152,609	$ 89,430.64
Customized Training Projects	330	$ 7,003.33	$ -	$ -	$ 7,003.33	$ 23,784	$ -
Total Enterprise Fund		$ 38,783.73	$ 88,950.40	$ 96,219.21	$ 31,514.92	$ 197,661	$ 92,166.70
PERS Pension Bond Fund	410	$ 5,600.85	$ 46,151.89	$ 41,431.25	$ 10,321.49	$ 81,263	$ 42,011.63
General Obligation Bond Fund	420	$ -	$ 525,137.90	$ 90,630.57	$ 434,507.33	$ 589,307	$ -
Total Debt Service Fund		$ 5,600.85	$ 571,289.79	$ 132,061.82	$ 444,828.82	$ 670,570	$ 42,011.63
Building Reserve Fund	510	$ 654,065.25	$ 111,224.77	$ 23,653.46	$ 741,636.56	$ 61,500	$ -
Campus Construction Fund - GO Bonds	520	$ -	$ 10,117,190.04	$ 149,430.06	$ 9,967,759.98	$ -	$ -
Total Capital Projects Fund		$ 654,065.25	$ 10,228,414.81	$ 173,083.52	$ 10,709,396.54	$ 61,500	$ -
Associated Students of TBCC	710	$ 391.31	$ 646.19	$ 768.51	$ 268.99	$ 6,200	$ 90.00
Phi Theta Kappa Honorary Society Fund	720	$ 1,104.13	$ 2,996.36	$ 2,505.64	$ 1,594.85	$ 9,050	$ 1,371.97
Total Agency Fund		$ 1,495.44	$ 3,642.55	$ 3,274.15	$ 1,863.84	$ 15,250	$ 1,461.97

Agenda Item 5.B - Attachment #3

Tillamook Bay Community College
Summary Financial Information - Cash Status
Preliminary for Fiscal Year-to-Date Ended December 2007
50.00% of Budget Period Expended

	General Fund			Special Fund			Enterprise Fund - Community Ed			Enterprise Fund - Bookstore		
	Budget	Actual	%	Budget	Actual	%	Budget	Actual	%	Budget	Actual	%
Beginning Cash Balance (Note 1)		$ 1,313,806			$ (5,888)			$ (6,844)			$ 19,827	
Beginning Fund Balance	$ 1,070,272	$ 1,212,482	113.29%	$ 143,418	$ 50,001	34.86%	$ 10,000	$ (10,294)	-102.94%	$ 32,995	$ 42,074	127.52%
Resources												
State Aid	$ 1,024,589	$ 660,976	64.51%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Grants and Contracts	$ -	$ -	0.00%	$ 209,124	$ 155,125	74.18%	$ 500	$ -	0.00%	$ -	$ -	0.00%
Tuition and Fees	$ 672,611	$ 371,023	55.16%	$ 7,500	$ 5,053	67.37%	$ 20,768	$ 8,978	43.23%	$ -	$ -	0.00%
Local Taxes	$ 895,000	$ 743,506	83.07%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Timber	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Sale of Goods	$ 2,000	$ 1,050	52.50%	$ 3,000	$ 1,050	35.00%	$ -	$ -	0.00%	$ 141,000	$ 79,848	56.63%
Interest	$ 55,000	$ 34,449	62.63%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Rental (Note 2)	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Miscellaneous (Note 3)	$ 5,000	$ 2,130	42.60%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ 600	$ 125	20.83%
Repayment of Short-Term Loans	$ 115,475	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Transfers	$ 73,231	$ 28,705	39.20%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Total Revenues	$ 2,842,906	$ 1,841,839	64.79%	$ 219,624	$ 161,228	73.41%	$ 21,268	$ 8,978	42.21%	$ 141,600	$ 79,973	56.48%
Expenditures												
Salaries and Wages	$ 2,063,187	$ 962,755	46.66%	$ 174,898	$ 87,945	50.28%	$ 19,567	$ 7,993	40.85%	$ 23,192	$ 11,565	49.87%
Operating Expenditures	$ 953,819	$ 329,913	34.59%	$ 56,383	$ 17,437	30.93%	$ 650	$ 1,226	188.62%	$ 113,300	$ 74,591	65.83%
Capital Outlay	$ 22,859	$ 15,569	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ 10,000	$ -	0.00%
Debt Service	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Transfers	$ 95,000	$ 45,325	47.71%	$ 8,836	$ 4,208	47.62%	$ 1,051	$ 347	33.02%	$ 1,117	$ 497	44.49%
Repayment of Short-Term Loans	$ -	$ -	0.00%	$ 105,475	$ -	0.00%	$ 10,000	$ -	0.00%	$ -	$ -	0.00%
Other budgetary accounts (Note 4)	$ 213,000	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ 5,000	$ -	0.00%
Total expenditures	$ 3,347,865	$ 1,353,562	40.43%	$ 345,592	$ 109,590	31.71%	$ 31,268	$ 9,566	30.59%	$ 152,609	$ 86,653	56.78%
Ending Fund Balance	$ 565,313	$ 1,700,759		$ 17,450	$ 101,639		$ -	$ (10,882)		$ 21,986	$ 35,394	
Adjusments to bring Ending Fund Balance to Ending Cash Balance												
Assets												
Receivables		$ 164,618			$ 70,265			$ -			$ 1,249	
Inventories		$ 2,891			$ -			$ -			$ 22,241	
NET EFFECT ON CASH		$ (167,509)			$ (70,265)			$ -			$ (23,490)	
Liabilities												
Accounts Payable		$ 54,044			$ -			$ -			$ -	
Unearned Revenue (Note 5)		$ 39,719			$ -			$ -			$ -	
Payroll		$ 137,415			$ 14,453			$ 686			$ 2,570	
NET EFFECT ON CASH		$ 231,178			$ 14,453			$ 686			$ 2,570	
NET ADJUSTMENTS		$ 63,669			$ (55,812)			$ 686			$ (20,920)	
ENDING CASH BALANCE		$ 1,764,428			$ 45,827			$ (10,196)			$ 14,474	

Agenda Item 5.B - Attachment #3

Tillamook Bay Community College
Summary Financial Information - Cash Status
Preliminary for Fiscal Year-to-Date Ended December 2
50.00% of Budget Period Expended

	Enterprise Fund - Customized Training			Debt Service Funds			Capital Projects Funds			Agency Fund		
	Budget	Actual	%	Budget	Actual	%	Budget	Actual	%	Budget	Actual	%
Beginning Cash Balance (Note 1)		$ 7,003			$ 5,601			$ 654,065			$ 1,495	
Beginning Fund Balance	$ 7,003	$ 7,003	0.00%	$ 3,250	$ 5,601	0.00%	$ 557,458	$ 654,065	117.33%	$ 1,450	$ 1,495	103.10%
Resources												
State Aid	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Grants and Contracts	$ 18,000	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Tuition and Fees	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Local Taxes	$ -	$ -	0.00%	$ 589,297	$ 520,744	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Timber	$ -	$ -	0.00%	$ -	$ -	0.00%	$ 246,000	$ 94,614	0.00%	$ -	$ -	0.00%
Sale of Goods	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Interest	$ -	$ -	0.00%	$ 2,310	$ 5,221	226.02%	$ 18,000	$ 148,870	827.06%	$ -	$ -	0.00%
Rental (Note 2)	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Miscellaneous (Note 3)	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ 9,984,931	0.00%	$ 10,250	$ 3,643	35.54%
Repayment of Short-Term Loans	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Transfers	$ -	$ -	0.00%	$ 90,000	$ 45,325	50.36%	$ -	$ -	0.00%	$ 5,000	$ -	0.00%
Total Revenues	$ 18,000	$ -	0.00%	$ 681,607	$ 571,290	0.00%	$ 264,000	$ 10,228,415	3874.40%	$ 15,250	$ 3,643	23.89%
Expenditures												
Salaries and Wages	$ 15,018	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Operating Expenditures	$ 8,039	$ -	0.00%	$ 1,600	$ 1,600	0.00%	$ -	$ 149,430	0.00%	$ 15,250	$ 3,274	21.47%
Capital Outlay	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Debt Service	$ -	$ -	0.00%	$ 668,970	$ 130,462	19.50%	$ -	$ -	0.00%	$ -	$ -	0.00%
Transfers	$ 727	$ -	0.00%	$ -	$ -	0.00%	$ 61,500	$ 23,653	0.00%	$ -	$ -	0.00%
Repayment of Short-Term Loans	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%	$ -	$ -	0.00%
Other budgetary accounts (Note 4)	$ -	$ -	0.00%	$ -	$ -	0.00%	$ 759,958	$ -	0.00%	$ -	$ -	0.00%
Total expenditures	$ 23,784	$ -	0.00%	$ 670,570	$ 132,062	19.69%	$ 821,458	$ 173,083	21.07%	$ 15,250	$ 3,274	21.47%
Ending Fund Balance	$ 1,219	$ 7,003		$ 14,287	$ 444,829		$ -	$ 10,709,397		$ 1,450	$ 1,864	
Adjusments to bring Ending Fund Balance to Ending Cash Balance												
Assets												
Receivables		$ -			$ -			$ -			$ -	
Inventories		$ -			$ -			$ -			$ -	
NET EFFECT ON CASH		$ -			$ -			$ -			$ -	
Liabilities												
Accounts Payable		$ -			$ -			$ -			$ -	
Unearned Revenue (Note 5)		$ -			$ -			$ -			$ -	
Payroll		$ -			$ -			$ -			$ -	
NET EFFECT ON CASH		$ -			$ -			$ -			$ -	
NET ADJUSTMENTS		$ -			$ -			$ -			$ -	
ENDING CASH BALANCE		$ 7,003			$ 444,829			$ 10,709,397			$ 1,864	

$ 12,977,626

Cell: A10
Comment: Note 1. Negative Amount indicates borrowing from the General Fund.

