COLUMBIA GORGE COMMUNITY COLLEGE

Annual Financial Report

Year Ended June 30, 2014

COLUMBIA GORGE COMMUNITY COLLEGE

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2014

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COLUMBIA GORGE COMMUNITY COLLEGE

ANNUAL FINANCIAL REPORT

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Board of Education and Administrative Staff
Principal Officials
Columbia Gorge Community College
June 30, 2014

Position #	Name	County	Term Ending
1	M.D. Van Valkenburgh Board Member	Wasco	June 30, 2017
2	Dr. James R. Willcox Board Member	Wasco	June 30, 2017
3	Dave Fenwick, Vice-Chair Board Member	Hood River	June 30, 2015
4	Charlotte Arnold Board Member	Hood River	June 30, 2015
5	Dr. Ernie Keller, Chair Board Member	Wasco	June 30, 2017
6	Stu Watson Board Member	Hood River	June 30, 2015
7	Charleen Cobb Board Member	Wasco	June 30, 2017

ADMINISTRATION

Dr. Frank K. Toda, President

Tria Bullard, Director of Board and Executive Services

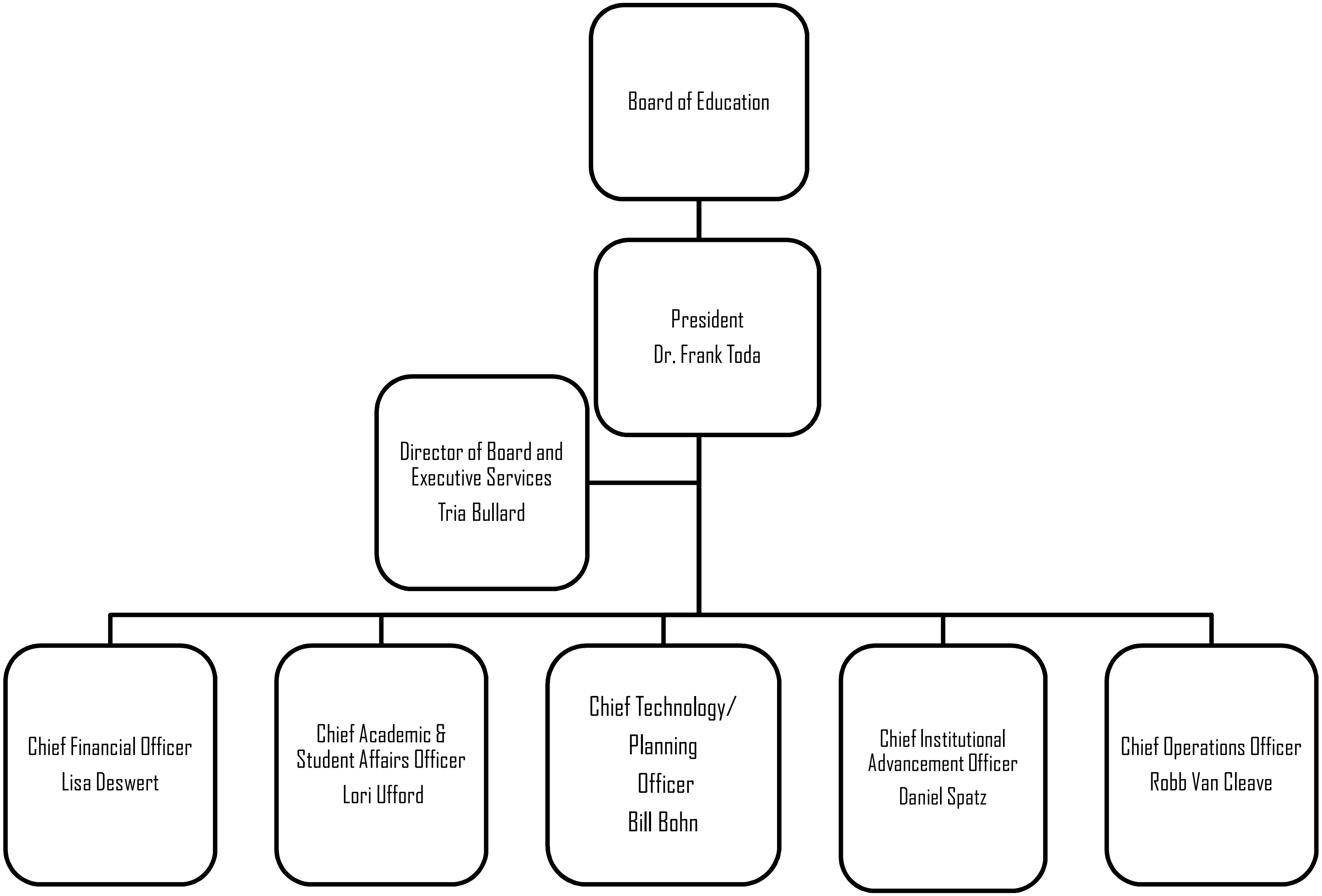
Lori Ufford, Chief Academic & Student Affairs Officer

Lisa Deswert, Chief Financial Officer

Daniel Spatz, Chief Institutional Advancement Officer

Robb Van Cleave, Chief Operations Officer

Bill Bohn, Chief Technology/Planning Officer


Board of Education
President
Dr. Frank Toda
Director of Board and Executive Services
Tria Bullard
Chief Financial Officer
Lisa Deswert
Chief Academic & Student Affairs Officer
Lori Ufford
Chief Technology/ Planning Officer
Bill Bohn
Chief Institutional Advancement Officer
Daniel Spatz
Chief Operations Officer
Robb Van Cleave

FINANCIAL SECTION

Talbot, Korvola
& Warwick, LLP
Certified Public Accountants
& Consultants
ACHIEVE MORE
4800 Meadows Road, Suite 200
Lake Oswego, Oregon 97035-4293
P 503.274.2849
F 503.274.2853
www.tkw.com

INDEPENDENT AUDITOR'S REPORT

Board of Education
Columbia Gorge Community College
The Dalles, Oregon

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Columbia Gorge Community College (the College), as of and for the year ended June 30, 2014, and the related notes to financial statements, which collectively comprise the 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.

Board of Education
Columbia Gorge Community College

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Required Supplementary Information, such as Management's Discussion and Analysis and Schedule of Funding Progress, as listed in the Table of Contents, 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. As listed in the Table of Contents, the Supplementary Information, Other Schedules, and the Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Supplementary Information, Other Schedules, and the 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 Supplementary Information, Other Schedules, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Education
Columbia Gorge Community College

OTHER MATTERS (Continued)

The Introductory Section, as listed in the Table of Contents, 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 22, 2014, on our consideration of the 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 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 the College's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 22, 2014, on our consideration of the College's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

TALBOT, KORVOLA & WARWICK, LLP

By Angelique Whitlow
Angelique Whitlow, Partner

Lake Oswego, Oregon
December 22, 2014

MANAGEMENT’S DISCUSSION AND ANALYSIS

COLUMBIA GORGE COMMUNITY COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2014

This section of Columbia Gorge Community College's (the College) annual financial report presents a comparative analysis of the financial activities of the College for the fiscal years ended June 30, 2014 and 2013.

This report consists of management's representations concerning the finances of the College. To provide a reasonable basis for making these representations, management of the College has established a comprehensive internal control framework that is designed both to protect the College's assets from loss, theft or misuse; and, to compile sufficient reliable information for the preparation of the College's financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Because the cost of internal controls should not outweigh their benefit, the College's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

U.S. GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A).

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the College's basic financial statements, which is 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 includes required and other supplementary information in addition to the basic financial statements.

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 entity-wide statements consist of the statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows which are described and analyzed in the following sections. The notes to the basic financial statements are required to complete the basic financial statements, and are an integral component thereof.

The College has presented its basic financial statements in accordance with Statement Nos. 34 and 35 of the Governmental Accounting Standards Board (GASB).

GASB Statement No. 34 stipulates using an economic resources measurement focus and the accrual basis of accounting. All capital assets and related accumulated depreciation are to be reported in the statement of net position. All outstanding debt will reduce net position. Depreciation will be recognized in the statement of revenues, expenses and changes in net position. All revenues will be recognized in the year in which they are earned. Likewise, expenses will be reported in the year the liability is incurred regardless of when the amount is actually paid. Interest on debt will be accrued at June 30 and recorded as an expense in the statement of revenues, expenses and changes in net position.

GASB Statement No. 35 applies to public colleges and universities. It stipulates the display and disclosure requirements of the basic financial statements. The financial information is to be presented for the College as a whole, rather than a series of fund types. The display and disclosure requirements are similar to that used by commercial organizations.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS (Continued)

The basic financial statements are comprised of:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows
- Notes to Basic Financial Statements

A statement of net position presents information on all of the College's assets (what it owns) and liabilities (what it owes). The difference between total assets and deferred outflow of resources less total liabilities is reported as net position. Over time, changes in net position are an indicator of improving or eroding financial health. Non-financial indicators, such as enrollment levels and the condition of the College's facilities must also be considered when evaluating the College's financial position.

The statement of revenues, expenses and changes in net position presents the revenues earned and expenses incurred during the year. As prescribed by GASB, revenues and expenses are reported as operating or nonoperating. Operating revenues and expenses generally result from providing services to students. All other revenues and expenses not meeting this definition are reported as nonoperating. Revenues are presented by source. Expenses are presented by function. GASB stipulates that State support and property taxes are reported as nonoperating revenues. This results in the display of a significant operating loss.

A statement of cash flows is intended to help evaluate the College's ability to meet its financial obligations as they become due. Cash inflows and outflows are identified as operating, noncapital financing, capital and related financing, and investing activities. The nature of operating activities was described in the previous paragraph. Capital and related financing activities are those items that are clearly attributable to the acquisition, construction or improvement of capital assets. This includes the repayment of debt associated with these assets.

The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

FINANCIAL HIGHLIGHTS

Financial highlights for the College for fiscal year ending June 30, 2014 are described below.

- The College's financial position, as a whole, improved in some measures and declined in other measures during the fiscal year ended June 30, 2014.
- The College's financial position at June 30, 2014 consists of assets of $40,077,318, deferred outflow of resources of $1,105,949, liabilities of $20,624,390, and net position of $20,558,877, a decrease of $462,592, 2.2% from the prior year.
- Total assets decreased in 2014 by $1,712,627 to $40,077,318 primarily due to current spending activity.
- Total liabilities decreased in 2014 by $1,345,039 to $20,624,390 primarily due to principal payments on bonds payable.

FINANCIAL HIGHLIGHTS (Continued)

- Total net position decreased by $462,592 to $20,558,877, a decrease of 2.2% from the prior year. Unrestricted net position decreased by $1,516,278 to $2,130,865 which is primarily due to current spending activity.
- Within net position, the investment in capital assets less any related outstanding debt used to acquire those assets increased by $1,006,166 to $16,160,171 in 2014. The College uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CONDENSED FINANCIAL INFORMATION AND ANALYSIS

Net position at June 30, 2014 and 2013:

	2014	2013 (reclassified)	Increase/ (Decrease)	Change %
Current assets:				
Cash and cash equivalents	$ 2,641,292	$ 3,449,747	$ (808,455)	(23.4) %
Investments	3,069,318	3,159,720	(90,402)	(2.9)
Other assets	1,223,147	1,318,086	(94,939)	(7.2)
Total current assets	6,933,757	7,927,553	(993,796)	(12.5)
Noncurrent assets:				
Net prepaid pension asset	1,944,171	2,083,047	(138,876)	(6.7)
Capital assets, net	31,199,390	31,779,345	(579,955)	(1.8)
Total noncurrent assets	33,143,561	33,862,392	(718,831)	(2.1)
Total assets	40,077,318	41,789,945	(1,712,627)	(4.1)
Deferred outflow of resources:				
Deferred charge on refunding	1,105,949	1,200,953	(95,004)	(7.9)
Liabilities:				
Current liabilities	1,929,189	2,259,833	(330,644)	(14.6) %
Noncurrent liabilities	18,695,201	19,709,596	(1,014,395)	(5.1)
Total liabilities	20,624,390	21,969,429	(1,345,039)	(6.1)
Net positon:				
Net investment in capital assets	16,160,171	15,154,005	1,006,166	6.6
Restricted for:				
Debt service	1,618,116	1,540,781	77,335	5.0
Capital projects	649,725	679,540	(29,815)	(4.4)
Unrestricted	2,130,865	3,647,143	(1,516,278)	(41.6)
Total net position	$ 20,558,877	$ 21,021,469	$ (462,592)	(2.2)

CONDENSED FINANCIAL INFORMATION AND ANALYSIS

Current Assets

Current assets of $6,933,757 were more than sufficient to cover current liabilities of $1,929,189. This represents a current ratio of 3.6 as compared to 3.5 in the prior year. Cash and cash equivalents decreased by $808,455 to $2,641,292 as compared to $3,449,747 in the prior year due to cash of $9,011,994 provided by noncapital financing activities, offset in part by operating and investing cash flows.

Noncurrent Assets

The College's capital assets decreased by $579,955 to $31,199,390 due primarily to annual depreciation charges exceeding additions for the year. Detailed changes to capital assets are shown in Note 5 of the Notes to Basic Financial Statements.

Deferred Outflow of Resources

The decrease in the deferred charge for refunding is due to the amortization over the remaining life of the debt instrument.

Current Liabilities

The College's current liabilities consist primarily of various payables for operations, accrued payroll, taxes and compensated absences, unearned revenue and the current portion of bonds payable. Current liabilities decreased by $330,644 to $1,929,189. Unearned revenue from tuition and fees decreased by $14,525 to $292,465 because of a reduced number of students enrolled for summer term.

Noncurrent Liabilities

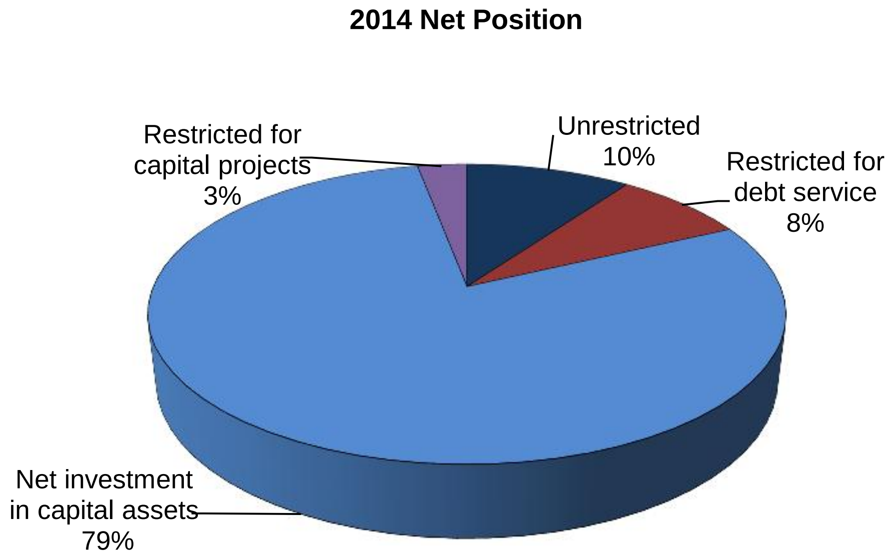
Noncurrent liabilities consist of bonds payable less the current portions of specific obligations. Noncurrent liabilities decreased by $1,014,395 to $18,695,201 due primarily to principal payments on bonds payable.

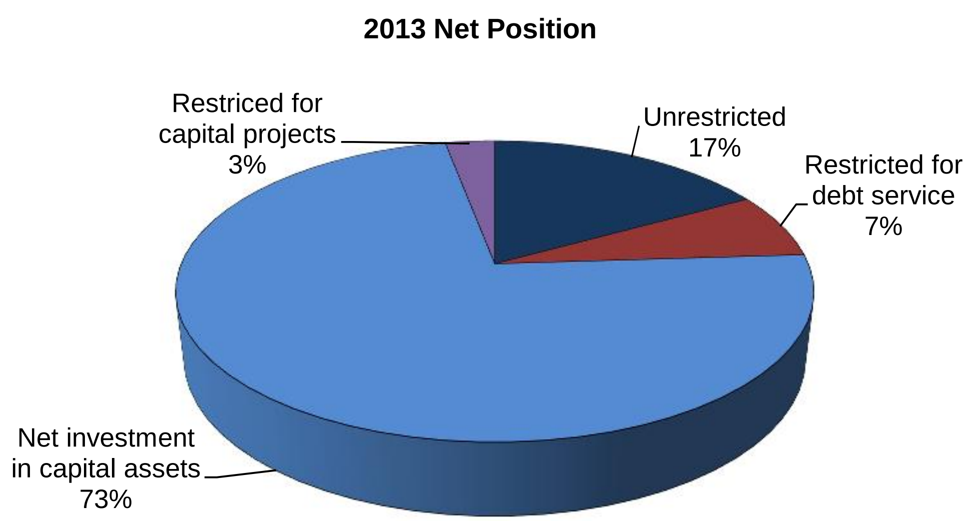
The College's capital investment in real property, construction and improvements for The Dalles and Hood River campuses are funded by two general obligation bonds. Additional information on the College's bonds payable may be found in Note 6 of the Notes to Basic Financial Statements.

