



Board of Education Meeting Agenda

Date: January 9, 2017

Regular TBCC Board Meeting – 6:00-8:00 p.m. – TBCC 214/215

<u>Item</u>	<u>Description</u>	<u>Resource</u>
1.	Call to Order • Acknowledge Guests -----	Chair Schreiber
2.	Consent Agenda: -----	(Action) Chair Schreiber
	a. Approval of Agenda	
	b. Approval of December 12, 2016 Minutes	
3.	Invitation for Public Comment -----	Chair Schreiber
	Available at the beginning 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.	New Business and/or focused policy discussions	
	a. Zone 1 Candidates-----	(Action) Chair Schreiber
	b. Oath of Office -----	(Action) Chair Schreiber
	c. Accreditation -----	CAO Hovey
	d. Board Evaluation-----	President Green
	e. Program/Partner/Policy highlight- Professional Development -----	CAO Hovey
	f. Workforce on the coast -----	President Green
	g. Annual Financial Report -----	(Action) Chief Finance Officer Williams
	h. College Fees-----	(Action) Chief Finance Officer Williams
	i. Board Policy-----	Director Ryan
	j. Courses and Curriculum-----	(Action) CAO Hovey
5.	Information-Only Items (Board members may request any item be placed on the discussion agenda)	
	a. Financial Report -----	Chief Finance Officer Williams
	b. Partners for Rural Innovation -----	President Green
	c. Personnel -----	Director Ryan
	d. Announcements and General Information -----	President Green
6.	Board Member Discussion Items -----	Chair Schreiber
7.	Adjournment -----	(Action) Chair Schreiber

Call to Order • Acknowledge Guests

RECOMMENDATION

CALL THE MEETING TO ORDER AND ACKNOWLEDGE ANY GUESTS.

BACKGROUND INFORMATION----- Chair Schreiber



Approval of the Consent Agenda

RECOMMENDATION

MOTION TO APPROVE THE CONSENT AGENDA FOR THE APRIL MEETING.

BACKGROUND INFORMATION----- Chair Schreiber

Items for approval:

- a. Approval of Agenda
- b. Approval of December 12, 2016 Minutes



Approval of the Agenda

RECOMMENDATION

MOTION TO APPROVE THE AGENDA FOR THE DECEMBER MEETING.

<u>Item</u>	<u>Description</u>	<u>Resource</u>
1.	Call to Order • Acknowledge Guests -----	Chair Schreiber
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7.	Adjournment -----	(Action) Chair Schreiber



Board of Education Minutes Dec. 12, 2016 – 6:00 p.m.

TBCC Board Attending: Deborah Lincoln, Kathy Gervasi, Mary Faith Bell, Billy Schreiber, Pam Zweiful, Danell Boggs

TBCC Staff: Heidi Luquette, Connie Green, Pat Ryan, Sheryl Neu, Ann Hovey, Ray Hoyt, Rhoda Hanson, Nikki Austin-Horn,

Regular Board Meeting Agenda items and Discussions:

Call to Order • Acknowledge Guests (agenda item 1)

The meeting was called to order by Chair Schreiber at 6:00 p.m. Acknowledgement of guests the candidates for the At Large position on the board.

Approval of Consent Agenda (agenda item 2.a)

Debbie Lincoln moved to approve the consent agenda. Kathy Gervasi seconded. The motion carried.

Approval of November Minutes (agenda item 2.b)

Debbie Lincoln moved to approve the November minutes. Pam Zweiful seconded. The motion carried.

Invitation for Public Comment (agenda item 3)

There was no public comment at this time.

New Business and/or focused policy discussions (agenda item 4)

4. a At Large candidates Interviews

The Chair welcomed the four candidates; Jan Jensen, Thomas Harmon, Jon Orloff, and Mary Faith Bell. Mary Faith Bell shared she would not be voting on this since she is applying for this position. Board members took turns asking questions that ranged from past experience on boards, to what do you know about TBCC that interest you to the commitment of time. After the interviews Debbie Lincoln thanked all the candidates for their interest and what they would bring to the Board. Debbie Lincoln moved to appoint Mary Faith Bell and Kathy Gervasi seconded. The motion carried for Mary Faith Bell to fulfill the At Large position. Mary Faith followed the acceptance of the At Large position with her resignation for Zone 1 South Tillamook County. This will be opened and candidates will be interviewed at the January Board meeting.

4. b Oath of Office

Pam Zweiful and Mary Faith Bell took Oath of Office.



4.c Accreditation Report

CAO Hovey informed that we have not received the final report from NWCCU. The college will be notified of the NWCCU Board's acceptance of the report at their January 11-13, 2017. As soon as the final report is available it will be sent out to the Board.

4.d Curriculum Process update

CAO Hovey shared that before independent accreditation all instructional processes had to follow Portland Community College processes. Now that TBCC is accredited, the college can tailor programs and processes to meet the needs of our communities. TBCC was also following the curriculum process of PCC which was more than what TBCC needed. TBCC has now documented a leaner curriculum approval process. CAO Hovey gave an overview of the purpose of a curriculum approval process as well the highlevel steps of that process.

4.e Title III update

Director Hoyt presented on the Title III Grant. On December 1, 2016, the college participated in the third year visit with our external evaluator of Title III. The grant is over 50% completed and the team is aware that the majority of the five year goals have been met in three years:

- a. Improve Student Success
- b. Improve Student Persistence and Completion
- c. We are Sustainable through Technology Development
- d. We are Sustainable through Resource Development
- e. We are Strengthening Our Institution

In the original grant the college listed 76 areas where the college lacked the capacity to deliver. In a review of those 76, 28 are in progress, 3 are to begin this year and the other 46 have been addressed and are completed such as online book store, online degrees, full-time foundation director and more. Items in progress such as a peer review process, online tutoring, and online human service modules.

Of the four Components and the 12 related Objectives and related performance measures, TBCC is on a trajectory to meet all objectives.

4.f TBCC Foundation update

Director Luquette reported on the activities of the Foundation Board since May 2016. At the March 2016 Foundation Board meeting, the Board committed to recruiting at least two new members to the Board and approved to hold a Board retreat focused on Board training, policies, procedures, and assessing campaign readiness. The Board decided to focus on the capital campaign. Both of these goals were accomplished:

- The Foundation held a half-day board retreat regarding professional development and campaign preparedness that included working to communicate properly to the community when requesting donations.
- The Board worked with President Green to help answer outstanding questions from the retreat.



- The Foundation has added Kathy Gervasi as the liaison between the two boards. Plus there were two additional members were added to the Foundation Board

The Foundation has worked towards raising resources for the Partners for Rural Innovation (PRI) Building and scholarships. Foundation staff supported President Green in fundraising efforts toward the Partners for Rural Innovation Center raising a total of \$352,500 for the Partners Building in the past six months. The foundation has also awarded 35 scholarships to 27 students who received a total of \$64,634 in scholarship support. This included four new scholarships for the year.

Director Luquette recognized Billy Schreiber for promoting the Foundation and connecting Director Luquette with some people who may be interested in created a scholarship fund. Director Luquette has made arrangements to meet with these potential donors and work on cultivating a relationship. Director Luquette shared her appreciation to the College Board for always thinking of the Foundation Board and the community relationships and support that can be built based on the connections between the two boards.

Director Luquette shared that since Jan. TBCC has 114 new donors. The Mildred Davy event is trending up – in 2014 we raised 8,000 in 2015 we raised 12,000 and this year we raised 25,000 and she the AAUW almost at 50,000.

Information Only Items (agenda item 5)

5.a Financial Report (agenda Item 5.a)

President Green addressed Financials in the absence of Chief Finance Officer Williams. President Green also shared some of the budget parameters being used as we develop the 2017/2018 budget.

5.b Community College and Workforce Update

The Governors budget for community colleges remains the same as current level

5.c Partners for Rural Innovation

There will be a “sneak peek” for all donors on January 10, 2017 from 4 to 5.

The dedication will be March 6, 2017 from 4 to 5.

Financially we continue to have \$179,000 to raise. We have submitted a request for \$100,000 to name the conference room.

5.d Personnel

5.e Announcements and General Information

President Green asked the group if there is anything that needs to be brought into discussion for the board retreat.

Board Member Discussion Items (agenda item 6)

Adjournment (Agenda Item 7)

Chair Schreiber adjourned the meeting at 7:40 p.m.



Invitation of Public Comment

RECOMMENDATION

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.

BACKGROUND INFORMATION ----- Chair Schreiber



New Business

RECOMMENDATION

BACKGROUND INFORMATION----- Chair Schreiber

- a. Zone 1 Candidates----- (Action) Chair Schreiber
- b. Oath of Office ----- (Action) Chair Schreiber
- c. Accreditation ----- CAO Hovey
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Zone 1 Candidates

RECOMMENDATION

INFORMATION AND APPROVAL

BACKGROUND INFORMATION ----- Chair Schreiber

The Board notified the public of the Zone 1 position for the Board after the resignation of Board Member Bell effective December 12, 2016. Individuals who applied by January 3, 2017 at noon will be interviewed at the January 9 meeting. The Board will take action on the appointment at the meeting.

Candidates to be interviewed include:

Mary Jones

Why would you like to be a TBCC Board Member?

I am very interested in helping out local youth obtain a higher education. My group of companies employs +/- 300 people so I have some knowledge and experience with what employees need for skills in some areas.

Describe current or past involvement with TBCC.

None, but I have great admiration for what has been accomplished in the last 10 years and I know the critical role a Community College can play.



Oath of Office

RECOMMENDATION

ACTION.

BACKGROUND INFORMATION-----Chair Schreiber

OATH OF OFFICE
TILLAMOOK BAY COMMUNITY COLLEGE
BOARD OF EDUCATION

I, _____, do solemnly swear to support the laws of the United States and of the State of Oregon, and faithfully discharge any duties which shall become my responsibility as a member of Tillamook Bay Community College Board of Education.

Dated this 09 day of January, 2017

Signature

ATTEST:

Constance C. Green, President



Accreditation Update

RECOMMENDATION

INFORMATION ONLY.

BACKGROUND INFORMATION ----- Chief Academic Officer Hovey

The college received the NWCCU Mid-cycle Accreditation site visit report on Monday, December 19. The report was emailed to you for your review.

The evaluators' comments focused primarily on work to be done with course and program learning outcomes and their assessment, and the linkages between these outcomes, institutional learning outcomes and the college mission. President Green and CAO Hovey had identified the same areas for intentional effort in the spring of 2016. Hovey had begun work on this project with the faculty in spring of last year. The faculty met with Hovey in four meetings over the course of the summer to discuss outcomes and the assessment process, and to develop a plan to accomplish the work. Each full-time faculty member is assigned a number of adjunct faculty to mentor to complete the rewrite of learning outcomes, the designation of assessments for these outcomes, and the mapping of course learning outcomes to program and institutional learning outcomes.

A plan with a timeline has also been developed, with the bulk of the work scheduled to be completed over the next three quarters, concluding at the end of summer 2017. The plan is now being adjusted to reflect and integrate the coaching of the evaluators. The college is grateful for the guidance provided by the evaluators, as it will inform our efforts and assist in ensuring a successful Year Seven Report. The evaluators' summary comments are provided below:

Comments for Commendation:

In light of your accreditation history and the continued evolution of TBCC, the Committee acknowledges the following as promising practices:

1. The successful achievement of their own accreditation and establishment of their own identity as a separate college was the culmination of successful committee work, leadership, and community involvement.
2. The college's relationship with the community is highly tangible to outsiders. The relationship is valuable and highly leveraged as a core value of the college. This led to impressive outcomes such as funding new scholarships and capital construction through community support.



3. The president and CAO have demonstrated strong leadership during the difficult work of gaining independent accreditation and are respected by the faculty. They have the credibility to harness the talent within the community and work towards the institutional goals. In turn, the leadership clearly respects the faculty's role and ability to accomplish the necessary curriculum work.
4. Evidence supports the clear ambition and willingness of faculty to take on the critical work of learning outcome revision.
5. TBCC has a healthy teaching and learning environment where part-time faculty are included, students are considered everyone's responsibility, and faculty and administration are creating a tangible culture of relationship.
6. TBCC embraces nimbleness as an institutional value and virtue. Though small in size with a flat organizational structure, they accomplish much. They embody this in their own words of "why not" when faced with challenges.

Comments for Coaching Toward Year Seven Review:

In preparation for the "Year Seven Review," the Committee encourages TBCC to focus on the following items:

1. Continued development of alignment between the strategic plan, core themes, and objectives, and refinement of measures. For example, both the Math alignment issue and the Service Learning data validity issue result from a lack clarity between the objectives and measures.
2. Review and document measures as they move from inputs and outputs to outcomes and clearly establish mission fulfillment.
3. Course-level learning outcomes: we have confidence that the institution is committed, ready, and has the resources to engage in course level learning outcome work. Yet, it is important to note that the college's small number of faculty are doing extensive work. Mapping course-learning objectives to institutional learning outcomes is very involved. Knowing that the college faces possible disruption, such as the imminent leadership change and the usual vagaries of an unknown future, which is typical to all colleges, the Committee is concerned that TBCC may not have a successful year-7 visit.
4. The accreditation focus on learning outcomes and resource alignment is a new process for many colleges. This concept might be a challenge in that TBCC needs to understand and have buy-in for the centrality of linking outcome plans and resources to accomplish mission fulfillment.



Board Evaluation

RECOMMENDATION

INFORMATION ONLY.

BACKGROUND INFORMATION -----President Green

This is the third of several board policy topics that is the follow up to the Governance Institute for Student Success (GISS) Board Self-Assessment. The topics/questions that are highlighted each month are areas where the Board had a wider range of responses and decide at the September 2016 meeting to explore the topics and to decide if there is a need beyond information. Overall all ratings on the 59 questions were above 3.0 reflect a generally healthy board. The topics to still be explored:

- Board does self-assessment, professional developments – January
- Strategic planning process uses data to set student success goals - February
- Board knows social and economic trends - February
- Board and president use data on student outcomes to make policy - March

The Board regularly participates in Board self-assessments and professional development.

This is question 8 on the survey: The score was 4.0 in 2016 and in 2014 the score was also a 4.