Cell: A21
Comment: Note 2. Rental of Bay City Site and a portion of Wilson School.

Cell: A22
Comment: Note 3. In the Capital Projects Fund, bond proceeds and premium are accounted for in Miscellaneous.

Cell: A35
Comment: Note 4. Contingency in the General Fund and Enterprise Fund and reserved for future expenditures in Building Reserve Fund.

Cell: A49
Comment: Note 5. Assessed but unreceived property taxes.

Audit Report

RECOMMENDATION

Accept and approve for filing and distribution the 2006-2007 Annual Financial Report.

BACKGROUND INFORMATION ---------- **Comptroller Williams**

Comptroller Williams will be prepared to present the 2006-2007 Annual Financial Report and address questions.

Tillamook Bay Community College
2510 First Street • Tillamook, Oregon 97141 • (503) 842-8222 • Fax: (503) 842-2214 • www.TillamookBay.cc

TILLAMOOK BAY COMMUNITY COLLEGE
TILLAMOOK COUNTY, OREGON

ANNUAL FINANCIAL REPORT
Year Ended June 30, 2007

TILLAMOOK BAY COMMUNITY COLLEGE
Tillamook County, Oregon

OFFICERS AND MEMBERS OF THE GOVERNING BOARD

June 30, 2007

CHAIRPERSON

James P. McGinnis	P.O. Box 1166, Tillamook, Oregon 97141

VICE-CHAIRPERSON

Craig Wakefield	P.O. Box 394, Oceanside, Oregon 97134

OTHER MEMBERS

Ruth Jensen	2250 Nielsen Road, Tillamook, Oregon 97141
Stephen Shaw	9831 Kilchis River Road, Tillamook, Oregon 97141
Ann Swain	P.O. Box 540, Rockaway Beach, Oregon 97136
Robert Weitman	1015 Hollyridge Drive, Tillamook, Oregon 97141
Rose Wharton	35025 Highway 101 South, Cloverdale, Oregon 97112

PRESIDENT, CLERK, AND REGISTERED AGENT

Jon Carnahan	2510 First Street, Tillamook, Oregon 97141

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CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	2-7
BASIC FINANCIAL STATEMENTS	
Statement of Net Assets	8
Statement of Revenues, Expenses and Changes in Net Assets	9
Statement of Cash Flows	10
Notes to Financial Statements	11-18
OTHER SUPPLEMENTARY INFORMATION	
Description of Budgeted College Funds	19
General Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	20
Special Revenue Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	21
Building Reserve Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	22
Debt Service Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	23
Enterprise Fund: Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	24
Agency Fund: Schedule of Revenues, Expenditures and Changes in Due to Others - Budget and Actual	25
Schedule of Property Tax Transactions	26
INDEPENDENT AUDITOR'S COMMENTS	27-28

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INDEPENDENT AUDITOR'S REPORT

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KENNETH KUHNS & CO.
CERTIFIED PUBLIC ACCOUNTANTS
570 LIBERTY STREET S.E., SUITE 210
SALEM OREGON 97301-3594

TELEPHONE (503) 585-2550

INDEPENDENT AUDITOR'S REPORT

December 14, 2007

Board of Education
Tillamook Bay Community College
Tillamook, Oregon

We have audited the statement of net assets of Tillamook Bay Community College as of June 30, 2007, and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tillamook Bay Community College as of June 30, 2007, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 2 through 7 is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of Tillamook Bay Community College. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management's Discussion and Analysis

This section of Tillamook Bay Community College's (the College) annual financial report presents an analysis of the College's financial performance during the fiscal year ended June 30, 2007. This report has been prepared by management, along with the financial statements and related footnote disclosures, and should be read in conjunction with them. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. This discussion is designed to focus on current activities, resulting changes and current known facts.

Accounting Standards

The financial statements have been prepared in accordance with Governmental Accounting Standards Board Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities" which were adopted in November, 1999. The College was required to adopt this standard for the fiscal year ended June 30, 2004.

Using the Financial Statements

This discussion and analysis is intended to serve as an introduction to Tillamook Bay Community College's basic financial statements, which are comprised of entity-wide financial statements prepared in accordance with the accrual basis of accounting and notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The entity-wide financial statements are designed to provide readers with a broad overview of the College's finances, in a manner similar to a private-sector business. These statements focus on the financial condition of the College, the results of operations, and cash flows of the College as a whole. The entity-wide statements are comprised of the following:

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

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

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

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

Financial Highlights

The College's financial position at June 30, 2007 shows assets of $5,651,979, liabilities of $2,015,093 and net assets of $3,636,886, which was an increase from the prior year. This was due primarily to an increase in the pension asset.

In the spring of 2006, the Board raised tuition rates by $2, to $62 per credit, effective for Fall 2006. In FY 2007, tuition and fees revenue increased by $113,915 over 2006.

The College's largest net asset reflects unrestricted net assets. Current assets include a significant amount of cash and investments. A portion of these assets will be used to support ongoing operational expenses. In addition, some assets will be set aside to offset continuing decreases in state community college support in FY 2008. In FY 2007, the College received only 3 quarterly payments. In FY 2008, the College will receive 5 payments.

Analysis of the Statement of Net Assets

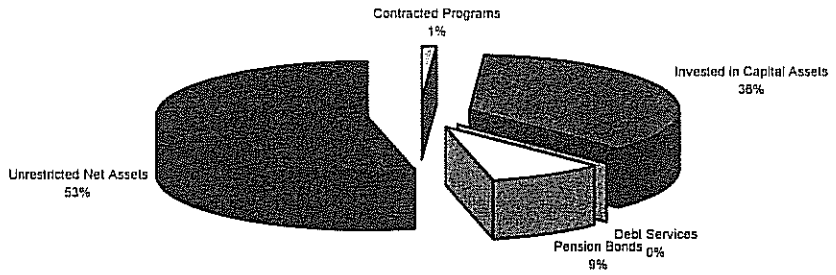
This Statement includes all assets and liabilities of the College using the accrual basis of accounting. Net assets is the difference between assets and liabilities, and is one measure of the financial condition of the College.

	2007	2006
Assets		
Current assets	$ 2,290,434	$ 2,182,431
Capital assets, net of deprecation	1,319,472	1,338,342
Pension asset	2,009,260	1,861,123
Other noncurrent assets	32,813	34,376
Total assets	5,651,979	5,416,272
Liabilities		
Current liabilities	345,093	424,008
Long term debt	1,670,000	1,670,000
Total liabilities	2,015,093	2,094,008
Net Assets		
Invested in capital assets	1,319,472	1,338,342
Restricted	382,457	50,002
Unrestricted	1,934,957	1,933,920
Total net assets	$ 3,636,886	$ 3,322,264

Current assets include cash and investments from operations. The College's current assets of $2,290,434 are sufficient to cover the College's current liabilities of $345,093. This represents a current ratio of 6.6. Receivables consist of taxes, student accounts and various operating receivables. The College's two largest non-current assets are its investment in capital assets of $1,319,472, net of depreciation, and the pension asset from a June 2005 pension obligation bond financing.

The College's current liabilities primarily consist of accounts payable, payroll and payroll taxes payable, compensated absences payable, unearned revenue from tuition and fees and the current portion of the long-term debt. The non-current liabilities consist of the pension obligation bonds long-term debt of $1,670,000.

