



Reference: COCC Audit and Finance Committee Meeting

Date: January 13, 2026 – 10:00 a.m.

Location: Zoom Meeting

<u>Committee Members:</u> <ul style="list-style-type: none"><li>• Alan Unger, Chair</li><li>• Joe Krenowicz</li><li>• Jim Porter</li><li>• Rebekah Lambert</li><li>• Debi Harr</li></ul>	<u>Auditors:</u> Sorren, Inc. <ul style="list-style-type: none"><li>• Heather McMeekin, Partner</li><li>• Audit Team Members</li></ul>	<u>Administration:</u> <ul style="list-style-type: none"><li>• Dr. Greg Pereira, President</li><li>• Michael LaLonde, Vice President of Finance and Operations (VPFO)</li><li>• Cathleen Knutson, Controller</li><li>• Kyle Matthews, Executive Assistant to the President and VPFO</li></ul>
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### Agenda

1. Introductions and Opening Remarks [Alan Unger]
2. Approval of July 11, 2025 Meeting Minutes [Alan Unger] – Items 2.1-3
3. 2024-25 Fiscal Year Audit Results [Heather McMeekin] – Items 3.1-2 and [Full Report](#)
  - a. Overview
  - b. Areas of Focus
  - c. Audit Findings
4. Budget Committee Updates [Michael LaLonde]
5. Next meeting: TBD – Summer 2026 [Alan Unger]
6. Adjourn [Alan Unger]



Reference: COCC Audit and Finance Committee Meeting

Date: July 11, 2025

Time: 11:00 a.m.

Location: Remotely via Zoom

<p><u>Committee Members:</u></p> <ul style="list-style-type: none"> <li>• Alan Unger (Chair)</li> <li>• Joe Krenowicz</li> <li>• Erin Foote Morgan</li> <li>• Rebekah Lambert</li> <li>• Debi Harr</li> </ul>	<p><u>Auditors:</u> Sorren, Inc.</p> <ul style="list-style-type: none"> <li>• Heather McMeekin, Partner</li> <li>• Ben Miller, Senior Manager</li> </ul>	<p><u>Administration:</u></p> <ul style="list-style-type: none"> <li>• Dr. Greg Pereira, President</li> <li>• Michael LaLonde, Vice President of Finance and Operations (VPFO)</li> <li>• Cathleen Knutson, Controller</li> <li>• Kyle Matthews – Executive Assistant to the President and VPFO</li> </ul>
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### Minutes

- 1) Introductions and Opening Remarks – Alan Unger
  - a) The meeting was called to order at 11:01 a.m. All meeting attendees introduced themselves.
  - b) McMeekin explained Sorren’s relationship with COCC as the College’s auditor for the past six years. Sorren was formerly known as Price/Fronk & Co. before merging with KDP CPAs in 2024, then merging with various other firms to form Sorren, Inc. While the company is growing, the same Bend office and accountants have been working with COCC throughout this process.
    - i) LaLonde asked how many employees are in the Bend office and in total at the firm.
      - Miller estimated 20-25 employees in Bend. McMeekin estimated over 200 employees nationally.
    - ii) LaLonde asked how hiring accountants has been in the current economic climate.
      - McMeekin acknowledged it has been difficult to hire accountants in Bend. Many are opting to go into tax or insurance accounting. Sorren is still hiring and is utilizing their wider network made available by their recent merger. They are evaluating whether more of their work can be done remotely.
- 2) Approval of January 9, 2025 Meeting Minutes – Alan Unger – Items 2.1-3
  - a) Motion to approve the minutes.
    - i) 1<sup>st</sup>: Debi Harr
    - ii) 2<sup>nd</sup>: Rebekah Lambert
    - iii) In favor: Alan Unger, Erin Foote Morgan, Rebekah Lambert, Debi Harr
    - iv) Opposed or abstained: none (Joe Krenowicz was not present during the vote)

### 3) Auditors 2024-25 Fiscal Year Audit Planning

#### a) Overview – Heather McMeekin and Ben Miller

- i) The audit begins with payroll. The auditors choose a sample and test the full payroll process to ensure that payroll controls are functioning properly, including pay rates, I9 forms and direct deposits.
- ii) Disbursements are tested through accounts payable invoices, vendor checks, journal entries and bank reconciliations by making sure they are properly approved and coded.
- iii) Third-party testing is done for bank accounts.
- iv) Cutoff testing is done for accounts payable and accounts receivable.
- v) Fixed assets and repair and maintenance accounts are checked for any expenses that should be categorized as capital expenses.
- vi) A few random items will be reviewed, including some items that have been reviewed in the past.
- vii) COCC is required to complete a federal compliance audit as several of the College's federal grant programs are \$750,000 or more. Auditors will test a sample of these grant programs with federal requirements, including the Financial Aid department as it is COCC's largest portion of federal grant funding. Auditors will check for any new grant programs that have been added and test them.