Net Position

Total net position decreased by $462,592 to $20,558,877, a decrease of 2.2% from the prior year. Within net position, the net investment in capital assets is $16,160,171, an increase of $1,006,166 as compared to the prior year primarily due to principal payments on bonds payable exceeding annual depreciation charges. Restricted net position increased by $47,520 to $2,267,841. Unrestricted net position decreased by $1,516,278 to $2,130,865 and is available for the continuing operations of the College. The following chart shows the allocation of net position of the College as of June 30, 2014 and 2013.

CONDENSED FINANCIAL INFORMATION AND ANALYSIS (Continued)





CONDENSED FINANCIAL INFORMATION AND ANALYSIS (Continued)

Revenues, expenses and changes in net position for the years ended June 30, 2014 and 2013:

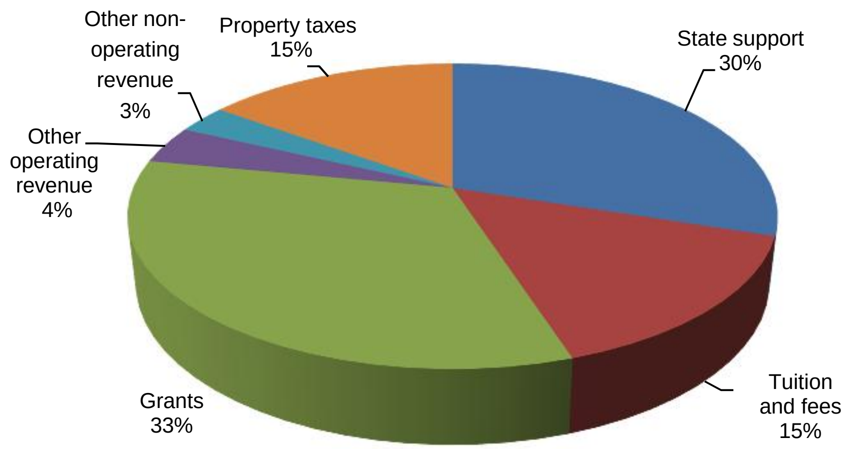
	2014	2013	Increase/ (Decrease)	Change %
Operating revenues:				
Tuition and fees, net	$ 2,362,370	$ 2,265,262	$ 97,108	4.3 %
Grants	3,305,136	3,954,354	(649,218)	(16.4)
Other operating revenue	674,245	824,486	(150,241)	(18.2)
Total operating revenues	6,341,751	7,044,102	(702,351)	(10.0)
Operating expenses:				
Instruction	3,931,834	4,053,143	(121,309)	(3.0)
Public services	279,794	337,378	(57,584)	(17.1)
Academic support	919,018	888,374	30,644	3.4
Student services	1,333,831	1,224,374	109,457	8.9
Institutional support	3,426,405	3,201,508	224,897	7.0
Plant operations	1,156,633	1,096,107	60,526	5.5
Depreciation	989,068	965,847	23,221	2.4
Scholarships	2,951,350	3,970,040	(1,018,690)	(25.7)
Auxiliary enterprises	352,470	392,892	(40,422)	(10.3)
Total operating expenses	15,340,403	16,129,663	(789,260)	(4.9)
Operating loss	(8,998,652)	(9,085,561)	86,909	(1.0)
Nonoperating revenues (expenses):				
State support	4,737,108	2,529,177	2,207,931	87.3
Property taxes	2,408,889	3,281,278	(872,389)	(26.6)
Grants	1,806,940	2,162,510	(355,570)	(16.4)
Other nonoperating revenue	375,218	248,750	126,468	50.8
Other nonoperating expenses	(792,095)	(881,023)	88,928	(10.1)
Total nonoperating revenues (expenses)	8,536,060	7,340,692	1,195,368	16.3
Increase (decrease) in net position	(462,592)	(1,744,869)	1,282,277	(73.5)
Net position, beginning of year	21,021,469	22,766,338	(1,744,869)	(7.7)
Net position, end of year	$ 20,558,877	$ 21,021,469	$ (462,592)	(2.2) %

CONDENSED FINANCIAL INFORMATION AND ANALYSIS (Continued)

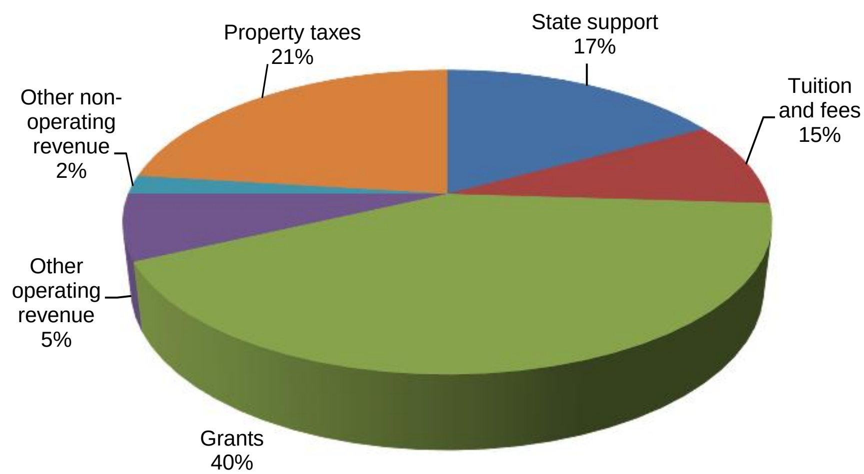
Revenues

The following graphs show the allocation of revenues for fiscal years 2014 and 2013.

2014 Operating and Nonoperating Revenues



2013 Operating and Nonoperating Revenues



CONDENSED FINANCIAL INFORMATION AND ANALYSIS (Continued)

Operating Revenues

The sources of operating revenue for the College are tuition and fees, federal, state and local grants, bookstore sales and other operating revenue. Operating revenues decreased by 10% as compared to 2013.

Tuition and fees, which include all amounts paid for educational purposes, increased 4% by $97,108 to $2,362,370, which represents 15% of total revenue. Operating revenue from federal, state and local grants decreased by 16% or $649,218 to $3,305,136 due to less awards from Federal Student Aid than in the previous year.

Nonoperating Revenues

Net nonoperating revenues increased overall by $1,195,368 to $8,536,060. One of the three largest nonoperating revenue sources is the State of Oregon which funds FTE reimbursements through the Community College Support Fund and represents 30% of total revenue. State Community College Support revenue increased by 87% to $4,737,108 primarily due to receiving five payments in 2014 versus three in 2013 which is consistent with this being the first year of the biennium. The deferrals were enacted in 2003 by the Oregon Legislature and are scheduled to occur on alternate years so that the State could balance its biennial budget.

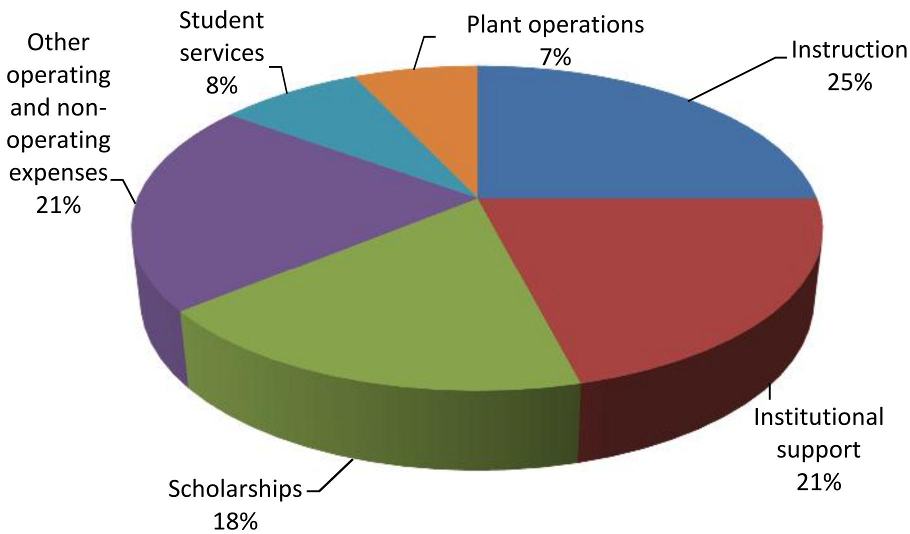
Property taxes decreased by 27% to $2,408,889 and represents 15% of total revenue. The significant year over year decline is attributable to the retirement of the Series 1998 Wasco County General Obligation Bonds. Of the property taxes received, approximately 56% is attributed to general obligation bond levies and 44% is from the permanent operating levy rate of $0.2703 per thousand.

CONDENSED FINANCIAL INFORMATION AND ANALYSIS (Continued)

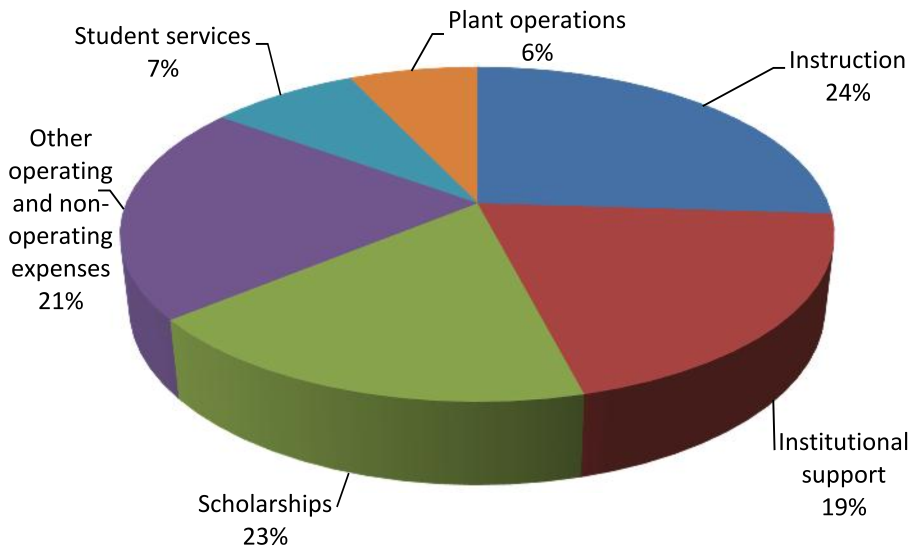
Expenses

The following graphs show the allocation of expenses for the College by functional classification for fiscal years 2014 and 2013:

2014 Operating and Nonoperating Expenses



2013 Operating and Nonoperating Expenses



CONDENSED FINANCIAL INFORMATION AND ANALYSIS (Continued)

Operating Expenses

Operating expenses decreased by 5% to $15,340,403. Instruction expenses are the largest percentage of total expenses at 25% for a total of $3,931,834. Scholarships distributed as Financial Aid decreased by 26% to $2,951,350 as compared to the prior year and accounts for 18% of total expenses. Institutional support increased by 7% to $3,426,405 or 21% of total expenses. Plant operations increased by 6% to $1,156,633 or 7% of total expenses. Academic support increased by 3% to $919,018 or 6% of total expenses. Student services expense increased by 9% to $1,333,831 and represents 8% of total expenses. Depreciation increased 2% to $989,068 or 6% of total expenses.

Nonoperating Expenses

The largest nonoperating expense was interest on debt of $792,095 and represents 5% of total expenses.

CONDENSED FINANCIAL INFORMATION AND ANALYSIS (Continued)

The following table shows the statements of cash flows at June 30, 2014 and 2013:

	2014	2013	Increase/ (Decrease) in Cash	Change %
Cash flows from operating activities:				
Cash received from tuition and fees	$ 2,277,209	$ 1,234,432	$ 1,042,777	84.5 %
Cash received from grants	3,357,548	3,954,354	(596,806)	(15.1)
Other operating revenue	813,855	1,400,704	(586,849)	(41.9)
Cash paid for operating activities	(14,552,891)	(14,073,338)	(479,553)	3.4
Net cash flows from operating activities	(8,104,279)	(7,483,848)	(620,431)	8.3
Cash flows from noncapital financing activities:				
Cash received from state support	4,737,108	2,529,177	2,207,931	87.3
Cash received from property taxes	2,441,783	3,279,727	(837,944)	(25.5)
Cash received from grants	1,806,940	2,162,510	(355,570)	(16.4)
Other cash received from noncapital financing activities	298,881	110,911	187,970	169.5
Other cash paid from noncapital financing activities	(272,718)	(257,720)	(14,998)	5.8
Total cash flows from noncapital financing activities	9,011,994	7,824,605	1,187,389	15.2
Cash flows from capital financing activities:				
Acquisition of capital assets	(418,766)	(874,476)	455,710	(52.1)
Proceeds from capital debt issued	-	1,500,000	(1,500,000)	100.0
Principal paid on long-term debt	(951,000)	(1,450,000)	499,000	(34.4)
Interest paid on long-term debt	(513,142)	(614,678)	101,536	(16.5)
Net cash flows from capital financing activities	(1,882,908)	(1,439,154)	(443,754)	30.8
Cash flows from investing activities:				
Net change in investments	90,402	(36,850)	127,252	(345.3)
Earnings on investments	76,336	88,100	(11,764)	(13.4)
Net cash flows from investing activities	166,738	51,250	115,488	225.3
Increase (decrease) in cash and cash equivalents	(808,455)	(1,047,147)	238,692	(22.8)
Cash and cash equivalents, beginning of year	3,449,747	4,496,894	(1,047,147)	(23.3)
Cash and cash equivalents, end of year	$ 2,641,292	$ 3,449,747	$ (808,455)	(23.4) %

CONDENSED FINANCIAL INFORMATION AND ANALYSIS (Continued)

Operating Activities

The College's major sources of cash included in operating activities were tuition and fees of $2,277,209, and grants of $3,357,548. Major operating uses of cash were payments to employees and suppliers, as well as for student financial aid, totaling $14,552,891. The College used 8% or $620,431 more in cash in its operating activities than in the prior year, due to a decrease in cash from grants and contracts of $596,806 primarily from Federal Student Aid, a decrease in cash from other operating revenue of $586,849, and an increase in cash paid for operating activities of $479,553.

Noncapital Financing Activities

State appropriations and property taxes are the primary sources of noncapital financing activities. Cash provided from noncapital financing activities totaled $9,011,994 primarily from cash received from state FTE reimbursement of $4,737,108, cash from property taxes of $2,441,783, and cash received for Pell grants of $1,806,940. Other sources include leases and other nonoperating revenue. Accounting standards require that these sources of revenue be reported as nonoperating even though the College depends on these revenues to continue the current level of operations. Cash used by noncapital financing activities include cash paid for principal and interest payments for pension bonds, and other nonoperating expenses.

The net cash provided by noncapital financing activities increased 15% or $1,187,389 over the prior year. Cash received from state appropriations increased by $2,207,931 due to receiving five payments versus only three in the prior year which his consistent with this being the first year of the biennium. Property taxes decreased by $837,944. Other nonoperating income increased by $187,970.

Capital Financing Activities

The capital financing uses of cash were the acquisition of capital assets of $418,766, principal payments of $951,000 and interest payments of $513,142. The net cash used by capital financing activities increased by $443,754 or 31%. Purchases of capital assets decreased by $455,710 compared to the prior year. Principal paid on long-term debt decreased by $499,000. Interest paid on long-term debt decreased by $101,536.

Investing Activities

Investing activities provided $166,738 in net cash, resulting from earnings on investments of $76,336, and the net change in investments of $90,402.

Cash provided from earnings on investments decreased by $11,764 to $76,336 as a result of investment activities. Net change in investments provided $90,402 of cash as compared to using $36,850 of cash in the prior year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The College's investment in capital assets as of June 30, 2014, amounts to $31,199,390 net of accumulated depreciation. Investment in capital assets includes land, buildings and improvements, and furniture, equipment, and machinery. Additional information on the College's capital assets can be found in Note 5 of this report.

Debt Administration

As of June 30, 2014, the College had total debt outstanding of $19,458,813. Of this amount, $810,000 is the outstanding general obligation bond series 2005; $13,625,000 is the outstanding general obligation bond series 2012 refunding; $2,663,920 is the outstanding pension obligation bond series 2003, and $1,424,000 is the outstanding full faith and credit financing agreement. Total debt outstanding was reduced by $1,045,177 of principal payments.

Additional information on the College's bonds payable can be found in Note 6 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S OPERATIONS

Stable and slow revenue growth is expected over the next fiscal year. Property tax revenues are forecast by the Department of Revenue to increase by 2%. All other significant sources of College revenue are dependent on state legislative appropriations and enrollment growth. Static tuition and fees, moderate district population growth, and an improving economy are expected to hold revenues steady over the next year.

Community College tuition revenue is highly counter-cyclical to broader economy. Tuition revenue and enrollment grew rapidly during the previous recession. The College's student full-time equivalent (FTE) count reached a record high of 1,262 in 2010. This coincided with Oregon's peak unemployment rate. Student FTE quickly returned to pre-recession levels as economic growth returned to normal. Oregon's unemployment rate is expected to continue to improve over the next year, which will likely result in stagnant or slightly decreasing community college enrollment.