The largest portion of the College's net assets is the $1,934,957 of unrestricted net assets. The College's restricted net assets consist of amounts set aside for grants and contracts and debt service. The College's unrestricted net assets consist of amounts for the continuing operation of the College. The following chart shows the allocation of net assets for the College:



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

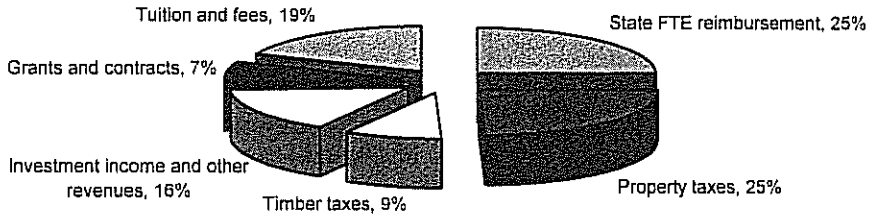
The Statement of Revenues, Expenses and Changes in Net Assets presents the operating results of the College as well as the non-operating revenues and expenses. Annual state reimbursements and property taxes, while budgeted for operations, are considered non-operating revenues according to accounting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

	2007	2006	% Change
Operating Revenues:			
Federal sources	$ 143,780	$ 176,647	-18.6%
State sources	84,102	41,332	103.5%
Tuition and fees	625,535	511,620	22.3%
Local sources	4,334	4,127	5.0%
Other sources	160,081	136,063	17.7%
Total operating revenues	1,017,832	869,789	17.0%
Operating Expenses:			
Instruction	992,381	887,988	11.8%
Instructional support	340,334	429,860	-20.8%
Student services	475,779	451,123	5.5%
College support	851,342	888,250	-4.2%
Plant operations and maintenance	105,010	149,977	-30.0%
Financial aid	112,723	82,682	36.3%
Depreciation	50,316	48,124	4.6%
Total operating expenses	2,927,885	2,938,004	-0.3%
Operating Loss	(1,910,053)	(2,068,215)	7.6%
Non-Operating Revenues(Expenses):			
State community college support	831,963	1,402,560	-40.7%
State timber tax	685	2,213	-69.0%
Property taxes	822,189	773,011	6.4%
County timber tax	284,456	355,172	-19.9%
Investment income	365,419	384,207	-4.9%
Miscellaneous income	2,349	355	561.7%
Interest expense	(80,823)	(81,272)	-0.6%
Amortization of bond issue costs	(1,563)	(1,563)	0.0%
Total non-operating revenues(expenses)	2,224,675	2,834,683	-21.5%
Change in net assets	314,622	766,468	-59.0%
Net assets, beginning of year	3,322,264	2,555,796	30.0%
Net assets, end of year	$ 3,636,886	$ 3,322,264	9.5%

Revenues:

The most significant sources of operating revenue for the College are federal, state and local grants and contracts and student tuition and fees. Tuition and fees totaled $625,535, an increase of 22.3% primarily due to enrollment growth of 14.2%. Intergovernmental grants and contracts increased 4.6% mainly due to grants received from the State of Oregon.

The largest non-operating revenue source is from the State of Oregon. Annually, the State of Oregon appropriates funding for K-16 education. The College received $831,963 for FTE reimbursement allocation in this fiscal year. This represents a $570,597 decrease from the prior year as a result of receiving the fourth quarter payment for FY 2006-07 in FY 2007-08. Additional non-operating revenues of $822,189 were received from property taxes the College levied, an increase of 6.4%. Timber tax receipts totaled $285,141, a decrease of 20.2%. Investment income decreased by 4.9% primarily due to returns on investment of the pension asset. The following chart shows the allocation of revenues for the College:



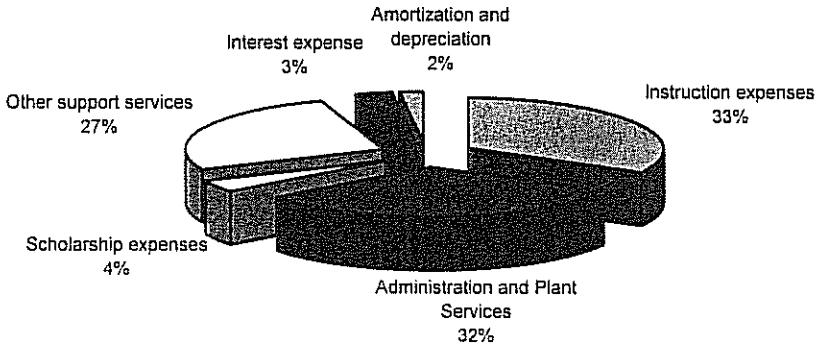
Expenses:

Operating expenses totaling $2,927,885 include salaries and benefits, materials and supplies, utilities, operating leases, scholarships and depreciation. Instruction expenses represent the largest percentage of expenses at $992,381 or 33% of total expenses. Administration expenses, including plant services, represent $956,352 or 32% of total expenses.

In FY 2004-2005, the College established several institutional scholarships and work study programs. During FY 2007, financial aid expenses increased by 36.3%, primarily due to scholarship expenses for both first and second year applicants.

In FY 2006-07, the College made payments on PERS bonds and amortized bond issuance costs totaling $82,386. This was a decrease of $449.

The following chart shows the allocation of expenses for the College:



Analysis of the Statement of Cash Flows

This statement provides an assessment of the financial health of the College. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the College during a period. The statement of cash flows also helps users assess the ability of the College to meet obligations as they become due and the need for external financing.

	2007	2006
Cash Provided By (Used In):		
Operating Activities	$ (1,775,720)	$ (1,957,343)
Noncapital Financing Activities	1,832,545	2,446,006
Capital Financing Activities	(45,846)	(399,489)
Investing Activities	104,843	77,148
Net increase in cash	115,822	166,322
Cash -- Beginning of year	1,873,243	1,706,921
Cash -- End of year	$ 1,989,065	$ 1,873,243

The major sources of funds included in the operating activities include student tuition and fees and grants and contracts. Major uses were payments made to employees and suppliers.

State reimbursements, property taxes and timber taxes are the primary source of non-capital financing. The accounting standards require that we reflect these sources of revenue as non-operating even though the College's budget depends on these revenues for operations. Property taxes are assessed to property owners within the College's tax base.

Budgetary Highlights

Tillamook Bay Community College adopts an annual budget at the fund level. The level of control established through a Board resolution for each fund is the major expense function level (i.e., Instruction, Instructional Support, Student Services, College Support, Plant Operations and Maintenance, Financial Aid, and Contingencies and Other). The College generally budgets each governmental fund type under the modified accrual basis of accounting and the accrual basis for the enterprise fund. Appropriation transfers between existing budget categories can be authorized by resolution of the Tillamook Bay Community College Board of Education.

Capital Assets and Debt Administration

Capital Assets:

The College's investment in capital assets at June 30, 2007 amounts to $1,319,472, net of accumulated depreciation. Investment in capital assets includes land, buildings, equipment and library collections.

Capital assets decreased during the fiscal year due to depreciation exceeding capital purchases during the year. More detailed information about the College's capital assets is included in Note 3 to the financial statements.

Debt:

There was a decrease of $25,000 in the College's debt during the current fiscal year. At the end of the current fiscal year, the College has debt outstanding of $1,670,000 in pension obligation bonds.

Economic Factors and Next Year's Budget

The next few years will continue to be very challenging for the College. The College must find the proper balance between affordability for its students and the accessibility and quality of its instructional programs and services. It is evident that the College cannot rely solely upon the State for additional resources, but must continue to align its expenses with available resources.

During the 2006-07 fiscal year, the College received approximately $570 thousand dollars less in state revenue than fiscal year 2005-06. The primary difference is due to the timing of state FTE

reimbursements. The College serves excess FTE reimbursements in one period to reduce the impact of revenue stream fluctuations from year to year.

In a continuing effort to raise additional resources, the Board also raised tuition rates by $2, to $64 per credit, effective for Fall 2007.

In FY 2005, as directed by the Board of Education, the College began the process of reducing its dependence on timber taxes for general college operational expenses. In FY 2005 and FY 2006, 25% and 50%, respectively, of timber taxes received were used to increase construction reserves. In FY 2007 the process of using timber taxes to fund construction reserves was temporarily suspended. The 2007-2008 budget resumes the process of gradually eliminating the use of timber tax revenue for operations and continues building construction reserves. During 2007-2008, 75% of timber taxes received will be used to increase construction reserves. In FY 2009, the College plans to use 100% of timber taxes to build construction reserves.

Currently, the College's credit courses are accredited by contract with Portland Community College. In July 2006, the College was accepted as an applicant for accreditation candidacy. As part of the accreditation process, the College will participate in a self-study and site visit for candidacy (to be completed by Fall 2009). Accreditation is a multi-year process that ultimately will allow the College to manage federal and state student financial aid funds directly and allow the College to be more timely and responsive to local educational and economic needs. In the near term, candidacy will require increased investment of College resources to support the accreditation process.

In May 2007, a bond issue in the amount of $9,865,000 was passed by the voters for the purpose of funding land acquisition and capital construction in North, Central and South Tillamook County. On September 11, 2007, the College sold general obligation bonds. The first principal payment is due in June 2008 and interest is due in December and June. Property taxes were levied to make these payments.