It did have a range of responses from:

1 - Rated it a 1	1 - Rated it a 3	1- Rated it a 4	3 - Rated it a 5
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Current Efforts.

This is the second time the Board has used the GISS to asses and learn about itself and the roles of the Board. The Board also has opportunities for professional development. Many are provided by Oregon Community College Association (OCCA). These include an annual conference, legislative workshops, new board member workshops and quarterly OCCA Board meetings. Other trainings are also available through special districts or Community College and Workforce Development on special topics. Plus the Board has begun to have yearly workshops/retreat to discuss and learn about issues.

Next Steps.

Does the Board desire to continue the GISS every other year? What type of evaluation would the Board desire in the alternating year? Would the Board desire a different evaluation?

Professional development is available to the Board. Is there a better way to make this learning available?



Program/Partner/Policy Highlight- Professional Development

RECOMMENDATION

INFORMATION AND POTENTIAL ACTION.

BACKGROUND INFORMATION-----Chief Academic Officer
Hovey

A philosophy of lifelong learning lies at the heart of community college education. To continue to provide the highest quality education possible for our students, to stay abreast of innovations and new research in education, and to model lifelong learning as an example for our students, participation in professional development opportunities is essential for college personnel.

For the last three years the Title III grant has provided the additional resources to make available a growing range of professional development opportunities for both faculty and staff. For faculty, these opportunities include training in best practices in online teaching and course development, course assessment, teaching tips and techniques, and effective teaching for adult students, to name just a few. Staff have participated in sessions on growth mindset, equity and diversity, enhanced advising, and the Jenzabar data system. The opportunity to attend regional and national conferences has also been provided through the grant.

In addition to these valuable opportunities, mandatory training on safety, domestic violence and abuse, assisting students with disabilities, and harassment is provided to all college personnel. As the world in which our students live becomes more complex, the list of mandatory training for all employees is likely to expand accordingly. The college is also collaborating with our educational partners on professional development opportunities. An example is the GRIT seminar which was attended by college faculty and staff, and faculty and staff from Tillamook and NeahKahNie High Schools.

Title III:

The Title III grant funds the position of Online Academic and Professional Development Specialist. This individual arranges professional development opportunities, provides one-on-one training for full-time and adjunct faculty, develops training modules for students and faculty, and is currently working on the refinement of an online Faculty Resource Center, which will provide online access to a host of training materials, webinars, and to faculty forums nation-wide, both general and field-specific. This position is slated to end when Title III grant funds are no longer available.

Over the last three years Title III has funded almost 1,600 hours of professional development for the college, at a cost to the grant last year of \$49,736 (for 770 hours – see below). Adjunct faculty receive a modest payment to compensate for their time spent on professional development activities (adjunct faculty are paid at the meeting rate, which is currently around \$19/hour.)



Significant growth has occurred year-to-year in the hours of professional development provided through Title III:

	Year 1	Year 2	Year 3
Hours of Professional Development – Title III	256.5	546.75	770.36

General Fund.

TBCC has a procedure for faculty and staff to apply annually for professional development funds. Excluding grant funds, the college has an annual budget of \$4,000 for faculty development, and \$3,000 available for staff development. In addition, the college offers a variety of “no-cost” training sessions throughout the academic year, which full-time faculty, staff, and adjunct faculty are welcome to attend. The college also schedules two days for college-wide in-service professional development in the fall and one day in the spring quarter. The college is closed to the public on these days to ensure all employees have the opportunity to participate.

While it is evident that with current general fund resources the same level of professional development activities may not be sustainable when Title III ends, the college will be able, with strategic thinking, to provide a level of professional development for all personnel.

Other community college policy.

As we prepare for the eventual cessation of Title III grant funds, the college has reviewed provisions for professional development at other colleges in Oregon. Most colleges have procedures for applying for these funds which are similar to the TBCC process. While public school districts have requirements for ongoing professional development (continuing education units), these requirements are tied to the maintenance of instructor certifications and as such are governed by state certifying boards.

Policy Discussion:

Some considerations for policy as the college plans for the future:

1. **Equity:** With limited resources available for professional development opportunities, it will be important to ensure that all employees who desire to benefit from professional development have the opportunity to do so. This means that the available funds must be used judiciously. No colleges surveyed require employees to engage in professional development. However employees are strongly encouraged, and many colleges require employees to submit a professional development “plan” on an annual basis with their self-evaluation.
2. **Access:** It is important to ensure that all employees have opportunities available for them to pursue, even with the limited dollars available in the general fund. The state offers multiple and varied “low cost” professional development sessions throughout each year (employees are reimbursed for travel expenses with college dollars). In most cases these sessions are developed and designed to support state-wide initiatives and build college capacity in student support that leads to student success. Encouraging faculty and staff to attend these sessions effectively increases college capacity in professional development while maximizing the use of college resources. Available professional development monies could then be utilized primarily to support attendance at broader level or out-of-state conferences. However when the potential for out-of-state travel is considered, it is possible that available funds would only support this level of participation for one or two employees a year.



3. **Maximum Benefit:** Most colleges, including TBCC, have a “best practice” that strongly encourages employees engaging in professional development activities to share the knowledge and work from the session with other employees. This maximizes the benefit to the college of any single professional development activity.
4. **Supplemental Funds:** TBCC general fund monies for professional development could be supplemented with funds from other sources. For example, most grants list professional development as an allowable use of grant funds.

Policy Consideration:

In light of this information and the importance of professional development for effective instruction, up-to-date technical skills, and innovation in student support, does the Board wish to consider adoption of a policy supporting professional development for college employees?

Last year the Board encouraged college technical programs to seek grant funds to support further expansion and development of these programs. Does the Board wish to encourage, to the extent possible, requests for professional development funding to be embedded in grant proposals?



Workforce on the coast

RECOMMENDATION

INFORMATION ONLY.

BACKGROUND INFORMATION -----President Green

Northwest Oregon Works is only 18 months old. On July 1, 2015, the Northwest Workforce Area took its place among the nine designated workforce areas in Oregon. The area, tucked in the northwest corner of our state consists of the counties of Benton, Clatsop, Columbia, Lincoln, and Tillamook. The oversight and administration of this area is designated to the Oregon Northwest Workforce Investment Board (ONWIB), an Oregon 501 (C) (3) nonprofit, in partnership with the Northwest Oregon Workforce Consortium, an intergovernmental jurisdiction of a Commissioner from each of the five counties. It is now renamed to Northwest Oregon Works.

These five counties roughly form a “C” in the northwest corner of the state. Clatsop and Columbia counties form the top of the “C” with the lower Columbia River as their northern border. The side of the “C” is formed by Clatsop, Tillamook, and Lincoln counties with the Pacific Ocean to their west. The bottom of the “C” is comprised of Lincoln and Benton counties and reaches from the ocean, over the Coast Range, and ends at the Willamette River, its eastern boundary. The sprawling Northwest Area consists of 4,779 square miles.

To date some success:

- Fully staffed.
- Completed the first official audit as an organization.
- Actively working with the adult workforce provider (ResCare) and with the youth provider Community Services Consortium (CSC).
- Sector strategies are a focus. Manufacturing is key. Also looking into Marine Technology Summit and Health Care.
- Working with the Economic Development and Small Business Development Center Directors to strengthen partnerships and realize some of our overlapping work.



Annual Financial Report

RECOMMENDATION

ACCEPT AND APPROVE FOR FILING AND DISTRIBUTION OF THE 2015-2016 ANNUAL FINANCIAL REPORT.

BACKGROUND INFORMATION ----- Chief Finance Officer Williams

Chief Finance Officer Williams will be prepared to present the Annual Financial Report and address questions.

Auditing standards require formal written communications between the auditor and the Board. A letter from the auditor is also included. CFO Williams will be prepared to address the letter.



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

December 9, 2016

Board of Education
Tillamook Bay Community College
Tillamook, Oregon

We have audited the financial statements of Tillamook Bay Community College as of and for the year ended June 30, 2016, and have issued our report thereon dated December 9, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 5, 2016. Professional standards also require that we communicate to you the following information regarding significant audit findings related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Tillamook Bay Community College are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the College during the 2015-16 year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimate affecting the College's financial statements is the Net Pension Liability. The Net Pension Liability is an estimate of the College's proportionate share of the Public Employees Retirement System (PERS) Plan's unfunded portion of the total pension liability at a specific point in time. The unfunded portion will change from one year to the next and is based on assumptions about the probability of the occurrence of events far into the future. The amount was actuarially determined with management input. We evaluated the key factors and assumptions used to develop the College's proportionate share of the net pension liability in determining that it is reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures may be particularly sensitive because of their significance to financial statement users. There were no significant sensitive financial statement disclosures for the 2015-16 year.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no corrected or uncorrected misstatements detected as a result of audit procedures that management considered material, either individually or in the aggregate, to the financial statements as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the independent auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 9, 2016.

Management Consultations with Other Independent Accountants


In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the College's financial statements or a determination of the type of independent auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the College's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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

Sincerely,

A handwritten signature in black ink that reads "Kenneth Kuhns & Co." in a cursive, slightly stylized font.

Kenneth Kuhns & Co.

TILLAMOOK BAY COMMUNITY COLLEGE TILLAMOOK COUNTY, OREGON

ANNUAL FINANCIAL REPORT Year Ended June 30, 2016

KENNETH KUHNS & CO.

Certified Public Accountants
570 Liberty Street S.E., Suite 210
Salem, Oregon 97301-3594

Telephone: (503) 585-2550

**TILLAMOOK BAY COMMUNITY COLLEGE
TILLAMOOK COUNTY, OREGON**

**ANNUAL FINANCIAL REPORT
Year Ended June 30, 2016**

TILLAMOOK BAY COMMUNITY COLLEGE
Tillamook County, Oregon

OFFICERS AND MEMBERS OF THE GOVERNING BOARD

June 30, 2016

CHAIRPERSON

Deborah Lincoln 6670 Pacific Overlook, Neskowin, Oregon 97149

VICE-CHAIRPERSON

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

OTHER MEMBERS

Mary Faith Bell 42800 Testament Creek Rd, Beaver, Oregon 97108

Danell Boggs P.O. Box 227, Rockaway Beach, Oregon 97136

Kathy Gervasi 104 Park Ave, Tillamook, Oregon 97141

William Schreiber 6665 Tillamook Ave, Bay City, Oregon 97107

Robert Weitman 1015 Hollyridge Drive, Tillamook, Oregon 97141

PRESIDENT, CLERK, AND REGISTERED AGENT

Constance Green 4301 Third Street, Tillamook, Oregon 97141

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

December 9, 2016

Board of Education
Tillamook Bay Community College
Tillamook, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Tillamook Bay Community College as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Tillamook Bay Community College's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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, 2016, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 5 to the basic financial statements under the caption “Plan Changes Reflected in 2015-2016 Financial Statements,” an Oregon Supreme Court decision modified COLA-related benefits for certain members participating in the Oregon Public Employees Retirement System (PERS) Pension Plan. This change in projected benefits is reflected in the College’s net pension liability at June 30, 2016 and resulted in an additional \$737,000 of operating expenses in the College’s statement of revenues, expenses and changes in net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management’s discussion and analysis on pages 4 through 10 and the required supplementary information on pages 29 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information and Other Information

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

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

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

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2016 on our consideration of Tillamook Bay Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tillamook Bay Community College's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 9, 2016 on our consideration of Tillamook Bay Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance.

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

MANAGEMENT'S DISCUSSION AND ANALYSIS

TILLAMOOK BAY COMMUNITY COLLEGE

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, 2016. 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.

The College implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27", and Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68", in the year ending June 30, 2015. Additional information can be found in Note 5 to the financial statements.

Using the Financial Statements

This discussion and analysis is intended to serve as an introduction to the 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 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 Position* presents the College's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in the net position are indicators of the improvement or deterioration of the College's financial health when considered along with non-financial facts such as enrollment levels and the condition of the facilities.
- The *Statement of Revenues, Expenses and Changes in Net Position* presents the revenues earned and the expenses incurred during the year. All changes in net position are reported under the accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs regardless of the timing when the cash is received or occurred. 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 of these assets. 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 position remains positive.
- The *Statement of Cash Flows* presents information on cash flows from operating activities, noncapital financing activities, capital financing activities and investing activities. It provides the net increase or decrease in cash between the beginning and end of the fiscal year. This statement assists in evaluating the College's ability to meet financial obligations as they become due.

- The *Notes to 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

In spring of 2015, the Tillamook Bay Community College Board of Education (Board) raised FY 2016 tuition rates by \$5, to \$98 per credit, effective for Summer 2015. In July 2015, due to additional state appropriation approved in the State budget in late June 2015, the Board reduced tuition rates by \$4, to \$94 per credit, effective for Fall 2015. For the 2015-2016 academic year, tuition rates increased by over 1%. However, enrollment decreased by nearly 11%. Declining enrollments continue to be a trend throughout community colleges in Oregon. Tuition and fees revenue decreased by \$49,753 or 11.1% from FY 2015 primarily due to declining enrollment. Financial aid also decreased by 21.9%.

The College's largest net position comprises amounts invested in capital assets, net of related debt. Current assets include a significant amount of cash and investments. These assets will be used to support ongoing operations, downturns in the economy, and continue construction of additional facilities within the College's service area. The State's appropriation for community college support is split into 5 or 3 payments in the first and second years of the biennium. In FY 2016, the College received 5 quarterly payments. In FY 2017, the College will receive 3 payments.

