MERSEREAU & SHANNON, LLP

LAWYERS

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PETER R. MERSEREAU
JAMES P. SHANNON, LLM
THOMAS W. McPHERSON
BARRETT C. MERSEREAU

ROBERT J. SULLIVAN, P.C. *
JOHN W. OSBURN, P.C.
OF COUNSEL

TELEPHONE: 503-226-6400
FACSIMILE: 503-226-0383

1600 UMPQUA BANK PLAZA
ONE S.W. COLUMBIA STREET
PORTLAND, OREGON 97258

*LICENSED IN OREGON & WASHINGTON

TRANSCRIPT OF PROCEEDINGS
OF
COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON

GENERAL OBLIGATION BONDS
SERIES 2005

$18,500,000

INDEX

Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Bonds
Series 2005

$18,500,000

TRANSCRIPT CERTIFICATION

Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Bonds
Series 2005

$18,500,000

On behalf of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District"), I, Saundra Buchanan, Chief Financial Officer, certify that the attached transcript documents are true and correct copies of the original transcript documents assembled at the closing of the Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon General Obligation Bonds, Series 2005. All documents were signed as required by the appropriate parties.

DATED as of this 25th day of May, 2005.

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON

By Saundra Buchanan
Saundra Buchanan
Chief Financial Officer

MERSEREAU & SHANNON, LLP

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ROBERT J. SULLIVAN, P.C. *
JOHN W. OSBURN, P.C.
OF COUNSEL

*LICENSED IN OREGON & WASHINGTON

May 25, 2005

Columbia Gorge Community College District
400 East Scenic Drive
The Dalles, Oregon 97058

Re: Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon
General Obligation Bonds, Series 2005 - $18,500,000

We have acted as bond counsel in connection with the issuance by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District") of $18,500,000 General Obligation Bonds, Series 2005 dated May 25, 2005 (the "Bonds"). The Bonds are issued pursuant to the authority granted by a majority of the legal voters of the District voting at the November 2, 2004 election, the applicable provisions of Oregon Revised Statutes Sections 341.675 to 341.702 and a resolution of the District adopted by the Board of Directors on April 12, 2005 (the "Resolution").

We have examined the law and a duly certified transcript of proceedings of the November 2, 2004 election of the District relating to the issuance and sale of the Bonds and such other documents as we deem necessary to render this opinion.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Bonds, and we express no opinion related thereto.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Bonds have been legally authorized and issued under and pursuant to the Constitution and Statutes of the State of Oregon and the Resolution.

2. The Bonds and the Resolution have been properly authorized, executed and delivered by the District and constitute valid binding obligations of the District enforceable in accordance with their terms.

3. The Bonds are a valid, legally binding full faith and credit general obligation of the District payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable property within the geographical boundaries of the District. The District is required by law to include in its annual tax levy the principal and interest maturing on the Bonds to the extent that sufficient funds are not provided from other sources.

4. Assuming compliance with applicable requirement of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds, including any original issue discount properly allocable to the owner of the Bonds, is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted,

however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. Any original issue premium properly allocable to the owner of the Bonds may not be deducted from federal gross income, but must be amortized actuarially on a constant interest rate basis over the term of such Bond, and the federal tax basis of such Bond will be decreased over its term by the amount of such amortized premium. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

5. The Bonds are not a "private activity bond" within the meaning of Section 141 of the Code.

6. The interest on the Bonds, including any original issue discount properly allocable to the owner of the Bonds, is exempt from present State of Oregon personal income taxes.

Except as stated herein, we express no opinion regarding other federal, state or local tax consequences arising with respect to ownership of the Bonds or other matters not expressly included in items 1-6 above. The owner of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral tax consequences and each owner is advised to consult with its own tax advisor regarding such consequences.

It is to be understood that the rights of the Registered Owner of the Bonds and the enforceability thereof are subject to (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, (ii) the application of equitable principles and to the exercise of judicial discretion in appropriate cases, (iii) common law and statutes affecting the enforceability of contractual obligations generally, and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the District.

Our opinions are limited to matters of current Oregon law and applicable federal law, and we assume no responsibility for the applicability or effect of laws of other jurisdictions.

Respectfully submitted,

MERSEREAU & SHANNON, LLP

James P. Shannon

MERSEREAU & SHANNON, LLP

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JOHN W. OSBURN, P.C.
OF COUNSEL

TELEPHONE 503-226-6400
FACSIMILE 503-226-0383

1600 UMPQUA BANK PLAZA
ONE S.W. COLUMBIA STREET
PORTLAND, OREGON 97258

*LICENSED IN OREGON & WASHINGTON

May 25, 2005

MBIA Insurance Corporation
113 King Street
Armonk, NY 10504

Seattle-Northwest Securities Corporation
1000 SW Broadway, Suite 1800
Portland, OR 97205

Re: Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon General Obligation Bonds, Series 2005 - $18,500,000

Gentlemen:

We attach to this letter a copy of our Bond Opinion in the above matter dated May 25, 2005 directed to the Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon.

You may rely upon our Bond Opinion as though such opinion had been addressed to you.

Respectfully submitted,

MERSEREAU & SHANNON, LLP

James P. Shannon

MERSEREAU & SHANNON, LLP

PETER R. MERSEREAU
JAMES P. SHANNON, LLM
THOMAS W. McPHERSON
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1600 UMPQUA BANK PLAZA
ONE S.W. COLUMBIA STREET
PORTLAND, OREGON 97258

*LICENSED IN OREGON & WASHINGTON

May 25, 2005

Seattle-Northwest Securities Corporation
1000 SW Broadway, Suite 1800
Portland, Oregon 97205

Re: Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon
General Obligation Bonds, Series 2005 - $18,500,000

This opinion is rendered to you in connection with the purchase by you of the General Obligation Bonds, Series 2005 in the aggregate principal amount of $18,500,000 (the "Bonds") pursuant to a Purchase Agreement dated May 11, 2005, (the "Purchase Agreement"), by and between you and the Columbia Gorge Community College District (the "Seller"). All terms used in this opinion and not otherwise defined herein shall have the respective meanings assigned thereto in the Purchase Agreement or the Resolution (as defined in the Agreement). In our capacity as Bond Counsel with respect to the authorization, issuance, sale and delivery of the Bonds, we have examined the Official Statement dated May 12, 2005 relating to the Bonds (the "Official Statement"). We have also examined originals, or copies certified or otherwise identified to our satisfaction as being true copies of the originals, of such proceedings of the Seller, certificates of officials of the Seller and others and such other documents as we have deemed necessary for purposes of this opinion. Based on our review of the foregoing, we are of the opinion that:

1. The statements in the Official Statement under the headings "Description of the Bonds" (except for the subsection "Paying Agent and Registration Features" thereunder), "Purpose and Use of Proceeds – Purpose," "Security for the Bonds," "Legislative Referrals," "The Initiative Process," "Tax Exemption," "Continuing Disclosure," "Appendix A – Form of Bond Counsel Opinion" and "Appendix D – Form of Continuing Disclosure Certificate" (together with specific references thereto contained in the Official Statement), insofar as such statements purport to summarize the provisions of the Bonds or other matters discussed or presented therein (other than any financial or statistical data contained in such sections as to which we express no opinion) present a fair summary of the relevant provisions of the Bonds and the matters discussed or presented therein.

2. Based upon our participation in the preparation of the Official Statement as Bond Counsel but without having undertaken to determine independently the accuracy or completeness of, and without assuming any responsibility for, the statements contained in the Official Statement except to the limited extent noted immediately above, nothing has come to our attention which would lead us to believe that the statements contained in the Official Statement, as of the date of the Official Statement (except for the financial and statistical data included therein, as to which we express no opinion), contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they are made, not misleading.

3. The Purchase Agreement has been duly authorized, executed and delivered by the Seller and constitutes a valid and binding agreement of the Seller, which is enforceable in accordance with its terms, except to the extent that enforceability may be limited by or rendered ineffective by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Seller.

4. The Bonds are general obligations of the Seller and the full faith and credit of the Seller is pledged for the punctual payment of the principal of and the interest on the Bonds. The Bonds are secured by general ad valorem taxes to be levied against all taxable property within the Seller without limitation as to rate or amount. Taxes levied to pay the Bonds will be levied outside the limitations imposed by Article XI, Section 11b of the Oregon State Constitution.

5. We have reviewed the undertaking of the Seller regarding secondary market disclosure as further described in the Preliminary Official Statement and the Official Statement. In our opinion, such undertaking is valid and binding, is in full force and effect as of the date of Closing and complies with the requirements of Securities and Exchange Commission Rule 15c2-12 as it pertains to such undertakings.

This opinion is provided to you as a legal opinion only, and not as a guaranty or warranty of the matters discussed herein. No qualification, limitation or exception contained herein shall be construed in any way to limit the scope of the other qualifications, limitations or exceptions. For purposes of this opinion, the terms "law" and "laws" do not include unpublished judicial decisions, and we disclaim the effect of any such decision on the opinions expressed.

We express no opinion as to the creditworthiness of the Seller, the investment quality of the Bonds or the adequacy of the security for the Bonds. We are furnishing this letter to you pursuant to the Agreement solely for your benefit. This letter is not to be used, circulated, quoted or otherwise referred to in connection with the marketing of the Bonds nor is it to be relied upon by any person without prior written permission; provided that reference may be made to it in any list or transcript of closing documents pertaining to the Bonds. We expressly disclaim any duty to advise you of any matters arising after the date hereof.