Contacting the College's Financial Management

This financial report is designed to provide our stakeholders, taxpayers and creditors with a general overview of the College's finances. Questions concerning any of the information in this report or requests for additional financial information should be addressed to:

Administrative Services
Tillamook Bay Community College
2510 1st Street
Tillamook, OR 97141

BASIC FINANCIAL STATEMENTS

TILLAMOOK BAY COMMUNITY COLLEGE

Statement of Net Assets

June 30, 2007

ASSETS	
Current assets:	
Cash and investments	$ 1,989,065
Receivables, net:	
Accounts	20,532
Property taxes	43,105
Timber taxes	104,805
Grants	99,032
Inventories	25,379
Prepaid expenses	8,516
Total current assets	2,290,434
Noncurrent assets:	
Pension asset	2,009,260
Unamortized bond issue costs	32,813
Capital assets:	
Land	114,643
Buildings and improvements	1,107,569
Equipment	467,970
Library collection	51,981
Total capital assets	1,742,163
Less accumulated depreciation	(422,691)
Net capital assets	1,319,472
Total noncurrent assets	3,361,545
Total assets	5,651,979
LIABILITIES	
Current liabilities:	
Accounts payable	98,117
Payroll payable	149,378
Compensated absences payable	56,330
Scholarships payable	8,174
Due to student organizations	1,495
Unearned revenue	31,599
Current maturities of long-term obligations	-
Total current liabilities	345,093
Noncurrent liabilities:	
Pension bonds payable, less current maturities	1,670,000
Total liabilities	2,015,093
NET ASSETS	
Invested in capital assets	1,319,472
Restricted for grants and contracts	37,596
Restricted for debt service	5,601
Restricted for pension bonds	339,260
Unrestricted	1,934,957
Total net assets	$ 3,636,886

The notes to the financial statements are an integral part of this statement.

TILLAMOOK BAY COMMUNITY COLLEGE

Statement of Revenues, Expenses and Changes in Net Assets

For the year ended June 30, 2007

Operating revenues:	
Federal sources	$ 143,780
State sources	84,102
Tuition and fees	625,535
Local sources	4,334
Other sources	160,081
Total operating revenues	1,017,832
Operating expenses:	
Instruction	992,381
Instructional support	340,334
Student services	475,779
College support	851,342
Plant operations and maintenance	105,010
Financial aid	112,723
Depreciation	50,316
Total operating expenses	2,927,885
Operating income(loss)	(1,910,053)
Nonoperating revenues(expenses)	
State community college support	831,963
State timber tax	685
Property taxes	822,189
County timber tax	284,456
Investment income	365,419
Miscellaneous income	2,349
Interest expense	(80,823)
Amortization of bond issue costs	(1,563)
Total nonoperating revenues(expenses)	2,224,675
Change in net assets	314,622
Net assets - July 1, 2006	3,322,264
Net assets - June 30, 2007	$ 3,636,886

The notes to the financial statements are an integral part of this statement.

TILLAMOOK BAY COMMUNITY COLLEGE

Statement of Cash Flows

For the year ended June 30, 2007

Cash flows from operating activities:	
Tuition and fees	$ 622,382
Grants and contracts	238,681
Sales of goods and services	145,463
Other cash receipts	15,653
Payments to employees for services	(1,939,110)
Payments to suppliers for goods and services	(746,066)
Payments for student scholarships and grants	(112,723)
Net cash used in operating activities	(1,775,720)
Cash flows from noncapital financing activites:	
Principal paid on pension bonds	(25,000)
Interest paid on pension bonds	(80,823)
Cash received from State community college support	831,963
Cash received from property taxes and timber taxes	1,104,056
Other cash receipts	2,349
Net cash provided by noncapital financing activities	1,832,545
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(45,846)
Cash flows from investing activities:	
Interest on investments	104,843
Net increase in cash and cash equivalents	115,822
Cash and cash equivalents - July 1, 2006	1,873,243
Cash and cash equivalents - June 30, 2007	$ 1,989,065

Reconciliation of operating income(loss) to net cash used in operating activities:

Operating income(loss)	$ (1,910,053)
Adjustments to reconcile operating income(loss) to net cash used in operating activities:	
Depreciation	50,316
Amortization of pension asset	112,439
Decrease(increase) in:	
Accounts receivable	9,358
Grants receivable	7,500
Inventories	(5,039)
Prepaid expenses	(726)
Increase(decrease) in:	
Accounts payable	(21,237)
Payroll payable	(544)
Compensated absences payable	(5,708)
Scholarship payable	5,144
Due to student organizations	485
Unearned revenue	(17,655)
Total adjustments	134,333
Net cash used in operating activities	$ (1,775,720)

Noncash capital, investing and financing activities:	
Unamortized bond issue costs	$ 1,563
Amortization of bond issue costs	(1,563)
Earnings from pension asset	260,576
Pension asset	(260,576)
Total noncash capital, investing and financing activities	$ -

The notes to the financial statments are an integral part of this statement.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Tillamook Bay Community College have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), including GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities.* The College follows the "business-type activities" reporting requirements of GASB Statement Nos. 34 and 35.

Reporting Entity

Tillamook Bay Community College (the College) was formed on March 31, 1981, in accordance with Oregon Revised Statutes Chapter 341. The College is governed by a seven member Board of Education whose members are elected independently.

The financial statements of the College include all accounts of the College. The Board of Education is not financially accountable for any other entity that is significant to the College's financial statements. Financial accountability is determined in accordance with criteria set forth in GAAP, primarily on the basis of authority to appoint a voting majority of an organization's governing board, ability to impose its will on that organization, the potential for that organization to provide specific financial benefits or impose specific financial burdens and that organization's fiscal dependency.

Measurement Focus and Basis of Accounting

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

The College applies all applicable Governmental Accounting Standards Board (GASB) pronouncements and all applicable Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles Board (APB) opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

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

Use of Estimates

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

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are carried at fair value. The College invests in the Oregon Local Government Investment Pool. This investment is authorized by Oregon Revised Statutes. For purposes of the statement of cash flows; cash, demand deposits, the Oregon Local Government Investment Pool and short-term investments purchased with original maturities of three months or less are considered to be cash and cash equivalents.

The College is required by Oregon law to insure its deposits with financial institutions through Federal depository insurance funds coverage or participation in institution collateral pools that insure public deposits. Amounts at the Oregon Local Government Investment Pool are exempt from such requirements.

Property Taxes Receivable

Ad valorem property taxes are levied on all taxable property as of July 1. Property taxes become an enforceable lien on that date for real property and personal property. Collection dates are November 15, February 15 and May 15. Discounts are allowed if amounts due are received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. Property taxes receivable are recognized as revenues when levied.

Accounts/Grants Receivable

Student accounts receivable are recorded as tuition and fees as assessed.

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

Inventories

Inventories, primarily books and supplies, are valued at the lower of cost (first-in/first-out method) or market.

Capital Assets

Capital assets include land, buildings and improvements, equipment, and library books. The College's capitalization threshold is $5,000 for all capital assets except for library books. Library books are capitalized regardless of cost. Donated assets are recorded at their fair market value on the date donated. Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add value or functionality to the asset are not capitalized, but are expensed as incurred.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	50
Library books	10
Equipment	5 to 10

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

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

Leases

Leases which meet certain criteria established by the Financial Accounting Standards Board are classified as capital leases. Leases which do not meet criteria of a capital lease are classified as operating leases.

Retirement Plan

All eligible employees are participants in the Oregon Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and charged to expense as funded.

Restricted Net Assets

Restricted net assets reported in the Statement of Net Assets represent amounts for which constraints were imposed by creditors, grantors, contributors or laws or regulations.

2 – CASH AND INVESTMENTS

Cash and investments are comprised of the following at June 30, 2007:

Cash on hand	$ 375
Cash with County Treasurer	8,843
Deposits with financial institutions	74,959
Investments	1,904,888
Total cash and investments	$ 1,989,065

Deposits with Financial Institutions

Deposits with financial institutions are bank demand deposits. The total bank balance, as shown on the bank's records at June 30, 2007, is $92,493. These deposits were covered by federal depository insurance.

Investments

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

2 – CASH AND INVESTMENTS (continued)

Investments (continued)

At June 30, 2007, the College's investments consisted of:

Investment in Oregon Local Government Investment Pool	$1,902,072
Other	2,816
Total Investments	$1,904,888

The Oregon Local Government Investment Pool is an open-ended, no-load diversified portfolio pool. The fair value of the College's position in the pool is substantially the same as the value of the College's participant balance. The College's investment in the Oregon Local Government Pool is approximately 99.85% of total investments.