Neither tuition rates nor service district population growth are anticipated to significantly impact enrollment over the next year. Tuition and fees at the College remain at market rate levels compared to other Oregon community colleges. For the 2014-15 academic year, in-district tuition and fees for a full-time student at the College are $4,545. This is slightly below the state-wide average of $4,640. Population growth also isn't anticipated to considerably affect enrollment. The Portland State Population Research Center estimates that Hood River and Wasco Counties grew 1.3% and 0.7%, respectively, per year since the 2010 census.

Funding from the State of Oregon Community College Support Fund (CCSF) is expected to continue the current trend of modest increases as state revenues return to normal growth rates. The College anticipates that higher proportions of state revenues will be for restricted purposes, such as Career Technical Education, as opposed to unrestricted General Fund dollars. The College expects to be a competitive candidate to obtain these programmatic funds.

ECONOMIC FACTORS AND NEXT YEAR'S OPERATIONS (Continued)

Future state funding is expected to be influenced by the creation of the Higher Education Coordinating Commission (HECC) through House Bill 4018 (2014). The Coordinating Commission replaces the Department of Community Colleges and Workforce Development. The HECC is responsible for developing goals and a strategic plan for the state's post-secondary education system, including developing a financial model for a post-secondary education budget. This will result in a new CCSF distribution formula. The new formula will be based on outcomes, such as certificate production, rather than the current enrollment based formula. The College has consistently received between 1.6% and 1.8% of the state-wide CCSF. A change to the distribution formula will increase revenue uncertainty for the College. It may also result in increased administrative overhead to track and report new measures necessary to calculate the new funding formula. Any changes to the funding formula are not expected to take effect until FY2015-16.

REQUEST FOR INFORMATION

This financial report is designed to provide 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:

Chief Financial Officer
Columbia Gorge Community College
400 East Scenic Drive
The Dalles, OR 97058

BASIC FINANCIAL STATEMENTS

COLUMBIA GORGE COMMUNITY COLLEGE

STATEMENT OF NET POSITION

JUNE 30, 2014

ASSETS:	
Cash and cash equivalents	$ 2,641,292
Investments	3,069,318
Receivables, net of allowance for doubtful accounts of $403,981	986,320
Inventories and other current assets	236,827
Current assets	6,933,757
Net prepaid pension asset	1,944,171
Capital assets, net	31,199,390
Noncurrent assets	33,143,561
Total assets	40,077,318
DEFERRED OUTFLOW OF RESOURCES:	
Deferred charge on refunding	1,105,949
LIABILITIES:	
Accounts payable	42,706
Accrued payroll and taxes	463,741
Unearned revenue	292,465
Bonds payable	1,130,277
Current liabilities	1,929,189
Net other postemployment benefit obligation	366,665
Bonds payable, net current portion	18,328,536
Noncurrent liabilities	18,695,201
Total liabilities	20,624,390
NET POSITION:	
Net investment in capital assets	16,160,171
Restricted for:	
Debt service	1,618,116
Capital projects	649,725
Unrestricted	2,130,865
TOTAL NET POSITION	$ 20,558,877

See notes to basic financial statements.

COLUMBIA GORGE COMMUNITY COLLEGE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2014

OPERATING REVENUES:	
Tuition and fees, net	$ 2,362,370
Grants:	
Federal	2,598,793
State and local	706,343
Auxiliary enterprises	366,754
Other	307,491
Total operating revenues	6,341,751
OPERATING EXPENSES:	
Instruction	3,931,834
Public service	279,794
Academic support	919,018
Student services	1,333,831
Institutional support	3,426,405
Plant operations	1,156,633
Depreciation	989,068
Scholarships	2,951,350
Auxiliary enterprises	352,470
Total operating expenses	15,340,403
OPERATING LOSS	(8,998,652)
NONOPERATING REVENUES (EXPENSES):	
State support	4,737,108
Property taxes	2,408,889
Grants	1,806,940
Interest income	76,336
Interest expense	(792,095)
Lease income	175,936
Other	122,946
Total nonoperating revenues (expenses)	8,536,060
DECREASE IN NET POSITION	(462,592)
BEGINNING NET POSITION	21,021,469
ENDING NET POSITION	$ 20,558,877

See notes to basic financial statements.

COLUMBIA GORGE COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:	
Tuition and fees	$ 2,277,209
Grants	3,357,548
Auxiliary enterprise charges	362,247
Other	451,608
Payments to employees	(8,515,158)
Payments to suppliers	(3,130,291)
Financial aid and scholarships	(2,907,442)
Net cash flows from operating activities	(8,104,279)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
State support	4,737,108
Property taxes	2,441,783
Grants	1,806,940
Leases and other	298,881
Principal paid on noncapital debt	(94,177)
Interest paid on noncapital debt	(178,541)
Net cash flows from noncapital financing activities	9,011,994
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of capital assets	(418,766)
Principal paid on capital debt	(951,000)
Interest paid on capital debt	(513,142)
Net cash flows from capital and related financing activities	(1,882,908)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net change in investments	90,402
Interest income	76,336
Net cash flows from investing activities	166,738
DECREASE IN CASH AND CASH EQUIVALENTS	(808,455)
BEGINNING CASH AND CASH EQUIVALENTS	3,449,747
ENDING CASH AND CASH EQUIVALENTS	$ 2,641,292
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES:	
Operating loss	$ (8,998,652)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation	989,068
Loss on disposal	9,653
Amortization of net prepaid pension asset	138,876
Changes in assets and liabilities:	
Receivables	(27,143)
Inventories and other current assets	3,381
Accounts payable	(178,846)
Accrued payroll and taxes	(222,372)
Unearned revenue	(14,525)
Net other postemployment benefit obligation	196,281
Net cash flows from operating activities	$ (8,104,279)

See notes to basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

1. COLLEGE

Columbia Gorge Community College (the College), is organized under the general laws of the State of Oregon and, as such, is a public institution under the general supervision of the State Board of Education through the Department of Community Colleges and Workforce Development.

The College is an independent municipal corporation under the Oregon Revised Statutes. The seven-member board appoints a president to administer the activities of the College. The College maintains a main campus in Wasco County and a second campus in Hood River County.

On July 17, 2013, the Northwest Commission on Colleges and Universities approved the College's request for independent accreditation, following a journey that began in 2006 upon direction of the College's board.

The College had been accredited since its establishment in 1977 through a contract with Portland Community College (PCC). The College's quest for independent accreditation enjoyed the full support and encouragement of PCC, which had been responsible for program review and other key functions. Graduates also received diplomas from PCC instead of the College.

The College achieved formal candidacy for independent accreditation in 2008, which in itself allowed the institution to compete for federal grants and award financial aid. Independent accreditation confers other major benefits, including greater flexibility in developing new instructional programs, additional access to resources, and most importantly, improved service to students.

Independent accreditation is a milestone, not a destination. The distinction brings with it the requirement for continual evaluation and improvement, using specific measures to determine how the institution is meeting its mission of "Building dreams and transforming lives by providing life-long educational opportunities that strengthen our community." That process will never end.

The basic financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the accepted standards-setting body for establishing governmental accounting and reporting principles. The most significant accounting policies are described below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared in accordance U.S. GAAP as prescribed by the GASB, including Statement No. 35, *Basic Financial Statements - and Management's Discussion*

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

and Analysis – for Public Colleges and Universities. The College follows the "business-type activities" reporting requirements of GASB Statement No. 35 that provides a comprehensive one-column look at the College's financial activities.

Basis of Accounting

For financial statement reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's basic financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period liabilities are incurred, regardless of the timing of related cash flows. All significant intra-College transactions have been eliminated.

Non-exchange transactions, in which the College receives value without directly giving equal value in return, include property taxes, federal, state, and local grants, state appropriations, and other contributions. On an accrual basis, revenue from property taxes is recognized as revenue in the years for which they are levied. Revenue from grants, state appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the College must provide local resources to be used for a specific purpose, and expenditure requirements in which the resources are provided to the College on a reimbursement basis.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Cash and Cash Equivalents

Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risks of changes in value because of changes in interest rates. Cash and cash equivalents are considered to be cash on hand, demand deposits, the Oregon Local Government Investment Pool (LGIP) and short-term investments with original maturities of three months or less from the date of acquisition. The LGIP is stated at cost, which approximates fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Oregon Revised Statutes authorize investment in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, repurchase agreements and bankers' acceptances. As of June 30, 2014, and for the year then ended, the College was in compliance with the aforementioned State of Oregon statutes. Investments are stated at fair value, which is based on the individual investment's quoted market prices at year end.

Receivables

All student accounts, grants, student loans and property taxes receivable are shown net of an allowance for uncollectible accounts. Student accounts receivable are recorded as tuition is assessed. The allowance for uncollectible accounts is determined based upon aged receivable balance and likelihood of collection.

Property taxes are levied and become a lien on all taxable property on July 1. Taxes are payable on November 15, February 15 and May 15. Discounts are allowed if the amount due is received by November 15 or February 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 revenue when levied.

Inventories

Inventories include textbooks and supplies purchased for resale to students and expendable office and instructional supplies. The inventories are stated at the lower of cost or market. Cost amounts are determined on the first-in-first-out method.

Net Prepaid Pension Asset

The College has issued limited tax pension obligation bonds. Proceeds were used to make a supplemental lump-sum payment to the Oregon Public Employees Retirement System (PERS). The intent was to prepay the amortization of the College's share of the PERS unfunded actuarial liability. Amortization of this supplemental lump-sum payment is recognized as pension expense over the life of the bonds using the straight-line method.

Capital Assets

Capital assets include land and land improvements; building and building improvements; furniture, equipment and machinery, and construction in progress. The College's capitalization threshold is $5,000 for furniture, equipment and machinery and $50,000 for buildings and building improvements, and land and land improvements, and a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value or functionality of the assets' lives are not capitalized, but are expensed as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Capital assets of the College are depreciated using the straight-line method over the following useful lives:

Building and building improvements	20-50 years
Furniture, equipment and machinery	5-20 years
Land improvements	10-25 years

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The College reports a deferred refunding charge with an original balance of $1,330,060 as a deferred outflow of resources. The deferred refunding charge is amortized using the straight-line method over the remaining life of the debt instrument refunded.

Compensated Absences

College employees accumulate vacation pay in varying amounts depending on years of continued service. It is the College's policy to permit employees to accumulate earned but unused vacation pay. All outstanding vacation time is payable upon termination of employment. Vacation pay is recorded within accrued payroll and taxes on the Statement of Net Position, and an expense when earned.

Sick leave accumulates one day per month for full-time employees. Sick leave accumulates for full-time faculty based on contract days. For a regular 180-day full-time faculty contract, a total of 10 days sick leave is accrued per year. There is no limit on accumulation and it is not compensable upon termination of employment. No liability is reported for unpaid accumulated sick leave.

Unearned Revenue

Summer term tuition and fees are collected in part in the months of May and June; however, the revenue and expense of summer term is reflected in the budget for the following fiscal year when it will be earned. Due to this timing difference, unearned revenue has been recorded to account for summer term tuition and fees to be recognized as revenue in the month of July.

Grant or contract revenue which was received prior to the occurrence of qualifying expenses and prior to the end of the fiscal year but was intended for expense in the following fiscal year has been deferred and recognized as unearned revenue.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bonds Payable

Bond premiums and discounts, and any amounts deferred on refunding of debt are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Premiums and discounts are netted against outstanding debt for reporting in the financial statements.

Retirement Plans

Eligible college employees are participants in the State of Oregon Public Employees Retirement System (OPERS). Contributions to OPERS are made on a current basis as required by the plan and are charged as expenses.

Other Postemployment Benefits Obligation

The net other postemployment benefits (OPEB) obligation is recognized as a long term liability in the Statement of Net Position, the amount of which is actuarially determined.

Net Position

Net position represents the difference between the College's total assets and deferred outflow of resources less total liabilities. Net position is classified according to external donor restrictions or availability of assets for satisfaction of College obligations. Net position is classified in the following components:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted – This component of net position consists of constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Restrictions may also result from endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Unrestricted – This component of net position consists of resources available to be used for transactions relating to the general obligations of the College, and may be used at the discretion of the governing board, as designated, to meet current expenses for specific future purposes.

The College policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating and Nonoperating Revenues and Expenses

Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the College'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, staff, administration and support expenses, bookstore operations, and depreciation on capital assets. All other revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Scholarship Allowances

Financial aid to students is reported in the basic financial statements under the alternative method as 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 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 allowances represent the portion of aid provided to the student in the form of reduced tuition. Tuition and fees are shown net of scholarship allowances of $931,267 for the year ended June 30, 2014. Under the alternative method, these amounts are computed by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third party aid.

3. CASH AND INVESTMENTS

The primary investment objectives of the College's investment activities are preservation of capital, liquidity, diversification and yield. The College's cash and investments are comprised of the following at June 30, 2014:

Cash and cash equivalents:	
Cash on hand	$ 3,636
Deposits with financial institutions	426,808
Brokerage cash account	128,445
Oregon Local Government Investment Pool	2,082,387
Cash with PERS Obligation Bond paying agent	16
Total cash and cash equivalents	2,641,292
Investments:	
Government and agency securities	2,031,352
Corporate bonds	1,037,966
Total investments	3,069,318
Total cash and investments	$ 5,710,610

3. CASH AND INVESTMENTS (Continued)

Deposits with Financial Institutions – On June 30, 2014, the College held $426,808 book balance in demand deposits with a bank balance of $513,911. Insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Where balances exceed the Federal Deposit Insurance Corporation (FDIC) amount of $250,000, the balances are covered by collateral held in a multiple financial institution collateral pool (ORS 295.015) administered by the Oregon State Treasury in the Public Funds Collateralization Program (PFCP). As of June 30, 2014, $357,624 was covered by FDIC insurance and $156,287 were collateralized under the PFCP.

Brokerage Cash Account – The College's brokerage cash account with Fidelity Investments is cash awaiting reinvestment by the College's investment advisor, Vision Capital Management, Inc. As of June 30, 2014, the College held $128,445 in the Fidelity brokerage cash account. Fidelity Brokerage Services, LLC (FBS) through National Financial Services, LLC (NFS) provides its customers additional "excess SIPC" coverage from Lloyd's of London. This additional protection covers up to an aggregate limit of $1 billion of which $1.9 million may cover cash awaiting reinvestment at the individual account level. This protection becomes available in the event that SIPC limits are exhausted and is the highest level of excess SIPC coverage currently available. No coverage protects against a decline in the market value of securities.

Oregon Local Government Investment Pool (LGIP) – The LGIP is an open-ended no-load diversified portfolio pool offered to any agency, political subdivision or public corporation of the state that by law is made the custodian of, or has control of, any fund. 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 Oregon Local Government Investment Pool is an external investment pool which is part of the Oregon Short-Term Fund (OSTF). 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 the portfolio guidelines issued by the OSTF. The OSTF does not receive credit quality ratings from nationally recognized statistical rating organizations.

Interest Rate Risk - LGIP – Interest rate risk is the risk that changes in the interest rates will adversely affect fair value. The OSTF manages this risk by limiting the maturity of the investments held by the fund.

Investments – ORS Chapter 294 governs the College's investments and authorizes investment in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the LGIP, among others. Lawfully issued general obligations of the United States, the agencies and instrumentalities of the United States or enterprises sponsored by the United States Government may be rated or unrated obligations. Corporate indebtedness must be rated on the settlement date P-1 or Aa or better by Moody's Investors Service or A-1 or AA or better by Standard & Poor's Corporation or equivalent rating by any nationally recognized statistical rating organization.

3. CASH AND INVESTMENTS (Continued)

Investments (Continued) – The College's investments are managed in accordance with an investment advisor agreement with Vision Capital Management, Inc. and securities are held in custody at Fidelity Investments in accordance with a custodial agreement. The College President is the custodial officer of funds within the meaning of ORS 294.035 and is authorized to make ongoing investments of available funds without the requirement for further Board of Education approval or directives per Board policy DFA/DG.

The LGIP is unrated. Other investments held at June 30, 2014, are categorized by rating as follows:

Investments categorized by Moody's ratings:	
Government sponsored (U.S. Treasury and Federal Agencies) (Aaa)	$ 469,541
Corporate bonds (AA1, AA2, AA3, AA+)	169,322
Corporate bonds (A1, A2, A3)	868,644
Total investments categorized by Moody's ratings	1,507,507
Unrated government securities	1,561,811
Total investments	$ 3,069,318

Concentration of Credit Risk - Investments – In accordance with GASB Statement No. 40, the College is required to report all individual non-federal investments which exceed 5% of total invested funds. As of June 30, 2014, the College held the following:

	Value	Percentage of total investments
JP Morgan Chase & Co	$ 155,040	5.05%
Franklin Resources Inc	154,500	5.03

Custodial Credit Risk - Investments – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College's investment securities are held in the College's name in custody at Fidelity Investments. As of June 30, 2014, the total investments held in custody were $3,069,318.