Analysis of the Statement of Net Position

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

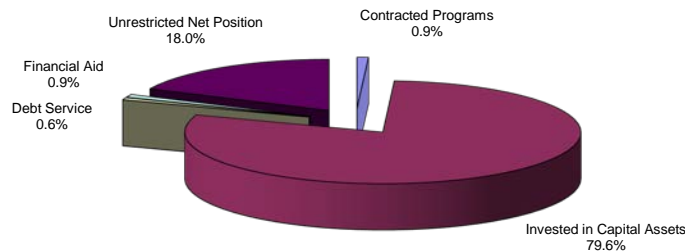
	2016	2015
Assets and Deferred Outflows		
Current assets	\$ 6,629,381	\$ 5,663,087
Capital assets, net of depreciation	15,176,170	13,202,935
Net pension asset	-	825,454
Deferred outflows	292,215	131,134
Total assets and deferred outflows	22,097,766	19,822,610
Liabilities and Deferred Inflows		
Current liabilities	2,870,203	1,068,900
Long term debt and pension transition liability	8,683,583	9,037,141
Net pension liability	323,321	-
Deferred inflows	456,277	793,267
Total liabilities and deferred inflows	12,333,384	10,899,308
Net Position		
Net investment in capital assets	7,769,678	6,491,357
Restricted	242,817	257,532
Unrestricted	1,751,887	2,174,413
Total net position	\$ 9,764,382	\$ 8,923,302

Current assets include operational cash and investments. The College's current assets of \$6,629,381 are sufficient to cover the College's current liabilities of \$2,870,203. This represents a current ratio of 2.3. Receivables consist of taxes, student accounts and various operating receivables. The College's largest non-current assets are its investment in capital assets of \$15,176,170, net of depreciation.

The College's current liabilities consist primarily 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 pension obligation bonds and general obligation bonds long-term debt of \$8,415,965, pension transition liability of \$267,618, and net pension liability of \$323,321.

The largest portion of the College's net position is the \$7,769,678 in net investment in capital assets. The College's restricted net position consists of amounts set aside for grants and contracts, debt service, and

financial aid. The College's unrestricted net position consists of amounts for the continuing operation of the College. The following chart shows the allocation of net position for the College:



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

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

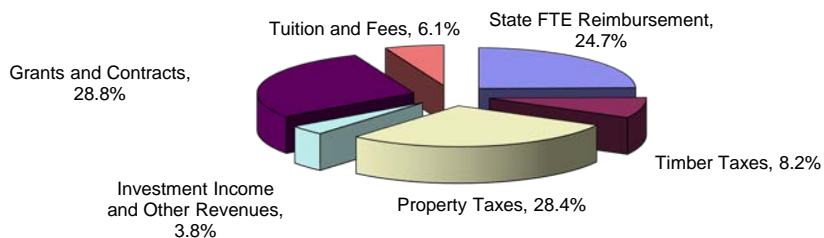
	2016	2015	% Change
Operating Revenues:			
Federal sources	\$ 1,086,191	\$ 1,247,482	-12.9%
State sources	666,761	695,796	-4.2%
Tuition and fees	396,735	446,488	-11.1%
Local sources	120,853	155,640	-22.4%
Other sources	184,462	271,996	-32.2%
Total operating revenues	2,455,002	2,817,402	-12.9%
Operating Expenses:			
Instruction	1,745,925	1,280,279	36.4%
Instructional support	1,190,133	970,891	22.6%
Student services	465,703	473,309	-1.6%
College support	1,497,998	987,295	51.7%
Plant operations and maintenance	296,497	250,828	18.2%
Financial aid	307,746	393,867	-21.9%
Depreciation	359,278	377,333	-4.8%
Total operating expenses	5,863,280	4,733,802	23.9%
Operating Loss	(3,408,278)	(1,916,400)	77.8%
Non-Operating Revenues(Expenses):			
State community college support	1,606,059	790,267	103.2%
State timber tax	1,130	1,549	-27.0%
Property taxes	1,848,429	1,784,385	3.6%
County timber tax	530,078	383,323	38.3%
Investment income	30,564	26,495	15.4%
Miscellaneous income	26,126	-	0.0%
Interest expense	(380,551)	(407,594)	-6.6%
Bond issuance costs	(75,534)	-	0.0%
Amortization of bond premium	5,997	5,997	0.0%
Total non-operating revenues(expenses)	3,592,298	2,584,422	39.0%
Income before capital contributions	184,020	668,022	-72.5%
Capital Contributions	657,060	-	0.0%
Change in net position	841,080	668,022	25.9%
Net position, beginning of year	8,923,302	8,255,280	8.1%
Net position, end of year	\$ 9,764,382	\$ 8,923,302	9.4%

Total operating revenues declined in 2016 by less than \$400,000 or 12.9% while operating expenses increased by over a million or 23.9%. This clearly outlines why the College's non-operating revenues, primarily state support and property taxes, are so important to ongoing financial sustainability. With the increases in non-operating revenues and contributions toward capital construction in 2016, the College's net position still increased by just over \$840,000.

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 \$396,735, a decrease of 11.1% primarily due to enrollment declining by nearly 11%. Intergovernmental grants and contracts (including federal, state, and local sources) decreased 10.7% due in part to less Federal financial aid received.

The largest non-operating revenue source is from property taxes. The College received \$1,848,429 for property taxes in this fiscal year. This represents a \$64,044 increase over the prior year primarily as a result of statutorily allowed increases in assessed values in FY 2015-16 and adjustments to the General Obligation Bond Levy. Additional non-operating revenues of \$1,606,059 were received from the State of Oregon for FTE reimbursement allocation, an increase of 103.2% due to the timing of State disbursements (2016 was a 5 payment year) and an increase in the State appropriation. Timber tax receipts totaled \$530,078, an increase of 38.3%. Investment income increased by 15.4% primarily due to maintaining reserve funds. The following chart shows the allocation of revenues for the College:

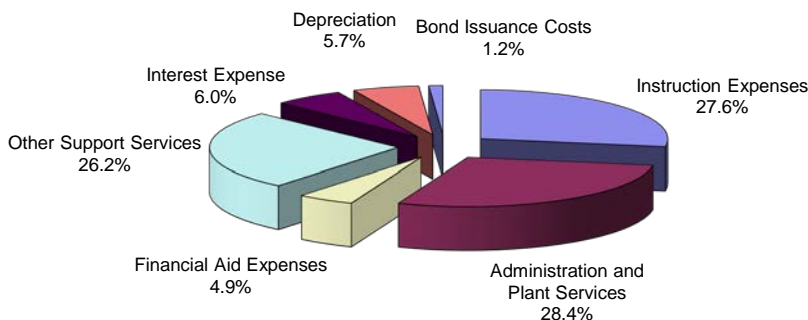


Expenses:

Operating expenses totaling \$5,863,280 include salaries and benefits, materials and supplies, utilities, operating leases, scholarships and depreciation. Administration and Plant Services costs, including college support (\$1,497,998) and plant operations and maintenance (\$296,497), represent the largest percentage of expenses at \$1,794,495 or 28.4% of the total. Instruction expenses represent \$1,745,925 or 27.6% of the total.

In FY 2004-2005, the College established several institutional scholarships and work study programs. In FY 2013-2014, the College began processing Federal and State financial aid. During FY 2016, financial aid expenses decreased by 21.9%, primarily due to declining enrollment.

In FY 2015-16, the College made interest payments on PERS bonds and general obligation bonds totaling \$380,551. This was a decrease of \$27,043. 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.

	2016	2015
Cash Provided By (Used In):		
Operating Activities	\$ (692,210)	\$ (2,051,817)
Noncapital Financing Activities	3,070,404	2,133,844
Capital Financing Activities	(1,896,723)	146,177
Investing Activities	30,564	26,495
Net increase (decrease) in cash	512,035	254,699
Cash -- Beginning of year	5,036,561	4,781,862
Cash -- End of year	\$ 5,548,596	\$ 5,036,561

The major sources of funds included in the operating activities include financial aid receipts and grants and contracts. The College also became the fiscal agent for another agency. 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.

Increased capital spending in 2016 was primarily due to construction of a new building in Tillamook. In 2016, the College also issued refunding general obligation bonds. Capital cash flows, other than construction and debt refunding costs, are primarily to repay general obligation bond debt.

Budgetary Highlights

The 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, Plant Additions, 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 Board.

Capital Assets and Debt Administration

Capital Assets:

The College's investment in capital assets at June 30, 2016 amounts to \$15,176,170, net of accumulated depreciation. Investment in capital assets includes land, buildings, equipment and library collections.

Capital assets increased during the fiscal year due to a construction project. More detailed information about the College's capital assets is included in Note 3 to the financial statements.

Debt:

There was a decrease of \$221,374 in the College's debt during the current fiscal year. At the end of the current fiscal year, the College has debt outstanding of \$9,010,581 in pension obligation bonds and general obligation bonds.

Economic Factors and Next Year's Budget

The next few years will continue to be very challenging for all community colleges in Oregon. The College is committed to find the proper balance between affordability for its students and the accessibility to and quality of its instructional programs and services. It is evident that the College cannot rely upon the State

of Oregon for additional resources, but must continue to align its expenses with available resources. Additional grants, partnerships and further developing the Foundation are current ways the college is addressing long term financial stability.

During the 2015-16 fiscal year, the College received approximately \$816,000 more in state revenue than fiscal year 2014-15. The primary cause for the difference is the timing of state FTE reimbursements. The College reserves 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 \$1, to \$95 per credit, effective for Summer 2016.

The College is committed to living within its resources. Historically, in an effort to reduce the budgeted expenses, a combination of furloughs, cost of living adjustment suspensions, and step adjustment suspensions have been implemented. In FY 2009-2010, cost of living adjustments for all staff and faculty were not given. In addition, all full-time staff were furloughed 12 working days for the year and all full-time faculty were furloughed 8 working days without reducing instructional days. In FY 2010-2011, the College reinstated cost of living adjustments. In FY 2011-2012, the College delayed implementing step adjustments for all staff and faculty until January 1st. In FY 2012-2013, the College again delayed implementing step adjustments until January 1st and also eliminated cost of living adjustments for all staff and faculty. In FY 2013-2014, the College eliminated both step adjustments and cost of living adjustments for all staff and faculty. In October 2013, the Board of Education approved a 2% cost of living adjustment effective, January 1, 2014. In FY 2014-2015, a 1% cost of living adjustment was given to all staff and faculty. Furlough days were also converted to non-contract days. This allowed for more clarity for employees. In FY 2015-2016, a 2% cost of living adjustment was given to all staff and regular faculty. For FY 2016-2017, a 2% cost of living adjustment was given to all staff and regular faculty effective July 1, 2016. No staff or leadership positions were eliminated due to funding. In the spring of 2016, the College's Culinary Program was suspended due to lack of enrollment, this caused a faculty position to be eliminated. However, due to additional grant funding from the State, a part-time career education advisor was added. Other Oregon community colleges have had to reduce faculty and staff significantly more than TBCC over the years. The College continues to be committed to keeping staff and faculty and adding support where needed.

To assist with prudent budgeting, in FY 2009-2010, the College also established two reserve funds. Reserves were established for capital maintenance projects and strategic instructional and support initiatives. The College continues to use the reserve funds to support projects and initiatives. As needed, the College will use the funds to stabilize general operations. In FY 2015-2016, no reserve funds were transferred.

In January 2009, the College was granted Candidate for Accreditation status by the Northwest Commission on Colleges and Universities (NWCCU). This is a status of affiliation with the Commission which indicates that the institution has achieved initial recognition and is progressing toward accreditation. Accreditation 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. The College hosted its final evaluation visit as a Candidate in October 2013. The College began processing federal and state student financial aid funds in July 2013. College representatives attended a NWCCU meeting on January 8, 2014 and the NWCCU notice of accreditation to the College was dated January 23, 2014. In June 2015, a substantive change proposal was submitted to NWCCU that would allow the College to offer an Associate Degree in Business Administration completely online. The change was approved on July 24, 2015. In October 2016, the mid-cycle evaluation occurred.

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 was due in June 2008 and interest is due in December and June. Property taxes are levied to make these payments. Construction of a new main campus building was completed in Central Tillamook County in December 2009. Remodel of the Tillamook High School career technical center was also completed in December 2009 to host the CTE programs for the College. Construction of a satellite facility adjacent to Nestucca Valley Jr./Sr. High School was completed in South County in September 2012 and renovation of facilities at Neah-Kah-Nie High School in North County in September 2013.

In the summer of 2015, proceeds remaining from the bonds were used to design and begin construction of an additional facility near the main campus in Central Tillamook County. Additional state funding of \$2,000,000 has also been obtained. The College has received grant awards and public donations and continues to work on fundraising to complete the approved building. The new building is expected to be complete by January 2017. In June 2016, all but \$450,000 of the Series 2007 bonds were defeased. The 2016 bonds were issued in the amount of \$7,120,581 to payoff \$6,815,000 in outstanding 2007 general obligation bonds and pay closing costs. The first principal payment on the 2016 bonds is due in June 2017 and interest is due in December and June. Property taxes are levied to make these payments.

In October 2013, the College received notification of award of a Title III grant. This will bring significant resources to the College over a 5 year period. The objectives of the grant are 1) Increase Opportunities for Faculty Professional Development and Instructional Innovations, 2) Expand & Support Learning Opportunities to Increase Service Level, 3) Business Process Improvement to Increase Efficiency & Resource Utilization and 4) Increase Resource Development Capacity. The grant brings resources of nearly \$450,000 per grant year totaling an additional \$2,248,221 to complete our objectives. In FY 2014-2015, TBCC made great strides in providing online services and education offerings. In Fall 2015, the College launched its first online degree. Over the next two years, TBCC will continue to expand online educational opportunities using Title III resources. The College continues to implement a variety of plans to achieve the goals and objectives provided in our application.

All of the above mentioned strategic revenue options (grants, foundation and self-support) are being actively explored and developed so that the College can offer increased quality education delivery options. The College is committed to being prudent, strategic and nimble as it meets the needs of the community in delivering education.