In addressing this opinion to Seattle-Northwest Securities Corporation, it is expressly understood and acknowledged by Seattle-Northwest Securities Corporation that no attorney-client relationship is established hereby and that we have acted only as bond counsel to the Seller in connection with the issuance of the Bonds and have not acted as counsel to it or to any other party to this transaction.

Respectfully submitted,

MERSEREAU & SHANNON, LLP

James P. Shannon

RFA

Regional Financial Advisors, Inc.
Rebecca Marshall Chao, President
Faye Brown, Vice President
Jonas Biery, Senior Analyst
Raelene Garrison, Administrative Assistant
PHONE (503) 227-2009; FAX (503) 227-2510

733 SW Vista Ave.
Portland, OR 97205-1203

Dr. Frank Toda, President
Ms. Saundra Buchanan, CFO
Columbia Gorge Community College District
400 East Scenic Drive
The Dalles, OR 97058-3434

May 11, 2005

RE: FINANCIAL ADVISOR REPORT ON THE SALE OF $18,500,000 GENERAL OBLIGATION BONDS, SERIES 2005

Dear Dr. Toda and Ms. Buchanan:

RFA has completed the evaluation of the terms, conditions, pricing, and other relevant aspects of the District's sale of General Obligation Bonds, Series 2005. Our evaluation is that the terms, conditions and pricing were all reasonable.

In accordance with ORS 287.028, this letter serves as the report of the expert advisor on your sale. If you need further information, please call me.

Congratulations on a successful sale!

Sincerely,

Rebecca M. Chao

Rebecca Marshall Chao
President

MBIA Insurance Corporation
113 King Street, Armonk, NY 10504
Tel 914-273-4545
www.mbia.com

MBIA

Capital Strength. Triple-A Performance.

May 25, 2005

Columbia Gorge Community College District
400 East Scenic Drive
The Dalles, Oregon 97058

Seattle Northwest Securities Corporation
1000 SW Broadway, Suite 1800
Portland, Oregon 97205

$18,500,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Bonds, Series 2005

Ladies and Gentlemen:

I am Deputy General Counsel of the MBIA Insurance Corporation, a New York corporation (the "Corporation"), and have acted as counsel to the Corporation in connection with the issuance of Financial Guaranty Insurance Policy No. 46276 (the "Policy") relating to $18,500,000 Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, General Obligation Bonds, Series 2005.

In so acting, I have examined a copy of the Policy and such other relevant documents as I have deemed necessary.

Based upon the foregoing, I am of the following opinion:

1. The Corporation is a stock insurance corporation, duly incorporated and validly existing under the laws of the State of New York and is licensed and authorized to issue the Policy under the laws of the State of New York.

MBIA

2. The Policy has been duly executed and is a valid and binding obligation of the Corporation enforceable in accordance with its terms except that the enforcement of the Policy may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium, receivership and other similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Very truly yours,

Michael Knopf
Deputy General Counsel

FINANCIAL GUARANTY INSURANCE POLICY

MBIA Insurance Corporation
Armonk, New York 10504

Policy No. 46276

MBIA Insurance Corporation (the "Insurer"), in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to U.S. Bank National Association, Portland, Oregon or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration, unless the Insurer elects, in its sole discretion, to pay in whole or in part any principal due by reason of such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

$18,500,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Bonds, Series 2005

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust National Association shall disburse to such owners, or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

IN WITNESS WHEREOF, the Insurer has caused this policy to be executed in facsimile on its behalf by its duly authorized officers, this 25th day of May, 2005.

MBIA Insurance Corporation

Neil G. Budnick

President

Attest: Stephanie J. Ciavarello

Assistant Secretary

STD-R-7
1/05

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MBIA Insurance Corporation
113 King Street, Armonk, NY 10504
Tel 914-273-4545
www.mbia.com

May 25, 2005

U.S. Bank National Association
Portland, Oregon

$18,500,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Bonds, Series 2005

Ladies and Gentlemen:

In connection with the above-described obligations (the "Obligations") of which you are acting as paying agent (the "Paying Agent"), please be advised that the payment to you of principal of and interest on the Obligations has been guaranteed by a policy of financial guaranty insurance (the "Policy") issued by the MBIA Insurance Corporation (the "Insurer"). U.S. Bank Trust National Association, New York, New York (the "Fiscal Agent") is acting as the fiscal agent for the Insurer.

The Policy unconditionally and irrevocably guarantees to any owner or holder of the Obligations or, if applicable, of the coupons appertaining thereto (the "Owner"), the full and complete payment required to be made by or on behalf of the issuer of the Obligations (the "Issuer") to the Paying Agent or its successor of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed by the Policy shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any Owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference (a "Preference") to the Owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence are referred to collectively in this letter as the "Insured Amounts."

The Policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligations. The Policy does not, under any circumstance, insure against loss relating to: (i) optional or mandatory redemptions (other than mandatory sinking fund redemptions); (ii) any payments to be made on an accelerated basis; (iii) payments of the purchase price of Obligations upon tender by an Owner thereof; or (iv) any Preference relating to (i) through (iii) above.

In the event that the Issuer does not make full and complete payment when due of the principal of and interest on the Obligations, please immediately notify, by telephone or telegraph, the Insurer, 113 King Street, Armonk, New York, 10504, (914) 273-4545. On the due date or within one business day after receipt of such notice, whichever is later, the Insurer will deposit funds with the Fiscal Agent sufficient to pay the Obligations (or, if applicable, coupons appertaining thereto) then due. Upon presentment and surrender of such Obligations (or, if applicable, coupons) or presentment of such other proof of ownership of Obligations together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for the Owners in any legal proceeding related to payment of Insured Amounts on the Obligations (or, if applicable, coupons), such instruments being in a form satisfactory to the Fiscal Agent, the Fiscal Agent shall disburse to you payment of the Insured Amounts due on such Obligations (and, if applicable, coupons), less any amount held by you for the payment of such Insured Amounts and legally available therefor.

Forms of such instruments of assignment and instruments to effect the appointment of the Insurer as such agent for the Owners (collectively, the "Claim Documents"), which are currently acceptable to the Fiscal Agent and the Insurer, are on file with the Fiscal Agent. The Insurer may, from time to time, file revised forms of Claim Documents with the Fiscal Agent in substitution for the forms previously filed with the Fiscal Agent, and upon such filing, the revised forms shall supersede all forms of Claim Documents previously filed with the Fiscal Agent, except as otherwise directed by the Insurer in writing.

In the event that you shall have prior knowledge of an impending failure by the Issuer to make payment on the Obligations (or, if applicable, coupons) when due, please immediately notify the Insurer so that it will be possible to have funds available for you on the due date to make payments against surrendered Obligations (and, if applicable, coupons).

Your cooperation in this matter will be most appreciated and will make it possible for the Owners of Obligations guaranteed by the Insurer to be assured of all payments when due.

Very truly yours,

Neil G. Budnick

Neil G. Budnick
President

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113 King Street, Armonk, NY 10504
Tel 914-273-4545
www.mbia.com

VIA COURIER

May 12, 2005

Saundra Buchanan
Columbia Gorge Community College District
400 East Scenic Drive
The Dalles, Oregon 97058

RE: $18,500,000 Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, General Obligation Bonds, Series 2005

Dear Ms. Buchanan:

Enclosed please find the following documents for the referenced issue:

1. Two Commitments, each of which should be executed and one original returned to our offices in the enclosed self-addressed stamped envelope. The second Commitment should be retained for your files;
2. Disclosure language and a form of the Financial Guaranty Insurance Policy (the "Policy") for inclusion in the Official Statement;
3. A form of our Statement of Insurance for printing on the Obligations; and
4. A form of our "Payments Under the Policy/Other Required Provisions" for inclusion in your authorizing document. In the event the authorizing document is completed prior to choosing MBIA as the insurer, please have the Issuer and Paying Agent sign the attached "Schedule A".

Please note that all of the conditions to the Commitment must be met prior to the Policy being released by MBIA. All materials and questions regarding the conditions should be directed to the attention of Esther Kain, whose direct dial telephone number is (914) 765-3592.

In addition, under no circumstances should any changes be made to Items 2, 3 and 4, nor should any other versions of these materials be used on any financing unless you have direct confirmation from MBIA as to the acceptability of such changes. Confirmation regarding items 2 and 3 may come only from our Documentation and Closing Department or our Legal Department and may be written or verbal. Confirmation regarding item 4 should come from Esther Kain. Since the responsibility for this information remains with us, please send us drafts prior to the printing of any of these documents for our approval.

MBIA

May 12, 2005
Saundra Buchanan
Columbia Gorge Community College District
Page Two

The premium in the amount of $43,300, should be wired to our account number 910-2-721728 with JP Morgan Chase Bank on the day of closing. The Bank's number is ABA# 021000021. Please reference Policy No. {46276} in the wiring instructions. MBIA's claims paying ability is rated triple A by Fitch IBCA, Inc., Moody's Investors Service and the Standard and Poor's Rating Group. Inquiries related to ratings on transactions, fees and billing matters should be addressed to the appropriate rating agency.

Thank you for the copy of the final debt service schedule for this issue. We would also appreciate receiving three copies of the final official statement and three executed unbound copies of the closing transcripts within 60 days of the closing.

Thank you for your cooperation concerning these matters. If you have any questions, please contact our offices.