3. CASH AND INVESTMENTS (Continued)

Interest Rate Risk - Investments – As a means to limit exposure to fair value loss arising from interest rates, the College's investment policy requires that 100% of the College's investments mature in less than 18 months. Actual maturities for the College's investments are as follows:

Maturity less than	Actual at June 30, 2014
30 days	7 %
90 days	18
180 days	34
One year	83
18 months	100

4. RECEIVABLES

Receivables at June 30, 2014, consist of:

Student	$ 683,205
Grants	493,461
Property taxes	205,540
Other	8,095
	1,390,301
Allowance for uncollectibles	(403,981)
	$ 986,320

5. CAPITAL ASSETS

The following table presents the changes in the various capital asset categories:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets not being depreciated:				
Land	$ 2,310,510	$ -	$ -	$ 2,310,510
Capital assets being depreciated:				
Buildings and improvements	34,163,622	81,810	-	34,245,432
Furniture, equipment, and machinery	1,732,366	336,956	(52,655)	2,016,667
Total capital assets being depreciated	35,895,988	418,766	(52,655)	36,262,099
Total capital assets	38,206,498	418,766	(52,655)	38,572,609
Less accumulated depreciation for:				
Buildings and improvements	(5,569,067)	(808,107)	-	(6,377,174)
Furniture, equipment, and machinery	(858,086)	(180,961)	43,002	(996,045)
Total accumulated depreciation	(6,427,153)	(989,068)	43,002	(7,373,219)
Total capital assets being depreciated, net	29,468,835	(570,302)	(9,653)	28,888,880
Total capital assets, net	$ 31,779,345	$ (570,302)	$ (9,653)	$ 31,199,390

6. BONDS PAYABLE

The following is a summary of long-term debt transactions of the College.

	Original Amount	Outstanding June 30, 2013	Increases	Decreases	Outstanding June 30, 2014	Due within one year
General Obligation Bonds:						
Series 2005, interest rates 3.75-4.0%						
Principal	$ 2.855.000	$ 1.550.000	$ -	$ (740.000)	$ 810.000	$ 810.000
Refunding Bonds, Series 2012, interest rates 2.0-5.0%						
Principal	13.790.000	13.760.000	-	(135.000)	13.625.000	140.000
Bond premium	1.125.695	1.016.293	-	(80.400)	935.893	-
Pension Obligation Bond						
Series 2003 original issue	3.570.327	2.758.097	-	(94.177)	2.663.920	95.277
Full Faith and Credit Financing						
Series 2013 original issue	1.500.000	1.500.000	-	(76.000)	1.424.000	85.000
Total		$ 20.584.390	$ -	$ (1.125.577)	$ 19.458.813	$ 1,130,277

Future maturities of principal and interest of long-term debt is as follows:

Year Ending June 30,	General Obligation Bonds	Interest	Pension Obligation Bond	Interest	Full Faith and Credit Financing Agreement	Interest	Total Principal	Total Interest
2015	$ 950,000	$ 441,526	$ 95,277	$ 192,443	$ 85,000	$ 39,160	$ 1,130,277	$ 673,129
2016	1,015,000	406,326	95,808	206,912	87,000	36,823	1,197,808	650,061
2017	1,125,000	386,026	95,671	222,049	90,000	34,430	1,310,671	642,505
2018	1,135,000	363,526	94,972	237,748	92,000	31,955	1,321,972	633,229
2019	1,210,000	329,476	93,659	254,061	94,000	29,425	1,397,659	612,962
2020-2024	7,265,000	1,075,452	703,533	1,300,066	513,000	106,728	8,481,533	2,482,246
2025-2028	1,735,000	59,200	1,485,000	197,495	463,000	32,285	3,683,000	288,980
	$ 14,435,000	$ 3,061,532	$ 2,663,920	$ 2,610,774	$ 1,424,000	$ 310,806	$ 18,522,920	$ 5,983,112

6. BONDS PAYABLE (Continued)

General Obligation Bond Issues

On March 15, 2012, the College issued $13,790,000 in General Obligation Bonds, Series 2012, to partially defease and refund series 2005 general obligation bonds approved by the College voters in Hood River and Wasco Counties. The refunding did not extend the term of the bonds but allowed the College to take advantage of a lower interest rate. At June 30, 2014, $13,100,000 of defeased bonds remain outstanding, until the call date of June 15, 2015.

Pension Obligation Bond Issue

In fiscal year 2003, the College issued limited tax pension bonds, the proceeds of which were used to finance a portion of its estimated unfunded actuarial liability.

Full Faith and Credit Financing Agreement

In 2013, the College Board approved obtaining a Full Faith and Credit Financing agreement in the amount of $1,500,000. The purpose of the loan was to acquire and improve a property adjacent to the current Hood River campus for possible future campus expansion.

7. 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, applies to qualifying College employees hired after August 29, 2003, and 2) to inactive PERS members who return to qualifying employment following a six-month or greater break in service with some exceptions for College employees. 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. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. 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, post employment 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 by writing to PERS, PO Box 23700, Tigard, OR 97281-3700.

7. PENSION PLANS (Continued)

Funding Policy – Members of PERS are required to contribute 6% of their salary covered under the plan, which is invested in the OPSRP IAP. The College is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP net employer rates in effect for the year ended June 30, 2014 were 11.02% and 9.12% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Annual Pension Cost – The College's annual pension cost is comprised of three elements: 1) the actual contributions to PERS (which equals the required contribution), 2) the 6% employee contribution which the College has agreed to pay in accordance with collective bargaining agreements, and 3) the amortization of the net prepaid pension asset (see Summary of Significant Accounting Policies net prepaid pension asset). The required contribution was determined as part of the actuarial valuation at December 31, 2012, using the entry age normal actuarial cost method. The fair market value method is used to determine the actuarial value of the plan's assets. Significant actuarial assumptions used in the valuation include: (i) consumer price inflation of 2.75% per year; (ii) healthcare cost inflation assumed to be graded from 6.1% in 2014 to 4.7% in 2083; (iii) a rate of return on the future investment earnings of the assets of the members' regular accounts are assumed to accrue at an annual rate of 7.75% compounded annually; (iv) a rate of return on the future investment earning of the members' variable accounts are assumed to accrue at an annual rate of 7.75%, compounded annually; (v) projected annual rate of wage inflation of 3.75%; (vi) unfunded actuarial liability is amortized on a level percentage of combined annual payroll on a closed group fixed term basis over sixteen years.

The College's contributions to PERS for the fiscal years ended June 30, 2014, 2013 and 2012 were $819,237, $784,118, and $701,924, respectively, equal to the required contributions for each year.

The pension asset is the result of the transfer of the College's pension bond proceeds in 2003 to PERS to cover a portion of the College's share of the cost-sharing plan's unfunded actuarial liability. This pension asset is being used to pay a portion of the College's annual required contribution.

8. OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB)

Implicit Subsidy

Plan Description – The College is a participating district in the Oregon Educators Benefit Board (OEBB) heath care plan that provides postemployment heath, dental, vision, and prescription coverage benefits to eligible employees and their eligible dependents. This plan is not a stand-alone plan, and therefore, does not issue its own financial statements. The College has approximately 100 employees and retirees eligible for or receiving heath care coverage through OEBB as of June 30, 2014.

8. OTHER POSTEMPLOYMENT BENEFITS PLANS (OPEB) (Continued)

Implicit Subsidy (Continued)

Plan Description (Continued) – The plan generally provides the employee with payment of group medical and dental insurance premiums from retirement date until age 65. Retired employees who are eligible for the OEBB plan may continue enrollment in the health plans on a self-pay basis until age 65.

Funding Policy – For the year ended June 30, 2014, the College retirees paid 100% of their insurance premium costs.

Annual OPEB Cost and Net OPEB Obligation – The College's most recent actuarial valuation date was June 30, 2013 calculated using the alternative measurement method in accordance with GASB Statement No. 45. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 30 years. The following table shows the components of the College's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the College's net OPEB obligation to the plan:

Annual required contribution (ARC)	$	219,938
Interest on net OPEB obligation		3,408
Adjustment to ARC		(4,789)
Annual OPEB cost		218,557
Age adjusted contributions made		(22,276)
Change in net OPEB obligation		196,281
Net OPEB obligation, beginning of year		170,384
Net OPEB obligation, end of year	$	366,665

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014 and 2013 are as follows:

Fiscal Year Ended*		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed			Net OPEB Obligation
6/30/2014	$	218,557	11	%	$	366,665
6/30/2013		213,325	20			170,384

*As of 6/30/12, the College did not report the OPEB obligation as determined by an actuary.

8. OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) (Continued)

Implicit Subsidy (Continued)

Funding Progress – As of June 30, 2013, representing the date of the most recent actuarial valuation calculation, the plan was 0% funded. The actuarial accrued liability for benefits was $1,166,739, and the actuarial value of assets was zero, resulting in an unfunded accrued liability of $1,166,739.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented immediately following the notes to the basic financial statements as required supplementary information, presents information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2013, actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 2% investment rate of return (net of administrative expenses), an annual healthcare cost trend rate of 8%, and a 3.10% salary inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2013, was thirty years.

Retirement Health Insurance Account (RHIA)

Plan Description – As a member of PERS, the College makes contributions to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statutes (ORS) 238.420 established this trust fund. The Oregon legislature has the ability to establish and amend the benefit provisions of the RHIA. The plan is closed to new entrants after January 1, 2004.

PERS issues a publicly available financial report that includes financial statements and required supplementary information which may be obtained by writing to Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon, 97281-3700.

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature.

8. OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB) (Continued)

Retirement Health Insurance Account (RHIA) (Continued)

Funding Policy – ORS require that an amount equal to $60 or the total monthly cost of Medicare companion health insurance premium coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of $60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment the member must 1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member has eight years or more of creditable service in PERS, 2) receive both Medicare Parts A and B coverage, and 3) enroll in a PERS sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the benefit if he or she is receiving a retirement benefit or allowance from PERS or was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by PERS, currently .59% of annual covered for Tier 1/Tier 2 payroll, and .49% of OPSRP payroll. The PERS board sets the employer contribution rate based on the annual required contribution (ARC) of the employers, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The College's contributions to RHIA for the years ended June 30, 2014, 2013 and 2012 were approximately $4,456, $4,306, and $3,825, respectively.

9. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts, theft, damage, destruction of assets, errors and omissions; injuries to employees and natural disasters. The College is insured for the physical damage to vehicles and carries insurance for all risks of loss, including general and auto liability, property insurance, crime coverage, equipment breakdown coverage, and workers' compensation. General liability insurance generally covers casualty losses with a loss limit of $10 million per occurrence and a $20 million aggregate loss limit. The College's property insurance and equipment breakdown total loss limit is approximately $60,600,000 with a $10,000 property deductible and equipment deductible of $1,000 or $5,000 depending on motor size. Auto liability is the same as general liability with $100 comprehensive and $500 collision deductible. Earthquake and flood coverage has a loss limit of $15 million. Crime coverage has a loss limit of $100,000. Workers' compensation insurance provides statutory coverage and $1 million employer's liability coverage. There was no significant reduction in the College's insurance coverage during the year ended June 30, 2014, and no insurance settlement exceeded insurance coverage for the past three years.

10. LEASE REVENUE

The College has entered into several lease agreements to other entities for offices, equipment space, or land owned by the College. Future revenue collections on these leases are as follows:

Year Ending June 30,		
2015	$	169,000
2016		99,000
2017		91,000
2018		84,000
2019		53,000
Thereafter		1,000
Total	$	497,000

Commencing February 1, 2008, the College (lessor) entered into a ground lease agreement with the State of Oregon, acting by and through the Oregon Military Department (lessee), for certain real property involving land and an easement for a term of 50 years, with an additional automatic option to extend an additional 50 years. Rent for the entire term is $1. This lease is related to the National Guard Readiness Center constructed on real property. See also Note 12.

11. RELATED ORGANIZATION

The Columbia Gorge Community College Foundation (the Foundation) is a legally separate, tax-exempt not-for-profit corporation. The Foundation's Board of Trustees is independently appointed. The Foundation is responsible for approving its own budget, accounting, and finance-related activities. The College is not able to impose its will on the Foundation. The Foundation is not considered a component unit of the College, as defined by GASB Statement No. 61.

Summarized financial information from the Foundation's Form 990, Return of Organization Exempt from Income Tax, as of and for the year ended June 30, 2014 is:

Total assets	$	1,199,343
Total net assets		1,199,343
Total revenues, gains, and other support		818,381
Total expenses		377,792

12. COMMITMENTS

In January 2014, the College entered into a lease for 13,087 square feet of exclusive space and 27,279 square feet of shared space with the State of Oregon acting by and through the Oregon Military Department to lease space in the new National Guard Readiness Center built on the property described in Note 10. There are no payment terms related to this lease. The initial term of the lease expires February 1, 2058 with an option to renew for an additional 50 years which is consistent with the ground lease discussed in Note 10.

REQUIRED SUPPLEMENTARY INFORMATION

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF FUNDING PROGRESS

JUNE 30, 2014

OTHER POSTEMPLOYMENT BENEFITS PLAN

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percent of Covered Payroll
6/30/13	$ -	$ 1,166,739	$ 1,166,739	0%	$ 4,082,601	28.58%

SUPPLEMENTARY INFORMATION

COLUMBIA GORGE COMMUNITY COLLEGE

BUDGETARY INFORMATION

YEAR ENDED JUNE 30, 2014

Oregon Administrative Rules require an individual Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, be prepared for each fund which the College is legally required to budget.

MEASURMENT FOCUS AND BASIS OF ACCOUNTING

The College focuses on changes in current financial resources in the preparation, adoption and execution of annual budgets for the College's funds. The modified accrual basis of accounting is used to account for transactions or events that have increased or decreased the resources available for spending in the near future. The budget schedules include all transactions or events that affect the fund's current financial resources, even though these transactions may not affect net position. Such transactions include:

The issuance of debt
Debt service principal payments
Capital outlay

Revenues are recognized when they are susceptible to accrual. To be susceptible to accrual, the revenue must be both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The College deems revenues received within 60 days of the end of the fiscal year to be available and subject to accrual. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recorded only when expected to be liquidated with available expendable financial resources. State support is recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grant revenue is recognized when the qualifying expenditures have been incurred and all other grant requirements have been met. Other receipts, including property taxes, become measurable and available when cash is received by the College and recognized as revenue at that time.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The appropriations resolution for the General Fund contains amounts for instruction, academic support, student services, institutional support, financial aid, plant operation and maintenance, and contingency. For all other funds, the appropriations resolution contains amounts for personal services, materials and services, debt service, capital outlay, fund transfers and an operating contingency, if needed. This is the legal level of control for authorized expenditures.

The level of expenditures is monitored throughout the year. Transfers are made from operating contingency or between the major object classifications of the appropriation for each fund as required to prevent an over expenditure. Such budget changes require Board of Education approval.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budget amounts shown in the individual fund financial schedules include appropriation transfers and appropriations increases pursuant to ORS 294.326(2), which allows for appropriations increases for unanticipated specific purpose grants. All appropriations transfers and increases are approved by the Board of Education. Appropriations for all funds lapse at the end of each fiscal year.

DESCRIPTION OF FUNDS

The College has the following funds:

The *General Fund* accounts for the financial operations of the College not accounted for in any other fund. Major sources of revenue are local property taxes, state operational reimbursement based on full-time equivalent enrollment, and tuition and fees collected from students. Expenditures are for contracted instruction services including instructors' and administrative salaries and benefits, supplies, administrative costs, plant operations and capital outlay.

The *U.S. Education Title III Grant Fund* accounts for the U.S. Department of Education Title III developing institutions grant awarded in 2010-11 for five years.

The *Carl D. Perkins Title I Grant Fund* accounts for the Carl D. Perkins grant which supports the enhancement of Technical Education programs to better prepare students for a future in the workforce.

The *Health Occupations Customized Training Fund* is used to record revenues and expenditures relating to specialized health occupations training programs offered under customized training contracts.

The *Customized Training Fund* is used to record revenues and expenditures relating to specialized training programs offered to businesses and organizations.

The *Small Business Development Center Program Income Fund* accounts for Small Business Development Center program income and expenditures.

The *Federal SBA Small Business Development Center Grant Fund* accounts for Federal Small Business Administration Small Business Development Center grant.

The *State Small Business Development Center Grant Fund* accounts for the State of Oregon Small Business Development Center grant.

The *Fundamentals of Caregiving Contract Fund* accounts for the contract with the State of Washington to provide fundamentals of caregiving training.

DESCRIPTION OF FUNDS (Continued)

The *Title II AEFLA Comprehensive Grant Fund* accounts for the Title II Adult Education and Family Literacy Act (AEFLA) Comprehensive Grant received through the Department of Community Colleges and Workforce Development.

The *Tutoring Grant Fund* accounts for the outreach tutoring grant through the Department of Community Colleges and Workforce Development to provide outreach project tutoring services for adult literacy students.

The *English Language Civics Grant Fund* accounts for the English Languages Civics Grant from the Department of Community Colleges and Workforce Development.

The *Learning Standards Grant Fund* accounts for the Learning Standards project through grant money from the Workforce Investment Act Title II funds.