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:

Business Office
Tillamook Bay Community College
4301 3rd Street
Tillamook, OR 97141

BASIC FINANCIAL STATEMENTS

TILLAMOOK BAY COMMUNITY COLLEGE

Statement of Net Position

June 30, 2016

ASSETS

Current assets:

Cash and investments	\$ 5,548,596
Receivables, net:	
Accounts	102,424
Property taxes	123,269
Timber taxes	200,429
Grants	646,914
Inventories	7,749
Total current assets	<u>6,629,381</u>

Noncurrent assets:

Non-depreciable capital assets	3,286,675
Depreciable capital assets, net	<u>11,889,495</u>
Total noncurrent assets	<u>15,176,170</u>
 Total assets	 <u>21,805,551</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows related to pensions	128,126
Unamortized loss on refunding	<u>164,089</u>
 Total deferred outflows of resources	 <u>292,215</u>

LIABILITIES

Current liabilities:

Accounts payable	442,654
Payroll payable	293,986
Compensated absences payable	124,520
Due to student organizations	2,821
Due to other organizations	1,389,037
Accrued interest payable	5,953
Unearned revenue	16,616
Current maturities of long-term obligations	594,616
Total current liabilities	<u>2,870,203</u>

Noncurrent liabilities:

General obligation bonds payable, less current maturities	7,040,965
Pension bonds payable, less current maturities	1,375,000
Net pension liability	323,321
Pension transition liability	267,618
Total noncurrent liabilities	<u>9,006,904</u>
Total liabilities	<u>11,877,107</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows related to pensions	<u>456,277</u>
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NET POSITION

Net investment in capital assets	7,769,678
Restricted for grants and contracts	90,930
Restricted for debt service	62,156
Restricted for financial aid	89,731
Unrestricted	1,751,887
Total net position	<u>\$ 9,764,382</u>

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 Position

For the year ended June 30, 2016

Operating revenues:	
Federal sources	\$ 1,086,191
State sources	666,761
Tuition and fees (net of financial aid discounts and allowances of \$482,743)	396,735
Local sources	120,853
Other sources	184,462
Total operating revenues	<u>2,455,002</u>
Operating expenses:	
Instruction	1,745,925
Instructional support	1,190,133
Student services	465,703
College support	1,497,998
Plant operations and maintenance	296,497
Financial aid	307,746
Depreciation	359,278
Total operating expenses	<u>5,863,280</u>
Operating income(loss)	<u>(3,408,278)</u>
Nonoperating revenues(expenses)	
State community college support	1,606,059
State timber tax	1,130
Property taxes	1,848,429
County timber tax	530,078
Investment income	30,564
Miscellaneous income	26,126
Interest expense	(380,551)
Bond issuance costs	(75,534)
Amortization of bond premium	5,997
Total nonoperating revenues(expenses)	<u>3,592,298</u>
Income before capital contributions	184,020
Capital Contributions	<u>657,060</u>
Change in net position	841,080
Net position - July 1, 2015	<u>8,923,302</u>
Net position - June 30, 2016	<u><u>\$ 9,764,382</u></u>

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, 2016

Cash flows from operating activities:	
Tuition and fees	\$ 393,252
Grants and contracts	1,264,128
Sales of goods and services	70,211
Financial aid receipts	690,457
Agency receipts	2,365,536
Other cash receipts	96,682
Payments to employees for services	(2,816,726)
Payments to suppliers for goods and services	(1,496,015)
Payments for student scholarships and grants	(307,746)
Agency disbursements	<u>(951,989)</u>
Net cash used in operating activities	<u>(692,210)</u>
Cash flows from noncapital financing activities:	
Principal paid on pension bonds	(55,000)
Interest paid on pension bonds	(71,537)
Cash received from State community college support	1,606,059
Cash received from property taxes and timber taxes	<u>1,590,882</u>
Net cash provided by noncapital financing activities	<u>3,070,404</u>
Cash flows from capital and related financing activities:	
Bond proceeds from 2007 GO bond refunding	7,120,581
Payment to advance refund 2007 GO bonds	(7,045,047)
Refunding bond issuance costs	(75,534)
Cash received from State bonds and grants and donations for construction	234,062
Principal paid on general obligation bonds	(400,000)
Interest paid on general obligation bonds	(316,238)
Cash received from property taxes levied for capital debt	705,925
Acquisition of capital assets	<u>(2,120,472)</u>
Net cash used in capital and related financing activities	<u>(1,896,723)</u>
Cash flows from investing activities:	
Interest on investments	<u>30,564</u>
Net increase in cash and cash equivalents	512,035
Cash and cash equivalents - July 1, 2015	<u>5,036,561</u>
Cash and cash equivalents - June 30, 2016	<u><u>\$ 5,548,596</u></u>
Reconciliation of operating income(loss) to net cash used in operating activities:	
Operating income(loss)	<u>\$ (3,408,278)</u>
Adjustments to reconcile operating income(loss) to net cash used in operating activities:	
Depreciation	359,278
Miscellaneous nonoperating revenues	26,126
Decrease(increase) in:	
Accounts receivable	(2,137)
Grants receivable	37,085
Inventories	5,271
Prepaid expenses	1,350
Net pension asset	825,454
Deferred outflows related to pensions	3,008
Increase(decrease) in:	
Operating accounts payable	82,702
Payroll payable	21,291
Compensated absences payable	(16,755)
Scholarship payable	(1,331)
Due to student organizations	1,110
Due to other organizations	1,389,037
Unearned revenue	(3,187)
Net pension liability	323,321
Pension transition liability	1,435
Deferred inflows related to pensions	<u>(336,990)</u>
Total adjustments	<u>2,716,068</u>
Net cash used in operating activities	<u><u>\$ (692,210)</u></u>
Noncash capital, investing and financing activities:	
Unamortized bond premium	\$ (71,955)
Amortization of bond premium	5,997
Unamortized loss on refunding	<u>65,958</u>
Total noncash capital, investing and financing activities	<u><u>\$ -</u></u>

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

TILLAMOOK BAY COMMUNITY COLLEGE
Notes to Basic Financial Statements
June 30, 2016

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*, as amended by Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. 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 Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

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.

Deferred Outflows of Resources and Deferred Inflows of Resources

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

TILLAMOOK BAY COMMUNITY COLLEGE
Notes to Basic Financial Statements
June 30, 2016

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

Unamortized loss on refunding

The unamortized loss on refunding of bonds payable is being amortized over the life of the Series 2016 refunding bonds.

TILLAMOOK BAY COMMUNITY COLLEGE
Notes to Basic Financial Statements
June 30, 2016

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets

Capital assets include land, buildings and improvements, equipment, and library books with an estimated useful life greater than one year. 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:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	50
Library books	10
Equipment	5 to 10

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 Governmental Accounting Standards Board are classified as capital leases. Leases which do not meet criteria of a capital lease are classified as operating leases.

Pensions

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

Scholarship Discounts and Allowances

Financial aid to students is reported in the basic financial statements in accordance with guidance prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid such as loans and funds provided to students as awarded by others is accounted for as a third party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the basic financial statements as operating expenses, or scholarship discounts and allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship discounts and allowances represent the portion of aid provided to the student in the form of reduced tuition.

TILLAMOOK BAY COMMUNITY COLLEGE
Notes to Basic Financial Statements
June 30, 2016

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

Net position reported in the Statement of Net Position is the difference between the College's total assets and deferred outflows and total liabilities and deferred inflows. Net position is subdivided into three categories: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets represents capital assets, less accumulated depreciation and outstanding principal of capital assets related debt, plus unamortized loss on refunding cash held for construction.

Restricted net position represents amounts for which constraints were imposed by creditors, grantors, contributors or laws or regulations. The College's policy is to first use restricted resources when an expense is incurred for which both restricted and unrestricted resources are available.

2 – CASH AND INVESTMENTS

Cash and investments are comprised of the following at June 30, 2016:

Cash on hand	\$ 607
Deposits with financial institutions	523,674
Investments	<u>5,024,315</u>
Total cash and investments	<u><u>\$ 5,548,596</u></u>

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, 2016, is \$573,362. Of these deposits, the total covered by federal depository insurance was \$250,000.

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

Custodial credit risk for deposits is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The College follows State law with respect to custodial credit risk and has not adopted a separate policy. Deposits in excess of FDIC insured amounts were exposed to custodial credit risk as of June 30, 2016, because these deposits were uncollateralized and/or were collateralized but not held by the third-party custodian bank in the College's name.

Investments

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

At June 30, 2016, the College's investments consisted of:

Investment in Oregon Local Government	
Investment Pool	\$ 5,024,283
Other	<u>32</u>
Total Investments	<u><u>\$ 5,024,315</u></u>

TILLAMOOK BAY COMMUNITY COLLEGE
Notes to Basic Financial Statements
June 30, 2016

2 – CASH AND INVESTMENTS (continued)

Investments (continued)

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 99.99% 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, 2016 were: 72% mature within 93 days, 12% mature from 94 days to one year, and 16% mature from one to three years.

3 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2016 was as follows:

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Capital assets not being depreciated:				
Land	\$ 889,979	\$ 639,409	\$ -	\$ 1,529,388
Construction in progress	90,810	1,676,984	10,507	1,757,287
Total capital assets not being depreciated	<u>980,789</u>	<u>2,316,393</u>	<u>10,507</u>	<u>3,286,675</u>
Capital assets being depreciated:				
Buildings and improvements	13,445,709	-	-	13,445,709
Equipment	1,040,460	15,271	-	1,055,731
Library collection	143,951	11,356	43,319	111,988
Total capital assets being depreciated	<u>14,630,120</u>	<u>26,627</u>	<u>43,319</u>	<u>14,613,428</u>
Less accumulated depreciation for:				
Buildings and improvements	1,530,652	269,014	-	1,799,666
Equipment	783,489	79,065	-	862,554
Library collection	93,833	11,199	43,319	61,713
Total accumulated depreciation	<u>2,407,974</u>	<u>359,278</u>	<u>43,319</u>	<u>2,723,933</u>
Total capital assets being depreciated, net	<u>12,222,146</u>	<u>(332,651)</u>	<u>-</u>	<u>11,889,495</u>
Total capital assets, net	<u>\$ 13,202,935</u>	<u>\$ 1,983,742</u>	<u>\$ 10,507</u>	<u>\$ 15,176,170</u>

TILLAMOOK BAY COMMUNITY COLLEGE
Notes to Basic Financial Statements
June 30, 2016

4 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2016 are as follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due within One Year	Interest Matured and Paid
General obligation bonds payable	\$ 7,665,000	\$ 7,120,581	\$ 7,215,000	\$ 7,570,581	\$ 529,616	\$ 316,238
Pension bonds payable	1,495,000	-	55,000	1,440,000	65,000	71,537
Premium on general obligation bonds	71,955	-	71,955	-	-	-
Pension transition liability	266,183	1,435	-	267,618	-	-
Net pension liability (a)	-	323,321	-	323,321	-	-
Total long-term obligations	<u>\$ 9,498,138</u>	<u>\$ 7,445,337</u>	<u>\$ 7,341,955</u>	<u>\$ 9,601,520</u>	<u>\$ 594,616</u>	<u>\$ 387,775</u>

(a) Amount is reported as an asset at June 30, 2015.

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 side account is being used to pay a portion of the College's annual required contribution. Principal payments are due annually beginning in June 2009 through June 30, 2028. Interest is payable in December and June of each year with fixed rates ranging from 4.643% to 4.831%.

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

	Principal	Interest	Total
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
	<u>\$ 1,440,000</u>	<u>\$ 512,709</u>	<u>\$ 1,952,709</u>

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. Principal payments are due annually beginning in June 2008 through June 15, 2027. Interest is payable in December and June of each year with fixed rates ranging from 4.0% to 5.0%

In June 2016, the College issued General Obligation Refunding Bond Series 2016 in the amount of \$7,120,581, the proceeds of which were used to advance refund \$6,815,000 of Series 2007 General Obligation Bonds through an in-substance defeasance, and to pay bond issuance costs. The in-substance

TILLAMOOK BAY COMMUNITY COLLEGE
Notes to Basic Financial Statements
June 30, 2016

4 – LONG-TERM OBLIGATIONS (continued)

Bonds Payable (continued)

defeasance was accomplished by placing Series 2016 Bond proceeds in an irrevocable trust. The College advance refunded these bonds to reduce its total debt service payments over the life of the Series 2016 Bond by \$809,536 and to obtain an economic gain (difference between the present values of the debt service payments of the old and new debt) of \$736,573. At June 30, 2016, \$6,815,000 of Series 2007 Bonds outstanding are considered defeased. All outstanding Series 2007 Bonds will be redeemed on June 15, 2017. Principal on the Series 2016 Bond is due annually on June 15 beginning in 2017. Interest on the Series 2016 Bond, at 1.7% per annum, is payable semi-annually on June 15 and December 15 of each year. The Series 2016 Bond is not subject to optional redemption, in whole or part, prior to maturity.

Future bonded debt requirements for the Series 2007 & 2016 bond issues are as follows:

	2007 General Obligation Bonds		2016 General Obligation Bond		Total
	Principal	Interest	Principal	Interest	
2016-17	\$ 450,000	\$ 22,500	\$ 79,616	\$ 120,714	\$ 672,830
2017-18	-	-	565,428	119,696	685,124
2018-19	-	-	590,641	110,084	700,725
2019-20	-	-	619,882	100,043	719,925
2020-21	-	-	653,019	89,505	742,524
2021-22	-	-	684,921	78,404	763,325
2022-23	-	-	715,564	66,760	782,324
2023-24	-	-	749,929	54,596	804,525
2024-25	-	-	782,878	41,847	824,725
2025-26	-	-	819,387	28,538	847,925
2026-27	-	-	859,316	14,608	873,924
	<u>\$ 450,000</u>	<u>\$ 22,500</u>	<u>\$ 7,120,581</u>	<u>\$ 824,795</u>	<u>\$ 8,417,876</u>

5 – PENSION PLANS

Plan Description

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

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

TILLAMOOK BAY COMMUNITY COLLEGE
Notes to Basic Financial Statements
June 30, 2016

5 – PENSION PLANS (continued)

Benefits provided

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

Pension Benefits

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

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

Death Benefits

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

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

Disability Benefits

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

Benefit Changes After Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2016 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

TILLAMOOK BAY COMMUNITY COLLEGE
Notes to Basic Financial Statements
June 30, 2016

5 – PENSION PLANS (continued)

B. OPSRP Pension Program (OPSRP DB)

Pension Benefits

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

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

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

Death Benefits

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

Disability Benefits

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

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2016 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

C. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

TILLAMOOK BAY COMMUNITY COLLEGE
Notes to Basic Financial Statements
June 30, 2016

5 – PENSION PLANS (continued)

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

Death Benefits

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

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2016 were \$85,481, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2016 were 9.60 percent for Tier One/Tier Two General Service Members and 4.13 percent for OPSRP Pension Program General Service Members, net of 10.16 percent of side account rate relief. An additional 6 percent contribution is required for the OPSRP Individual Account Program.