Sincerely,

Clifford Pritchard

Clifford Pritchard
Associate
Documentation and Closing Dept.
Direct Dial: (914) 765-3056
Fax: (914) 765-3161
Clifford.pritchard@mbia.com

DISTRIBUTION LIST

2005-004200

Bond Counsel

Mersereau & Shannon, LLP One S.W. Columbia Suite 1600 Portland OR 97258	Pearl Petredis Phone: 503-226-6400 Fax: 503-226-0383 James Shannon Phone: 503-226-6400 Fax: 503-226-0383

Financial Advisor

Regional Financial Advisors, Inc. 733 Southwest Vista Avenue Portland OR 97205	Jonas Biery Phone: 503-227-2009 Fax: 503-227-2510 Rebecca Marshall Chao Phone: 503-227-2009 Fax: 503-227-2510

Issuer

Columbia Gorge Community College District 400 East Scenic Drive The Dalles OR 97058	Saundra Buchanan Phone: 541-298-3105 Fax: 541-506-2257

Underwriter/Trader

Seattle Northwest Securities Corporation 1000 SW Broadway Suite 1800 Portland OR 97205	Javier Fernandez Phone: 503-275-8309 Fax: 503-275-8320

MBIA

COMMITMENT TO ISSUE A FINANCIAL GUARANTY INSURANCE POLICY

Application No.: 2005-004200-001
Sale Date: May 11, 2005
Program Type: Negotiated DP

Re: $18,500,000 Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, General Obligation Bonds, Series 2005 (the "Obligations")

This commitment to issue a financial guaranty insurance policy (the "Commitment") dated May 12, 2005, constitutes an agreement between COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT (the "Applicant") and MBIA Insurance Corporation (the "Insurer"), a stock insurance company incorporated under the laws of the State of New York.

Based on an approved application dated May 9, 2005, the Insurer agrees, upon satisfaction of the conditions herein, to issue on the earlier of (i) 120 days of said approval date or (ii) on the date of delivery of and payment for the Obligations, a financial guaranty insurance policy (the "Policy") for the Obligations, insuring the payment of principal of and interest on the Obligations when due. The issuance of the Policy shall be subject to the following terms and conditions:

1. Payment by the Applicant, or by the Trustee on behalf of the Applicant, on the date of delivery of and payment for the Obligations, of a nonrefundable premium in the amount of $43,300 [.1450% (premium rate) of $29,833,475.43 (Total Debt Service), premium rounded to the nearest hundred]. The premium set out in this paragraph shall be the total premium required to be paid on the Policy issued pursuant to this Commitment.

2. The Obligations shall have received the unqualified opinion of bond counsel with respect to the tax-exempt status of interest on the Obligations.

3. There shall have been no material adverse change in the Obligations or the Resolution, Bond Ordinance, Trust Indenture or other official document authorizing the issuance of the Obligations or in the final official statement or other similar document, including the financial statements included therein.

4. There shall have been no material adverse change in any information submitted to the Insurer as a part of the application or subsequently submitted to be a part of the application to the Insurer.

5. No event shall have occurred which would allow any underwriter or any other purchaser of the Obligations not to be required to purchase the Obligations at closing.

6. A Statement of Insurance satisfactory to the Insurer shall be printed on the Obligations.

7. Prior to the delivery of and payment for the Obligations, none of the information or documents submitted as a part of the application to the Insurer shall be determined to contain any untrue or misleading statement of a material fact or fail to state a material fact required to be stated therein or necessary in order to make the statements contained therein not misleading.

8. No material adverse change affecting any security for the Obligations shall have occurred prior to the delivery of and payment for the Obligations.

MBIA

9. The Insurer's "Payments Under the Policy/Other Required Provisions" (see attached) shall be included in the authorizing document.

10. The Applicant agrees not to use the Insurer's name in any public document including, without limitation, a press release or presentation, announcement or forum without the Insurer's prior consent; provided however, such prohibition on the use of the Insurer's name shall not relate to the use of the Insurer's standard approved form of disclosure in public documents issued in connection with the current Obligations to be issued in accordance with the terms of the Commitment; and provided further such prohibition shall not apply to the use of the Insurer's name in order to comply with public notice, public meeting or public reporting requirements.

11. This Commitment may be signed in counterpart by the parties hereto.

Dated this 12th day of May, 2005.

MBIA Insurance Corporation

By ____________________________
Assistant Secretary

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT

By: ____________________________

Title: ____________________________

MBIA

GENERAL DOCUMENT PROVISIONS

A. Notice to the Insurer The basic legal documents must provide that any notices required to be given by any party should also be given to the Insurer, Attn: Insured Portfolio Management.

B. Amendments. In the basic legal document, there are usually two methods of amendment. The first, which typically does not require the consent of the bondholders, is for amendments which will cure ambiguities, correct formal defects or add to the security of the financing. The second, in which bondholder consent is a prerequisite, covers the more substantive types of amendments. For all financings, the Insurer must be given notice of any amendments that are of the first type and the Insurer's consent must be required for all amendments of the second type. All documents must contain a provision which requires copies of any amendments to such documents which are consented to by the Insurer to be sent to Standard & Poor's.

C. Supplemental Legal Document. If the basic legal document provides for a supplemental legal document to be issued for reasons other than (1) a refunding to obtain savings; or (2) the issuance of additional bonds pursuant to an additional bonds test, there must be a requirement that the Insurer's consent also be obtained prior to the issuance of any additional bonds and/or execution of such supplemental legal document.

D. Events of Default and Remedies. All documents normally contain provisions which define the events of default and which prescribe the remedies that may be exercised upon the occurrence of an event of default. At a minimum, events of default will be defined as follows:

1. the issuer/obligor fails to pay principal when due;
2. the issuer/obligor fails to pay interest when due;
3. the issuer/obligor fails to observe any other covenant or condition of the document and such failure continues for 30 days and
4. the issuer/obligor declares bankruptcy.

The Insurer, acting alone, shall have the right to direct all remedies in the event of a default. The Insurer shall be recognized as the registered owner of each bond which it insures for the purposes of exercising all rights and privileges available to bondholders. For bonds which it insures, the Insurer shall have the right to institute any suit, action, or proceeding at law or in equity under the same terms as a bondholder in accordance with applicable provisions of the governing documents. Other than the usual redemption provisions, any acceleration of principal payments must be subject to the Insurer's prior written consent.

E. Defeasance requires the deposit of:

1. Cash
2. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series -- " SLGs")
3. Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities
4. Resolution Funding Corp. (REFCORP) Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.

5. Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.

6. Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.

   a. U.S. Export-Import Bank (Eximbank)

      Direct obligations or fully guaranteed certificates of beneficial ownership

   b. Farmers Home Administration (FmHA)

      Certificates of beneficial ownership

   c. Federal Financing Bank

   d. General Services Administration

      Participation certificates

   e. U.S. Maritime Administration

      Guaranteed Title XI financing

   f. U.S. Department of Housing and Urban Development (HUD)

      Project Notes

      Local Authority Bonds

      New Communities Debentures - U.S. government guaranteed debentures

      U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

The Insurer shall be provided with an opinion of counsel acceptable to the Insurer that the Obligations have been legally defeased and that the escrow agreement establishing such defeasance operates to legally defease the Obligations within the meaning of the Indenture and the Supplemental Indenture relating to the Obligations. In addition, the Insurer will be entitled to receive (i) 15 business days notice of any advance refunding of the Obligations and (ii) an accountant's report with respect to the sufficiency of the amounts deposited in escrow to defease the Obligations.

F. Agents:

1. In transactions where there is an agent/enhancer (other than the Insurer), the trustee, tender agent (if any), and paying agent (if any) must be commercial banks with trust powers.

2. The remarketing agent must have trust powers if they are responsible for holding moneys or receiving bonds. As an alternative, the documents may provide that if the remarketing agent is removed, resigns or is unable to perform its duties, the trustee must assume the responsibilities of remarketing agent until a substitute acceptable to the Insurer is appointed.

STANDARD FORM FOR MBIA DISCLOSURE
[GENERAL AND S-1]

[The section entitled "The MBIA Insurance Corporation Insurance Policy" is for use in public finance transactions]

[The MBIA Insurance Corporation Insurance Policy

The following information has been furnished by MBIA Insurance Corporation ("MBIA") for use in this Official Statement. Reference is made to Appendix for a specimen of MBIA's policy.

The MBIA Policy unconditionally and irrevocably guarantees the full and complete payment required to be made by or on behalf of the Company to the Paying Agent or its successor of an amount equal to (i) the principal of (either at the stated maturity or by an advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the [Bonds/Securities] as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed by the MBIA Policy shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration, unless MBIA elects in its sole discretion, to pay in whole or in part any principal due by reason of such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any Owner of the [Bonds/Securities] pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Owner within the meaning of any applicable bankruptcy law (a "Preference").

MBIA's policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any [Bonds/Securities]. MBIA's policy does not, under any circumstance, insure against loss relating to: (i) optional or mandatory redemptions (other than mandatory sinking fund redemptions); (ii) any payments to be made on an accelerated basis; (iii) payments of the purchase price of [Bonds/Securities] upon tender by an owner thereof; or (iv) any Preference relating to (i) through (iii) above. MBIA's policy also does not insure against nonpayment of principal of or interest on the [Bonds/Securities] resulting from the insolvency, negligence or any other act or omission of the Paying Agent or any other paying agent for the [Bonds/Securities].

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by MBIA from the Paying Agent or any owner of a [Bond/Security] the payment of an insured amount for which is then due, that such required payment has not been made, MBIA on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment of any such insured amounts which are then due. Upon presentment and surrender of such [Bonds/Securities] or presentment of such other proof of ownership of the [Bonds/Securities], together with any appropriate instruments of assignment to evidence the assignment of the insured amounts due on the [Bonds/Securities] as are paid by MBIA, and appropriate instruments to effect the appointment of MBIA as agent for such owners of the [Bonds/Securities] in any legal proceeding related to payment of insured amounts on the [Bonds/Securities], such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust National Association shall disburse to such owners or the Paying Agent payment of the insured amounts due on such [Bonds/Securities], less any amount held by the Paying Agent for the payment of such insured amounts and legally available therefor.]