#### b) Areas of Focus – Heather McMeekin

- i) There are two new Governmental Accounting Standards Board (GASB) standards this year.
  - Compensated absences, which focus on probability-based recognition. They have no distinction between sick leave and PTO, so auditors need to determine how likely employees will use both combined.
  - Certain risk disclosures that focus on revenues and resources.
- ii) The auditors visit one department each year. Last year they visited the Redmond campus. McMeekin asked for suggestions from the Committee for this year.
  - Unger asked if the auditors visiting the Madras campus could cause delays in construction.
    - (a) McMeekin suggested that the auditors should visit the Madras campus since there is so much activity with construction taking place.
    - (b) Knutson noted that the last time the auditors visited the Madras campus was during the 2022 fiscal year.
  - Unger asked if the Office of the President should be visited in light of the College's recent change in leadership.
    - (a) McMeekin said the auditors could look at agreed-upon procedures, credit cards and anything that was tied to the names of current and former presidents.
    - (b) Knutson suggested that the auditors may have done this during the 2022 fiscal year.
  - Unger asked if the audit could be affected in any way by funding for certain programs being cut by the federal government.
    - (a) LaLonde said the information he receives on federal funding cuts changes daily, so he was unsure how it might affect the audit.
    - (b) McMeekin said there could be a subsequent disclosure. The College could disclose significant events, such as the loss of a program.
    - (c) LaLonde said that, yesterday, he asked leadership from the Academic Affairs department and any other individuals who could identify what programs might be vulnerable to loss of federal funding at COCC. They will work together to develop a mitigation plan in case such a thing could happen.

- (d) Pereira suggested that this would be a matter of a programmatic audit as it would mean a change in what the College would be allowed to use federal funds for.
  - (e) McMeekin said the auditors will wait for any changes in allowable costs before testing.
  - LaLonde suggested the auditors should visit the Madras campus since they already think they should visit the expansion project. He also suggested that the Redmond campus might be worth visiting as there has been a lot of preliminary design work done for plans to remodel one if the buildings.
  - (a) Knutson added that the Madras campus also has a new director, so it might be a good idea for the auditors to meet with him. McMeekin concurred.
- c) Committee’s Areas of Focus – Committee Members
- i) LaLonde asked if unrelated business income like food services and the bookstore warrant review from the auditors.
    - McMeekin did not think so since COCC is a government municipality, so the College’s income is not taxable.
    - LaLonde asked if a municipality owning an LLC could warrant review.
    - McMeekin said she would follow-up on this question, noting LLCs like the Aviation and Culinary programs are part of the College’s mission for education.
  - ii) LaLonde noted that COCC received an Employee Retention Tax Credit (ERTC) refund in 2025 for \$3.6 million. This is the first of what will hopefully be two ERTC refunds. Additionally, COCC is developing infrastructure on property that the College owns and plans to sell. This expense is listed as “infrastructure” in the balance sheet.
- d) Audit Timeline – Heather McMeekin, Michael LaLonde and Cathleen Knutson
- i) McMeekin said the auditors would start a few weeks sooner than they have in the past. They would begin in the second week of September with a goal of submitting results to the State by December 22. This Committee normally meets in early January to review the audit before presenting to the full Board later that month.
  - ii) LaLonde asked if the audit could be finished in November or early December at the latest.
    - Knutson and Foote Morgan concurred that meeting before COCC’s winter break would be ideal.
    - McMeekin said she and Miller would review their calendars to determine when they could plan to finalize the audit and meet to review, possibly in mid-December. They will follow-up with LaLonde.
- 4) Next Meeting Date – January 2026 (to be determined)
- 5) Meeting adjourned at 11:46 a.m. – Alan Unger

December 19, 2025

The Management of  
Central Oregon Community College  
2600 NW College Way  
Bend, OR 97703

In planning and performing our audit of the basic financial statements of Central Oregon Community College (the College), and Central Oregon Community College Foundation, its discretely presented component unit, as of and for the year ended June 30, 2025, 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, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

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 over financial reporting, 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible:* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable:* The future event or events are likely to occur.

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

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Areas we identified opportunities where internal control effectiveness may be improved are as follows:

Cashier Functions

The cashier and cashier supervisor roles both allow for cash handling as well as taking student calls and granting waivers of first-time late fees. To achieve effective segregation of duties, the cash handling function and the ability to investigate and post adjustments to student accounts should be performed separately. Allowing for both abilities within the same position could create an opportunity for misappropriation or misapplication of student payments. We recommend that the College consider alternatives to having the cashier supervisor performing cashier duties in order to improve segregation of duties.

The purpose of this communication, which is an integral part of our audit, is to describe, for management and those charged with governance, the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

We would like to extend our appreciation to management and staff for their patience and support while we conducted our audit. Please contact us at (541) 382-4791 if you have any questions or concerns regarding the matters discussed above.



Heather A. McMeekin – a shareholder  
Sorren CPAs, P.C.