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

At June 30, 2016, the College reported a liability of \$323,321 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013 rolled forward to June 30, 2015. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities actuarially determined. PERS has established side accounts for employers that made lump sum payments to the plan in excess of their actuarially required contributions. Since different contribution rates are assessed to employers based on the value of the side accounts, the side account values were reflected separately in the proportionate share calculation. On June 30, 2015, the College's proportion was 0.01377387%.

TILLAMOOK BAY COMMUNITY COLLEGE
Notes to Basic Financial Statements
June 30, 2016

5 – PENSION PLANS (continued)

For the year ended June 30, 2016, the College recognized pension expense of approximately \$900,000. At June 30, 2016, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 42,645	\$ -
Net difference between projected and actual earnings on investments	-	165,774
Changes in proportionate share	-	239,171
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	51,332
College's contributions subsequent to the measurement date	85,481	-
	<u>85,481</u>	<u>-</u>
Deferred outflows/inflows at June 30, 2016	<u>\$ 128,126</u>	<u>\$ 456,277</u>

Contributions subsequent to the measurement date of \$85,481 reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Deferred inflows of resources totaling \$456,277 less other deferred outflows of resources of \$42,645 related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ (136,652)
2018	(136,652)
2019	(136,652)
2020	16,653
2021	(20,329)
Total	<u>\$ (413,632)</u>

Actuarial assumptions

The employer contribution rates effective July 1, 2015, through June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions:

TILLAMOOK BAY COMMUNITY COLLEGE
Notes to Basic Financial Statements
June 30, 2016

5 – PENSION PLANS (continued)

Valuation Date	December 31, 2013 rolled forward to June 30, 2015
Experience Study Report	2012, published September 18, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Investment Rate of Return	7.75 percent
Projected Salary Increases	3.75 percent overall payroll growth
Mortality	<p>Health retirees and beneficiaries; PF-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-back as described in the valuation.</p> <p>Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees; Mortality rates are a percentage of the RP-2000 static combined disabled mortality sex-distinct table.</p>

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

Long-term expected rate of return

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

TILLAMOOK BAY COMMUNITY COLLEGE
Notes to Basic Financial Statements
June 30, 2016

5 – PENSION PLANS (continued)

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

Discount rate

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

TILLAMOOK BAY COMMUNITY COLLEGE
Notes to Basic Financial Statements
June 30, 2016

5 – PENSION PLANS (continued)

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

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
College's proportionate share of the net pension liability (asset)	\$ 1,441,117	\$ 323,321	\$ (618,689)

Plan Changes Reflected in 2015-2016 Financial Statements

The Oregon Supreme Court decision in *Moro v. State of Oregon* (issued on April 30, 2015) occurred after the December 31, 2013 valuation date but affected the plan provisions reflected for financial reporting purposes. The Moro decision modified the COLA-related changes of Senate Bills 822 and 861, creating a blended COLA for members who earned service both before and after the effective dates of the legislation. For GASB 68, the benefits valued in the Total Pension Liability must be in accordance with the benefit terms legally in effect as of the relevant fiscal year-end for the System. Due to the timing of the Supreme Court decision, this means the COLA change due to Moro is reflected in the June 30, 2015 Total Pension Liability, but was not reflected in the June 30, 2014 Total Pension Liability. The College's proportionate share of the increase in the Total Pension Liability resulting from the Moro decision, measured as of June 30, 2015 (reflected in 2015-2016 financial statements), is approximately \$737,000.

Pension plan fiduciary net position

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

Transition Liability

The College reports a separate liability to the plan with a balance of \$267,618 at June 30, 2016. The liability represents the College's allocated share of the pre-SLGRP pooled liability. The College is being assessed an employer contribution rate of 1.85 percent of covered payroll for payment of this transition liability.

6 – OPERATING LEASES

The College has entered into a number of operating leases for classroom and office space and photocopiers. Estimated future minimum lease payments total \$13,878 for the 2016-17 fiscal year and \$8,963 for each of the following three fiscal years.

TILLAMOOK BAY COMMUNITY COLLEGE
Notes to Basic Financial Statements
June 30, 2016

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) and pays an annual premium to PACE for its property, crime, commercial general liability, automobile liability and physical damage, and other coverages. The College is also a member of Special Districts Insurance Services (SDIS) and pays an annual premium to SDIS for workers' compensation coverage. PACE and SDIS are to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

8 – CONTINGENCIES AND COMMITMENTS

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 Chief Finance Officer 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, 2016, the Board adopted 1 supplemental budget as allowed by state law.

REQUIRED SUPPLEMENTARY INFORMATION

TILLAMOOK BAY COMMUNITY COLLEGE

**Schedule of the Proportionate Share of the Net Pension Liability
Oregon Public Employees Retirement System Pension Plan
For the last three fiscal years**

Year Ended June 30	(a) College's proportion of the net pension liability (asset)	(b) College's proportionate share of the net pension liability (asset)	(c) College's covered payroll	(b/c) College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2016	0.0138%	\$ 323,321	\$ 1,736,091	18.62%	91.88%
2015	0.0174%	(825,454)	1,731,235	-47.68%	103.60%
2014	0.0174%	469,837	1,614,443	29.10%	91.97%

The amounts presented for each fiscal year were actuarially determined as of December 31 and rolled forward to the measurement date.

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

TILLAMOOK BAY COMMUNITY COLLEGE

**Schedule of Contributions
Oregon Public Employees Retirement System Pension Plan
For the last three fiscal years**

Year Ended June 30	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) College's covered payroll	(b/c) Contributions as a percent of covered payroll
2016	\$ 85,481	\$ 85,481	\$ -	\$ 1,736,091	4.92%
2015	131,134	131,134	-	1,731,235	7.57%
2014	123,213	123,213	-	1,614,443	7.63%

The amounts presented for each fiscal year were actuarially determined as of December 31 and rolled forward to the measurement date.

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

TILLAMOOK BAY COMMUNITY COLLEGE

Notes to Required Supplementary Information Oregon Public Employees Retirement System Pension Plan

Changes in Plan Provisions

A summary of key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at:

http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf

and in a letter from the plan's actuary dated May 23, 2016 which can be found at:

http://www.oregon.gov/pers/EMP/docs/gasb_68-2_er_reporting.pdf

Changes of assumptions

A summary of key changes implemented since the December 31, 2011 valuation are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at:

http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2012 Experience Study for the System, which was published on September 18, 2013, and can be found at:

<http://www.oregon.gov/pers/docs/2012%20Exp%20Study%20Updated.pdf>

OTHER SUPPLEMENTARY INFORMATION

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.

Financial Aid Fund - Accounts for financial aid and scholarship programs.

Capital Projects 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 and debt service payments on the College's General Obligation Bonds which are funded by property taxes.

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, 2016**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
State sources	\$ 1,121,379	\$ 1,121,379	\$ 1,334,186	\$ 212,807
Local sources				
Property taxes, current year	1,107,917	1,107,917	1,103,238	(4,679)
Property taxes, prior years	51,500	51,500	35,829	(15,671)
Local Contract	72,000	72,000	49,165	(22,835)
Tuition and fees	1,223,172	1,108,322	866,487	(241,835)
Other resources	26,500	26,500	60,504	34,004
	<u>3,602,468</u>	<u>3,487,618</u>	<u>3,449,409</u>	<u>(38,209)</u>
Total revenues				
EXPENDITURES:				
Instruction	1,507,437	1,507,437	1,283,915	223,522
Instructional support	409,489	409,489	326,861	82,628
Student services	417,211	417,211	318,888	98,323
College support	1,072,550	1,072,550	982,288	90,262
Plant operations and maintenance	270,351	270,351	266,784	3,567
Contingency	805,349	805,349	-	805,349
	<u>4,482,387</u>	<u>4,482,387</u>	<u>3,178,736</u>	<u>1,303,651</u>
Total expenditures				
Revenues over (under) expenditures	<u>(879,919)</u>	<u>(994,769)</u>	<u>270,673</u>	<u>1,265,442</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	412,570	372,110	69,519	(302,591)
Transfers out	<u>(288,000)</u>	<u>(288,000)</u>	<u>(198,024)</u>	<u>89,976</u>
	<u>124,570</u>	<u>84,110</u>	<u>(128,505)</u>	<u>(212,615)</u>
Total other financing sources (uses)				
Revenues and other sources over (under) expenditures and other uses	(755,349)	(910,659)	142,168	1,052,827
FUND BALANCE, BEGINNING	<u>755,349</u>	<u>910,659</u>	<u>910,659</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,052,827</u></u>	<u><u>\$ 1,052,827</u></u>

TILLAMOOK BAY COMMUNITY COLLEGE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
SPECIAL REVENUE FUND
Year Ended June 30, 2016**

	Budget			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Federal sources	\$ 652,226	\$ 665,023	\$ 558,433	\$ (106,590)
State sources	592,304	720,758	574,593	(146,165)
Tuition and fees	4,000	4,000	1,000	(3,000)
Local sources	2,190,992	546,393	560,078	13,685
Other resources	7,500	7,500	16,160	8,660
	<u>3,447,022</u>	<u>1,943,674</u>	<u>1,710,264</u>	<u>(233,410)</u>
EXPENDITURES:				
Instruction	157,878	164,056	79,291	84,765
Instructional support	937,595	909,468	743,561	165,907
Student services	1,600	97,921	1,692	96,229
College support	921,666	269,003	263,806	5,197
Contingency	1,315,793	461,793	-	461,793
Reserves	2,619,704	2,619,704	-	2,619,704
	<u>5,954,236</u>	<u>4,521,945</u>	<u>1,088,350</u>	<u>3,433,595</u>
Total expenditures				
	<u>(2,507,214)</u>	<u>(2,578,271)</u>	<u>621,914</u>	<u>3,200,185</u>
Revenues over (under) expenditures				
OTHER FINANCING SOURCES (USES):				
Transfers in	957,000	957,000	-	(957,000)
Transfers out	(405,757)	(352,287)	(52,877)	299,410
	<u>551,243</u>	<u>604,713</u>	<u>(52,877)</u>	<u>(657,590)</u>
Total other financing sources (uses)				
Revenues and other sources over (under) expenditures and other uses	(1,955,971)	(1,973,558)	569,037	2,542,595
FUND BALANCE, BEGINNING	<u>1,967,548</u>	<u>1,985,135</u>	<u>2,212,474</u>	<u>227,339</u>
FUND BALANCE, ENDING	<u>\$ 11,577</u>	<u>\$ 11,577</u>	<u>\$ 2,781,511</u>	<u>\$ 2,769,934</u>

TILLAMOOK BAY COMMUNITY COLLEGE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual**

FINANCIAL AID FUND

Year Ended June 30, 2016

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Federal sources	\$ 2,138,250	\$ 2,138,250	\$ 842,826	\$ (1,295,424)
State sources	170,000	170,000	92,168	(77,832)
Other resources	110,300	110,300	70,531	(39,769)
Total revenues	2,418,550	2,418,550	1,005,525	(1,413,025)
EXPENDITURES:				
Financial aid	2,656,544	2,656,544	1,105,557	1,550,987
Revenues over (under) expenditures	(237,994)	(237,994)	(100,032)	137,962
OTHER FINANCING SOURCES (USES):				
Transfers in	150,000	150,000	56,859	(93,141)
Transfers out	(3,250)	(3,250)	(1,234)	2,016
Total other financing sources (uses)	146,750	146,750	55,625	(91,125)
Revenues and other sources over (under) expenditures and other uses	(91,244)	(91,244)	(44,407)	46,837
FUND BALANCE, BEGINNING	91,244	91,244	134,137	42,893
FUND BALANCE, ENDING	\$ -	\$ -	\$ 89,730	\$ 89,730

TILLAMOOK BAY COMMUNITY COLLEGE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
CAPITAL PROJECTS FUND
Year Ended June 30, 2016**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
State sources	\$ 2,000,000	\$ 2,000,000	\$ 18,545	\$ (1,981,455)
Other resources	960,500	960,500	645,710	(314,790)
Total revenues	2,960,500	2,960,500	664,255	(2,296,245)
EXPENDITURES:				
Plant Additions	4,003,250	4,003,250	2,305,887	1,697,363
Revenues over (under) expenditures	(1,042,750)	(1,042,750)	(1,641,632)	(598,882)
OTHER FINANCING SOURCES (USES):				
Transfers out	(957,000)	(957,000)	-	957,000
Revenues and other sources over (under) expenditures and other uses	(1,999,750)	(1,999,750)	(1,641,632)	358,118
FUND BALANCE, BEGINNING	1,999,750	1,999,750	1,982,377	(17,373)
FUND BALANCE, ENDING	\$ -	\$ -	\$ 340,745	\$ 340,745

TILLAMOOK BAY COMMUNITY COLLEGE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
DEBT SERVICE FUND
Year Ended June 30, 2016**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Local sources				
Property taxes, current year	\$ 669,648	\$ 669,648	\$ 682,991	\$ 13,343
Property taxes, prior years	25,000	25,000	22,725	(2,275)
Other resources	1,255	1,255	1,806	551
	<u>695,903</u>	<u>695,903</u>	<u>707,522</u>	<u>11,619</u>
EXPENDITURES:				
College support	1,600	1,600	1,600	-
Debt service:				
Principal	455,000	455,000	455,000	-
Interest	387,775	387,775	387,775	-
	<u>844,375</u>	<u>844,375</u>	<u>844,375</u>	<u>-</u>
Revenues over (under) expenditures	<u>(148,472)</u>	<u>(148,472)</u>	<u>(136,853)</u>	<u>11,619</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	130,000	130,000	136,528	6,528
Bond Proceeds	-	-	7,120,581	7,120,581
Bond Issuance Costs	-	-	(75,534)	(75,534)
Refunding of Long-Term Debt	-	-	(7,045,047)	(7,045,047)
	<u>130,000</u>	<u>130,000</u>	<u>136,528</u>	<u>6,528</u>
Revenues and other sources over (under) expenditures and other uses	<u>(18,472)</u>	<u>(18,472)</u>	<u>(325)</u>	<u>18,147</u>
FUND BALANCE, BEGINNING	<u>24,875</u>	<u>24,875</u>	<u>30,161</u>	<u>5,286</u>
FUND BALANCE, ENDING	<u><u>\$ 6,403</u></u>	<u><u>\$ 6,403</u></u>	<u><u>\$ 29,836</u></u>	<u><u>\$ 23,433</u></u>