MBIA

MBIA Insurance Corporation ("MBIA") is the principal operating subsidiary of MBIA Inc., a New York Stock Exchange listed company (the "Company"). The Company is not obligated to pay the debts of or claims against MBIA. MBIA is domiciled in the State of New York and licensed to do business in and subject to regulation under the laws of all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands of the United States and the Territory of Guam. MBIA has three branches, one in the Republic of France, one in the Republic of Singapore and one in the Kingdom of Spain. New York has laws prescribing minimum capital requirements, limiting classes and concentrations of investments and requiring the approval of policy rates and forms. State laws also regulate the amount of both the aggregate and individual risks that may be insured, the payment of dividends by MBIA, changes in control and transactions among affiliates. Additionally, MBIA is required to maintain contingency reserves on its liabilities in certain amounts and for certain periods of time.

MBIA does not accept any responsibility for the accuracy or completeness of this [Prospectus/Private Placement Memorandum/Official Statement] or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the policy and MBIA set forth under the heading ["   "]. Additionally, MBIA makes no representation regarding the [Bonds/Securities] or the advisability of investing in the [Bonds/Securities].

The Financial Guarantee Insurance Policies are not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

MBIA Information

The following document filed by the Company with the Securities and Exchange Commission (the "SEC") is incorporated herein by reference:

(1) The Company's Annual Report on Form 10-K for the year ended December 31, 2004.

Any documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act of 1934, as amended, after the date of the Company's most recent Quarterly Report on form 10-Q, and prior to the termination of the offering of the [Bonds/Securities] offered hereby shall be deemed to be incorporated by reference in this [Prospectus/Private Placement Memorandum/Official Statement] and to be a part hereof. Any statement contained in a document incorporated or deemed to be incorporated by reference herein, or contained in this [Prospectus/Private Placement Memorandum/Official Statement], shall be deemed to be modified or superseded for purposes of this [Prospectus/Private Placement Memorandum/Official Statement] to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this [Prospectus/Private Placement Memorandum/Official Statement].

The Company files annual, quarterly and special reports, information statements and other information with the SEC under File No. 1-9583. Copies of the SEC filings (including (1) the Company's Annual Report on Form 10-K for the year ended December 31, 2004, and (2) the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2004, June 30, 2004 and September 30, 2004) are available (i) over the Internet at the SEC's web site at http://www.sec.gov; (ii) at the SEC's public reference room in Washington D.C.; (iii) over the Internet at the Company's web site at http://www.mbia.com; and (iv) at no cost, upon request to MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504. The telephone number of MBIA is (914) 273-4545.

As of December 31, 2003, MBIA had admitted assets of $9.9 billion (audited), total liabilities of $6.2 billion (audited), and total capital and surplus of $3.7 billion (audited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. As of December 31, 2004 MBIA had admitted assets of $10.3 billion (unaudited), total liabilities of $6.9 billion (unaudited), and total capital and surplus of $3.3 billion (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

Financial Strength Ratings of MBIA

Moody's Investors Service, Inc. rates the financial strength of MBIA "Aaa."

Standard & Poor's, a division of The McGraw-Hill Companies, Inc. rates the financial strength of MBIA "AAA."

Fitch Ratings rates the financial strength of MBIA "AAA."

Each rating of MBIA should be evaluated independently. The ratings reflect the respective rating agency's current assessment of the creditworthiness of MBIA and its ability to pay claims on its policies of insurance. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency.

The above ratings are not recommendations to buy, sell or hold the [Bonds/Securities], and such ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the [Bonds/Securities]. MBIA does not guaranty the market price of the [Bonds/Securities] nor does it guaranty that the ratings on the [Bonds/Securities] will not be revised or withdrawn.

STD

FINANCIAL GUARANTY INSURANCE POLICY

MBIA Insurance Corporation
Armonk, New York 10504

Policy No. [NUMBER]

MBIA Insurance Corporation (the "Insurer"), in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to [PAYING AGENT/TRUSTEE] or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration, unless the Insurer elects, in its sole discretion, to pay in whole or in part any principal due by reason of such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

[PAR]
[LEGAL NAME OF ISSUE]

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust National Association shall disburse to such owners, or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

IN WITNESS WHEREOF, the Insurer has caused this policy to be executed in facsimile on its behalf by its duly authorized officers, this [DAY] day of [MONTH, YEAR].

MBIA Insurance Corporation

SPECIMEN

President

Assistant Secretary

STATEMENT OF INSURANCE

MBIA Insurance Corporation (the "Insurer") has issued a policy containing the following provisions, such policy being on file at [INSERT NAME OF TRUSTEE OR PAYING AGENT, INCLUDING CITY, STATE].

The Insurer, in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to [INSERT NAME OF TRUSTEE OR PAYING AGENT] or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration, unless the Insurer elects in its sole discretion, to pay in whole or in part any principal due by reason of such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean: [INSERT LEGAL TITLE OF BONDS, CENTERED AS FOLLOWS:]

[$ PAR AMOUNT]
[ISSUER]
[DESCRIPTION OF BONDS]

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust National Association shall disburse to such owners or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

MBIA INSURANCE CORPORATION

$
NAME OF ISSUER
SERIES DESCRIPTION

<u>CERTIFICATE RE: MBIA INSURANCE POLICY</u>
<u>SCHEDULE 'A'</u>

This Certificate of MBIA Insurance Policy (the "Certificate") is furnished by the City of____________, as issuer (the "Issuer") of its $_______ General Obligation Bonds, dated __________ (the "Bonds"), and __________________, as paying agent under the Bonds (the "Paying Agent"). This Certificate is furnished for use by MBIA Insurance Corporation ("MBIA") in connection with its issuance of a municipal bond insurance policy No. ______ (the "Policy"), which Policy shall guarantee the payment of the principal and interest on the Bonds when due.

The Issuer and the Paying Agent hereby certifies as follows:

1. The parties acknowledge receipt and review of MBIA's "Payments Under the Policy" provisions with respect to the Policy, all as more particularly set forth in Schedule A attached hereto and made a part hereof.

2. The parties hereby agree, during the term of the Policy and to the best of their abilities, to abide by the terms, obligations, and provisions required by MBIA as set forth in Schedule A hereto.

IN WITNESS WHEREOF, we have executed this Certificate as of the ___ day of _____________.

____________________,
, as Issuer

____
____________________________,
as Paying Agent

By: ______________________

Authorized Office

By: __________________________

Authorized Officer

PAYMENTS UNDER THE POLICY/OTHER REQUIRED PROVISIONS

A. In the event that, on the second Business Day, and again on the Business Day, prior to the payment date on the Obligations, the Paying Agent/Trustee has not received sufficient moneys to pay all principal of and interest on the Obligations due on the second following or following, as the case may be, Business Day, the Paying Agent/Trustee shall immediately notify the Insurer or its designee on the same Business Day by telephone or telegraph, confirmed in writing by registered or certified mail, of the amount of the deficiency.

B. If the deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent/Trustee shall so notify the Insurer or its designee.

C. In addition, if the Paying Agent/Trustee has notice that any Bondholder has been required to disgorge payments of principal or interest on the Obligations to a trustee in bankruptcy or creditors or others pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Bondholder within the meaning of any applicable bankruptcy laws, then the Paying Agent/Trustee shall notify the Insurer or its designee of such fact by telephone or telegraphic notice, confirmed in writing by registered or certified mail.

D. The Paying Agent/Trustee is hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for Holders of the Obligations as follows:

1. If and to the extent there is a deficiency in amounts required to pay interest on the Obligations, the Paying Agent/Trustee shall (a) execute and deliver to U.S. Bank Trust National Association, or its successors under the Policy (the "Insurance Paying Agent/Trustee"), in form satisfactory to the Insurance Paying Agent/Trustee, an instrument appointing the Insurer as agent for such Holders in any legal proceeding related to the payment of such interest and an assignment to the Insurer of the claims for interest to which such deficiency relates and which are paid by the Insurer, (b) receive as designee of the respective Holders (and not as Paying Agent/Trustee) in accordance with the tenor of the Policy payment from the Insurance Paying Agent/Trustee with respect to the claims for interest so assigned, and (c) disburse the same to such respective Holders; and

2. If and to the extent of a deficiency in amounts required to pay principal of the Obligations, the Paying Agent/Trustee shall (a) execute and deliver to the Insurance Paying Agent/Trustee in form satisfactory to the Insurance Paying Agent/Trustee an instrument appointing the Insurer as agent for such Holder in any legal proceeding relating to the payment of such principal and an assignment to the Insurer of any of the Obligation surrendered to the Insurance Paying Agent/Trustee of so much of the principal amount thereof as has not previously been paid or for which moneys are not held by the Paying Agent/Trustee and available for such payment (but such assignment shall be delivered only if payment from the Insurance Paying Agent/Trustee is received), (b) receive as designee of the respective Holders (and not as Paying Agent/Trustee) in accordance with the tenor of the Policy payment therefor from the Insurance Paying Agent/Trustee, and (c) disburse the same to such Holders.