The *Gorge Literacy Fund* accounts for the College's literacy activities.

The *Title II Program Income Fund* accounts for Title II programs; ESOL tuition, GED tuition, and pre-college tuition, program income and expenditures.

The *U.S. Department of Labor Case Grant Fund* accounts for a consortium grant to the U.S. Department of Labor in partnership with Clackamas Community College funds to increase attainment for unemployed/underemployed workers.

The *Non-Reimbursable Community Education Fund* accounts for revenue and expenses of self-supporting community education classes.

The *Elderhostel Fund* accounts for the revenue and expenditures of the Elderhostel program. Elderhostel is a network of colleges and educational institutions offering low cost, short-term, non-credit, residential, academic programs for people over the age of 21.

The *Oregon Student Assistance Commission Fund* accounts for the agreements between the College and the Oregon Student Assistance Commission to coordinate the College Goal Oregon program on The Dalles and Hood River campuses. College Goal Oregon is a free event designed to help Oregon college-bound students and their families with the financial aid application process.

The *Career Pathways Innovation Fund* accounts for the Community College Strategic Fund to support the career pathways initiative specifically expanding one year certificates.

The *Oregon Child Care Division Fund* accounts for the contract with the Oregon Child Care Resource and Referral Network which supports the Child Care Resource and Referral Program at the College.

DESCRIPTION OF FUNDS (Continued)

The *Child Care Resource and Referral Fund* accounts for the Child Care Resource and Referral project. The College acts as the fiscal agent for various grantors and donors, including State, Wasco County, non-profit agencies, and the private sector. The College does not operate a child care facility, but only coordinates the connection between the needs for such services and the providers. Referral is made available to students and community.

The *Department of Human Services Integrated Child Care Grant Fund* accounts for the contract from the Oregon Department of Human Services for the integrated child care program.

The *Co-Curricular Activities Fund* accounts for program income for the Spring Humanities Series and other co-curricular activities sponsored by the College and related expenditures.

The *Career Pathways Program Income Fund* accounts for Career Pathways Program Income related to the Pathways to Advancement Statewide Initiative.

The *Pathways Initiative State-Wide Director Grant Fund* accounts for the contract with the State of Oregon through the Department of Community Colleges and Workforce Development to provide a state-wide director and related expenditures in support of the career pathways state-wide initiative.

The *Insurance Fund* accounts for the unanticipated receipt of insurance claim proceeds and expenditures.

The *Pathways Initiative Projects & Technical Assistance Grant Fund* accounts for the contract with the State of Oregon through the Department of Community Colleges and Workforce Development to provide technical assistance for career pathways state-wide initiative.

The *Oregon Council for the Humanities Grant Fund* accounts for a National Endowment for the Humanities grant through the Oregon Council for the Humanities in support of the Spring Humanities Series sponsored by the College.

The *Gorge Wind Challenge Fund* accounts for Google and the College sponsoring the Wind Challenge Event as part of their work to bring hands-on STEM (Science, Technology, Engineering and Math) opportunities to area students.

The *Regional Achievement Collaborative Fund* accounts for a pilot program launched by the Oregon Education Investment Board to help meet key student outcomes such as getting children ready for kindergarten, creating opportunities for high school students to earn college credit, and ensuring smooth transitions into career and college. The College has partnered with North Wasco County School District No. 21, Hood River County School District and Oregon State University.

The *Building Lease Fund* is used to record the revenues and expenditures relating to leasing office space to various agencies.

DESCRIPTION OF FUNDS (Continued)

The *Food Service Fund* accounts for the revenues and expenditures of the campus food service contract.

The *Federal Student Aid Fund* accounts for the administration of Federal Student Aid for all eligible students.

The *Oregon Student Aid Fund* accounts for the administration of Student Aid received from the State of Oregon.

The *CGCC Foundation Scholarship Fund* accounts for the scholarships awarded to the College's students receiving scholarships from the Foundation.

The *Third Party Scholarship & Loan Fund* accounts for scholarships or loans received by students from outside agencies.

The *Gorge Scholars Fund* accounts for the new Gorge Scholars program being offered at the College. This fund will account for tuition waivers only for students meeting the requirements established.

The *Capital Projects Fund* accounts for the full faith and credit agreement obtained to purchase property in Hood River and complete site improvements as approved by the Board of Education in April 2013.

The *State Capital Projects Fund* accounts for State of Oregon capital construction and improvements projects.

The *Wasco County G.O. Bonds Fund* is used to account for the accumulation of resources to pay the principal and interest on the Refunding General Obligation Bonds, Series 1998.

The *District G.O. Bonds Fund* accounts for the accumulation of resources to pay the principal and interest on General Obligation Bonds, Series 2005 approved by district voters of Hood River and Wasco Counties. These bonds were refunded in March, 2012.

The *Pension Bond Debt Service Fund* is established to account for the accumulation of resources to pay the principal and interest on pension obligation bonds issued by the College in 2003 and is funded by a credit to the College's PERS employer rate beginning May 1, 2003.

The *Facilities and Grounds Maintenance Reserve Fund* was established to accumulate resources for financing facilities and ground maintenance.

The *General Operations Reserve Fund* was established to accumulate resources for future funding of general operations. Transfers are budgeted between the General Fund and the General Operations Reserve Fund to smooth the effects of the uneven community college support fund payments in each year of the biennium. The remaining balance is expected to be depleted in the following biennium.

DESCRIPTION OF FUNDS (Continued)

The *Instructional Equipment Replacement Reserve Fund* was established to provide funding for replacement of instructional equipment as the useful life expires. Any funds not expended will remain in the fund for future use. A budgeted transfer will increase the balance each year.

The *College Bookstore Fund* is used to record revenues and expenditures relating to textbooks and supplies made available to the students. Revenues are text and supply sales. Expenditures are for purchases of resale items.

The *Environmental Club Fund* accounts for the activities of the student-organized Environmental Club.

The *Phi Theta Kappa Fund* accounts for the student honor society activities.

The *Student Council Fund* was established to record the receipts and disbursements for student activities and fundraisers. Receipts are generally from fundraisers. Disbursements are for supplies and various student activities.

The *Student Nurse Association Fund* accounts for the activities of the Student Nurse Association.

The *Delta Energy Club Fund* accounts for the student organization activities of the Delta Energy Club for students of the Renewable Energy Training program.

The *Multicultural Club Fund* accounts for the student organization activities of the Multicultural Club.

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
State sources	$ 4,635,986	$ 4,635,986	$ 4,737,108	$ 101,122
Local sources	1,064,547	1,064,547	1,061,271	(3,276)
Tuition	2,965,884	2,965,884	2,556,391	(409,493)
Instructional fees	658,200	658,200	571,465	(86,735)
Special fees	86,925	86,925	77,458	(9,467)
Other sources	188,481	188,481	194,562	6,081
Sales and services	9,150	9,150	6,211	(2,939)
TOTAL REVENUES	9,609,173	9,609,173	9,204,466	(404,707)
EXPENDITURES:				
Instruction	3,969,873	3,969,873	3,548,861	421,012
Academic support	1,064,992	1,064,992	910,561	154,431
Student services	1,239,350	1,239,350	1,062,067	177,283
Institutional support	3,501,214	3,551,214	2,971,699	579,515
Financial aid	78,674	78,674	26,542	52,132
Plant operation and maintenance	1,072,811	1,072,811	1,054,218	18,593
Contingency	750,000	700,000	-	700,000
Debt service	113,927	116,927	113,928	2,999
TOTAL EXPENDITURES	11,790,841	11,793,841	9,687,876	2,105,965
Excess of revenue over (under) expenditures	(2,181,668)	(2,184,668)	(483,410)	1,701,258
OTHER FINANCE SOURCES (USES):				
Transfer from special funds	113,631	113,631	589,750	476,119
Transfer to special funds	(1,125,895)	(1,122,895)	(53,421)	1,069,474
TOTAL OTHER FINANCE SOURCES (USES)	(1,012,264)	(1,009,264)	536,329	1,545,593
Net change in fund balance	(3,193,932)	(3,193,932)	52,919	3,246,851
FUND BALANCE, beginning of year	3,706,281	3,706,281	588,796	(3,117,485)
FUND BALANCE, end of year	$ 512,349	$ 512,349	$ 641,715	$ 129,366

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

U.S. EDUCATION TITLE III GRANT FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Federal sources	$ 400,000	$ 500,000	$ 446,234	$ (53,766)
EXPENDITURES:				
Personnel services	216,893	226,893	223,658	3,235
Materials and services	183,107	273,107	222,576	50,531
TOTAL EXPENDITURES	400,000	500,000	446,234	53,766
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CARL D. PERKINS TITLE I GRANT FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Federal sources	$ 66,156	$ 78,456	$ 49,550	$ (24,487)
EXPENDITURES:				
Personnel services	13,921	23,021	-	23,021
Materials and services	52,235	55,435	13,676	41,759
Capital outlay	-	-	35,874	(35,874)
TOTAL EXPENDITURES	66,156	78,456	49,550	28,906
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

HEALTH OCCUPATIONS CUSTOMIZED TRAINING FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Instructional fees	$ -	$ -	$ 885	$ 885
Sales and services	12,500	12,500	3,045	(9,455)
TOTAL REVENUES	12,500	12,500	3,930	(8,570)
EXPENDITURES:				
Personnel services	243	8,507	7,508	999
Materials and services	17,171	8,907	1,896	7,011
TOTAL EXPENDITURES	17,414	17,414	9,404	8,010
Excess of revenue over (under) expenditures	(4,914)	(4,914)	(5,474)	(560)
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(1,500)	(1,500)	-	1,500
Net change in fund balance	(6,414)	(6,414)	(5,474)	940
FUND BALANCE, beginning of year	6,414	6,414	8,263	1,849
FUND BALANCE, end of year	$ -	$ -	$ 2,789	$ 2,789

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CUSTOMIZED TRAINING FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Special fees	$ 2,016	$ 2,016	$ 284	$ (1,732)
Sales and services	150,000	150,000	95,847	(54,153)
TOTAL REVENUES	152,016	152,016	96,131	(55,885)
EXPENDITURES:				
Personnel services	12,068	12,068	2,687	9,381
Materials and services	175,807	175,807	58,478	117,329
TOTAL EXPENDITURES	187,875	187,875	61,165	126,710
Excess of revenue over (under) expenditures	(35,859)	(35,859)	34,966	70,825
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(1)	(1)	-	1
Net change in fund balance	(35,860)	(35,860)	34,966	70,826
FUND BALANCE, beginning of year	35,860	35,860	52,877	17,017
FUND BALANCE, end of year	$ -	$ -	$ 87,843	$ 87,843

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SMALL BUSINESS DEVELOPMENT CENTER PROGRAM INCOME FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES:				
Instructional fees	$ 16,009	$ 16,009	$ 17,736	$ 1,727
EXPENDITURES:				
Personnel services	3,858	6,858	7,155	(297)
Materials and services	21,924	18,924	1,136	17,788
TOTAL EXPENDITURES	25,782	25,782	8,291	17,491
Excess of revenue over (under) expenditures	(9,773)	(9,773)	9,445	19,218
FUND BALANCE, beginning of year	9,773	9,773	7,055	(2,718)
FUND BALANCE, end of year	$ -	$ -	$ 16,500	$ 16,500

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FEDERAL SBA SMALL BUSINESS DEVELOPMENT CENTER GRANT FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Federal sources	$ 42,204	$ 42,204	$ 42,075	$ (129)
EXPENDITURES:				
Personnel services	33,729	36,991	36,990	1
Materials and services	8,475	5,213	5,085	128
TOTAL EXPENDITURES	42,204	42,204	42,075	129
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

STATE SMALL BUSINESS DEVELOPMENT CENTER GRANT FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES:				
State sources	$ 40,804	$ 40,804	$ 32,584	$ (8,220)
EXPENDITURES:				
Personnel services	40,804	40,804	32,584	8,220
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FUNDAMENTALS OF CAREGIVING CONTRACT FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES:				
Sales and services	$ 21,864	$ 21,864	$ -	$ (21,864)
EXPENDITURES:				
Personnel services	10,573	10,573	-	10,573
Materials and services	15,282	15,282	-	15,282
TOTAL EXPENDITURES	25,855	25,855	-	25,855
Excess of revenue over (under) expenditures	(3,991)	(3,991)	-	3,991
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(1)	(1)	-	1
Net change in fund balance	(3,992)	(3,992)	-	3,992
FUND BALANCE, beginning of year	3,992	3,992	3,991	(1)
FUND BALANCE, end of year	$ -	$ -	$ 3,991	$ 3,991

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TITLE II AEFLA COMPREHENSIVE GRANT FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Local grant/contract sources	$ 81,164	$ 94,723	$ 94,723	$ -
EXPENDITURES:				
Personnel services	80,664	94,223	94,223	-
Materials and services	500	500	500	-
TOTAL EXPENDITURES	81,164	94,723	94,723	-
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TUTORING GRANT FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Federal sources	$ 14,972	$ 25,000	$ 25,000	$ -
EXPENDITURES:				
Personnel services	14,000	24,026	23,884	142
Materials and services	972	974	1,116	(142)
TOTAL EXPENDITURES	14,972	25,000	25,000	-
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ENGLISH LANGUAGE CIVICS GRANT FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Federal sources	$ 30,882	$ 29,575	$ 29,575	$ -
EXPENDITURES:				
Personnel services	27,806	27,806	27,806	-
Materials and services	3,076	1,769	1,769	-
TOTAL EXPENDITURES	30,882	29,575	29,575	-
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

LEARNING STANDARDS GRANT FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
State sources	$ -	$ 6,318	$ 6,246	$ (72)
EXPENDITURES:				
Personnel services	-	2,407	2,631	(224)
Materials and services	-	3,911	3,615	296
TOTAL EXPENDITURES	-	6,318	6,246	72
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GORGE LITERACY FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Contributions	$ 1,535	$ 1,535	$ 595	$ (940)
EXPENDITURES:				
Materials and services	1,535	1,535	629	906
Excess of revenue over (under) expenditures	-	-	(34)	(34)
FUND BALANCE, beginning of year	-	-	34	34
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TITLE II PROGRAM INCOME FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Tuition	$ 18,000	$ 18,000	$ 15,165	$ (2,835)
EXPENDITURES:				
Personnel services	3,803	8,003	8,837	(834)
Materials and services	14,197	22,755	12,491	10,264
TOTAL EXPENDITURES	18,000	30,758	21,328	9,430
Excess of revenue over (under) expenditures	-	(12,758)	(6,163)	6,595
FUND BALANCE, beginning of year	-	12,758	12,758	-
FUND BALANCE, end of year	$ -	$ -	$ 6,595	$ 6,595

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

U.S. DEPARTMENT OF LABOR CASE GRANT FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Federal sources	$ 108,084	$ 110,084	$ 108,705	$ (1,379)
EXPENDITURES:				
Personnel services	59,080	82,080	97,976	(15,896)
Materials and services	49,004	28,004	10,729	17,275
TOTAL EXPENDITURES	108,084	110,084	108,705	1,379
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

NON-REIMBURSABLE COMMUNITY EDUCATION FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Tuition	$ 6,098	$ 6,098	$ 9,699	$ 3,601
Instructional fees	1,880	1,880	-	(1,880)
TOTAL REVENUES	7,978	7,978	9,699	1,721
EXPENDITURES:				
Personnel services	4,197	4,197	3,076	1,121
Materials and services	8,413	8,413	3,122	5,291
TOTAL EXPENDITURES	12,610	12,610	6,198	6,412
Excess of revenue over (under) expenditures	(4,632)	(4,632)	3,501	8,133
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(1)	(1)	-	1
Net change in fund balance	(4,633)	(4,633)	3,501	8,134
FUND BALANCE, beginning of year	4,633	4,633	11,918	7,285
FUND BALANCE, end of year	$ -	$ -	$ 15,419	$ 15,419

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ELDERHOSTEL FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Tuition	$ 35,035	$ 35,035	$ 19,585	$ (15,450)
EXPENDITURES:				
Personnel services	1,440	1,440	-	1,440
Materials and services	38,651	38,651	16,538	22,113
TOTAL EXPENDITURES	40,091	40,091	16,538	23,553
Excess of revenue over (under) expenditures	(5,056)	(5,056)	3,047	8,103
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(1)	(1)	-	1
Net change in fund balance	(5,057)	(5,057)	3,047	8,104
FUND BALANCE, beginning of year	5,057	5,057	7,301	2,244
FUND BALANCE, end of year	$ -	$ -	$ 10,348	$ 10,348

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

OREGON STUDENT ASSISTANCE COMMISSION FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
State sources	$ 1,450	$ 1,450	$ 1,000	$ (450)
EXPENDITURES:				
Materials and services	1,450	1,450	575	875
Excess of revenue over (under) expenditures	-	-	425	425
FUND BALANCE, beginning of year	-	-	20	20
FUND BALANCE, end of year	$ -	$ -	$ 445	$ 445

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CAREER PATHWAYS INNOVATION FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
State sources	$ 13,478	$ 19,583	$ 14,065	$ (5,518)
EXPENDITURES:				
Personnel services	7,728	9,327	7,949	1,378
Materials and services	5,750	10,256	6,116	4,140
TOTAL EXPENDITURES	13,478	19,583	14,065	5,518
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