TILLAMOOK BAY COMMUNITY COLLEGE

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
ENTERPRISE FUND
Year Ended June 30, 2016**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Tuition and fees	\$ 11,134	\$ 12,021	\$ 11,991	\$ (30)
Local sources	25,000	25,000	41,688	16,688
Other resources	260,000	260,000	72,238	(187,762)
	<u>296,134</u>	<u>297,021</u>	<u>125,917</u>	<u>(171,104)</u>
EXPENDITURES:				
Instruction	73,646	74,533	48,099	26,434
Student services	222,693	222,693	94,250	128,443
Contingency	21,000	21,000	-	21,000
	<u>317,339</u>	<u>318,226</u>	<u>142,349</u>	<u>175,877</u>
Revenues over (under) expenditures	(21,205)	(21,205)	(16,432)	4,773
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,563)	(3,563)	(2,691)	872
Revenues and other sources over (under) expenditures and other uses	(24,768)	(24,768)	(19,123)	5,645
FUND BALANCE, BEGINNING	<u>73,100</u>	<u>73,100</u>	<u>89,677</u>	<u>16,577</u>
FUND BALANCE, ENDING	<u><u>\$ 48,332</u></u>	<u><u>\$ 48,332</u></u>	<u><u>\$ 70,554</u></u>	<u><u>\$ 22,222</u></u>

TILLAMOOK BAY COMMUNITY COLLEGE

**Schedule of Revenues, Expenditures and Changes in
Due to Others - Budget and Actual
AGENCY FUND
Year Ended June 30, 2016**

	Budget		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Local sources	\$ -	\$ 2,393,456	\$ 2,326,515	\$ (66,941)
Other resources	9,200	44,450	44,738	288
Total revenues	9,200	2,437,906	2,371,253	(66,653)
EXPENDITURES:				
Instructional support	-	98,237	96,375	1,862
Student services	10,875	10,875	3,480	7,395
College support	-	947,884	870,578	77,306
Financial aid	6,330	6,330	2,593	3,737
Contingency	-	200,000	-	200,000
Total expenditures	17,205	1,263,326	973,026	290,300
Revenues over (under) expenditures	(8,005)	1,174,580	1,398,227	223,647
OTHER FINANCING SOURCES (USES):				
Transfers in	8,000	8,000	4,637	(3,363)
Transfers out	-	(13,010)	(12,717)	293
Total other financing sources (uses)	8,000	(5,010)	(8,080)	(3,070)
Revenues and other sources over (under) expenditures and other uses	(5)	1,169,570	1,390,147	220,577
DUE TO OTHERS, BEGINNING	525	525	1,711	1,186
DUE TO OTHERS, ENDING	\$ 520	\$ 1,170,095	\$ 1,391,858	\$ 221,763

STATISTICAL SECTION

TILLAMOOK BAY COMMUNITY COLLEGE

**Schedule of Property Tax Transactions
Year Ended June 30, 2016**

<u>Fiscal Year Ended</u>	<u>Uncollected Balances July 1, 2015</u>	<u>Add Taxes Levied</u>	<u>Discounts Allowed</u>	<u>Adjustments</u>	<u>Collections</u>	<u>Uncollected Balances June 30, 2016</u>
Current						
2015-16	\$ -	\$ 1,884,216	\$ 46,130	\$ (776)	\$ 1,781,206	\$ 56,104
Prior years						
2014-15	52,583	-	-	(54)	24,942	27,587
2013-14	33,568	-	-	(87)	10,404	23,077
2012-13	22,886	-	-	(86)	11,506	11,294
2011-12	6,393	-	-	(55)	4,851	1,487
2010-11	963	-	-	(19)	390	554
2009-10	910	-	-	(115)	271	524
and prior	2,835	-	-	-	193	2,642
TOTALS	<u>\$ 120,138</u>	<u>\$ 1,884,216</u>	<u>\$ 46,130</u>	<u>\$ (1,192)</u>	<u>\$ 1,833,763</u>	<u>\$ 123,269</u>

NOTE

Billing rate per thousand dollars of assessed value \$.2636 plus \$.1599 for bonds

Taxable Property Values and GO Debt Capacity

<u>Total Assessed Value</u>	<u>Urban Renewal Excess</u>	<u>Net Assessed Value</u>	<u>M5 Real Market Value</u>	<u>GO Bond Capacity (1.5% of RMV)</u>	<u>GO Bonds Outstanding</u>	<u>Remaining Capacity</u>
\$ 4,501,291,814	\$ 31,415,955	\$ 4,469,875,859	\$ 5,818,778,712	\$ 87,281,681	\$ 7,570,581	\$ 79,711,100

TILLAMOOK BAY COMMUNITY COLLEGE

Top 10 Tax Payers

Taxpayer	Business/Service	Tax	Assessed Value	Percent of Value
Tillamook PUD	Electrical Utility	\$ 824,219	\$ 76,803,220	1.71%
Stimson Lumber Company	Wood Products	712,147	62,549,526	1.39%
Tillamook County Creamery Association	Dairy Products	694,850	72,274,873	1.61%
CenturyLink	Telecommunications	238,615	22,756,000	0.51%
Charter Communications	Telecommunications	206,773	18,024,300	0.40%
Fred Meyer Stores Inc	Grocery	185,377	15,917,870	0.35%
Hampton Lumber Mills Co	Wood Products	159,532	13,854,920	0.31%
Pacific Carriage Limited	Manufacturing	131,037	13,124,400	0.29%
Nestucca Forests LLC	Timberland Mgmt	109,083	9,237,988	0.21%
Tillamook County Smoker Inc.	Beef Jerky, Sausage	102,597	8,933,690	0.20%
Subtotal - ten of County's largest taxpayers			313,476,787	6.98%
All other County's taxpayers			4,187,815,027	93.02%
Total County			\$ 4,501,291,814	100.00%

Tillamook County Tax Collections⁽¹⁾

Fiscal Year	Percent Collected as of	
	Levy Year ⁽²⁾	6/30/2016 ⁽³⁾
2016	97.02%	97.02%
2015	97.11%	98.48%
2014	96.31%	98.72%
2013	95.67%	99.36%
2012	95.73%	99.91%
2011	95.35%	99.97%

(1) Percentage of total tax levy collection in the County. Pre-payment discounts are considered to be collected when outstanding taxes are calculated. The tax rates are before offsets.

(2) The percentage of taxes collected in the "year of levy" represents taxes collected in a single levy year, beginning July 1 and ending June 30.

(3) The percentage of taxes show in the column represents taxes collected cumulatively from July 1 of a given levy year through June 30, 2015.

Source: Tillamook County.

**INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY
OREGON STATE REGULATIONS**

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

INDEPENDENT AUDITOR'S COMMENTS
REQUIRED BY OREGON STATE REGULATIONS

December 9, 2016

Board of Education
Tillamook Bay Community College
Tillamook, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tillamook Bay Community College as of and for the year ended June 30, 2016, and have issued our report thereon dated December 9, 2016.

Internal Control Over Financial Reporting

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

Compliance

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

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

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

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

Purpose of this Report

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

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

**DISCLOSURES IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS AND THE UNIFORM GUIDANCE**

KENNETH KUHNS & CO.
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

December 9, 2016

Board of Education
Tillamook Bay Community College
Tillamook, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tillamook Bay Community College as of and for the year ended June 30, 2016, and have issued our report thereon dated December 9, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

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

December 9, 2016

Board of Education
Tillamook Bay Community College
Tillamook, Oregon

Report on Compliance for Each Major Federal Program

We have audited Tillamook Bay Community College's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Tillamook Bay Community College's major federal programs for the year ended June 30, 2016. Tillamook Bay Community College's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Tillamook Bay Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

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

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

TILLAMOOK BAY COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2016

A - SUMMARY OF AUDIT RESULTS:

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

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

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

B - FINDINGS, FINANCIAL STATEMENTS AUDIT:

None.

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

None.

TILLAMOOK BAY COMMUNITY COLLEGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2016

Finding 2015-001:

Federal program - Student Financial Aid Cluster – Federal Direct Student Loans (84.268)

Finding - Data on file with NSLDS showed incorrect effective date for changes in student status for many students who changed enrollment to less than half-time, graduated, or withdrawn.

Status - Corrected.

Tillamook Bay Community College
Schedule of Expenditures of Federal Awards
Year ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Period	State/Local Grant Number	Program or award amount	Fund Balance 7/1/2015	Revenue Recognized	Expenditures	Fund Balance 6/30/2016
U.S. SMALL BUSINESS ADMINISTRATION								
Passed-through Oregon Small Business Development Center Network								
Small Business Development Center	59.037	1/1/15-12/31/15	15-156	\$ 30,250	\$ -	\$ 15,125	\$ 15,125	\$ -
Small Business Development Center	59.037	1/1/16-12/31/16	2016-156	30,250	-	15,125	15,125	-
Total U.S. Small Business Administration				60,500	-	30,250	30,250	-
U.S. DEPARTMENT OF EDUCATION								
Direct:								
Student Financial Aid								
Supplemental Educational Opportunity Grants	84.007	7/1/15-6/30/16		14,276	-	16,625	16,625	-
College Work Study	84.033	7/1/15-6/30/16		13,500	-	11,151	11,151	-
Pell Grant	84.063	7/1/15-6/30/16		498,253	-	499,982	499,982	-
Federal Direct Student Loan	84.268	7/1/15-6/30/16		315,068	-	315,068	315,068	-
Total student financial aid				841,097	-	842,826	842,826	-
Title III	84.031A	10/1/13-9/30/18		2,248,222	-	422,740	422,740	-
Passed through Oregon Higher Education Coordinating Commission								
Adult Education Comprehensive Grant	84.002	7/1/15-6/30/16	EE151620BG	89,279	-	74,358	74,358	-
Passed Through Tillamook Education Consortium Vocational Education Technical Grants:								
Carl D Perkins Grant	84.048	7/1/15-6/30/16	N/A	31,085	-	31,085	31,085	-
Total US Department of Education				3,209,683	-	1,371,009	1,371,009	-
Total Federal Financial Assistance				\$ 3,270,183	\$ -	\$ 1,401,259	\$ 1,401,259	\$ -

TILLAMOOK BAY COMMUNITY COLLEGE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2016

1. Purpose of the Schedule:

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

2. Significant Accounting Policies:

Reporting Entity: The reporting entity is fully described in Note 1 to the College's financial statements. The Schedule includes all federal financial assistance programs administered by the College for the year ended June 30, 2016.

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

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

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

Matching Costs: The Schedule does not include matching expenditures.

College Fees

RECOMMENDATION

APPROVAL OF THE PROPOSED 2016-2017 TUITION AND FEE SCHEDULE.

BACKGROUND INFORMATION

----- Chief Finance Officer Williams
Presented here for approval is the proposed revision to the 2016-2017 Tuition and Fee Schedule.

TBCC is adopting Credit for Prior Learning standards. Included below is a proposal for fees related to accepting Credit for Prior Learning in a variety of manners. This recommendation is based on comparisons with the other 16 Oregon Community Colleges.

Tuition or Fee Item	Current 2016-2017	Proposed 2016-2017
<i>Tuition</i>		
In-State Tuition per Credit Hour	\$95	\$95
Out-of-State Tuition per Credit Hour	\$115	\$115
<i>Fees</i>		
Base Course Fee (per credit)	\$4	\$4
Student Services Fee (per credit)	\$2	\$2
Technology Fee (per credit)	\$5	\$5
Online Course Fee (per course)	\$35	\$35
Hybrid Course Fee (per course)	\$15	\$15
Adult Basic Skills Instructional Course Fee (includes ABE/GED/ESOL courses)	\$15	\$15
Self Improvement Course Fees	market or self support	market or self support
Late Payment Fee	\$75	\$75
Placement Test	\$20	\$20
Placement Test Retest	\$20	\$20
Proctored Testing per test for non-TBCC credit students or staff	\$30	\$30
EMT Practical Exams Fee for non-TBCC student, former student or staff	\$30/station	\$30/station
Credit for Prior Learning:		
College Level Exam Program (CLEP) Administration Fee		\$25
Challenge Exam (per Credit Hour)		40% of Credit Tuition
Department of Public Safety Standards and Training (DPSST) Credits		\$75
Military Credit Administration Fee		\$25
Printed Catalog (first copy from academic advisor free)	\$5	\$5
Official Transcript Fee (per transcript) (one	\$5	\$5



free when degree or certificate is mailed)		
Expedited Transcript Fee (per transcript)	\$25	\$25
Return Check Fee	\$25	\$25



Board Policy

RECOMMENDATION

First reading of new policy in response to HB 4067 Whistleblower Retaliation.

BACKGROUND INFORMATION ----- Director Ryan

HB 4067 was passed during the 2016 legislative session. It creates an affirmative defense for employees who disclose in good faith lawfully accessed information of violations of the law. The college is required to implement policy related to the legislation and provide a copy of the information to all employees.



Article No.: 324

Approved:

Reference: ORS 659A.200, 659A.203 and 659A.885

- A. The Board encourages any employee with knowledge of or concern of an illegal or dishonest fraudulent College activity to report it to the Human Resources Director or designee. The Board prohibits discrimination and/or retaliation against an employee who reports such activities, including information that is exempt from disclosure as provided in ORS 192.501 to 102.505.

Courses and Curriculum

RECOMMENDATION

ACTION ITEM.

