Reference: COCC Audit and Finance Committee Meeting
Date: July 24, 2026
Time: 11:00 a.m.
Location: Remotely via Zoom

Committee Members:	Auditors: Sorren, Inc.	Administration:
• Alan Unger (Chair) • Joe Krenowicz • Jim Porter • Jim Lanzarotta • Jade Mayer	• Ben Miller, Senior Manager	• Dr. Greg Pereira, President • Michael LaLonde, Vice President of Finance and Operations (VPFO) • Cathleen Knutson, Controller • Kyle Matthews – Executive Assistant to the President and VPFO

Agenda

1. Introductions and Opening Remarks – Alan Unger
2. Approval of January 13, 2026 Meeting Minutes – Alan Unger – Items 2.1-3
3. Auditors 2025-26 Fiscal Year Audit Planning
   a. Overview – Ben Miller
   b. Areas of Focus – Ben Miller
   c. Committee's Areas of Focus – Committee Members
   d. Audit Timeline – Ben Miller, Michael LaLonde and Cathleen Knutson
4. Next Meeting Date – January 2027 (to be determined)

Reference: COCC Audit and Finance Committee Meeting
Date: January 13, 2026 – 10:00 a.m.
Location: Zoom Meeting

Committee Members:	Auditors: Sorren, Inc.	Administration:
• Alan Unger, Chair • Joe Krenowicz • Rebekah Lambert • Debi Harr	• Heather McMeekin, Partner • Ben Miller, Senior Manager	• Dr. Greg Pereira, President • Michael LaLonde, Vice President of Finance and Operations (VPFO) • Cathleen Knutson, Controller • Kyle Matthews, Executive Assistant to the President and the VPFO

Minutes

1. Introductions and Opening Remarks [Alan Unger]
    a. Unger called the meeting to order at 10:00 a.m.
    b. LaLonde said this year's audit went smoothly. COCC's Fiscal Services department has helped the auditors develop a more efficient process. He noted that the College had a lease for a cellular tower that had been cancelled several years prior, but the documentation was not found until 2026, so that would be an area for improvement.
    c. Knutson added there was a new accounting pronouncement that the College ultimately passed on.
2. Approval of July 11, 2025 Meeting Minutes [Alan Unger] – Items 2.1-3
    a. Motion to approve the minutes.
        i. 1st: Joe Krenowicz
        ii. 2nd: Rebekah Lambert
        iii. In favor: Alan Unger, Joe Krenowicz, Rebekah Lambert, Debi Harr
        iv. Opposed or abstained: none
3. 2024-25 Fiscal Year Audit Results [Heather McMeekin] – Items 3.1-2 and Full Report
    a. Overview
        i. McMeekin reminded the Committee what areas of the College that the auditors examine, including payroll, human resources, check withholdings, disbursement invoices, coding, potential fraud, controls, cash receipt walk-throughs, bank accounts, cutoffs, grants, accounts payable and receivable, etc.
        ii. Miller explained that a compliance (single) audit was also conducted because COCC has over $750,000 in federal funds. The Financial Aid department and the National Science Foundation STEM program were reviewed. A sample of student eligibility and reporting was examined, along with controls for both programs.
    b. Audit Findings
        i. The auditors gave COCC a clean opinion both for the general audit and the

compliance audit, the latter of which did not identify any noncompliance or control issues.