OREGON CHILD CARE DIVISION FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Federal sources	$ 111,091	$ 138,186	$ 116,592	$ (21,594)
EXPENDITURES:				
Personnel services	97,004	115,248	100,392	14,856
Materials and services	14,087	22,938	16,200	6,738
TOTAL EXPENDITURES	111,091	138,186	116,592	21,594
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CHILD CARE RESOURCE AND REFERRAL FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Tuition	$ 2,250	$ 2,250	$ 4,370	$ 2,120
Other sources	-	-	448	448
TOTAL REVENUES	2,250	2,250	4,818	2,568
EXPENDITURES:				
Personnel services	635	635	385	250
Materials and services	6,827	6,827	723	6,104
TOTAL EXPENDITURES	7,462	7,462	1,108	6,354
Excess of revenue over (under) expenditures	(5,212)	(5,212)	3,710	8,922
FUND BALANCE, beginning of year	5,212	5,212	8,254	3,042
FUND BALANCE, end of year	$ -	$ -	$ 11,964	$ 11,964

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DEPARTMENT OF HUMAN SERVICES INTEGRATED CHILD CARE GRANT FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES:				
Federal sources	$ 23,694	$ 21,985	$ 18,159	$ (3,826)
EXPENDITURES:				
Personnel services	19,868	19,946	16,935	3,011
Materials and services	3,826	2,039	1,224	815
TOTAL EXPENDITURES	23,694	21,985	18,159	3,826
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CO-CURRICULAR ACTIVITIES FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Local grant/contract sources	$ 2,735	$ 2,735	$ -	$ (2,735)
Sales and services	565	565	148	(417)
TOTAL REVENUES	3,300	3,300	148	(3,152)
EXPENDITURES:				
Materials and services	15,998	15,998	10,075	5,923
Excess of revenue over (under) expenditures	(12,698)	(12,698)	(9,927)	2,771
OTHER FINANCE SOURCES (USES):				
Transfer from General Fund	12,500	12,500	10,000	(2,500)
Net change in fund balance	(198)	(198)	73	271
FUND BALANCE, beginning of year	198	198	-	(198)
FUND BALANCE, end of year	$ -	$ -	$ 73	$ 73

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CAREER PATHWAYS PROGRAM INCOME FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Sales and services	$ -	$ -	$ -	$ -
EXPENDITURES:				
Materials and services	70	70	-	70
Excess of revenue over (under) expenditures	(70)	(70)	-	70
FUND BALANCE, beginning of year	70	70	70	-
FUND BALANCE, end of year	$ -	$ -	$ 70	$ 70

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PATHWAYS INITIATIVE STATE-WIDE DIRECTOR GRANT FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES:				
State sources	$ 160,000	$ 164,364	$ 162,982	$ (1,382)
EXPENDITURES:				
Personnel services	117,621	118,942	118,358	584
Materials and services	42,379	45,422	44,624	798
TOTAL EXPENDITURES	160,000	164,364	162,982	1,382
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

INSURANCE FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Refunds	$ 908	$ 908	$ -	$ (908)
EXPENDITURES:				
Materials and services	3,615	3,615	-	3,615
Excess of revenue over (under) expenditures	(2,707)	(2,707)	-	2,707
FUND BALANCE, beginning of year	2,707	2,707	2,207	(500)
FUND BALANCE, end of year	$ -	$ -	$ 2,207	$ 2,207

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PATHWAYS INITIATIVE PROJECTS & TECHNICAL ASSISTANCE GRANT FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
State sources	$ 40,003	$ 32,890	$ 32,890	$ -
EXPENDITURES:				
Materials and services	40,003	32,890	32,890	-
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

OREGON COUNCIL FOR THE HUMANITIES GRANT FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Federal sources	$ 2,500	$ 2,500	$ -	$ (2,500)
EXPENDITURES:				
Materials and services	2,500	2,500	-	2,500
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GORGE WIND CHALLENGE FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Other sources	$ -	$ 15,310	$ 15,310	$ -
EXPENDITURES:				
Materials and services	-	15,310	15,063	247
Excess of revenue over (under) expenditures	-	-	247	247
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ 247	$ 247

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

REGIONAL ACHIEVEMENT COLLABORATIVE FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Other sources	$ -	$ 45,000	$ 45,000	$ -
EXPENDITURES:				
Materials and services	-	45,000	30,639	14,361
Excess of revenue over (under) expenditures	-	-	14,361	14,361
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ 14,361	$ 14,361

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

BUILDING LEASE FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Other sources	$ 172,846	$ 172,846	$ 175,936	$ 3,090
EXPENDITURES:				
Personnel services	30,297	30,297	23,920	6,377
Materials and services	37,799	37,799	23,877	13,922
TOTAL EXPENDITURES	68,096	68,096	47,797	20,299
Excess of revenue over (under) expenditures	104,750	104,750	128,139	23,389
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(104,750)	(104,750)	(104,750)	-
Net change in fund balance	-	-	23,389	23,389
FUND BALANCE, beginning of year	-	-	21,388	21,388
FUND BALANCE, end of year	$ -	$ -	$ 44,777	$ 44,777

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOOD SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Other sources	$ 4,839	$ 4,839	$ 838	$ (4,001)
EXPENDITURES:				
Materials and services	849	849	4,876	(4,027)
Capital outlay	5,000	5,000	-	5,000
TOTAL EXPENDITURES	5,849	5,849	4,876	973
Excess of revenue over (under) expenditures	(1,010)	(1,010)	(4,038)	(3,028)
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(7,378)	(7,378)	-	7,378
Net change in fund balance	(8,388)	(8,388)	(4,038)	4,350
FUND BALANCE, beginning of year	8,388	8,388	7,620	(768)
FUND BALANCE, end of year	$ -	$ -	$ 3,582	$ 3,582

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FEDERAL STUDENT AID FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Federal sources	$ 5,785,197	$ 5,785,197	$ 3,489,094	$ (2,296,103)
EXPENDITURES:				
Personnel services	40,000	40,000	27,897	12,103
Grants and loans	5,770,197	5,770,197	3,483,454	2,286,743
TOTAL EXPENDITURES	5,810,197	5,810,197	3,511,351	2,298,846
Excess of revenue over (under) expenditures	(25,000)	(25,000)	(22,257)	(47,257)
OTHER FINANCE SOURCES (USES):				
Transfer from General Fund	25,000	25,000	22,257	(2,743)
Net change in fund balance	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

OREGON STUDENT AID FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
State sources	$ 289,810	$ 289,810	$ 152,018	$ (137,792)
EXPENDITURES:				
Materials and services	289,810	289,810	152,018	137,792
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CGCC FOUNDATION SCHOLARSHIP FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Other sources	$ 119,861	$ 127,000	$ 126,254	$ (746)
EXPENDITURES:				
Materials and services	119,861	127,000	126,254	746
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

THIRD PARTY SCHOLARSHIP & LOAN FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Other sources	$ 150,000	$ 150,000	$ 76,984	$ (73,016)
EXPENDITURES:				
Materials and services	150,000	150,000	76,984	73,016
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GORGE SCHOLARS FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Other sources	$ 80,000	$ 80,000	$ -	$ (80,000)
EXPENDITURES:				
Materials and services	80,000	80,000	21,164	58,836
Excess of revenue over (under) expenditures	-	-	(21,164)	(21,164)
OTHER FINANCE SOURCES (USES):				
Transfer from General Fund	-	-	21,164	21,164
TOTAL OTHER FINANCE SOURCES (USES)	-	-	21,164	21,164
Net change in fund balance	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

CAPITAL PROJECTS FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
EXPENDITURES:				
Materials and services	$ 96,500	$ 96,500	$ 29,815	$ 66,685
Capital outlay	563,500	563,500	-	563,500
TOTAL EXPENDITURES	660,000	660,000	29,815	630,185
Net change in fund balance	(660,000)	(660,000)	(29,815)	630,185
FUND BALANCE, beginning of year	660,000	660,000	679,540	19,540
FUND BALANCE, end of year	$ -	$ -	$ 649,725	$ 649,725

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

STATE CAPITAL PROJECTS FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
State sources	$ 297,057	$ 297,057	$ 285,737	$ (11,320)
EXPENDITURES:				
Capital outlay	297,057	297,057	285,737	11,320
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

WASCO COUNTY G.O. BONDS FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Local sources	$ -	$ -	$ 8,243	$ 8,243
EXPENDITURES:				
Debt service	-	-	-	-
Excess of revenue over (under) expenditures	-	-	8,243	8,243
FUND BALANCE, beginning of year	71,290	71,290	93,671	22,381
FUND BALANCE, end of year	$ 71,290	$ 71,290	$ 101,914	$ 30,624

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DISTRICT G.O. BONDS FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Local sources	$ 1,350,232	$ 1,350,232	$ 1,372,268	$ 22,036
Other sources	-	-	4,257	4,257
TOTAL REVENUES	1,350,232	1,350,232	1,376,525	26,293
EXPENDITURES:				
Debt service	1,350,232	1,350,232	1,350,211	21
Excess of revenue over (under) expenditures	-	-	26,314	26,272
FUND BALANCE, beginning of year	103,506	103,506	157,570	54,064
FUND BALANCE, end of year	$ 103,506	$ 103,506	$ 183,884	$ 80,336

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PENSION BOND DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Other sources	$ 272,721	$ 272,721	$ 315,499	$ 42,778
EXPENDITURES:				
Debt service	272,719	272,719	272,719	-
Reserved for future expenditure	1,273,693	1,273,693	-	1,273,693
TOTAL EXPENDITURES	1,546,412	1,546,412	272,719	1,273,693
Excess of revenue over (under) expenditures	(1,273,691)	(1,273,691)	42,780	1,316,471
FUND BALANCE, beginning of year	1,273,691	1,273,691	1,289,538	15,847
FUND BALANCE, end of year	$ -	$ -	$ 1,332,318	$ 1,332,318

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FACILITIES AND GROUNDS MAINTENANCE RESERVE FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
EXPENDITURES:				
Materials and services	$ 150,000	$ 150,000	$ 17,290	$ 132,710
Capital outlay	300,000	300,000	84,102	215,898
TOTAL EXPENDITURES	450,000	450,000	101,392	348,608
OTHER FINANCE SOURCES (USES):				
Transfer from General Fund	133,395	133,395	-	133,395
Net change in fund balance	(316,605)	(316,605)	(101,392)	215,213
FUND BALANCE, beginning of year	316,605	316,605	305,574	(11,031)
FUND BALANCE, end of year	$ -	$ -	$ 204,182	$ 204,182

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL OPERATIONS RESERVE FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
EXPENDITURES:				
Reserved for future expenditures	$1,947,026	$1,462,026	$ -	$ 1,462,026
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	-	(485,000)	(485,000)	-
Transfer from General Fund	850,000	850,000	-	(850,000)
TOTAL OTHER FINANCE SOURCES (USES)	850,000	365,000	(485,000)	(850,000)
Net change in fund balance	(1,097,026)	(1,097,026)	(485,000)	612,026
FUND BALANCE, beginning of year	1,097,026	1,097,026	3,044,331	1,947,305
FUND BALANCE, end of year	$ -	$ -	$2,559,331	$ 2,559,331

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

INSTRUCTIONAL EQUIPMENT REPLACEMENT RESERVE FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
EXPENDITURES:				
Capital outlay	$ 25,000	$ 25,000	$ -	$ -
OTHER FINANCE SOURCES (USES):				
Transfer from General Fund	25,000	25,000	-	(25,000)
Net change in fund balance	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COLLEGE BOOKSTORE FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Textbook sales	$ 591,511	$ 591,511	$ 372,914	$ (218,597)
Bank card discount fees	(5,292)	(5,292)	(6,160)	(868)
Other sources	-	-	7,222	7,222
TOTAL REVENUES	586,219	586,219	373,976	(212,243)
EXPENDITURES:				
Textbooks	532,830	532,785	255,830	276,955
Publishers credits	(65,495)	(65,495)	(11,078)	(54,417)
Personnel services	90,750	90,750	87,743	3,007
Materials and services	24,850	24,895	19,022	5,873
Reserved for future expenditure	273,501	273,501	-	273,501
TOTAL EXPENDITURES	856,436	856,436	351,517	504,919
Excess of revenue over (under) expenditures	(270,217)	(270,217)	22,459	292,676
FUND BALANCE, beginning of year	270,217	270,217	288,973	18,756
FUND BALANCE, end of year	$ -	$ -	$ 311,432	$ 311,432

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ENVIRONMENTAL CLUB FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Fundraising	$ 500	$ 500	$ -	$ (500)
EXPENDITURES:				
Materials and services	1,164	1,164	-	1,164
Excess of revenue over (under) expenditures	(664)	(664)	-	664
FUND BALANCE, beginning of year	664	664	664	-
FUND BALANCE, end of year	$ -	$ -	$ 664	$ 664

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PHI THETA KAPPA FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES:				
Membership dues	$ 3,500	$ 3,500	$ 2,380	$ (1,120)
Fundraising	5,000	5,000	2,778	(2,222)
TOTAL REVENUES	8,500	8,500	5,158	(3,342)
EXPENDITURES:				
Materials and services	9,769	9,769	6,607	3,162
Excess of revenue over (under) expenditures	(1,269)	(1,269)	(1,449)	(180)
FUND BALANCE, beginning of year	1,269	1,269	2,064	795
FUND BALANCE, end of year	$ -	$ -	$ 615	$ 615

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

STUDENT COUNCIL FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES:				
Fundraising	$ 1,000	$ 1,000	$ 131	$ (869)
EXPENDITURES:				
Materials and services	1,045	1,045	-	1,045
Excess of revenue over (under) expenditures	(45)	(45)	131	176
FUND BALANCE, beginning of year	45	45	111	66
FUND BALANCE, end of year	$ -	$ -	$ 242	$ 242

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

STUDENT NURSE ASSOCIATION FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Membership dues	$ 500	$ 500	$ -	$ (500)
Fundraising	1,000	1,000	-	(1,000)
TOTAL REVENUES	1,500	1,500	-	(1,500)
EXPENDITURES:				
Materials and services	1,500	1,500	-	1,500
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DELTA ENERGY CLUB FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Restricted gifts	$ 4,000	$ 4,000	$ -	$ (4,000)
Fundraising	2,000	2,000	-	(2,000)
TOTAL REVENUES	6,000	6,000	-	(6,000)
EXPENDITURES:				
Materials and services	6,252	6,252	519	5,733
Excess of revenue over (under) expenditures	(252)	(252)	(519)	(267)
FUND BALANCE, beginning of year	252	252	990	738
FUND BALANCE, end of year	$ -	$ -	$ 471	$ 471

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

MULTICULTURAL CLUB FUND

FOR THE YEAR ENDED JUNE 30, 2014

	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Fundraising	$ 2,000	$ 2,000	$ -	$ (2,000)
EXPENDITURES:				
Materials and services	2,000	2,000	-	2,000
Excess of revenue over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

OTHER SCHEDULES

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF DEBT SERVICE REQUIREMENTS

JUNE 30, 2014

	All Debt Requirements			Payable from: District General Obligation Bonds Fund — General Obligation Bonds — Series 2005		Series 2012	
Year end 6/30	Annual Total	Principal	Interest	Principal due 6/15	Interest due 12/15 and 6/15	Principal due 6/15	Interest due 12/15 and 6/15
2015	$ 1,803,406	$ 1,130,277	$ 673,129	$ 810,000	$ 32,400	$ 140,000	$ 409,126
2016	1,847,869	1,197,808	650,061	-	-	1,015,000	406,326
2017	1,953,176	1,310,671	642,505	-	-	1,125,000	386,026
2018	1,955,201	1,321,972	633,229	-	-	1,135,000	363,526
2019	2,010,621	1,397,659	612,962	-	-	1,210,000	329,476
2020	2,090,786	1,494,573	596,213	-	-	1,305,000	299,226
2021	2,126,968	1,552,562	574,406	-	-	1,360,000	260,076
2022	2,188,293	1,635,454	552,839	-	-	1,440,000	221,150
2023	2,244,860	1,725,944	518,916	-	-	1,530,000	173,550
2024	2,312,873	2,073,000	239,873	-	-	1,630,000	121,450
2025	2,376,692	2,221,000	155,692	-	-	1,735,000	59,200
2026	606,176	534,000	72,176	-	-	-	-
2027	627,185	582,000	45,185	-	-	-	-
2028	361,928	346,000	15,928	-	-	-	-
	$ 24,506,032	$ 18,522,920	$ 5,983,112	$ 810,000	$ 32,400	$ 13,625,000	$ 3,029,132

Payable from: Pension Fund — Pension Obligation Bond Series 2003 Principal due 6/30	Payable from: Pension Fund — Pension Obligation Bond Series 2003 Interest due 12/30 and 6/30	Payable from: General Fund — Full Faith and Credit Financing Agreement Series 2013 Principal due 4/1	Payable from: General Fund — Full Faith and Credit Financing Agreement Series 2013 Interest due 10/1 and 4/1
$ 95,277	$ 192,443	$ 85,000	$ 39,160
95,808	206,912	87,000	36,823
95,671	222,049	90,000	34,430
94,972	237,748	92,000	31,955
93,659	254,061	94,000	29,425
92,573	270,147	97,000	26,840
92,562	290,157	100,000	24,173
92,454	310,266	103,000	21,423
90,944	326,776	105,000	18,590
335,000	102,720	108,000	15,703
375,000	83,759	111,000	12,733
420,000	62,496	114,000	9,680
465,000	38,640	117,000	6,545
225,000	12,600	121,000	3,328
$ 2,663,920	$ 2,610,774	$ 1,424,000	$ 310,806

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT

SCHEDULE OF PROPERTY TAX TRANSACTIONS

YEAR ENDED JUNE 30, 2014

Year Ended June 30,	Taxes receivable June 30, 2013	Current levy as extended by assessor	Add (deduct) Adjustments	Discounts	Interest	Collections	Taxes receivable June 30, 2014
2014	$ -	$ 2,387,470	$ (7,144)	$ (59,353)	$ 1,429	$ (2,246,158)	$ 76,244
2013	121,493	-	(3,513)	14	3,877	(56,203)	65,668
2012	58,465	-	(3,301)	9	3,481	(20,146)	38,508
2011	38,613	-	(1,766)	3	6,688	(27,647)	15,891
2010	13,300	-	(1,571)	1	2,843	(10,341)	4,232
2009 and prior	6,563	-	(491)	-	745	(1,820)	4,997
	$ 238,434	$ 2,387,470	$ (17,786)	$ (59,326)	$ 19,063	$ (2,362,315)	$ 205,540

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

Talbot, Korvola & Warwick, LLP
Certified Public Accountants & Consultants

ACHIEVE MORE

4800 Meadows Road, Suite 200
Lake Oswego, Oregon 97035-4293

P 503.274.2849
F 503.274.2853

www.tkw.com

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

Board of Education
Columbia Gorge Community College
The Dalles, 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 basic financial statements of the Columbia Gorge Community College (the College) as of and for the year ended June 30, 2014, and have issued our report thereon dated December 22, 2014.