BACKGROUND INFORMATION ----- Chief Academic Officer Hovey

At the December meeting CAO Hovey presented for your information the following courses which have been developed or revised: BA 150 (Introduction to Entrepreneurship), and Welding (WLD) 111 and 112. The college curriculum committee and CAO Hovey are requesting Board approval of these courses:

I. BA 150: Introduction to Entrepreneurship (3 credits)

Course Description:

Introduces students to the process for launching a business by providing a learning combination of classroom sessions and real-world experiences. The ultimate goal is to prepare individuals to launch a real business. Recommended: WR 115, RD 115, and MTH 20 or placement above this level. Audit available.

Student Learning Outcomes: Upon successful completion of BA 150, Introduction to Entrepreneurship, students will be able to:

1. Identify the personal traits necessary to successfully launch and operate an entrepreneurial venture.
2. Investigate business trends and entrepreneurial opportunities.
3. Evaluate options for securing funding for a new business venture.
4. Develop an entrepreneurial business proposal.

II. WLD 111 Shielded Metal Arc Welding: (E7024) MIG, TIG, and Oxy-Acetylene (4 credit hours):

Course Description:

Covers uses, safety, nomenclature, equipment operation, set-up and shutdown procedures and welding-related math and science for Shielded Metal Arc Welding, Oxy-acetylene Cutting, and MIG/TIG. Additional supply fee may be required.

Addendum to Course Description:

This is an outcome-based course utilizing a lecture/lab format. This course includes classroom discussions, videotapes, and lab demonstrations technical skills. Course outcomes will include; theoretical concepts, layout, fabrication, welding, oxy-fuel



cutting, safety and environmental awareness, communication, computations and human relations.

Student Learning Outcomes: Upon successful completion of WLD 111, students will be able to:

- Apply proper safety procedures when using AC/DC Shielded Metal Arc Welders, Oxy Acetylene Torches, MIG and TIG Welders.
- Adhere to industry standards when using oxy-acetylene portable and track cutting systems.
- Interpret drawings and symbols to accurately layout a project; prepare and assemble to specified tolerances; and weld joints in accordance to AWS D1. 1
- Weld common joints, evaluating weld penetration and fill, with the E7024 electrode in the vertical and horizontal positions.
- Weld Stainless Steel and Non-Ferrous metals using Push/Pull, Spool, and Lanthanated Tungsten using MIG and TIG Welders in accordance with AWS D1.1

III. WLD 112: Advanced Welding: E7018, MIG, TIG, Carbon Air Arc Cutting (4 credit hours)

Course Description:

Develops knowledge and manipulative skills in the use of E7018 mild steel electrodes when performing various welds in the flat and horizontal positions. Advanced welding of stainless steel and non-ferrous metals including sheet metal, pipe and nontraditional angles. Welding-applied math and science included. Additional supply fee may be required. Prerequisite WLD 111 or instructor approval.

Addendum to Course Description:

This is an outcome-based course utilizing a lecture/lab format. This course includes classroom discussions, videotapes, and lab demonstrations covering technical skills. Course outcomes will include; theoretical concepts, layout, fabrication, welding, welding, oxy-fuel cutting, safety and environmental awareness, communication, computations and human relations.

Student Learning Outcomes: Upon successful completion of WLD 112, students will be able to:

- Apply proper safety procedures when using AC/DC Shielded Metal Arc Welders, Oxy Acetylene Torches, MIG and TIG Welders.
- Interpret drawings and symbols to accurately layout a project; prepare and



- assemble to specified tolerances; and weld joints in accordance to AWS D1. 1
- Weld common joints, evaluating weld penetration and fill with the E7018 electrode in the vertical and horizontal positions.
- Apply advanced techniques to welding stainless steel and non-ferrous metals using Push/Pull, Spool, and Lanthanated Tungsten using MIG and TIG Welders in accordance with AWS D1.1 including pipe and thin gauge material.
- Apply techniques of Carbon Air Arc Cutting (CAC-A) for site preparation and removal of defective welds.

Additional Curriculum Note for the Board's information:

Last year the college made the decision to discontinue the Hospitality, Tourism, and Recreation Management program, in addition to the Culinary Arts program. The college recently received notification from the state that this curriculum has been removed from college curriculum records at the state level.



Information Only Items

RECOMMENDATION

BACKGROUND INFORMATION----- Chair Schreiber

- a. Financial Report ----- Chief Finance Officer Williams
- b. Partners for Rural Innovation -----President Green
- c. Personnel ----- Director Ryan
- d. Announcements and General Information ----- President Green



Financial Report

RECOMMENDATION

INFORMATION ONLY – NO ACTION REQUESTED.

BACKGROUND INFORMATION----- Chief Finance Officer Williams

The report for the month of November 2016 is available for your review.



Tillamook Bay Community College

Unaudited Summary Financial Information

General Fund

Fiscal Year-to-Date Ended November 2016

41.67% of fiscal year elapsed

	FY 2015-2016			FY 2016-2017		
	Annual Budget	11/30/15 Actual	Percentage of Budget	Annual Budget	11/30/16 Actual	Percentage of Budget
Resources						
Beginning Fund Balance	\$ 755,349	\$ 910,658.32	120.56%	\$ 755,349	\$ 1,052,825.80	139.38%
State	\$ 1,121,379	\$ 666,956.79	59.48%	\$ 1,350,000	\$ 717,900.00	53.18%
Property Taxes	\$ 1,159,417	\$ 983,444.19	84.82%	\$ 1,195,863	\$ 953,354.23	79.72%
Local Contract	\$ 72,000	\$ -	0.00%			
Tuition	\$ 1,047,472	\$ 298,879.00	28.53%	\$ 868,855	\$ 301,448.50	34.69%
Fees	\$ 175,700	\$ 50,071.00	28.50%	\$ 154,296	\$ 53,957.93	34.97%
Sale of Goods	\$ 2,000	\$ 961.25	48.06%	\$ 2,000	\$ 944.84	47.24%
Interest	\$ 5,500	\$ 3,540.82	64.38%	\$ 5,500	\$ 4,245.17	77.18%
Rental	\$ 12,000	\$ 6,925.00	57.71%	\$ 12,000	\$ 7,725.00	64.38%
Miscellaneous	\$ 7,000	\$ 12,947.51	184.96%	\$ 7,000	\$ 2,727.68	38.97%
Transfers	\$ 412,570	\$ 14,934.64	3.62%	\$ 442,328	\$ 33,483.38	7.57%
 Total resources	 \$ 4,770,387	 \$ 2,949,318.52	 61.83%	 \$ 4,793,191	 \$ 3,128,612.53	 65.27%
Expenditures						
Instruction	\$ 1,507,437	\$ 466,806.19	30.97%	\$ 1,457,046	\$ 392,856.88	26.96%
Instructional Support	\$ 409,489	\$ 142,449.94	34.79%	\$ 370,104	\$ 139,203.90	37.61%
Student Services	\$ 417,211	\$ 148,648.09	35.63%	\$ 416,800	\$ 138,118.37	33.14%
College Support	\$ 1,072,550	\$ 423,793.57	39.51%	\$ 1,198,340	\$ 460,921.12	38.46%
Plant Operation	\$ 270,351	\$ 111,089.62	41.09%	\$ 271,552	\$ 124,404.41	45.81%
Transfers	\$ 288,000	\$ 53,288.56	18.50%	\$ 274,000	\$ 57,443.42	20.96%
Contingency	\$ 50,000	\$ -	0.00%	\$ 50,000	\$ -	0.00%
 Total expenditures	 \$ 4,015,038	 \$ 1,346,075.97	 33.53%	 \$ 4,037,842	 \$ 1,312,948.10	 32.52%
 Ending fund balance	 \$ 755,349	 \$ 1,603,242.55	 212.25%	 \$ 755,349	 \$ 1,815,664.43	 240.37%

Agenda Item 5.A. Attachment #2
Tillamook Bay Community College
Unaudited Summary Financial Information (Modified Accrual Basis)
Fiscal Year-to-Date Ended November 2016

	Fund No.	Beginning Fund Balance	2016-2017 Revenue	2016-2017 Expenditures	Ending Fund Balance	2016-2017 Spendable Budget	2015-2016 Prior Year Expenditures 11/30/2015
Adult Basic Education	210	\$ -	\$ 12,926.81	\$ 27,756.39	\$ (14,829.58)	\$ 89,339	\$ 23,005.99
United Way Literacy Grant	216	\$ 2,704.62	\$ 30.26	\$ -	\$ 2,734.88	\$ 2,200	\$ 636.00
Title III Grant	220	\$ -	\$ 212,571.38	\$ 246,667.88	\$ (34,096.50)	\$ 621,603	\$ 137,016.65
Pathways Grant	225	\$ -	\$ 7,299.06	\$ 11,714.49	\$ (4,415.43)	\$ 29,783	\$ 12,780.85
Industrial Maintenance Tech	226	\$ 30,177.01	\$ 15,000.00	\$ 6,369.31	\$ 38,807.70	\$ 60,000	\$ 3,071.16
SBDC Federal Grant	230	\$ -	\$ -	\$ 10,828.48	\$ (10,828.48)	\$ 30,250	\$ 12,134.15
SBDC State Grant	231	\$ -	\$ -	\$ 21,314.68	\$ (21,314.68)	\$ 45,939	\$ 22,819.17
SBDC Program Income	232	\$ 21,418.46	\$ 6,047.80	\$ 3,052.78	\$ 24,413.48	\$ 12,500	\$ 159.21
TEC Vocational Education Grant	240	\$ -	\$ 28,175.00	\$ 28,175.00	\$ -	\$ 40,000	\$ 1,530.91
Student Assistance	250	\$ 1,560.39	\$ -	\$ -	\$ 1,560.39	\$ 1,600	\$ -
Connect2Complete	253	\$ 6,574.45	\$ -	\$ -	\$ 6,574.45	\$ 2,340	\$ -
ASPIRE Program	254	\$ 12,812.50	\$ 10,800.00	\$ 4,672.95	\$ 18,939.55	\$ 12,813	\$ -
Academic Counselor Grant	255	\$ -	\$ -	\$ 22,146.01	\$ (22,146.01)	\$ 57,692	\$ -
Student Success Grant	256	\$ 15,682.33	\$ -	\$ 1,404.84	\$ 14,277.49	\$ 47,047	\$ -
Student Success Support Grant	257	\$ -	\$ -	\$ 37,187.88	\$ (37,187.88)	\$ 40,000	\$ -
Oregon Dev Ed Redesign Grant	277	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92.58
Capital Depreciation & Maintenance Fund	290	\$ 83,613.51	\$ 329.36	\$ -	\$ 83,942.87	\$ -	\$ -
Timber Tax Reserve Fund	291	\$ 1,296,951.84	\$ 100,713.73	\$ -	\$ 1,397,665.57	\$ 592,505	\$ -
Strategic Investment Fund	295	\$ 1,310,015.42	\$ 5,160.22	\$ -	\$ 1,315,175.64	\$ 300,000	\$ -
State IGA Fund	296	\$ -	\$ 223,707.72	\$ 277,856.88	\$ (54,149.16)	\$ 550,000	\$ 167,329.64
Total Special Fund		\$ 2,781,510.53	\$ 622,761.34	\$ 699,147.57	\$ 2,705,124.30	\$ 2,535,611	\$ 380,576.31
Schedule of Special Fund borrowing from General Fund							
		Ending Fund Balance	Less Accounts Receivable	Add Liabilities	Ending Cash Balance 11/30/2016		
Total of Grants that borrow from the General Fund		\$ (130,541.07)	\$ 12,926.81	\$ -	\$ (143,467.88)		
Total of Grants that are not borrowing from the General Fund		\$ 2,835,665.37	\$ 125.00	\$ -	\$ 2,835,540.37		
Total Special Fund		\$ 2,705,124.30	\$ 13,051.81	\$ -	\$ 2,692,072.49		
	Fund No.	Beginning Fund Balance	2016-2017 Revenue	2016-2017 Expenditures	Ending Fund Balance	2016-2017 Spendable Budget	2015-2016 Prior Year Expenditures
Community Education	310	\$ 16,304.99	\$ 1,515.00	\$ 696.74	\$ 17,123.25	\$ 7,746	\$ 469.24
Driver Education Program	311	\$ 1,858.95	\$ -	\$ 1,502.00	\$ 356.95	\$ 9,800	\$ 4,140.74
TBCC Store	320	\$ 16,211.76	\$ 1,979.71	\$ 6,621.15	\$ 11,570.32	\$ 36,250	\$ 54,503.49
Customized Training Projects	330	\$ 33,917.20	\$ -	\$ 158.00	\$ 33,759.20	\$ 43,664	\$ 19,657.12
Culinary & Hospitality Program	340	\$ 2,260.73	\$ 917.80	\$ 385.44	\$ 2,793.09	\$ 14,175	\$ 2,119.13
Culinary Catering	341	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,565.30
Total Enterprise Fund		\$ 70,553.63	\$ 4,412.51	\$ 9,363.33	\$ 65,602.81	\$ 111,635	\$ 84,455.02
PERS Pension Bond Fund	410	\$ 6,143.76	\$ 54,085.95	\$ 1,600.00	\$ 58,629.71	\$ 135,584	\$ 1,600.00
General Obligation Bond Fund	420	\$ 23,692.13	\$ 605,488.74	\$ 71,438.69	\$ 557,742.18	\$ 746,237	\$ -
Total Debt Service Fund		\$ 29,835.89	\$ 659,574.69	\$ 73,038.69	\$ 616,371.89	\$ 881,821	\$ 1,600.00
Campus Construction Fund - GO Bonds	520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 992,377.19
Local Match Fund	525	\$ 965,222.79	\$ 3,802.05	\$ -	\$ 969,024.84	\$ 350,889	\$ -
State Match Fund	530	\$ -	\$ 521,710.21	\$ 1,546,723.22	\$ (1,025,013.01)	\$ 2,000,000	\$ -
Grant Construction Fund	555	\$ (624,476.54)	\$ -	\$ -	\$ (624,476.54)	\$ 957,000	\$ -
Total Capital Projects Fund		\$ 340,746.25	\$ 525,512.26	\$ 1,546,723.22	\$ (680,464.71)	\$ 3,307,889	\$ 992,377.19
Associated Students of TBCC	710	\$ 1,033.98	\$ 1,917.00	\$ 677.16	\$ 2,273.82	\$ 8,605	\$ 897.90
Phi Theta Kappa Honorary Society Fund	720	\$ 1,787.17	\$ 1,386.74	\$ 785.51	\$ 2,388.40	\$ 7,525	\$ 232.05
Economic Development Council	730	\$ 61,142.95	\$ 46,202.54	\$ 38,267.16	\$ 69,078.33	\$ 109,500	\$ 40,252.27
Economic Development Council - USDA Grant	731	\$ -	\$ -	\$ 940.87	\$ (940.87)	\$ -	\$ -
Visit Tillamook Coast	740	\$ 1,318,799.16	\$ 231,880.23	\$ 414,477.04	\$ 1,136,202.35	\$ 1,538,657	\$ 247,354.09
Visit Tillamook Coast - Non-TLT Funds	741	\$ 9,095.00	\$ 4,824.26	\$ 6,768.09	\$ 7,151.17	\$ -	\$ -
Total Agency Fund		\$ 1,391,858.26	\$ 286,210.77	\$ 461,915.83	\$ 1,216,153.20	\$ 1,664,287	\$ 288,736.31
PELL Grant	801	\$ -	\$ 191,313.00	\$ 191,253.00	\$ 60.00	\$ 751,500	\$ 211,175.00
Supplemental Education Opportunity Grant	802	\$ -	\$ 4,600.00	\$ 4,600.00	\$ -	\$ 14,500	\$ 4,375.00
Direct Loans	810	\$ -	\$ 102,679.00	\$ 102,679.00	\$ -	\$ 750,000	\$ 116,219.00
Federal Work Study	819	\$ -	\$ 1,209.57	\$ 2,149.75	\$ (940.18)	\$ 14,350	\$ 1,947.76
Oregon Opportunity Grant	821	\$ -	\$ 33,600.00	\$ 51,375.00	\$ (17,775.00)	\$ 100,000	\$ 32,550.00
Chafee Grant	822	\$ -	\$ 1,167.00	\$ 1,167.00	\$ -	\$ 10,000	\$ 2,332.00
Oregon Promise Grant	823	\$ -	\$ 14,563.00	\$ 12,122.00	\$ 2,441.00	\$ -	\$ -
Tuition Waivers	831	\$ 17,301.00	\$ -	\$ 7,335.00	\$ 9,966.00	\$ 7,000	\$ 3,734.00
Board Scholarships	832	\$ 26,313.01	\$ -	\$ 22,610.00	\$ 3,703.01	\$ 172,900	\$ 35,120.93
Institutional Work Study	833	\$ 21,743.66	\$ -	\$ -	\$ 21,743.66	\$ 21,744	\$ -
Foundation Scholarships	834	\$ -	\$ 24,462.28	\$ 24,462.28	\$ -	\$ 85,000	\$ 20,793.32
Student Employees	835	\$ 18,740.39	\$ 1,445.60	\$ 964.66	\$ 19,221.33	\$ 18,000	\$ 570.44
Non-Institutional Scholarships	840	\$ 5,333.14	\$ 37,261.00	\$ 12,613.33	\$ 29,980.81	\$ 51,500	\$ 6,758.78
\$5 Tuesday Fund	898	\$ 300.00	\$ -	\$ -	\$ 300.00	\$ 300	\$ -
Total Financial Aid Fund		\$ 89,731.20	\$ 412,300.45	\$ 433,331.02	\$ 68,700.63	\$ 1,996,794	\$ 435,576.23