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Oregon Short-Term Fund manages this risk by limiting the maturity of the investments held by the fund. Weighted average maturities of the investments in the Oregon Short-Term Fund at June 30, 2007 were: 78% mature within 93 days, 9% mature from 94 days to one year, and 13% mature from one to three years.

3 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2007 was as follows:

	Balance July 1, 2006	Increases	Decreases	Balance June 30, 2007
Capital assets not being depreciated:				
Land	$ 114,643	$ -	$ -	$ 114,643
Capital assets being depreciated:				
Buildings and improvements	1,100,758	6,811	-	1,107,569
Equipment	451,997	15,973	-	467,970
Library collection	43,319	8,662	-	51,981
Total capital assets being depreciated	1,596,074	31,446	-	1,627,520
Less accumulated depreciation for:				
Buildings and improvements	315,935	26,579	-	342,514
Equipment	46,075	18,539	-	64,614
Library collection	10,365	5,198	-	15,563
Total accumulated depreciation	372,375	50,316	-	422,691
Total capital assets being depreciated, net	1,223,699	(18,870)	-	1,204,829
Total capital assets, net	$ 1,338,342	$ (18,870)	$ -	$ 1,319,472

4 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2007 are as follows:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007	Due within One Year	Interest Matured and Paid
Pension bonds payable	$ 1,695,000	$ -	$ 25,000	$ 1,670,000	$ -	$ 80,823

Bonds Payable

In June 2005, the College issued $1,695,000 of Limited Tax Pension Obligation Bonds and transferred the net proceeds to the State of Oregon Public Employees Retirement System to payoff the College's share of the cost sharing plan's unfunded actuarial liability. The resulting pension asset is being used to pay a portion of the College's annual required contribution. Principal payments are due annually from June 2009 through June 30, 2028. Interest is payable in December and June of each year with rates ranging from 4.643% to 4.831%.

Future bonded debt requirements for the Series 2005 bond issue are as follows:

	Principal	Interest	Total
2007-08	$ -	$ 79,663	$ 79,663
2008-09	5,000	79,663	84,663
2009-10	10,000	79,430	89,430
2010-11	20,000	78,966	98,966
2011-12	25,000	78,037	103,037
2012-13	30,000	76,877	106,877
2013-14	40,000	75,484	115,484
2014-15	45,000	73,627	118,627
2015-16	55,000	71,537	126,537
2016-17	65,000	68,984	133,984
2017-18	70,000	65,966	135,966
2018-19	80,000	62,716	142,716
2019-20	95,000	59,001	154,001
2020-21	105,000	54,590	159,590
2021-22	120,000	49,518	169,518
2022-23	130,000	43,721	173,721
2023-24	145,000	37,440	182,440
2024-25	165,000	30,435	195,435
2025-26	180,000	22,464	202,464
2026-27	200,000	13,768	213,768
2027-28	85,000	4,106	89,106
	$ 1,670,000	$ 1,205,993	$ 2,875,993

5 – RETIREMENT PLAN

Plan Description

The College participates in the State of Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer pension plan which provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The system is a statewide defined benefit retirement plan for units of state government, community colleges, school districts, and political subdivisions. PERS is administered under Oregon Revised Statutes Chapter 238 and Chapter 238A by the Public Employees Retirement Board. Participation by state government units, community colleges, and school districts is mandatory. Participation by most political subdivisions is optional but irrevocable if elected. A stand-alone financial report is not available for the College. However, the State of Oregon Public Employees Retirement System issues a publicly available financial report that includes financial statements and supplementary information. That report may be obtained by writing to PERS, PO Box 23700, Tigard, Oregon 97281-3700 or by calling (503) 598-7377.

Funding Policy

PERS members are required to contribute 6% of their annual covered salary. The Oregon Supreme Court has ruled that the College may pay the members' required contribution. The College started paying the 6% member contribution in November 1996. The College is required to contribute an actuarially determined rate. The current rate is 6.67% of annual covered payroll for member employees of the State and Local Government Rate Pool. The current rate is 8.04% of annual covered payroll for member employees of the Oregon Public Service Retirement Plan. The contribution requirements of plan members and the College are established and may be amended by the Public Employees Retirement Board. The College's contributions to PERS for the years ended June 30, 2007, 2006, and 2005 were $67,500, $82,658 and $109,633, respectively, equal to the required contributions each year.

Pension Asset

The pension asset is the result of the transfer of the College's pension bond proceeds to PERS to cover the College's share of the cost sharing plan's unfunded actuarial liability. This pension asset is being used to pay a portion of the College's annual required contribution. During the 2006-07 fiscal year, changes in the pension asset were as follows:

Asset balance - July 1, 2006	$ 1,861,123
Investment income	260,576
Contributions to cost sharing pool	(112,439)
Asset balance - June 30, 2007	$ 2,009,260

6 – OPERATING LEASES

The College has entered into a number of operating leases, primarily for classroom and office space. The primary lease, for $28,000 per year, contains a financial setback cancellation provision. Estimated future minimum lease payments total $39,901 for the 2007-08 fiscal year and $5,037 for the next four fiscal years.

7 – RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College is a member of Property and Casualty Coverage for Education (PACE), formerly known as Special District Insurance Services and pays an annual premium to PACE for its property, crime, commercial general liability, automobile liability and physical damage, and other coverages. PACE is to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits.

The College also carries workers' compensation coverage through City/County Insurance Services Trust. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

8 – CONTINGENCIES

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

9 – BUDGET

The College budgets all College funds required to be budgeted in accordance with the Oregon Local Budget Law on a Non GAAP budgetary basis. The College follows these procedures in establishing its budget:

1. In the spring of each year, the Dean of Administrative Services of the College, acting as Budget Officer, submits a proposed budget to the budget committee which consists of the Board of Education and an equal number of concerned citizens of the community. Estimated revenues and expenditures are budgeted by fund and department cost centers.
2. The budget committee conducts public hearings for the purpose of obtaining taxpayer comments.
3. The budget committee approves a balanced budget to submit to the Board of Education. The estimated expenditures for each fund may not be increased by more than 10 percent by the Board and ad valorem taxes for all funds may not exceed the amount shown in the budget document unless the Board republishes the budget and holds additional public hearings.
4. The Board legally adopts the budget before July 1 through a Board resolution. The resolution authorizing appropriations for each fund set the level by which expenditures cannot legally exceed appropriations. The level of control established by the resolution for each fund is at the major expense function level (i.e. Instruction, Student Services, etc.). Appropriations lapse at year end.
5. The Board may change the budget throughout the year by appropriation transfers between levels of control and supplemental budgets as authorized by Oregon Revised Statutes. During the fiscal year ended June 30, 2007, the Board adopted 1 supplemental budget and approved transfer resolutions as allowed by state law.

During the 2006-07 fiscal year, the College had no instances whereby expenditures were in excess of related appropriations.

10 – SUBSEQUENT EVENTS

In May 2007, a bond issue in the amount of $9,865,000 was passed by the voters for the purpose of funding land acquisition and capital construction in North, Central and South Tillamook County. On September 11, 2007, the College sold $9,865,000 of general obligation bonds. Principal payments are due annually beginning in June 2008 and interest is payable in December and June of each year with rates ranging from 3.9% to 5.0%.

10 – SUBSEQUENT EVENTS (continued)

In addition, the College has entered into an agreement for construction management services. The College is obligated to pay $50,000 in preliminary management service expenses during the 2007-08 fiscal year. A contract for $670,755 has also been executed for architectural and engineering services related to construction of the main campus in Central Tillamook County.

OTHER SUPPLEMENTARY INFORMATION

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OTHER SUPPLEMENTARY INFORMATION
Description of Budgeted College Funds

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

Budgeted College funds are as follows:

General Fund - Accounts for all resources traditionally associated with operating the College which are not required legally or by sound financial management to be accounted for in another fund.

Special Revenue Fund - Accounts for proceeds of specific revenue sources restricted for particular educational and related support programs.

Building Reserve Fund - Accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Fund - Accounts for debt service payments on the College's Limited Tax Pension Obligation Bonds which are funded by transfers from other funds.

Enterprise Fund - Accounts for the operations of the College's bookstore, community education program and customized training projects.

Agency Fund - Accounts for assets held by the College as an agency for the student government, student honorary society and college staff.