COMPLIANCE

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial 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).

COMPLIANCE (Continued)

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

The following funds reported overexpenditures of appropriations:

Carl D. Perkins Title I Grant Fund		
Capital outlay	$	35,874
Small Business Development Center Program Income Fund		
Personnel services		297
Tutoring Grant Fund		
Materials and services		142
Learning Standards Grant Fund		
Personnel services		224
Title II Program Income Fund		
Personnel services		834
U.S. Department of Labor Case Grant Fund		
Personnel services		15,896
Food Service Fund		
Materials and services		4,027

OAR 162-10-0230 INTERNAL CONTROL

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting 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 the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control. Deficiencies in internal control, if any, were communicated separately.

Our report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements in accordance with *Government Auditing Standards* is presented elsewhere in this report as listed in the Table of Contents.

RESTRICTIONS ON USE

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

Talbot, Korvola & Warwick, LLP

Lake Oswego, Oregon
December 22, 2014

SINGLE AUDIT COMPLIANCE

Talbot, Korvola
& Warwick, LLP

Certified Public Accountants
& Consultants

ACHIEVE MORE

4800 Meadows Road, Suite 200
Lake Oswego, Oregon 97035-4293

P 503.274.2849
F 503.274.2853

www.tkw.com

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

INDEPENDENT AUDITOR'S REPORT

Board of Education
Columbia Gorge Community College
The Dalles, 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 the Columbia Gorge Community College (the College) as of and for the year ended June 30, 2014, and the related notes to financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 22, 2014.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the 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 the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2014-003 to be a material weakness.

INTERNAL CONTROL OVER FINANCIAL REPORTING (Continued)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001, 2014-002, 2014-004, 2014-005, and 2014-006 to be significant deficiencies.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the 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.*

THE COLLEGE'S RESPONSE TO FINDINGS

The College's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The College's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

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

Talbot, Korvola & Warwick, LLP

Lake Oswego, Oregon
December 22, 2014

Talbot, Korvola
& Warwick, LLP

Certified Public Accountants
& Consultants

ACHIEVE MORE

4800 Meadows Road, Suite 200
Lake Oswego, Oregon 97035-4293

P 503.274.2849
F 503.274.2853

www.tkw.com

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

Board of Education
Columbia Gorge Community College
The Dalles, Oregon

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited Columbia Gorge Community College's (the College) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2014. The College's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on compliance for each of the 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 the 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 the College's compliance.

INDEPENDENT AUDITOR'S REPORT (Continued)

OPINION ON EACH MAJOR FEDERAL PROGRAM

In our opinion, the 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, 2014.

OTHER MATTERS

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-007 and 2014-009. Our opinion on each major federal program is not modified with respect to these matters.

The College's response to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the 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 the 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 OMB Circular A-133, 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 the 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 and

REPORT ON INTERNAL CONTROL OVER COMPLIANCE (Continued)

therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2014-007, 2014-008, and 2014-009 that we consider to be significant deficiencies.

The College's response to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Talbot, Korvola & Warwick, LLP

Lake Oswego, Oregon
December 22, 2014

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Cluster Pass-Through Grantor/Program Title	CFDA Number	Pass through Grantor's Number	Expenditures
U.S. DEPARTMENT OF EDUCATION:			
Direct:			
Higher Education_Institutional Aid	84.031	P031A100182	$ 446,234
Student Financial Assistance Cluster:			
Federal Direct Student Loans	84.268	P268K137727	1,610,012
Federal Pell Grant Program	84.063	P063P127727	1,810,035
Federal Supplemental Educational Opportunity Grants	84.007	P007A129116	47,735
Federal Work-Study Program	84.033	P033A129116	21,315
Total of Student Financial Assistance Cluster			3,489,097
Passed through High Desert ESD:			
Career and Technical Education - Basic Grants to States	84.048	N/A	49,550
Passed through State of Oregon - Department of Community Colleges & Workforce Development:			
Adult Education - Basic Grants to States	84.002	376.01	149,298
Passed through Oregon Child Care Resource and Referral Network:			
Race to the Top - Early Learning Challenge	84.412	11-284/135351	18,779
TOTAL U.S. DEPARTMENT OF EDUCATION			4,152,958
U.S. SMALL BUSINESS ADMINISTRATION:			
Passed through Lane Community College Small Business Development Center Network Office:			
Small Business Development Center	59.037	11-150	42,075
TOTAL U.S. SMALL BUSINESS ADMINISTRATION			42,075
U.S. DEPARTMENT OF ENERGY:			
Passed through Clackamas Community College:			
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	N/A	108,705
TOTAL U.S. DEPARTMENT OF ENERGY			108,705
U.S DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Passed through Oregon Child Care Resource and Referral Network:			
CCDF Cluster:			
Child Care and Development Block Grant	93.575	11-284/135351	115,972
Total CCDF Cluster			115,972
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			115,972
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 4,419,710

See Notes to Schedule of Expenditures of Federal Awards

COLUMBIA GORGE COMMUNITY COLLEGE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2014

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of Columbia Gorge Community College and is presented on the modified accrual basis of accounting. The information in the SEFA is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in the SEFA may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The regulations and guidelines governing the preparation of federal financial reports vary by federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal financial reports do not necessarily agree with the amounts reported in the accompanying SEFA which is prepared on the basis explained in Note 2 of the Notes to Financial Statements.

NOTE 3 - LOANS DISBURSED

Total disbursements for student loans through Columbia Gorge Community College which are guaranteed in the event of default are listed below:

Program Title	Federal CFDA Number	New Loans
Federal Direct Student Loans	84.268	$1,610,012

NOTE 4 - INSTITUTIONAL CAPITAL CONTRIBUTIONS

Required matching institutional capital contributions not included in expenditures are as follows:

Program Title	Federal CFDA Number	
Federal Supplemental Educational Opportunity Grants	84.007	$ 15,675
Federal Work-Study Program	84.033	6,582
		$ 22,257

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2014

SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Noncompliance material to financial statements noted?	None reported

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	Yes
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of *Circular A-133*?	Yes

Identification of major programs:

CFDA NUMBER(S)	NAME OF FEDERAL PROGRAM OR CLUSTER
84.268; 84.063; 84.007; 84.033	Student Financial Assistance Cluster
93.575	CCDF Cluster

Dollar threshold used to distinguish between type A and B programs:	$300,000
Auditee qualified as low-risk auditee?	No

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2014-001 (repeat finding 2013-001)

Criteria:	The College should have a system of internal controls in place to monitor the classification of their investments' to ensure compliance in accordance with their investment policy as well as Oregon Revised Statutes.
Condition:	The College engages an independent investment advisor to manage the investment of excess funds. However, the investment advisor doesn't monitor compliance in accordance with the College's investment policy or Oregon Revised Statutes.
Context:	Investments totaling approximately $3.1 million as of June 30, 2014, were not subject to review by the College for compliance with the College's investment policy and Oregon Revised Statutes.
Cause:	The lack of effective implementation of internal controls appears to be an oversight by management, compounded by changes in personnel.
Effect:	The College could be out of compliance with their investment policy and/or Oregon Revised Statutes without becoming aware of the noncompliance in a timely manner.
Recommendation:	We recommend that management develop and implement policies and procedures whereby someone reviews the classification of investments on a periodic basis to determine whether the investments are in accordance with the College's investment policy and Oregon Revised Statutes.
View of Responsible Official:	The College understands and concurs with the finding and recommendation.

Finding 2014-002 (repeat finding 2013-003)

Criteria:	The College should have a system of internal controls in place such that the Schedule of Expenditures of Federal Awards (the SEFA) is reviewed and compared to the general ledger for completeness and accuracy on an annual basis before being presented for audit.
Condition:	During our review of the preparation of the SEFA, we noted that there were several errors indicating there was not a sufficient review over the preparation of the SEFA.
Context:	The College reported approximately $4.4 million in expenditures of federal awards on their SEFA without a separate independent review.
Cause:	The lack of effective implementation of internal controls appears to be changes in personnel.
Effect:	The SEFA has the potential to be materially misstated and any errors may not be prevented, or detected and corrected.

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding 2014-002 (repeat finding 2013-003) (Continued)

Recommendation: We recommend that management develop and implement policies and procedures to provide for a review of the SEFA for completeness and accuracy independent of the preparation of the SEFA.

View of Responsible Official: The College understands and concurs with the finding and recommendation.

Finding 2014-003 (repeat finding 2013-005)

Criteria: The College should have a system of internal controls in place such that misstatements of the accounting records and financial statement reporting would be prevented, or detected and corrected by management or employees in the normal course of their duties. We noted several errors in the accounting records that resulted in audit adjustments which changed the annual financial report.

Condition: During our audit procedures, entries were posted to correct balances relating to various accounts including property taxes receivable, deferred property tax revenue, property tax revenue, and accounts payable.

Context: Errors were noted in the balances relating to accounts receivable, property taxes receivable, deferred property tax revenue, property tax revenue, and accounts payable.

Cause: The lack of effective implementation of internal controls appears to be an oversight by management, compounded by changes in personnel.

Effect: The lack of controls and oversight over the review and reconciliation of account balances exposes the College to risk of material errors or misstatements in the accounting records. Such errors were not effectively prevented, or detected and corrected.

Recommendation: We recommend that management develop and implement policies and procedures for reviewing and reconciling account balances.

View of Responsible Official: The College understands and concurs with the finding and recommendation.

Finding 2014-004 (repeat finding 2013-006)

Criteria: The College should have a system of internal controls in place such that misstatements of the capital asset accounting records would be prevented, or detected and corrected by management or employees in the normal course of their duties. Duties should be segregated to the extent possible in order to separate the initiation, authorization and review of transactions.

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding 2014-004 (repeat finding 2013-006) (Continued)

Condition: During our audit procedures over capital assets, we noted that the College had an asset recorded that did not meet the capitalization threshold and that there were errors in the calculation of depreciation expense.

Context: We noted errors in the calculation of depreciation expense, and an asset was capitalized and placed in service that did not meet the capitalization threshold.

Cause: The College has not allocated sufficient resources to provide for adequate review over capital asset records for accuracy and completeness.

Effect: Without proper review over the capital assets records, amounts have the opportunity to be materially misstated within the financial statements and not be detected and corrected.

Recommendation: We recommend that management develop and implement policies and procedures over capital asset financial reporting to review the details and calculations for accuracy and completeness.

View of Responsible Official: The College understands and concurs with the finding and recommendation.

Finding 2014-005 (repeat finding 2013-008)

Criteria: The College should have a system of internal controls in place such that proper bidding procedures have been followed in accordance with the College's procurement policies for purchases between $5,000 and $75,000.

Condition: There is no evidence of review that three quotes or sole source justification was obtained before a purchase order was executed, as appropriate.

Context: During our review of internal controls over purchasing, it was noted that the College requires three quotes or sole source justification be obtained for purchases between $5,000 and $75,000; however, there is no documentation evidencing the review that the three quotes or sole source justification was obtained and evaluated before the purchase order was executed for the item tested.

Cause: The lack of effective implementation of internal controls appears to be an oversight by management.

Effect: Contracts could be entered into with a vendor even though the College did not follow proper procurement policies in obtaining three quotes or sole source justification for purchases between $5,000 and $75,000.

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Finding 2014-005 (repeat finding 2013-008) (Continued)

Recommendation: We recommend that management develop and implement policies and procedures that before a contract is executed with a vendor that the approver of the purchase order verifies that three quotes were obtained and document that review on the purchase order.

View of Responsible Official: The College understands and concurs with the finding and recommendation.

Finding 2014-006

Criteria: The College should have a system of internal controls such that misstatements of the payroll accounting records would be prevented, or detected and corrected by management or employees in the normal course of their duties. Duties should be segregated to the extent possible in order to separate the initiation, authorization and review of transactions. We noted several errors in payroll liability and expense general ledger accounts. These errors were not detected through processes or controls over payroll financial reporting.

Context: Audit procedures performed over payroll expense and related benefit expense accounts noted classification errors.

Effect: The lack of controls and oversight over payroll reporting exposes the College to risk of material errors or misstatements in the general ledger and the annual financial report. Such errors were not effectively prevented, or detected and corrected.

Cause: The College has not allocated sufficient resources, processes, and internal controls within the payroll department to provide for a review of classifications and reconciliations of payroll related accounts.

Recommendation: We recommend that management consider implementing controls and processes for reviewing payroll financial reporting.

View of responsible official: The College understands and concurs with the finding and recommendation.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2014-007 (repeat finding 2013-009)

Federal Program:	CFDA No. 84.268; 84.063; 84.007; 84.033 Student Financial Assistance Cluster CFDA No. 93.575 CCDF Cluster
Federal Agency:	U.S. Department of Education
Award Year:	2013-14
Criteria:	OMB Circular A-133, Subpart C, Section _.320 requires that the audit shall be completed and the Data Collection Form and reporting package shall be submitted within the earlier of 30 days after receipt of the auditor's reports, or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.
Condition:	The College's reporting package was not submitted by the earlier date of either 30 days after receipt of the auditor's report or nine months after the end of fiscal year June 30, 2013. The single audit reporting was dated April 17, 2014.
Questioned Costs:	There are no questioned costs associated with this finding.
Context:	The reporting of the Data Collection Form with the Federal Audit Clearinghouse exceeded guidelines as defined by OMB Circular A-133, Subpart C, Section _.320.
Cause:	The lack of timely submission of the Data Collection Form to the Federal Audit Clearinghouse appears to result from the audit reporting being issued after the submission deadline.
Effect:	The College will be assessed as a high-risk auditee for purposes of compliance and testing with OMB Circular A-133.
Recommendation:	We recommend management develop and implement policies and procedures to provide for timely filings with the Federal Audit Clearinghouse.
View of Responsible Official:	The College understands and concurs with the finding and recommendation.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2014-008 (repeat finding 2013-012)

Federal Program: CFDA No. 84.268; 84.063; 84.007; 84.033 Student Financial Assistance Cluster

Federal Agency: U.S. Department of Education

Award Year: 2013-14

Criteria: In accordance with 34 CFR sections 668.22(a)(1) through (a)(5)), when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student's withdrawal date. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs as outlined in this section and no additional disbursements may be made to the student for the payment period or period of enrollment. If the amount the student earned is greater than the amount disbursed, the difference between the amounts must be treated as a post-withdrawal disbursement.

Condition: The College lacked physical evidence of effective review over the return of Title IV funding to the Department of Education for a portion of the fiscal year. During the year, the College implemented a process evidencing review.

Questioned Costs: There are no questioned costs noted as the return of Title IV funding for students appear to be properly calculated and returned to the Department of Education.

Context: Out of a sample of 14 students, one student tested did not evidence sufficient documentation that effective review over the return of Title IV funding was being performed to ensure accurate calculations for the amount of federal money to be returned to the Department of Education.

Cause: This lack of evidenced review occurred prior to the implementation of the evidenced review process by the College.