E. Payments with respect to claims for interest on and principal of Obligations disbursed by the Paying Agent/Trustee from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to such Obligations, and the Insurer shall become the owner of such unpaid Obligation and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

F. Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent/Trustee hereby agree for the benefit of the Insurer that:

1. They recognize that to the extent the Insurer makes payments, directly or indirectly (as by paying through the Paying Agent/Trustee), on account of principal of or interest on the Obligations, the Insurer will be subrogated to the rights of such Holders to receive the amount of such principal and interest from the Issuer, with interest thereon as provided and solely from the sources stated in this Indenture and the Obligations; and

2. They will accordingly pay to the Insurer the amount of such principal and interest (including principal and interest recovered under subparagraph (ii) of the first paragraph of the Policy, which principal and interest shall be deemed past due and not to have been paid), with interest thereon as provided in this Indenture and the Obligation, but only from the sources and in the manner provided herein for the payment of principal of and interest on the Obligations to Holders, and will otherwise treat the Insurer as the owner of such rights to the amount of such principal and interest.

G. In connection with the issuance of additional Obligations, the Issuer shall deliver to the Insurer a copy of the disclosure document, if any, circulated with respect to such additional Obligations.

H. Copies of any amendments made to the documents executed in connection with the issuance of the Obligations which are consented to by the Insurer shall be sent to Standard & Poor's Corporation.

I. The Insurer shall receive notice of the resignation or removal of the Paying Agent/Trustee and the appointment of a successor thereto.

J. The Insurer shall receive copies of all notices required to be delivered to Bondholders and, on an annual basis, copies of the Issuer's audited financial statements and Annual Budget.

Notices: Any notice that is required to be given to a holder of the Obligation or to the Paying Agent/Trustee pursuant to the Indenture shall also be provided to the Insurer. All notices required to be given to the Insurer under the Indenture shall be in writing and shall be sent by registered or certified mail addressed to MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504 Attention: Surveillance.

K. The Issuer/Obligor agrees to reimburse the Insurer immediately and unconditionally upon demand, to the extent permitted by law, for all reasonable expenses, including attorneys' fees and expenses, incurred by the Insurer in connection with (i) the enforcement by the Insurer of the Issuer's /Obligor's obligations, or the preservation or defense of any rights of the Insurer, under this Resolution/Indenture and any other document executed in connection with the issuance of the Obligations, and (ii) any consent, amendment, waiver or other action with respect to the Resolution/Indenture or any related document, whether or not granted or approved, together with interest on all such expenses from and including the date incurred to the date of payment at Citibank's Prime Rate plus 3% or the maximum interest rate permitted by law, whichever is less. In addition, the Insurer reserves the right to charge a fee in connection with its review of any such consent, amendment or waiver, whether or not granted or approved.

L. The Issuer/Obligor agrees not to use the Insurer's name in any public document including, without limitation, a press release or presentation, announcement or forum without the Insurer's prior consent; provided however, such prohibition on the use of the Insurer's name shall not relate to the use of the Insurer's standard approved form of disclosure in public documents issued in connection with the current Obligations to be issued in accordance with the terms of the Commitment; and provided further such prohibition shall not apply to the use of the Insurer's name in order to comply with public notice, public meeting or public reporting requirements.

M. The Issuer /Obligor shall not enter into any agreement nor shall it consent to or participate in any arrangement pursuant to which Bonds are tendered or purchased for any purpose other than the redemption and cancellation or legal defeasance of such Bonds without the prior written consent of MBIA.

Revised 4/04

Municipal Bond
Investors Assurance
Corporation

Logo
Reproduction
Sheet

Logo lengths
are indicated
in inches

MBIA MBIA 5"

MBIA MBIA MBIA 3"

MBIA MBIA MBIA MBIA 2"

MBIA MBIA MBIA MBIA 1 1/2"

MBIA MBIA MBIA MBIA 1 1/4"

MBIA MBIA MBIA MBIA 1"

MBIA MBIA MBIA MBIA 3/4"

$18,500,000
COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON
GENERAL OBLIGATION BONDS, SERIES 2005

CERTIFICATE RE: MBIA INSURANCE POLICY
SCHEDULE 'A'

This Certificate of MBIA Insurance Policy (the "Certificate") is furnished by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, as issuer (the "Issuer") of its $18,500,000 General Obligation Bonds, dated May 25, 2005 (the "Bonds"), and U.S. Bank National Association, as paying agent under the Bonds (the "Paying Agent"). This Certificate is furnished for use by MBIA Insurance Corporation ("MBIA") in connection with its issuance of a municipal bond insurance policy No. 462760 (the "Policy"), which Policy shall guarantee the payment of the principal and interest on the Bonds when due.

The Issuer and the Paying Agent hereby certifies as follows:

1. The parties acknowledge receipt and review of MBIA's "Payments Under the Policy" provisions with respect to the Policy, all as more particularly set forth in Schedule A attached hereto and made a part hereof.

2. The parties hereby agree, during the term of the Policy and to the best of their abilities, to abide by the terms, obligations, and provisions required by MBIA as set forth in Schedule A hereto.

IN WITNESS WHEREOF, we have executed this Certificate as of the 25th day of May, 2005.

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT, HOOD RIVER AND WASCO COUNTIES, OREGON
as Issuer

By: Saundra Buchanan
Saundra Buchanan
Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

By: Cheryl Nelson
Authorized Representative

SCHEDULE A

PAYMENTS UNDER THE POLICY/OTHER REQUIRED PROVISIONS

A. In the event that, on the second Business Day, and again on the Business Day, prior to the payment date on the Obligations, the Paying Agent/Trustee has not received sufficient moneys to pay all principal of and interest on the Obligations due on the second following or following, as the case may be, Business Day, the Paying Agent/Trustee shall immediately notify the Insurer or its designee on the same Business Day by telephone or telegraph, confirmed in writing by registered or certified mail, of the amount of the deficiency.

B. If the deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent/Trustee shall so notify the Insurer or its designee.

C. In addition, if the Paying Agent/Trustee has notice that any Bondholder has been required to disgorge payments of principal or interest on the Obligation to a trustee in bankruptcy or creditors or others pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Bondholder within the meaning of any applicable bankruptcy laws, then the Paying Agent/Trustee shall notify the Insurer or its designee of such fact by telephone or telegraphic notice, confirmed in writing by registered or certified mail.

D. The Paying Agent/Trustee is hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for Holders of the Obligations as follows:

1. If and to the extent there is a deficiency in amounts required to pay interest on the Obligations, the Paying Agent/Trustee shall (a) execute and deliver to U.S. Bank Trust National Association, or its successors under the Policy (the "Insurance Paying Agent/Trustee"), in form satisfactory to the Insurance Paying Agent/Trustee, an instrument appointing the Insurer as agent for such Holders in any legal proceeding related to the payment of such interest and an assignment to the Insurer of the claims for interest to which such deficiency relates and which are paid by the Insurer, (b) receive as designee of the respective Holders (and not as Paying Agent/Trustee) in accordance with the tenor of the Policy payment from the Insurance Paying Agent/Trustee with respect to the claims for interest so assigned, and (c) disburse the same to such respective Holders; and

2. If and to the extent of a deficiency in amounts required to pay principal of the Obligations, the Paying Agent/Trustee shall (a) execute and deliver to the Insurance Paying Agent/Trustee in form satisfactory to the Insurance Paying Agent/Trustee an instrument appointing the Insurer as agent for such Holder in any legal proceeding relating to the payment of such principal and an assignment to the Insurer of any of the Obligation surrendered to the Insurance Paying Agent/Trustee of so much of the principal amount thereof as has not previously been paid or for which moneys are not held by the Paying Agent/Trustee and available for such payment (but such assignment shall be delivered only if payment from the Insurance Paying Agent/Trustee is received), (b) receive as designee of the respective Holders (and not as Paying Agent/Trustee) in accordance with the tenor of the Policy payment therefor from the Insurance Paying Agent/Trustee, and (c) disburse the same to such Holders.

E. Payments with respect to claims for interest on and principal of Obligations disbursed by the Paying Agent/Trustee from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to such Obligations, and the Insurer shall become the owner of such unpaid Obligation and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

F. Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent/Trustee hereby agree for the benefit of the Insurer that:

1. They recognize that to the extent the Insurer makes payments, directly or indirectly (as by paying through the Paying Agent/Trustee), on account of principal of or interest on the Obligations, the Insurer will be subrogated to the rights of such Holders to receive the amount of such principal and interest from the Issuer, with interest thereon as provided and solely from the sources stated in this Indenture and the Obligations; and

2. They will accordingly pay to the Insurer the amount of such principal and interest (including principal and interest recovered under subparagraph (ii) of the first paragraph of the Policy, which principal and interest shall be deemed past due and not to have been paid), with interest thereon as provided in this Indenture and the Obligation, but only from the sources and in the manner provided herein for the payment of principal and interest on the Obligations to Holders, and will otherwise treat the Insurer as the owner of such rights to the amount of such principal and interest.

G. In connection with the issuance of additional Obligations, the Issuer shall deliver to the Insurer a copy of the disclosure document, if any, circulated with respect to such additional Obligations.

H. Copies of any amendments made to the documents executed in connection with the issuance of the Obligations which are consented to by the Insurer shall be sent to Standard & Poor's Corporation.

I. The Insurer shall receive notice of the resignation or removal of the Paying Agent/Trustee and the appointment of a successor thereto.

J. The Insurer shall receive copies of all notices required to be delivered to Bondholders and, on an annual basis, copies of the Issuer's audited financial statements and Annual Budget.