TILLAMOOK BAY COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
GENERAL FUND
Year Ended June 30, 2007

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
State sources	$ 667,609	$ 667,609	$ 832,648	$ 165,039
Local sources				
Property taxes, current year	775,000	775,000	795,185	20,185
Property taxes, prior years	40,000	40,000	26,421	(13,579)
County timber taxes	275,000	275,000	284,456	9,456
Tuition and fees	420,000	420,000	606,507	186,507
Other resources	39,000	39,000	88,194	49,194
Total revenues	2,216,609	2,216,609	2,633,411	416,802
EXPENDITURES:				
Instruction	811,091	884,439	846,694	37,745
Instructional support	242,823	242,823	218,062	24,761
Student services	430,603	377,255	338,364	38,891
College support	953,502	953,502	822,131	131,371
Plant operations and maintenance	174,492	174,492	108,872	65,620
Financial aid	95,000	120,000	112,723	7,277
Contingency	223,256	178,256	-	178,256
Total expenditures	2,930,767	2,930,767	2,446,846	483,921
Revenues over (under) expenditures	(714,158)	(714,158)	186,565	900,723
OTHER FINANCING SOURCES (USES):				
Proceeds from Short Term Loans	154,042	154,042	-	(154,042)
Transfers in	8,871	8,871	8,441	(430)
Transfers out	(104,000)	(104,000)	(89,891)	14,109
Total other financing sources (uses)	58,913	58,913	(81,450)	(140,363)
Revenues and other sources over (under) expenditures and other uses	(655,245)	(655,245)	105,115	760,360
FUND BALANCE, BEGINNING	655,245	655,245	1,107,367	452,122
FUND BALANCE, ENDING	$ -	$ -	$ 1,212,482	$ 1,212,482

TILLAMOOK BAY COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
SPECIAL REVENUE FUND
Year Ended June 30, 2007

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Federal sources	$ 188,544	$ 188,544	$ 143,780	$ (44,764)
State sources	41,982	41,982	84,102	42,120
Tuition and fees	13,000	13,000	6,854	(6,146)
Local sources	11,892	11,892	4,334	(7,558)
Other resources	3,700	3,700	6,702	3,002
Total revenues	259,118	259,118	245,772	(13,346)
EXPENDITURES:				
Instruction	170,689	132,282	106,831	25,451
Instructional support	102,857	141,264	122,476	18,788
Student services	3,300	3,300	140	3,160
Plant operations and maintenance	3,300	3,300	2,128	1,172
Total expenditures	280,146	280,146	231,575	48,571
Revenues over (under) expenditures	(21,028)	(21,028)	14,197	35,225
OTHER FINANCING SOURCES (USES):				
Transfers out	(7,365)	(7,365)	(7,247)	118
Repayment of Short Term Loans	(139,042)	(139,042)	-	139,042
Total other financing sources (uses)	(146,407)	(146,407)	(7,247)	139,160
Revenues and other sources over (under) expenditures and other uses	(167,435)	(167,435)	6,950	174,385
FUND BALANCE, BEGINNING	176,035	176,035	43,051	(132,984)
FUND BALANCE, ENDING	$ 8,600	$ 8,600	$ 50,001	$ 41,401

TILLAMOOK BAY COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
BUILDING RESERVE FUND
Year Ended June 30, 2007

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Other resources	$ 14,000	$ 14,000	$ 31,852	$ 17,852
EXPENDITURES:				
Reserve for future expenditures	557,458	557,458	-	557,458
Revenues over (under) expenditures	(543,458)	(543,458)	31,852	575,310
FUND BALANCE, BEGINNING	543,458	543,458	622,213	78,755
FUND BALANCE, ENDING	$ -	$ -	$ 654,065	$ 654,065

TILLAMOOK BAY COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
DEBT SERVICE FUND
Year Ended June 30, 2007

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Other resources	$ 1,000	$ 1,000	$ 2,829	$ 1,829
EXPENDITURES:				
College support	-	1,600	1,600	-
Debt service:				
Principal	25,000	25,000	25,000	-
Interest	80,824	80,824	80,823	1
Total expenditures	105,824	107,424	107,423	1
Revenues over (under) expenditures	(104,824)	(106,424)	(104,594)	1,830
OTHER FINANCING SOURCES (USES):				
Transfers in	104,000	104,000	89,891	(14,109)
Revenues and other sources over (under) expenditures and other uses	(824)	(2,424)	(14,703)	(12,279)
FUND BALANCE, BEGINNING	1,100	2,700	20,304	17,604
FUND BALANCE, ENDING	$ 276	$ 276	$ 5,601	$ 5,325

TILLAMOOK BAY COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
ENTERPRISE FUND
Year Ended June 30, 2007

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Tuition and fees	$ 16,255	$ 11,255	$ 12,174	$ 919
Local sources	18,380	380	-	(380)
Other resources	110,750	133,750	137,696	3,946
Total revenues	145,385	145,385	149,870	4,485
EXPENDITURES:				
Instruction	35,182	12,182	4,011	8,171
Instructional support	2,831	2,831	-	2,831
Student services	119,442	147,442	118,199	29,243
Contingency	5,000	-	-	-
Total expenditures	162,455	162,455	122,210	40,245
Revenues over (under) expenditures	(17,070)	(17,070)	27,660	44,730
OTHER FINANCING SOURCES (USES):				
Repayment of Short Term Loans	(15,000)	(15,000)	-	15,000
Transfers out	(1,506)	(1,506)	(1,194)	312
Total other financing sources (uses)	(16,506)	(16,506)	(1,194)	15,312
Revenues and other sources over (under) expenditures and other uses	(33,576)	(33,576)	26,466	60,042
FUND BALANCE, BEGINNING	43,103	43,103	12,318	(30,785)
FUND BALANCE, ENDING	$ 9,527	$ 9,527	$ 38,784	$ 29,257

TILLAMOOK BAY COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in Due to Others - Budget and Actual
AGENCY FUND
Year Ended June 30, 2007

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Other resources	$ 15,400	$ 15,400	$ 5,049	$ (10,351)
EXPENDITURES:				
Student services	14,250	14,250	4,564	9,686
Revenues over (under) expenditures	1,150	1,150	485	(665)
DUE TO OTHERS, BEGINNING	300	300	1,010	710
DUE TO OTHERS, ENDING	$ 1,450	$ 1,450	$ 1,495	$ 45

TILLAMOOK BAY COMMUNITY COLLEGE

Schedule of Property Tax Transactions
Year Ended June 30, 2007

Fiscal Year Ended	Uncollected Balances July 1, 2006	Add Taxes Levied	Discounts Allowed	Adjustments	Collections	Uncollected Balances June 30, 2007
Current						
2006-07	$ -	$ 838,091	$ 20,025	$ (1,012)	$ 791,316	$ 25,738
Prior years						
2005-06	24,341	-	-	(147)	13,881	10,313
2004-05	10,483	-	-	(94)	5,079	5,310
2003-04	5,678	-	-	(72)	4,387	1,219
2002-03	1,536	-	-	(72)	1,314	150
2001-02	280	-	-	(74)	121	85
2000-01	105	-	-	(43)	26	36
and prior	307	-	-	(20)	33	254
TOTALS	$ 42,730	$ 838,091	$ 20,025	$ (1,534)	$ 816,157	$ 43,105

NOTE

2006-2007 assessed valuation $3,195,536,104

Billing rate per thousand dollars of assessed value $ .2636

INDEPENDENT AUDITOR'S COMMENTS

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INDEPENDENT AUDITOR'S COMMENTS

Internal Control

We have audited the financial statements of Tillamook Bay Community College as of and for the year ended June 30, 2007, and have issued our report thereon dated December 14, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

In planning and performing our audit, we considered Tillamook Bay Community College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Tillamook Bay Community College's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the second paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of the College's Board of Education and management and is not intended to be and should not be used by anyone other than these specified parties.

Other Comments and Disclosures

In connection with our audit, nothing came to our attention that caused us to believe the College was not substantially in compliance with:

- ORS Chapter 295 regarding collateral securing depository balances,
- ORS 294.035 regarding the investment of surplus public funds,
- the legal requirements relating to debt,
- ORS 294.305 to 294.565 in the preparation and adoption of its budget for the fiscal years ending June 30, 2007 and June 30, 2008, and the execution of its budget for the fiscal year ended June 30, 2007,
- ORS Chapter 279 in the awarding of public contracts and the construction of public improvements,
- the appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.

However, it should be noted that our audit was not directed primarily toward obtaining knowledge of noncompliance with such requirements.

Additionally, we make the following comments:

- The accounting records are generally adequate for the needs of the College.
- We have reviewed the College's insurance and fidelity bond coverage for compliance with legal requirements. Since we are not experts in insurance matters, we make no representation as to the adequacy of such coverage.

COMMENDATION

The courteous assistance and cooperation extended to us by employees and officials of the College during the course of the audit are sincerely appreciated.

2007-2008 Academic Calendar

RECOMMENDATION

Information only. No action requested.

BACKGROUND INFORMATION ---------- **Dean Gates**

Attached is the preliminary 2008-2009 Academic Calendar. The Board will be asked to approve the Academic Calendar at the March meeting.