c. Areas of Focus
   i. A mandatory letter from the auditors was sent to the Committee. (It is not required to be seen by the full Board.) The letter included information on compliance with ethics requirements regarding independence, significant accounting policies, significant accounting estimates, allowance for un-collectable accounts, depreciation, corrected misstatements, the compliance audit, and Oregon budget law.
   ii. For the statement of net position, COCC had a decrease in current assets, mainly cash, but there was an offset in non-depreciable assets from construction on the Madras campus and other infrastructure costs. There was also a decrease in capital assets from accumulated depreciation for the year.
   iii. For capital assets, construction work in progress increased 268% for the Madras campus expansion. Infrastructure costs did not change as they will be reimbursed upon completion.
      - LaLonde explained that the infrastructure costs are for the Outcrop Phase 2 project.
   iv. Adjustments were made to leases receivable and offsetting reliability for lease resources. Since the lease for the cellular tower had expired several years ago, the auditors did a prior period adjustment to adjust the beginning balance. The 2024 audit was restated and the 2025 audit is current.
   v. Current liabilities increased 15.3% due to the timing of accounts payable for the Madras campus expansion and other expenses.
   vi. The College's total net position increased by about $5.8 million since the 2024 fiscal year. Overall revenues increased by about $3.7 million. Expenses increased by about $8.1 million, most of which was related to instruction, which was offset by student services and a reduction in plant operations and management.
      - Knutson noted that the statement of position and statement of revenues, expenses and changes of position are part of COCC's consolidated financials. The above information includes *all* of the College's financial information, but the majority of the audit focused on COCC's general fund.
   vii. In the general fund, overall revenues were over budget by about $961,000, primarily in other operating revenues, including transfers of funds. Expenditures were under budget by about $3.1 million, mainly due to some vacancies in instructional positions.
      - Knutson noted that the contingency line is added to the budget when there are spending contingencies that need to be covered. This was a case of having additional funds available to transfer in order to offset some costs for the coming year.
      - LaLonde added that this is usually related to COCC's capital projects fund.
   viii. In compliance with new requirements from the Government Accounting Standards Board (GASB) to report sick leave, the auditors decided to not book a liability for unpaid sick leave as COCC's policy does now allow payment upon separation of service and employees generally accrue more hours than they

use each year. They can still book a liability if the GASB determines it is necessary.

ix. No impact was found on COCC's financials related to new accounting pronouncements.

x. Disclosure of certain capital assets may apply to COCC if parts of the College's infrastructure are held for sale within one year.
  - LaLonde asked if this could impact COCC's investment in the Out-crop Phase 2 development next year.
  - McMeekin said that only a disclosure is required.

xi. In the general fund, total assets saw an increase of about $2.4 million from the previous fiscal year, primarily due to the timing of payments through accounts receivable. Liabilities only saw an increase of about $500,000 due to timing in payroll. The total general fund balance at the end of the 2025 fiscal year was about $18.6 million, with an increase of about $2 million from the previous year. Total revenues were over budget by about $961,000.

xii. A separate piece that the auditors are still working on is the agreed-upon procedures, which is required any time a key financial employee departs from an auditee. In this case, COCC President Laurie Chesley retired at the end of the 2025 fiscal year. The auditors expect they will finish this piece by the end of the week after this meeting.

xiii. McMeekin asked the Committee for any suggestions of information to highlight during the Board meeting where she will present on the results of the audit.
  - LaLonde suggested an abbreviated version of this presentation would be sufficient.
  - Unger suggested highlighting the management discussion and analysis, as well as some procedures regarding the general fund.
  - Knutson suggested clarifying a false request for payment from a contractor that worked on the Madras campus expansion.

4. Budget Committee Updates [Michael LaLonde]
   a. Harr has decided to finish her term with the Budget Committee, ending June 30, 2026.
   b. Lambert has decided to resign from the Budget Committee after this meeting concludes. She will continue to volunteer with COCC in other areas.
   c. There are now openings on the Budget Committee in Zones 1 and 2. LaLonde has interviewed two candidates and will present their credentials to the Board at their next regular meeting. If the Board approves both candidates, COCC will have a full Committee.
   d. One or more Budget Committee members will also need to be appointed to the Audit and Finance Committee before their next meeting in the summer of 2026.
5. Unger asked if the Audit and Finance Committee needs to know anything before an upcoming Board meeting.
   a. LaLonde said he gave the projection update to the Board at their regular meeting in November, noting a decrease in the reserve ratio due to construction at the Madras and Redmond campuses. He suggested that COCC should keep a conservative budget for the next few years. The College's vice presidents have discussed options for reducing spending by about $2 million in the 2027 fiscal year.
6. Next meeting: To be determined – Summer 2026 [Alan Unger]
7. Adjourned at 11:00 a.m. [Alan Unger]