<u>Notices</u>: Any notice that is required to be given to a holder of the Obligation or to the Paying Agent/Trustee pursuant to the Indenture shall also be provided to the Insurer. All notices required to be given to the Insurer under the Indenture shall be in writing and shall be sent by registered or certified mail addressed to MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504 Attention: Surveillance.

K. The Issuer/Obligor agrees to reimburse the Insurer immediately and unconditionally upon demand, to the extent permitted by law, for all reasonable expenses, including attorneys' fees and expenses, incurred by the Insurer in connection with (i) the enforcement by the Insurer of the Issuer's/Obligor's obligations, or the preservation or defense of any rights of the Insurer, under this Resolution/Indenture and any other document executed in connection with the issuance of the Obligations, and (ii) any consent, amendment, waiver or other action with respect to the Resolution/Indenture or any related document whether or not granted or approved, together with interest on all such expenses from and including the date incurred to the date of payment at Citibank's Prime Rate plus 3% or the maximum interest rate permitted by law, whichever is less. In addition, the Insurer reserves the right to charge a fee in connection with its review of any such consent, amendment or waiver, whether or not granted or approved.

L. The Issuer/Obligor agrees not to use the Insurer's name in any public document including without limitation, a press release or presentation, announcement or forum without the Insurer's prior consent; provided however, such prohibition on the use of the Insurer's name shall not relate to the use of the Insurer's standard approved form of disclosure in public documents issued in connection with the current Obligations to be issued in accordance with the terms of the Commitment; and provided further such prohibition shall not apply to the use of the Insurer's name in order to comply with public notice, public meeting or public reporting requirements.

M. The Issuer/Obligor shall not enter into any agreement nor shall it consent to or participate in any arrangement pursuant to which Bonds are tendered or purchased for any purpose other than the redemption and cancellation or legal defeasance of such Bonds without the prior written consent of MBIA.

SEATTLE-NORTHWEST
SECURITIES CORPORATION
*The Region's Premier Investment
Banking Firm Since 1970*

May 11, 2005

Honorable Board of Education
Columbia Gorge Community College District
4000 East Scenic Drive
The Dalles, Oregon 97058-3434

Re: Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon
$18,500,000 General Obligation Bonds, Series 2005

Ladies and Gentlemen:

Seattle-Northwest Securities Corporation (the "Underwriter") offers to enter into this bond purchase agreement (the "Purchase Agreement") with Columbia Gorge Community College District of Hood River and Wasco Counties, Oregon (the "Issuer"). This offer is subject to and contingent upon acceptance by the Issuer by execution and delivery of this Purchase Agreement to the Underwriter at or prior to 5:00 p.m. on the date above, which delivery may be by means of facsimile or other secure electronic transmission, such as a PDF file. If not so accepted, this offer will be subject to withdrawal by the Underwriter upon notice provided to the Issuer at any time prior to the acceptance hereof by the Issuer. Upon acceptance of this offer in accordance with the terms hereof, this Purchase Agreement will constitute a binding agreement between the Issuer and the Underwriter.

Capitalized terms in this Purchase Agreement that are not otherwise defined herein shall have the meanings given to such terms in the Resolution as defined below:

1. Authorization and Documents

The issuance, sale and delivery of the Bonds shall be authorized by a Resolution (the "Resolution"), adopted by the Board of Education of the Issuer on April 12, 2005, which is incorporated herein by reference.

Pursuant to the Resolution, the Issuer has agreed to enter into an undertaking for the benefit of holders of the Bonds to provide certain information (the "Undertaking") to nationally recognized municipal securities information repositories ("NRMSIRs"), state information repositories, if any ("SIDs"), and/or the Municipal Securities Rulemaking Board (the "MSRB"). The Undertaking may be provided to the NRMSIRS or SIDs through DisclosureUSA. The Resolution, the Undertaking, the letter to the Depository Trust Company ("DTC") authorizing DTC to receive and tender the Bonds (hereinafter, the "Blanket Issuer Letter of Representation"), and any other documents of the Issuer necessary to issue and sell the Bonds are collectively referred to herein as the "Documents".

2. Purchase and Sale

Upon the terms and conditions and upon the basis of the representations, warranties, covenants and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the Issuer for offering to the public and the Issuer hereby agrees to sell to the Underwriter for such purpose all (but not less than all) of the $18,500,000 aggregate principal amount of General Obligation Bonds, Series 2005 (the "Bonds"). The Bonds shall be dated, shall mature on the dates and in the principal amounts, shall bear interest at the rates, shall be payable on the dates and shall have redemption provisions, all as set forth in Exhibit A attached hereto. The Underwriter's purchase price for the Bonds also is set forth in Exhibit A.

3. Fiscal Agent; Enhancement

a) U.S. Bank National Association, Portland, Oregon, shall be the fiscal agent for the Bonds, serving as registrar and paying agent (the "Fiscal Agent"). The Bonds shall be payable and shall be secured as provided in the Resolution and as described in the POS, hereinafter described, and shall have such other terms as are set forth in Exhibit A.

b) Payment when due of the regularly scheduled principal of and interest on the Bonds shall be guaranteed under the provisions of the Oregon School Bond Guaranty Act (the "State Guaranty").

c) Payment when due of the regularly scheduled principal of and interest on the Bonds shall be insured by a financial guaranty policy (the "Policy") issued by MBIA Insurance Corporation (the "Insurer").

4. Offering

It shall be a condition to the Issuer's obligations to sell and to deliver the Bonds to the Underwriter and to the Underwriter's obligations to purchase, to accept delivery of and to pay for the Bonds that the entire aggregate principal amount of the Bonds referred to in Paragraph 2 shall be issued, sold and delivered by the Issuer and purchased, accepted and paid for by the Underwriter at the Closing hereinafter defined. The Underwriter agree to make a *bona fide* public offering of all the Bonds, at prices not in excess of the initial public offering prices or at yields not lower than the initial yields set forth in the Final Official Statement.

5. Official Statement

a) The Underwriter, acting on behalf of and at the direction of the Issuer and based on information provided by or on behalf of the Issuer, compiled with the Issuer the document entitled Preliminary Official Statement (the "POS") dated April 29, 2005 with respect to the Bonds. Upon Issuer's acceptance of this offer, Issuer represents and warrants that it ratified, approved, and "deemed final" the POS for purposes of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"). Issuer further represents and warrants that Issuer previously authorized the use by the Underwriter of the POS in connection with the public offering and sale of the Bonds by the Underwriter.

b) The final official statement shall be substantially in the form of the POS with only such changes as shall have been reviewed by the Underwriter (such final official statement, incorporating such changes, if any, and including the appendices thereto, any documents incorporated therein by reference and any supplements or amendments thereto on or prior to the date of the Closing shall be referred to herein as the "Final Official Statement"). The Issuer shall cause copies of the Final Official Statement, in quantities reasonably requested by the Underwriter, to be provided to the Underwriter, within seven business days after the date hereof and, in any event, in sufficient time to accompany any confirmation that requests payment from the Underwriter's customer, and in sufficient time to permit the Underwriter to comply with the provisions of the Rule hereinafter mentioned and with all applicable rules of the Municipal Securities Rulemaking Board (the "MSRB"). The Underwriter agrees to deliver two copies of the Final Official Statement to the MSRB and one copy of the Final Official Statement to Disclosure USA on the business day after the Final Official Statement is delivered to the Underwriter and in any event no later than ten business days after the date of this Purchase Agreement. With respect to the Final Official Statement, Issuer hereby designates Underwriter as its agent, solely for the purposes of and strictly limited to completing the filing of the Final Official Statement with Disclosure USA.

6. Representations, Warranties and Covenants

The Issuer represents, warrants and covenants to the Underwriter that as of the date hereof and as of the date of the Closing:

a) The Issuer is an independent municipal corporation duly organized and validly existing under the laws and Constitution of the State of Oregon and has full right, legal power and authority to enter into this Purchase Agreement, to adopt the Resolution, to issue, sell and deliver the Bonds, to authorize and to execute and deliver and to perform its obligations under each of the Documents and to prepare, approve, deem final and authorize or ratify the distribution of the POS and to approve and authorize the distribution of the Final Official Statement;

b) The Issuer (i) has duly adopted the Resolution, in form and substance approved by the Underwriter, at a meeting or meetings duly noticed, called and held; (ii) shall have performed all acts necessary to authorize, issue, sell and deliver the Bonds to the Underwriter and to authorize the execution and delivery of and the performance by the Issuer of its obligations under each of the Documents; and (iii) confirms that the Resolution shall be in full force and effect and shall have been neither superseded nor rescinded nor amended, except as approved, prior to Closing, by the Underwriter;

c) The Issuer will apply or cause to be applied the proceeds of the Bonds as described in the POS and Final Official Statement and in accordance with the Resolution, and the Issuer has all necessary power and authority to acquire, construct, own, operate, maintain, improve and finance the Issuer's project and to carry on its business as currently being conducted and as described in the POS and Final Official Statement;

d) The execution and delivery of, and the performance by the Issuer of its obligations under, this Purchase Agreement, the Bonds and each of the other Documents and the use of proceeds as described in the POS and Final Official Statement do not conflict with or constitute or create a material breach or default under any applicable existing constitutional provision, law, regulation, order, administrative regulation, judgment, court decree, loan agreement, indenture, bond, note, Resolution or other material agreement or instrument to which the Issuer is party or to which the Issuer or any of its properties or assets is otherwise subject or by which it or any of its properties is bound;