TILLAMOOK BAY COMMUNITY COLLEGE

2008-2009 ACADEMIC CALENDAR

2008

MAY 12 ..... Summer Term, 2008 Registration Begins
MAY 26 ..... Memorial Day Holiday
JUNE 9 - 14 ..... Spring Term Finals Week
JUNE 13 ..... Commencement Exercises
JUNE 14 ..... Spring Term Ends
JUNE 23 ..... Summer Term 2008 Classes Begin
JULY 4 ..... July Fourth Holiday
AUGUST 11 ..... Fall Term Registration Begins
SEPTEMBER 1 ..... Labor Day Holiday
SEPTEMBER 6 ..... Summer Term Ends
SEPTEMBER 15 – 16 ..... College In-service (Curtailed Public Services)
SEPTEMBER 16 – September 26 ..... Late Registration, Fall Term
SEPTEMBER 22 ..... Fall Term 2008 Classes Begin
NOVEMBER 11 ..... Veterans Day Holiday
NOVEMBER 27 - 28 ..... Thanksgiving Holiday
NOVEMBER 24 ..... Winter Term Registration Begins
DECEMBER 8 - 13 ..... Fall Term Finals Week
DECEMBER 13 ..... Fall Term Ends
DECEMBER 24, 25, 26 ..... Christmas Holiday

DRAFT

2009

JANUARY 1 ..... New Year's Holiday
JANUARY 2 - 9 ..... Late Registration, Winter Term
JANUARY 5 ..... Winter Term 2009 Classes Begin
JANUARY 19 ..... Martin Luther King, Jr. Day Holiday (non-contract day for faculty)
MARCH 2 ..... Spring Term 2009 Registration Begins
MARCH 16 - 21 ..... Winter Term Finals Week
MARCH 21 ..... Winter Term Ends
MARCH 23 - 28 ..... Spring Break
MARCH 26 - APRIL 3 ..... Late Registration, Spring Term
MARCH 30 ..... Spring Term 2009 Classes Begin
MAY 11 ..... Summer Term 2009 Registration Begins
MAY 25 ..... Memorial Day Holiday
JUNE 8 – 13 ..... Spring Term Finals Week
JUNE 12 ..... Commencement Exercises
JUNE 13 ..... Spring Term Ends
JUNE 22 ..... Summer Term 2009 Classes Begin

NOTES:

1. Registration dates subject to change.
2. Last day to drop courses with a refund: See class schedule.
3. Last day to drop classes and receive a "W": See class schedule.

Strategic Planning and Accreditation

RECOMMENDATION
Information only; no action requested.

BACKGROUND INFORMATION----------Dean Gates

The Planning and Steering Committee has completed its very thorough review of the Self Study Draft. Once revisions are complete, the Committee will be looking at ways to involve a wider audience in reviewing the Study and improving synthesis.

Staff Budget Teams are working on budget proposals for 2008-2009 and beyond. The development process will involve attention to strategic priorities and areas identified for enhancement in work plans.

Dean Gates and Fred Bennett (Self Study Co-Chair) will be attending the NWCCU 2008 Self Study Workshop later this week and Dean Gates will be attending the NWCCU Annual Conference later this month. Dean Gates will be prepared to comment on both at next month's board meeting.

In mid-December, TBCC faculty participated in an Assessment Workshop to plan for student learning outcomes assessment. The workshop group identified the following Educational Values for TBCC:

1. Lifelong learning
    a. Personal growth
    b. Value of learning
    c. Self-awareness
2. Communication
    a. Written
    b. Oral
    c. Electronic
3. Problem-Solving/Critical Thinking/Creative Thinking
4. Cultural Awareness
    a. Global awareness/appreciation
    b. Cultural sensitivity
5. Professional competence
    a. Knowledge base (general & technical)
    b. Work ethic/social skills/accountability

If you have thoughts, suggestions, concerns, or other input that you would like considered as this process moves forward, please send those to Dean Gates. Meetings will take place through spring to review each of the Values, draft related learning outcomes, and identify evidence (measurements).

Courses and Curricula

RECOMMENDATION

There are no courses or curricula for review this month.

BACKGROUND INFORMATION ---------- Dean Gates

Dean Gates will report on the status of course and curricular developments. She will also be prepared to answer questions regarding those developments.

Grants and Contracts[i]

RECOMMENDATION

Information only. No action requested.

BACKGROUND INFORMATION ---------- Dean Ellison

Carlson Geotechnical, a division of Carlson Testing, Inc.

Authorization #		
NA	Purpose:	Provide geotechnical data investigations, site observation and testing services in connection with construction of the college campus located in Tillamook.
	Status:	Professional Services Contract Executed
	Term:	January 16, 2008 – January 15, 2009
	Amount:	To be determined
	Funding:	Campus Construction Fund – General Obligation
	Type:	Time and Materials Contract Agreement
	Comments:	

HLB Otak, Inc.

Authorization #		
NA	Purpose:	Provide survey services in connection with construction of the college campus located in Tillamook.
	Status:	Professional Services Contract Executed
	Term:	To be determined
	Amount:	To be determined
	Funding:	Campus Construction Fund – General Obligation
	Type:	Time and Materials Contract Agreement
	Comments:	

Northwest Information Services, Inc.

Authorization #		
NA	Purpose:	Provide low-voltage information technologies, network, communications and security consulting services in connection with construction of the college campus located in Tillamook.
	Status:	Professional Services Contract Executed
	Term:	January 16, 2008 – January 15, 2009
	Amount:	To be determined
	Funding:	Campus Construction Fund – General Obligation
	Type:	Time and Materials Contract Agreement
	Comments:	

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[i] **TBCC Policy** - ARTICLE 106: CONTRACT REVIEW BOARD
By ORS 279.055, the TBCC Board of Education is designated as the local contract review board for the TBCC District.

Oregon Department of Justice Rules – Chapter 137 Division 30, 35, 40, and 45; Chapter 125 Divisions 20, 22, 25, and 65.

Approved by Board of Education – September 2007 - Establish Public Contract Review Board
Move that the Board of Directors act as the Contract Review Board for the District for the 2007-2008 Fiscal Year, approve the Local Contract Review Board Rules, and delegate this authority to the President/Clerk for contracts not exceeding $25,000. (O.R.S. 279.055)

Board of Education Policy[i]

RECOMMENDATION

1. Review Board Policy and Administrative Rules – no action required.
2. Approve Presidential authority to extend the 24 hour curtailed operations hourly maximum (Policy 313.4) through June 30, 2008.

BACKGROUND INFORMATION ---------- President Carnahan

Due to the fact that we got started a little late in January reviewing the first two sections of the Board Policy and Administrative Rules, I will review some of the amendments that are under review and the first reading will take place at the March Board meeting with action following a second reading in April. We will also begin review of section three, Personnel Policies in April.

Due to unusual weather conditions this year; floods, snow, and wind, the College has closed for 24 hours. Policy Article 313.4 allows 24 working hours before employees must take time lost as vacation, compensatory time, personal leave, or leave without pay.

Under Policy Article 102(B), the Board, by unanimous vote, could give the President Authority to extend the 24 hour maximum through June 30, 2008.

313.4 CURTAILED OPERATIONS

A. In the event of hazardous conditions beyond Management control, it may become necessary to delay opening and/or close some or all College operations at one or more facilities. Only the College President or his/her designee may make the decision to curtail operations. General notice of curtailed operations will be made via local media and/or by telephone.

B. In the event of potentially hazardous conditions, all employees are urged to make wise choices regarding their personal safety. If an employee determines it would be unwise to report to work, or remain at work, such absences will be handled in one of the following ways:

   1. Chargeable to accrued vacation leave.
   2. Chargeable to compensatory time, with the approval of the supervisor.
   3. Chargeable to personal leave, if vacation leave and compensatory leave are exhausted.
   4. Chargeable to leave without pay.

C. Should an employee choose to absent themselves from work and the College close, or that portion of the College which is the normal duty station of the employee close, only

the time absent due to the decision of the employee will be charged as leave as detailed in Article 313.4 Paragraph B, Items 1, 2, 3 and 4.

D. Extended Closure of College Facilities

1. Employees shall receive regular pay for the first three days of curtailed operations (i.e.: 24 working hours) in the fiscal year. After the third day (24 working hours), the employee shall treat any time lost in one of the ways indicated under Article 313.4, Paragraph B, Items 1, 2, 3 and 4.

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[i] TBCC POLICY MANUAL - ARTICLE 102: POLICIES AND PROCEDURES

A. The policies and procedures adopted by the Board for the District have been written to be consistent with the provisions of law, but do not encompass all laws relating to the District's activities. All District employees will be expected to know and will be held responsible for observing all provisions of law pertinent to their activities as District employees.

B. Any policy or procedure needing immediate action may be enacted by a unanimous vote of the entire Board. The vote will be entered in the minutes of the meeting.