Effect: The lack of documentation of review and approval provides for the possibility for the College to incorrectly determine the proper amount of Title IV funding to be returned, to make the refunding calculation in an untimely manner, and to apply the return of Title IV funds to federal programs incorrectly.

Recommendation: We recommend management continue to develop and implement policies and procedures to provide appropriate documentation supporting effective review and approval of the return of Title IV funds in accordance with the federal program requirements.

View of Responsible Official: The College understands and concurs with the finding and recommendation.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2014-009

Federal Program:	CFDA No. 84.268; 84.063; 84.007; 84.033 Student Financial Assistance Cluster
Federal Agency:	U.S. Department of Education
Award Year:	2013-14
Criteria:	The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Under provisions of the Higher Education Act, the Department's regulations, and related guidance, schools are required to confirm and report the enrollment status of students who receive most types of Federal student aid, including aid from the Federal Pell Grant Program and the William D. Ford Federal Direct Loan (Direct Loan) Program. Schools are to report the enrollment status of students who received Title IV aid to National Student Loan Data System (NSLDS). This enrollment information is updated in NSLDS and, as appropriate, is reported to guarantors, lenders, and servicers of federal student loans (Direct Loan, 34 CFR section 685.309). A student's enrollment status determines eligibility for in-school status, deferment, and grace periods, as well as for the payment of interest subsidies to Federal Family Education Loan (FFEL) Program loan holders by the Department of Education. Enrollment reporting in a timely and accurate manner is critical for effective management of the programs. Enrollment information must be reported within 30 days whenever attendance changes for students, unless a roster will be submitted within 60 days. These changes include reductions or increases in attendance levels, withdrawals, graduations, or approved leaves-of-absence.
Condition:	The College lacks physical evidence of review over accurate and timely reporting of student enrollment changes to NSLDS which caused four students to be reported outside the 30 day requirement.
Questioned Costs:	As this finding relates to the timely and accurate reporting of enrollment status, there are no amounts of questioned cost identified.
Context:	Out of a population of 108 students receiving Financial Aid, 14 students were selected for testing. TKW determined five student records to be out of compliance with 30 day reporting requirement. In addition, one of the five students had an incorrect enrollment status within NSLDS.
Cause:	It appears the College does not have a system of controls in place to review the accuracy of student enrollment data submitted to NSLDS and ensure that timely reporting is occurring.
Effect:	A student's enrollment status determines eligibility for in-school status as well as deferment and grace periods for loans. Enrollment reporting is not only critical for effective administration of the Title IV student loan programs, but is also required so that the Department can engage in budgetary and policy analysis.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 2014-009 (Continued)

Recommendation:	We recommend management develop and implement policies and procedures to provide for documentation supporting the effective review of borrower data transmission and reconciliation for direct loan programs under federal programs.
View of Responsible Official:	The College understands and concurs with the finding and recommendation.

COLUMBIA GORGE COMMUNITY COLLEGE

SUMMARY OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2014

Finding 2013-001 (repeated as finding 2014-001)

Criteria:	The College should have a system of internal controls in place to monitor their investments' compliance in accordance with their investment policy as well as Oregon Revised Statutes.
Condition:	The College engages an independent investment advisor to manage the investment of excess funds. However, the investment advisor doesn't monitor compliance in accordance with the College's investment policy or Oregon Revised Statutes.
Context:	Investments totaling approximately $3.2 million as of June 30, 2013, were not subject to review by the College for compliance with the College's investment policy and Oregon Revised Statutes.
Cause:	The lack of effective implementation of internal controls appears to be an oversight by management, compounded by changes in personnel.
Effect:	The College could be out of compliance with their investment policy and/or Oregon Revised Statutes without becoming aware of the noncompliance in a timely manner.
Recommendation:	We recommend that management develop and implement policies and procedures whereby someone reviews the investments with the investment advisor on a periodic basis to determine whether the investments are in accordance with the College's investment policy and Oregon Revised Statues.
Corrective Action:	The College will develop an investment policy that includes a scheduled review with the investment advisor on a periodic basis to confirm compliance. The Business Office will work with the President's Office to create this policy.

Finding 2013-002

Audit Finding:	The College should have a system of internal controls in place to document independent review of journal entries prior to being posted to the general ledger. Evidence of review over journal entries prior to being posted to the general ledger was not consistently documented.
Corrective Action:	The College has created a process where no journal entries are posted without review and signature evidencing review. There must be a review process on every journal entry before it is posted. The Chief Financial Officer (CFO) reviews all journal entries and initials prior to posting. The CFO does not post journal entries. If the CFO creates a journal entry, it is reviewed by the Accounts Receivable Manager or Cost Accountant and posted by the Cost Accountant.

Finding 2013-003 (repeated as finding 2014-002)

Criteria:	The College should have a system of internal controls in place such that the Schedule of Expenditures of Federal Awards (the SEFA) is reviewed and compared to the general ledger for completeness and accuracy on an annual basis before being presented for audit.
Condition:	During our review of the preparation of the SEFA, we noted that the Chief Financial Officer prepares the SEFA and that the SEFA is not reviewed by anyone else before it is provided to the auditors.
Context:	The College reported approximately $5.7 million in expenditures of federal awards on their SEFA without a separate independent review.
Cause:	The lack of effective implementation of internal controls appears to be an oversight by management, compounded by changes in personnel.
Effect:	The SEFA has the potential to be materially misstated and any errors may not be prevented, or detected and corrected.
Recommendation:	We recommend that management develop and implement policies and procedures to provide for a review of the SEFA for completeness and accuracy independent of the preparation of the SEFA.
Corrective Action:	The Business Office is currently fully staffed which will allow the Accounts Receivable and Grants Manager to prepare the SEFA, and the CFO will review.

Finding 2013-004

Audit Finding:	The College should have a system of internal controls in place to provide effective oversight over the Chief Financial Officer's (CFO) position. The CFO has control over financial reporting and all significant accounting transaction cycles without oversight creating an opportunity for management override of controls and misstatements to go undetected.
Corrective Action:	The College has focused on the suggested policies in the internal controls review as well as improved processes so that there is proper oversight of the CFO. The College has changed some policies. For example, the CFO does not post journal entries nor create users within RogueNet. The Business Office is fully staffed so that there are enough personnel for proper review of transactions and reconciliations.

Finding 2013-005 (repeated as finding 2014-003)

Criteria:	The College should have a system of internal controls in place such that misstatements of the accounting records and financial statement reporting would be prevented, or detected and corrected by management or employees in the normal course of their duties. We noted several errors in the accounting records that resulted in audit adjustments which changed the annual financial report.
Condition:	During our audit procedures, entries were posted to correct balances relating to the allowance for doubtful accounts for accounts receivable, property taxes receivable, deferred property tax revenue, property tax revenue, and debt issuance costs.
Context:	Errors were noted in the balances relating to the allowance for doubtful accounts for accounts receivable, property taxes receivable, deferred property tax revenue, property tax revenue, and debt issuance costs.
Cause:	The lack of effective implementation of internal controls appears to be an oversight by management, compounded by changes in personnel.
Effect:	The lack of controls and oversight over the review and reconciliation of account balances exposes the College to risk of material errors or misstatements in the accounting records. Such errors were not effectively prevented, or detected and corrected.
Recommendation:	We recommend that management develop and implement policies and procedures for reviewing and reconciling account balances.
Corrective Action:	The College is in the process of implementing policies and procedures for reviewing and reconciling account balances as well as continuing staff training.

Finding 2013-006 (repeated as finding 2014-004)

Criteria:	The College should have a system of internal controls in place such that misstatements of the capital asset accounting records would be prevented, or detected and corrected by management or employees in the normal course of their duties. Duties should be segregated to the extent possible in order to separate the initiation, authorization and review of transactions.
Condition:	During our audit procedures over capital assets, we noted that the College had assets recorded that the College no longer owned, errors in the calculation of depreciation expense, and capital assets that were not initially recorded due to oversight by management.
Context:	We noted the following errors in our testing of capital assets: a transfer from construction in progress to assets placed in service was not completed for one asset; four assets were donated to other entities during the year or in prior years yet not disposed on the year end capital asset listing; 22 assets were disposed of during the year but accumulated depreciation was not adjusted for the disposal; depreciation in the current year was calculated for an asset that was already fully depreciated; and three expenditures were noted in repairs and maintenance that meet the definition of a capital asset as defined by the College, yet were not included in the capital asset listing.

Finding 2013-006 (repeated as finding 2014-004) (Continued)

Cause:	The College has not allocated sufficient resources to provide for adequate review over capital asset records for accuracy and completeness.
Effect:	Without proper review over the capital assets records, amounts have the opportunity to be materially misstated within the financial statements and not be detected and corrected.
Recommendation:	We recommend that management develop and implement policies and procedures over capital asset financial reporting to review the details and calculations for accuracy and completeness.
Corrective Action:	The College has not maintained the capital asset accounting for years. It was maintained by previous auditors. The College is currently developing procedures and policies so that this process is operating properly and completed internally.

Finding 2013-007

Audit Finding:	The College should have a system of internal controls in place such that misstatements of the other postemployment benefits (OPEB) accounting records would be prevented, or detected and corrected by management or employees in the normal course of their duties. We noted that there is no review process in place over OPEB information before being provided to the actuary for calculation of the other postemployment benefit liability. The Manager of Payroll and Benefits Accounting compiles and submits the data to the actuary without any oversight or review by another member of management before submission.
Corrective Action:	The College implemented procedures where the Manager of Payroll and Benefits Accounting compiles the data for the OPEB reports and the Chief Operations Officer reviews the data and sign off before submission.

Finding 2013-008 (repeated as finding 2014-005)

Criteria:	The College should have a system of internal controls in place such that proper bidding procedures have been followed in accordance with the College's procurement policies for purchases between $5,000 and $75,000.
Condition:	There is no evidence of review that three quotes were obtained before a purchase order was executed, as appropriate. Purchase orders contain a checkbox that indicates three quotes were obtained, but there is no procedure in place to verify that this is accurate.
Context:	During our review of internal controls over purchasing, it was noted that the College requires three quotes be obtained for purchases between $5,000 and $75,000; however, there is no documentation evidencing the review that the three quotes were actually obtained and evaluated before the purchase order was executed for the item tested.

Finding 2013-008 (repeated as finding 2014-005) (Continued)

Cause: The lack of effective implementation of internal controls appears to be an oversight by management.

Effect: Contracts could be entered into with a vendor even though the College did not follow proper procurement policies in obtaining three quotes for purchases between $5,000 and $75,000.

Recommendation: We recommend that management develop and implement policies and procedures that before a contract is executed with a vendor that the approver of the purchase order verifies that three quotes were obtained and document that review on the purchase order.

Corrective Action: The College has begun to create a procedure where the quotes are reviewed by the procurement officer on a regular basis. The purchase order system has a check box that is utilized when three quotes are required. This will trigger the procurement officer to request those three quotes for review and filing.

Finding 2013-009 (repeated as finding 2014-007)

Federal Program: CFDA No. 84.002 Adult Education Basic Grants to States
CFDA No. 84.268; 84.063; 84.007; 84.033 Student Financial Assistance Cluster

Federal Agency: U.S. Department of Education

Award Year: 2011-12

Criteria: OMB Circular A-133, Subpart C, Section _.320 requires that the audit shall be completed and the Data Collection Form and reporting package shall be submitted within the earlier of 30 days after receipt of the auditor's reports, or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.

Condition: The College's reporting package was not submitted by the earlier date of either 30 days after receipt of the auditor's report or nine months after the end of fiscal year June 30, 2012. The single audit reporting was dated December 21, 2012, while the filing with the Federal Audit Clearinghouse occurred on February 1, 2013.

Questioned Costs: There are no questioned costs associated with this finding.

Context: The reporting of the Data Collection Form with the Federal Audit Clearinghouse exceeded guidelines as defined by OMB Circular A-133, Subpart C, Section _.320.

Cause: The lack of timely submission of the Data Collection Form to the Federal Audit Clearinghouse appears to result from oversight by College personnel and misunderstanding of due dates.

Effect: The College became assessed as a high-risk auditee for purposes of compliance and testing with OMB Circular A-133.

Finding 2013-009 (repeated as finding 2014-007) (Continued)

Recommendation:	We recommend management develop and implement policies and procedures to provide for timely filings with the Federal Audit Clearinghouse.
Corrective Action:	The College will implement policies so that all staff are aware of the deadlines required for submitting reports including the timelines for the Federal Audit Clearinghouse.

Finding 2013-010

Federal Program:	CFDA No. 84.268; 84.063; 84.007; 84.033 Student Financial Assistance Cluster
Federal Agency:	U.S. Department of Education
Award Year:	2012-13
Audit Finding:	OMB Circular A-133, Subpart C, Section _.300 requires federal award recipients to maintain internal control over federal programs that provides reasonable assurance that the auditee is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements including those associated with requesting reimbursements that could have a material effect on federal programs. The College lacks consistent physical evidence of effective review over reimbursement requests required to be submitted under the program. Reimbursement requests are filed by the College on a weekly or as needed basis.
Corrective Action:	The College's process to submit Pell data is electronically through the Department of Education system. In response to this finding, the College has begun printing a Pell discrepancy report at the conclusion of the process where one financial aid staff member reviews and follows-up with any discrepancies and a second staff member signs-off that the process was completed timely and correctly.

Finding 2013-011

Federal Program:	CFDA No. 84.268; 84.063; 84.007; 84.033 Student Financial Assistance Cluster
Federal Agency:	U.S. Department of Education
Award Year:	2012-13
Audit Finding:	In accordance with OMB Circular A-133 No. 1845-0039, all schools receiving Pell grants must submit Pell payment data to the U.S. Department of Education through the Common Origination and Disbursement (COD) System. OMB Circular A-133, Subpart C, Section _.300 requires federal award recipients to maintain internal control over federal programs that provides reasonable assurance that the auditee is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements including those associated with reporting that could have a material effect on each of its federal programs. The College lacks physical evidence of effective review over reporting to the Department of Education through the COD System.

Finding 2013-011 (Continued)

Corrective Action:	The College's process to submit Pell data is electronically through the Department of Education system. In response to this finding, the College has begun printing a Pell discrepancy report at the conclusion of the process where one financial aid staff member reviews and follows-up with any discrepancies and a second staff member signs-off that the process was completed timely and correctly.

Finding 2013-012 (repeated as finding 2014-008)

Federal Program:	CFDA No. 84.268; 84.063; 84.007; 84.033 Student Financial Assistance Cluster
Federal Agency:	U.S. Department of Education
Award Year:	2012-13
Criteria:	In accordance with 34 CFR sections 668.22(a)(1) through (a)(5)), when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student's withdrawal date. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs as outlined in this section and no additional disbursements may be made to the student for the payment period or period of enrollment. If the amount the student earned is greater than the amount disbursed, the difference between the amounts must be treated as a post-withdrawal disbursement.
Condition:	The College lacks physical evidence of effective review over the return of Title IV funding to the Department of Education.
Questioned Costs:	There are no questioned costs noted as the return of the Title IV funding tested appeared to be properly calculated and returned to the Department of Education.
Context:	Out of a population of 102 students, 11 students tested did not evidence sufficient documentation that effective review over the return of Title IV funding was being performed to ensure accurate calculations for the amount of federal money to be returned to the Department of Education.
Cause:	The lack of effective implementation of internal controls appears to be an oversight by the reviewer.
Effect:	The lack of documentation of review and approval provides for the possibility for the College to incorrectly determine the proper amount of Title IV funding to be returned, to make the refunding calculation in an untimely manner, and to apply the return of Title IV funds to federal programs incorrectly.
Recommendation:	We recommend management develop and implement policies and procedures to provide appropriate documentation supporting effective review and approval of the return of Title IV funds in accordance with the federal program requirements.

Finding 2013-012 (repeated as finding 2014-008) (Continued)

Corrective Action: The College is in the process of implementing a two-step sign-off process to address this finding. One financial aid staff member will run the report that lists the affected students and run the calculation utility. A second staff member will adjust the student awards, send a revised award letter, and email the correspondence letter to the student. Both staff members will sign-off on the process.

Finding 2013-013

Federal Program: CFDA No. 84.268; 84.063; 84.007; 84.033 Student Financial Assistance Cluster

Federal Agency: U.S. Department of Education

Award Year: 2012-13

Audit Finding: Institutions must report all loan disbursements and submit required records to the Direct Loan Servicing System (DLSS) via the Common Origination and Disbursement (COD) System within 30 days of disbursement (OMB No. 1845-0021). Each month, the COD provides institutions with a School Account Statement (SAS) data file which consists of a cash summary, cash detail, and (optional at the request of the school) loan detail records. The school is required to reconcile these files to the institution's financial records. Since up to three direct loan program years may be open at any given time, schools may receive three SAS data files each month (34 CFR sections 685.102(b), 685.301, and 303). The College lacks physical evidence of effective review over the borrower data transmission and reconciliation for direct loan requirements under the federal program.

Corrective Action: The College has modified the current procedure to make sure there is a two-step review process for the borrower data transmission and reconciliation of the direct loan program. The Business Office and financial aid work together to complete the reconciliation and both initial (either electronically or physically). The reconciliation is then submitted to the CFO for final review and approval.