e) No governmental approvals or authorizations that will not be obtained prior to Closing are necessary in connection with authorization, execution, sale and delivery of the Bonds to the Underwriter or the execution and delivery by the Issuer of, and the performance by the Issuer of its obligations under, the Documents. No filing or registration of the Resolution or other instrument or financing statement that has not been made is required to be made to create, protect or preserve the rights of the parties hereto or is required for the validity and enforceability of the Documents (other than, in each case, approvals that may be required by "blue sky" laws, about which the Issuer makes no representation). As of the Closing (as defined in Section 8), the Bonds and each of the Documents will be legal, valid and binding obligations of the Issuer, and, subject only to the laws of bankruptcy and insolvency, are enforceable in accordance with their terms and are in full force and effect;

f) Except as described in the POS and Final Official Statement, the Issuer is not in violation of or in default or material breach under any applicable constitutional provision, law, administrative regulation, judgment, court decree, loan agreement, indenture, bond, note, Resolution or other material agreement or instrument to which the Issuer is a party or to which the Issuer or any of its properties or assets is otherwise subject;

g) Except as described in the POS and Final Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body pending or threatened against the Issuer, to the knowledge of the Issuer, after due review and inquiry, wherein an unfavorable decision, ruling, or finding would have a material adverse effect on the operation of the Issuer, the financial condition of the Issuer or the transactions contemplated by this Purchase Agreement, and the POS and Final Official Statement, or would have an adverse effect on the validity or enforceability of the Bonds, or the Resolution or which would in any material way adversely affect the existence or any power of the Issuer or the titles of its officers to their respective positions;

h) The POS (except for the omission of information permitted to be omitted in accordance with paragraph (b)(1) of the Rule) has been deemed final as of its date pursuant to the Rule and, as of the date hereof, the POS does not, and as of the date of Closing, the Final Official Statement will not contain any untrue statement of material fact nor omit any statement or information which is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, *provided, however*, that no representation is made with respect to information in the POS and Final Official Statement relating to DTC, the book-entry system, the State Guaranty, the Insurer, and the Fiscal Agent;

If, between the date of this Purchase Agreement and the earlier of (i) 90 days after the "end of the underwriting period" (as defined in subparagraph (e)(2) of the Rule) and (ii) the time when the Final Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the end of the underwriting period, any event occurs or any pre-existing fact or condition becomes known that might or would cause the Final Official Statement as then supplemented or amended to contain an untrue statement of a material fact or to omit a fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer will notify the Underwriter thereof and provide to the Underwriter such information as the Underwriter reasonably requests; and if such event requires an amendment or supplement to the Final Official Statement, the Issuer, with Underwriter assistance shall, at Issuer's sole expense, amend or supplement the Final Official Statement and will provide a reasonable number of copies of such amendment or supplement to the Underwriter, for distribution by the Underwriter. For purposes of this paragraph, the term "end of the underwriting period" shall mean the date of Closing unless the Underwriter notifies the Issuer in writing on or prior to the date of the Closing that there exists an unsold balance of the Bonds, in which case the end of the underwriting period shall be deemed to be extended for additional periods of 30 days each, upon receipt of written notification from the Underwriter or another Underwriter that there exists an unsold balance of the Bonds;

i) The Issuer will furnish such information, execute such instruments and take such other action not inconsistent with law as may be requested by the Underwriter to (i) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Underwriter and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and will take such reasonable action as may be requested by the Underwriter to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Issuer shall not be required to pay the cost or expense of any such qualification, continuation of qualification or determination or to execute a general or special consent to service of process or qualify to do business in connection with any such qualification, continuation or determination in any jurisdiction;

j) The Issuer agrees to enter into the Undertaking substantially in the form of the Continuing Disclosure Certificate contained in the POS and in the Final Official Statement; and

k) As described in the Official Statement, the Issuer missed its filing deadline of March 27, 2005 for its existing undertaking on its General Obligation Bonds, Series 1998. Subsequently, the Issuer complied on April 14, 2005 and registered with DisclosureUSA to ensure compliance thereafter.

7. Termination

The Underwriter may terminate its obligation under this Purchase Agreement, without liability therefor, by notifying the Issuer of its election to do so in writing if, after the execution of this Purchase Agreement and prior to the Closing, any one or more of the following events shall have occurred <u>and</u> such event, in the reasonable opinion of the Underwriter (i) would make the marketing or sale of Bonds generally impractical, (ii) would materially adversely affect the marketability of the Bonds at the prices or yields of the Bonds as set forth in Exhibit A, or (iii) would materially and adversely affect the Underwriter's ability to enforce contracts for the sale of the Bonds at the prices or yields of the Bonds set forth in Exhibit A:

a) A material disruption in commercial banking or securities settlement or clearance services; or

b) The United States shall have become engaged in hostilities or existing hostilities shall have escalated or a national emergency or other national or international calamity, including but not limited to terrorist attack(s) or other event; or

c) A general suspension of trading or other material restrictions not in force as of the date of this Purchase Agreement on the New York Stock Exchange or other national securities exchange; or

d) Declaration of a general banking moratorium by the United States, New York State or the State of Oregon authorities; or

e) Legislation shall hereafter be enacted, or actively considered for enactment, or a decision by a court of the United States shall hereafter be rendered, or a ruling, stop order or regulation by the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall hereafter be made, the effect of which is or would be that the offering and sale of the Bonds would be illegal or that:

   i) The Bonds are not exempt from the registration, qualification or similar requirements of the Securities Act of 1933, as amended and as then in effect (the "33 Act") or distribution of the Bonds, as contemplated herein or in the Final Official Statement, is in violation of or not exempt from the registration, qualification or other requirements of the 33 Act, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and then in effect (the "34 Act") or the Investment Company Act of 1940, as amended and then in effect (the "Investment Company Act") or, in each case, the rules or regulations promulgated thereunder as then in effect; or

   ii) The Resolution is not exempt from the registration, qualification or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect (the "39 Act"); or

   iii) This Purchase Agreement is subject to the Investment Company Act of 1940, as amended (the "Investment Company Act") or require any registration under the Investment Company Act; or

g) Any litigation shall be instituted or pending at Closing to restrain or enjoin the authorization, issuance, execution, sale or delivery of the Bonds or the execution and delivery of any of the Documents, or in any way contesting or affecting any authority for or the validity or enforceability of the Bonds, the Resolution or any of the other Documents, any moneys or securities provided for the payment of the Bonds or the existence or powers of the Issuer; or

h) Any legislation, ordinance, rule or regulation shall be introduced in or enacted by any governmental body, board, department or agency of the State of Oregon or of the United States, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered materially affecting the Issuer; or

i) There shall have been established any new restrictions on transactions in securities materially affecting the free market for securities or the extension of credit by, or the charge to the net capital requirements of the Underwriter, including without limitation, the fixing of minimum or maximum prices for trading or maximum ranges of prices, by any exchange, the Securities and Exchange Commission, any other federal or state agency or the Congress of the United States, or by Executive Order; or

j) Except for such changes to the Final Official Statement as provided in Section 5(b) of this Purchase Agreement, there shall have been a material adverse change in the affairs of the Issuer or there shall exist any event or fact or set of facts that either (i) makes untrue or incorrect in any material respect any statement or information contained in the Final Official Statement or (ii) is not reflected in the Final Official Statement but should be reflected therein to make the statements and information contained therein under the circumstances in which made not misleading in any material respect; or

k) The withdrawal or downgrading of any rating of the Bonds by a national rating agency.

8. Closing; Conditions of Closing

On such date and at such time and place as is set forth in Exhibit A, or on such other date or at such other time and place as shall have been mutually agreed upon by the Issuer and the Underwriter), the following shall occur (the "Closing"): The Issuer will deliver or cause to be delivered to the Fiscal Agent on behalf of DTC the Bonds in definitive form duly executed by the Issuer and registered in the name of Cede & Co. or in such other name as may be requested by an authorized representative of DTC, as nominee of DTC, and will deliver or cause to be delivered to the Underwriter the other Documents; and subject to the terms of this Purchase Agreement, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Exhibit A hereof in same day funds. Issuer shall cause the applicable CUSIP identification numbers to be printed on the Bonds of each maturity, but neither the failure to print such number on any such Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and to pay for the Bonds in accordance with the terms of this Purchase Agreement. The Bonds shall be prepared and delivered to the Fiscal Agent at or prior to the date of the Closing.

In addition to the other requirements of this Purchase Agreement, Underwriter's obligations hereunder are subject to and conditioned upon Issuer, at or prior to the date of the Closing, delivering or making available to Underwriter copies of the Documents and such items listed in Exhibit C hereto.

9. Fees and Expenses

The Issuer will pay the costs of preparing, printing and executing the Bonds, the fees and disbursements of the Bond Counsel, bond ratings fees, insurance premiums, State Guaranty fees, Fiscal Agent fees, Financial Advisor fees, Bond registration fees, and the costs of printing and distributing the POS and Final Official Statement].

10. Miscellaneous

a) The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of the State of Oregon.

b) This Purchase Agreement is intended to benefit only the parties hereto, and the Issuer's representations and warranties shall survive any investigation made by or for the Underwriter, delivery and payment for the Bonds and the termination of this Purchase Agreement. Should the Issuer fail to satisfy any of the foregoing conditions or covenants, or if the Underwriter's obligations are terminated for any reason permitted under this Purchase Agreement, then neither the Underwriter nor the Issuer shall have any further obligations under this Purchase Agreement, except that any expenses incurred shall be borne in accordance with the Fees and Expenses Section hereof.

c) Any notice or other communication to be given to the Issuer under this Purchase Agreement may be given by delivering the same in writing to the Chief Financial Officer, Columbia Gorge Community College District, 400 East Scenic Drive, The Dalles, Oregon 97058-3434; and any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to the Manager of Public Finance Operations, Seattle-Northwest Securities Corporation, 1000 SW Broadway, Suite 1800, Portland, Oregon 97205.

d) This Purchase Agreement may be executed by manual signature in any number of counterparts, all of which shall be one and the same instrument, and any party hereto may execute this Purchase Agreement by signing any such counterpart.

e) This Purchase Agreement shall constitute the entire agreement between and among the Issuer and the Underwriter and is solely for the benefit of the Issuer and the Underwriter (including any successors and assigns thereof but not any holder of any Bonds). No other person shall acquire or have any rights hereunder or by virtue hereof.

f) All representations and warranties and agreements of the Issuer in this Purchase Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Underwriter, (ii) delivery of and payment for the Bonds hereunder, or (iii) any termination of this Purchase Agreement.