C. Additions, changes and/or deletions of policies and procedures governing the District shall be considered by the Board at a minimum of two separate meetings before final action is taken. Amendment will be made by the repeal of the existing policy and, if required, the enactment of a new policy.

D. The President will furnish a copy of the policies and procedures and a copy of any amendment thereof to each employee and to any interested person. In lieu of the distribution of the complete manual, the President may prepare a special edition for any specific group of employees; provided, however, that a copy of the complete policies and procedures is made readily accessible to all employees and to members of the public. Copies of the policies and procedures will be on file in the office of the President of the District.

Facilities

RECOMMENDATION

For information only—no action requested.

BACKGROUND INFORMATION ---------- President Carnahan

Capital Construction Projects

RECOMMENDATION

Approve the Joint Resolution between Tillamook Bay Community College and Nestucca Valley School District #101 to locate a South County Center on school district property.

BACKGROUND INFORMATION ---------- President Jon Carnahan

Attached is a Joint Resolution between Tillamook Bay Community College and Nestucca Valley School District #101 which is a Memorandum of Understanding and Expression of Intent to move forward in the planning of constructing the South County Center on a site next to Nestucca High School.

Project updates:

- Property acquisition for County
- Site discussion in North County
- Site and building design planning

Joint Resolution
Between
Tillamook Bay Community College
And
Nestucca Valley School District #101
(Memorandum of Understanding)

This joint resolution/Memorandum of Understanding is between Tillamook Bay Community College (hereafter the College) and Nestucca Valley School District #101 (hereafter the District), regarding the College building a South County Center on District premises adjacent to Nestucca Valley High School. While this Memorandum of Understanding is not binding on the parties, it is an expression of their intent to move forward together in good faith and with due diligence to develop the plans and the ultimately-binding legal framework that will be necessary to successfully complete this project.

The College plans to pay up to $480,000 (which is approximately what the College anticipates will be the total cost of the project) towards the site development and construction costs for an approximately 2,400 square foot classroom and meeting facility on the District property, in exchange for a lengthy (perhaps around thirty years) period of occupancy, to be worked out cooperatively by the parties.

The College plans to hold the District harmless for all costs and construction, up to the cap stated above.

It is estimated that occupancy by the College would commence in 2009 and would revert to the District after the College's occupancy is over free of any continuing leasehold interest by the College.

Therefore, be it resolved that the Tillamook Bay Community College Board of Education and the Nestucca Valley School District #101 Board of Education agree to enter into this Memorandum of Understanding containing the terms stated and to proceed in good faith and with due diligence to together plan construct and provide for the use of the South County Center as outlined above.

Tillamook Bay Community College	Nestucca Valley School District #101
By:	**By:**
Dated: 2-4-2008	**Dated:**

Personnel

RECOMMENDATION

Information only. No action requested.

BACKGROUND INFORMATION ---------- President Carnahan

Position Title	Application Review Begins	Start Date	Comment	Screening Committee	Appointment
Reference Librarian	NA	2/4/2008	Mr. Harmon will be working part time on library services, accreditation-related items, a long-term strategy on cooperation with Tillamook County Public Library, and planning for TBCC's new facility.	NA	Tom Harmon, MLIS

Announcements and General Information

RECOMMENDATION

For information only—no action requested.

BACKGROUND INFORMATION ---------- President Carnahan

- State Board of Education strategic Fund request (attached is copy of the request)
- North County Advisory Committee meeting review

TILLAMOOK BAY COMMUNITY COLLEGE
Strategic Fund Allocation Request
Expectations Stemming from Legislative Change

Request

With no intention of further discussion of the Community College Distribution Formula of the Community College Support Fund or past Legislation that impacted Adult Continuing Education reimbursement, Tillamook Bay Community College is requesting assistance in meeting new expectations from the Strategic Fund during the 2007-2009 biennium.

Background

The history of funding and enrollment of Oregon's community colleges has been debated, discussed and explained over the past several bienniums. However, the reality is that small, rural community colleges will not be able to provide the same level of comprehensive programs to their communities without purposeful investments. The sustainability of Tillamook Bay Community College has been in question the last few years and for a variety of reasons its communities did not receive the level of service normally available from comprehensive community colleges in Oregon. An investment by the State Board of Education from the Strategic Fund of $163,046; an investment by the State of Oregon of a $4.9 million capital construction match; and an investment by the citizens of Tillamook County through a General Obligation Bond have bolstered the belief in the future of Tillamook Bay Community College.

Return on Investment 2005-2007

The Strategic Fund allocation of $163,046 in the last biennium was used to leverage a number of programs, services, contracts, grants and industry contributions which helped the College's comprehensive offerings and increased enrollment. In addition to the programmatic impact, it has been critical to the success in Tillamook Bay Community College's Application for Candidacy for independent accreditation; its master planning for a new campus in Tillamook; a renovated Professional/technical building at Tillamook High School for joint occupancy with the College; a South County Center on the campus of Nestucca High School; and a North County Center associated with Neah-Kah-Nie School District.

As a result of the following initiatives, the return on the Strategic Fund investment last year was a 13.7% increase in enrollment; the largest percentage in the state.

- Re-branding the Pathways program to College Now and hiring a College Now Coordinator with the concurrence of local school principals, who spends one day per week at each district high school.

- Negotiating an early options agreement with Tillamook, Nestucca, and Neah-Kah-Nie high schools. Increased enrollment in the early options program from 5 to 96 students.
- Becoming full partner in the Tillamook Education Consortium which offers district-wide programs in health careers and hospitality, tourism and recreation.
- Developing an Industrial Maintenance Technology program in cooperation with Stimson and Hampton Lumber Mills, the Tillamook School District, state apprenticeships, Bureau of Labor and Industry, and the Oregon Economic Development department. Local industry contributed eighty thousand dollars to the project.
- Added a culinary arts option to our existing Hospitality Management Program in cooperation with the Tillamook Education Consortium Hospitality program.
- Hiring a half time Career and Technical Education Director to develop a core of career and technical programs that will meet the workforce needs of Tillamook County.

Strategic Fund Request 2007-2009

The State of Oregon allotted an additional $72 million dollars for community colleges in this biennium and Tillamook Bay Community College will not receive any of that new investment. In fact, Tillamook Bay Community College will receive $80,816 less state resources than it did in the 2005-2007 biennium. As the smallest rural community college in Oregon with a vision and strategy to grow and become a sustainable, comprehensive college to support the workforce needs and economy of Tillamook County, it needs the short-term financial investment of the State Board of Education. Tillamook Bay Community College respectfully requests $80,816 over the biennium which would provide the College with the same state support as the previous biennium. This investment would allow the College to continue its existing programs and services and increase the capacity of current offerings. Secondly, the College would respectfully request an additional $100,000 each year of the biennium as an investment in the future sustainability of the College. The following are some examples of how these funds would leverage growth and opportunities through Tillamook Bay Community College.

- Creation of a Tillamook Economic Development Partnership Alliance with the College's Small Business Development Center, Economic Development Council of Tillamook County, local chambers, and Regional Economic Development Partners located on our campus;
- Addition of a Construction Technology program and 2 + 2 agreement with Neah-Kah-Nie school district and Tillamook School District's construction programs;
- Addition of an animal science and agriculture program and 2 + 2 agreement with local school districts;
- Addition of a half-time Career and Technology Education Coordinator;

- Pursuit of an interdisciplinary Curriculum project with Nestucca School District Development Council granting dual credit;
- Development of enhanced workforce training opportunities and curriculum in the new Industrial Maintenance Technology Center located at Tillamook High School;
- Pursuit of opportunities to re-invent an Adult Continuing Education program in a community of retired Oregonians;
- In cooperation with Oregon State University Extension, Association of Oregon Counties, and TBCC, creation of the first OSU open-campus at Tillamook Bay Community College;
- Enhancement of policies and procedures required as a regionally accredited institution;
- Hiring of a Learning Resource Center Director who will manage the library and learning center activities relating to a math, writing, and tutoring laboratory to enhance retention of students;
- Expansion of Financial Aid support services to facilitate administration of Title IV aid and support new opportunities for students offered by Oregon's "Shared Responsibility Model;"
- "Growth of Career Pathways activities.

Summary

In summary, Tillamook Bay Community College would like to thank the State Board of Education for its Strategic Fund Investment in the last biennium and hope that you see the return exceeded any benchmark in helping Tillamook Bay Community College reach the "tipping point" toward its future. As outlined, this new investment for the current biennium of $280,816 or .003 percent of the 72 million new dollars for community colleges would allow the College to continue its growth, increase its capacity, and provide the comprehensive offerings, programs, and services the citizens of Tillamook County deserve. Tillamook Bay Community College is committed to a sustainable and bright future as a small rural community college. Please consider this Strategic Fund investment in Tillamook Bay Community College.