Agenda Item 5.A. - Attachment #3

Tillamook Bay Community College

Summary Financial Information - Cash Status

Preliminary for Fiscal Year-to-Date Ended November 2016

41.67% of Budget Period Expended

	General Fund			Special Fund			Enterprise Fund			Debt Service Funds		
	Budget	Actual	%	Budget	Actual	%	Budget	Actual	%	Budget	Actual	%
Beginning Cash Balance		\$ 1,548,489			\$ 2,384,549			\$ 63,576			\$ 22,668	
Beginning Fund Balance	\$ 755,349	\$ 1,052,826	139.38%	\$ 2,351,490	\$ 2,781,511	118.29%	\$ 36,000	\$ 70,554	195.98%	\$ 12,000	\$ 29,836	248.63%
Resources												
State Aid	\$ 1,350,000	\$ 717,900	53.18%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Grants and Contracts	\$ -	\$ -	0.00%	\$ 1,575,971	\$ 510,480	32.39%	\$ 35,000	\$ -	0.00%	\$ -	\$ -	0.00%
Tuition and Fees	\$ 1,023,151	\$ 355,406	34.74%	\$ 1,000	\$ 2,555	255.50%	\$ 12,300	\$ 1,515	12.32%	\$ -	\$ -	0.00%
Local Taxes	\$ 1,195,863	\$ 953,354	79.72%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ 733,137	\$ 604,807	82.50%
Timber	\$ -	\$ -	0.00%	\$ 502,113	\$ 100,714	20.06%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Sale of Goods	\$ 2,000	\$ 945	47.25%	\$ -	\$ -	0.00%	\$ 46,800	\$ 1,981	4.23%	\$ -	\$ -	0.00%
Interest	\$ 5,500	\$ 4,245	77.18%	\$ 7,400	\$ 5,490	74.19%	\$ -	\$ -	0.00%	\$ 1,105	\$ 693	62.71%
Rental	\$ 12,000	\$ 7,725	64.38%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Miscellaneous	\$ 7,000	\$ 2,728	38.97%	\$ 16,500	\$ 3,523	0.00%	\$ 5,250	\$ 917	17.47%	\$ -	\$ -	0.00%
Transfers	\$ 442,328	\$ 33,483	7.57%	\$ 350,889	\$ -	0.00%	\$ -	\$ -	0.00%	\$ 136,000	\$ 54,075	39.76%
Total Revenues	\$ 4,037,842	\$ 2,075,786	51.41%	\$ 2,453,873	\$ 622,762	25.38%	\$ 99,350	\$ 4,413	4.44%	\$ 870,242	\$ 659,575	75.79%
Expenditures												
Salaries and Wages	\$ 2,793,012	\$ 909,533	32.56%	\$ 539,143	\$ 209,684	38.89%	\$ 53,106	\$ 7,651	14.41%	\$ -	\$ -	0.00%
Operating Expenditures	\$ 892,830	\$ 345,972	38.75%	\$ 1,001,012	\$ 448,771	44.83%	\$ 56,158	\$ 1,410	2.51%	\$ 1,600	\$ 1,600	100.00%
Capital Outlay	\$ 28,000	\$ -	0.00%	\$ 25,000	\$ 13,219	52.88%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Debt Service	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ 880,221	\$ 71,439	8.12%
Transfers	\$ 274,000	\$ 57,443	20.96%	\$ 419,456	\$ 27,474	6.55%	\$ 2,371	\$ 302	12.74%	\$ -	\$ -	0.00%
Other budgetary accounts (Note 1)	\$ 50,000	\$ -	0.00%	\$ 2,788,497	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Total expenditures	\$ 4,037,842	\$ 1,312,948	32.52%	\$ 4,773,108	\$ 699,148	14.65%	\$ 111,635	\$ 9,363	8.39%	\$ 881,821	\$ 73,039	8.28%
Ending Fund Balance	\$ 755,349	\$ 1,815,664		\$ 32,255	\$ 2,705,125		\$ 23,715	\$ 65,604		\$ 421	\$ 616,372	
Adjustments to bring Ending Fund Balance to Ending Cash Balance												
Assets												
Receivables		\$ 191,376			\$ 13,052			\$ 3,000			\$ 44,417	
Inventories		\$ 2,006			\$ -			\$ 5,794			\$ -	
NET EFFECT ON CASH		\$ (193,382)			\$ (13,052)			\$ (8,794)			\$ (44,417)	
Liabilities												
Accounts Payable		\$ 110,303			\$ -			\$ -			\$ -	
Unearned Revenue (Note 2)		\$ 72,028			\$ -			\$ -			\$ 44,417	
Payroll		\$ 110,262			\$ -			\$ 2,620			\$ -	
NET EFFECT ON CASH		\$ 292,593			\$ -			\$ 2,620			\$ 44,417	
NET ADJUSTMENTS		\$ 99,211			\$ (13,052)			\$ (6,174)			\$ -	
ENDING CASH BALANCE		\$ 1,914,875			\$ 2,692,073			\$ 59,430			\$ 616,372	

Agenda Item 5.A. - Attachment #3

Tillamook Bay Community College

Summary Financial Information - Cash Status

Preliminary for Fiscal Year-to-Date Ended November 2016

41.67% of Budget Period Expended

	Capital Projects Funds			Agency Fund			Financial Aid Fund		
	Budget	Actual	%	Budget	Actual	%	Budget	Actual	%
Beginning Cash Balance		\$ (82,252)			\$ 1,388,586			\$ 88,971	
Beginning Fund Balance	\$ 962,000	\$ 340,746	35.42%	\$ 1,464,525	\$ 1,391,858	95.04%	\$ 91,544	\$ 89,731	98.02%
Resources									
State Aid	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Grants and Contracts	\$ 2,000,000	\$ 521,710	0.00%	\$ 926,117	\$ 251,651	0.00%	\$ 1,640,250	\$ 349,126	21.28%
Tuition and Fees	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Local Taxes	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Timber	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Sale of Goods	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Interest	\$ 5,000	\$ 3,802	76.04%	\$ 2,000	\$ 5,051	0.00%	\$ -	\$ -	0.00%
Rental	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Miscellaneous	\$ 957,000	\$ -	0.00%	\$ 32,500	\$ 27,592	84.90%	\$ 135,000	\$ 61,723	45.72%
Transfers	\$ -	\$ -	0.00%	\$ 8,000	\$ 1,917	23.96%	\$ 130,000	\$ 1,451	1.12%
Total Revenues	\$ 2,962,000	\$ 525,512	17.74%	\$ 968,617	\$ 286,211	29.55%	\$ 1,905,250	\$ 412,300	21.64%
Expenditures									
Salaries and Wages	\$ -	\$ -	0.00%	\$ 371,815	\$ 120,467	32.40%	\$ 53,344	\$ 3,114	5.84%
Operating Expenditures	\$ 2,957,000	\$ 1,546,723	52.31%	\$ 1,175,221	\$ 335,742	28.57%	\$ 1,940,200	\$ 430,217	22.17%
Capital Outlay	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Debt Service	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Transfers	\$ 350,889	\$ -	0.00%	\$ 17,251	\$ 5,707	0.00%	\$ 3,250	\$ -	0.00%
Other budgetary accounts (Note 1)	\$ -	\$ -	0.00%	\$ 100,000	\$ -	0.00%	\$ -	\$ -	0.00%
Total expenditures	\$ 3,307,889	\$ 1,546,723	46.76%	\$ 1,664,287	\$ 461,916	27.75%	\$ 1,996,794	\$ 433,331	21.70%
Ending Fund Balance	\$ 616,111	\$ (680,465)		\$ 768,855	\$ 1,216,153		\$ -	\$ 68,700	
Adjustments to bring Ending Fund Balance to Ending Cash Balance									
Assets									
Receivables	\$ -	\$ -		\$ 600	\$ -		\$ -	\$ -	
Inventories	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	
NET EFFECT ON CASH	\$ -	\$ -		\$ (600)	\$ -		\$ -	\$ -	
Liabilities									
Accounts Payable	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	
Unearned Revenue (Note 2)	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	
Payroll	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	
NET EFFECT ON CASH	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	
NET ADJUSTMENTS	\$ -	\$ -		\$ (600)	\$ -		\$ -	\$ -	
ENDING CASH BALANCE	\$ (680,465)	\$ (680,465)		\$ 1,215,553	\$ 1,215,553		\$ 68,700	\$ 68,700	

\$ 5,886,538

Cell: A33

Comment: Note 1. Contingency in the General Fund and Enterprise Fund and Reserves in Special Fund.

Cell: A47

Comment: Note 2. Assessed but unreceived property taxes and deferred tuition and fees when applicable.

Partners for Rural Innovation Center

RECOMMENDATION

INFORMATION ONLY.

BACKGROUND INFORMATION ----- President Green

The building “sneak peek” is on January 10 at 4 to 5. Donors who gave \$1000 or more are invited to stop by and see the building before everyone moves in.

Move in by EDC/SBDC/Tourism will be 1/16.

OSU will move in the week of 1/23.

The dedication will be March 6, 2017 from 4 to 5.

We are still working on the final dollars and a donor for the named conference room.

The partners will begin to meet monthly to not only deal with move in and working agreements but to begin to build the place for “innovation” for our community.



Announcements and General Information

RECOMMENDATION

INFORMATION ONLY.

BACKGROUND INFORMATION ----- President Green

January 9 -Winter term classes begin and Board meeting at 6:00 pm

January 16 – College closed

February 6 – Board workshop and meeting 9:30 – 5pm- Twin Rocks

March 6 – Dedication of Partners for Rural Innovation 4 to 5pm. Board meeting to follow.

March 22 -OCCA Legislative Summit at Salem Convention Center from 10 to 8pm

March 23 -OCCA Board meeting from 8 to 4:00 pm

March 27 – 31 – Spring Break

April 3 – Spring term begins and Boar meeting at 6:00pm

April 10 – Budget Committee meeting and executive session of the Board 5:30 pm

April 29 – All day In-service – College closed

May 1- Board meeting at 6:00 pm

May 29 – Holiday College Closed

June 5 – Board meeting at 6:00pm

June 16 – Graduation – Nazarene Church –be there by 5:30 for pictures. Graduation begins at 6:00 pm

June 26 – Summer term begins



Personnel

RECOMMENDATION

INFORMATION ONLY.

BACKGROUND INFORMATION ----- Director Ryan

Position Title	Application Review Begins	Start Date	Comment	Screening Committee Chair	Appointment
Title III Grant Project Director	January 30 2017	March 2017		Connie Green	



Board Member Discussion Items

RECOMMENDATION

BACKGROUND INFORMATION ----- Chair Schreiber



Adjournment

RECOMMENDATION

MOTION TO ADJOURN THE MEETING.

BACKGROUND INFORMATION ----- Chair Schreiber