Respectfully submitted,

SEATTLE-NORTHWEST SECURITIES CORPORATION

By: [signature]
Carol E. Samuels, ~~Vice~~ President

Accepted May 11, 2005

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON

By: Saundra Buchanan

Title: Chief Financial Officer

EXHIBIT A
COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2005
DESCRIPTION OF THE BONDS

(a) Principal Amount: $18,500,000

(b) Purchase Price: $19,044,750.45 ($102.944597 per $100), representing a net original issue premium of $643,565.45 and an underwriter's discount of $98,815.00.

(c) Denominations: $5,000, or integral multiples thereof

(d) Form: Registered; Book-entry only

(e) Interest Payment Dates: June 15 and December 15, commencing December 15, 2005.

(f) Maturity and Interest Rates: The Bonds shall mature on June 15 of each year and bear interest as follows:

Due June 15	Amounts	Interest Rates	Yields	CUSIP 197659	Due June 15	Amounts	Interest Rates	Yields	CUSIP 197659
2006	$ 235,000	3.000%	2.75%	BG9	2016	$ 250,000	5.000%	3.90% (1)	BS3
2007	350,000	3.250	2.93	BH7	2016	625,000	4.000	3.90 (1)	CC7
2008	395,000	3.250	3.06	BJ3					
2009	475,000	3.500	3.15	BK0	2017	1,000,000	5.000	3.96 (1)	BT1
2010	525,000	3.500	3.27	BL8	2018	1,040,000	5.000	4.01 (1)	BU8
2011	565,000	3.500	3.40	BM6	2019	1,130,000	5.000	4.05 (1)	BV6
2012	625,000	3.750	3.51	BN4					
2013	680,000	3.750	3.63	BP9	2020	1,000,000	5.000	4.10 (1)	BW4
					2020	255,000	4.500	4.10 (1)	CD5
2014	225,000	4.625	3.73	BQ7					
2014	515,000	4.000	3.73	CA1	2021	1,330,000	5.000	4.16 (1)	BX2
					2022	1,440,000	5.000	4.21 (1)	BY0
2015	810,000	4.000	3.82	BR5	2023	1,555,000	5.000	4.26 (1)	BZ7

$3,475,000 4.25% Term Bond due June 15, 2025 @ 4.41%; CUSIP No. 197659CB9

(1) Priced to the call date.

(g) Optional Redemption: The Bonds maturing in years 2006 through 2015, inclusive, are not subject to redemption prior to maturity. The Bonds maturing on and after June 15, 2016 are subject to redemption at the option of the Issuer, in whole or in part on any date on and after June 15, 2015 at a price of par plus accrued interest, if any, to the date of redemption.

(h) Mandatory Redemption:

Unless previously called under the provisions for optional redemption, the Term Bond maturing on June 15, 2025 is subject to mandatory redemption by lot by the Fiscal Agent on June 15 of the following years in the following principal amounts, at a price of par plus accrued interest to the date of redemption.

2025 Term Bond

Due June 15	Amounts
2024	$ 1,680,000
2025	1,795,000 (1)
	$3,475,000

(1) Final maturity.

(i) Dated Date: May 25, 2005

(j) Offer Expires: 5:00 p.m., May 11, 2005

(k) Bond Counsel: Mersereau & Shannon, LLP, Portland, Oregon

(l) Closing: At the offices of Bond Counsel on May 25, 2005, at 8:30 a.m.

(m) Delivery: To the Fiscal Agent on behalf of DTC by Fast Automated Securities Transfer.

(n) Bond Insurance: Payment of the principal of and interest on the Bonds, when due, will be enhanced by the State Guaranty to be issued by the State simultaneously with the delivery of the Bonds. To the extent funds from the State Guaranty are either not available or are insufficient, payment of the principal of and interest on the Bonds, when due, will be insured by a financial guaranty policy to be issued by the Insurer simultaneously with the delivery of the Bonds.

(o) Ratings: Moody's Investors Service will provide its ratings as follows: (i) "Aa3" on the State Guaranty, (ii) "Aaa" based on the Issuer's purchase of the financial guaranty policy described above and (iii) "A2" as an underlying rating for the Bonds.

EXHIBIT B
COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2005
FINAL PRICING NUMBERS

SEATTLE-NORTHWEST
SECURITIES CORPORATION
The Region's Premier Investment Banking Firm Since 1970

1000 Southwest Broadway
Suite 1800
Portland, Oregon 97205
(503) 275-8300

COLUMBIA GORGE COMMUNITY COLLEGE
$18,500,000
GENERAL OBLIGATION BONDS
SERIES 2005

FINAL PRICING NUMBERS

MAY 11, 2005

BOND SUMMARY STATISTICS

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Dated Date	05/25/2005
Delivery Date	05/25/2005
Last Maturity	06/15/2025
Arbitrage Yield	4.116489%
True Interest Cost (TIC)	4.296407%
Net Interest Cost (NIC)	4.367944%
All-In TIC	4.317365%
Average Coupon	4.588493%
Average Life (years)	13.351
Duration of Issue (years)	9.880
Par Amount	18,500,000.00
Bond Proceeds	19,143,565.45
Total Interest	11,333,475.43
Net Interest	10,788,724.98
Total Debt Service	29,833,475.43
Maximum Annual Debt Service	1,871,287.50
Average Annual Debt Service	1,487,541.71

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial 2006-2013	3,850,000.00	100.904	3.593%	5.211
Serial 2014 A	225,000.00	106.822	4.625%	9.056
Serial 2014 B	515,000.00	102.056	4.000%	9.056
Serial 2015	810,000.00	101.489	4.000%	10.056
Serial 2016 A	250,000.00	109.075	5.000%	11.056
Serial 2016 B	625,000.00	100.823	4.000%	11.056
Serial 2017-2019	3,170,000.00	108.137	5.000%	13.097
Serial 2020 A	1,000,000.00	107.353	5.000%	15.056
Serial 2020 B	255,000.00	103.266	4.500%	15.056
Serial 2021-2023	4,325,000.00	106.398	5.000%	17.108
Term Bond	3,475,000.00	97.882	4.250%	19.572
	18,500,000.00			13.351

	TIC	All-In TIC	Arbitrage Yield
Par Value	18,500,000.00	18,500,000.00	18,500,000.00
+ Accrued Interest	-	-	-
+ Premium (Discount)	643,565.45	643,565.45	643,565.45
- Underwriter's Discount	-98,815.00	-98,815.00	
- Cost of Issuance Expense		-38,550.00	
- Other Amounts	-46,383.35	-46,383.35	-46,383.35
Target Value	18,998,367.10	18,959,817.10	19,097,182.10
Target Date	05/25/2005	05/25/2005	05/25/2005
Yield	4.296407%	4.317365%	4.116489%

BOND PRICING

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial 2006-2013:									
	06/15/2006	235,000	3.000%	2.750%	100.257	-	-	-	603.95
	06/15/2007	350,000	3.250%	2.930%	100.632	-	-	-	2,212.00
	06/15/2008	395,000	3.250%	3.060%	100.549	-	-	-	2,168.55
	06/15/2009	475,000	3.500%	3.150%	101.321	-	-	-	6,274.75
	06/15/2010	525,000	3.500%	3.270%	101.062	-	-	-	5,575.50
	06/15/2011	565,000	3.500%	3.400%	100.541	-	-	-	3,056.65
	06/15/2012	625,000	3.750%	3.510%	101.486	-	-	-	9,287.50
	06/15/2013	680,000	3.750%	3.630%	100.830	-	-	-	5,644.00
		3,850,000							34,822.90
Serial 2014 A:									
	06/15/2014	225,000	4.625%	3.730%	106.822	-	-	-	15,349.50
Serial 2014 B:									
	06/15/2014	515,000	4.000%	3.730%	102.056	-	-	-	10,588.40
Serial 2015:									
	06/15/2015	810,000	4.000%	3.820%	101.489	-	-	-	12,060.90
Serial 2016 A:									
	06/15/2016	250,000	5.000%	3.900%	109.075 C	3.977%	06/15/2015	100.000	22,687.50
Serial 2016 B:									
	06/15/2016	625,000	4.000%	3.900%	100.823 C	3.907%	06/15/2015	100.000	5,143.75
Serial 2017-2019:									
	06/15/2017	1,000,000	5.000%	3.960%	108.555 C	4.094%	06/15/2015	100.000	85,550.00
	06/15/2018	1,040,000	5.000%	4.010%	108.124 C	4.186%	06/15/2015	100.000	84,489.60
	06/15/2019	1,130,000	5.000%	4.050%	107.780 C	4.258%	06/15/2015	100.000	87,914.00
		3,170,000							257,953.60
Serial 2020 A:									
	06/15/2020	1,000,000	5.000%	4.100%	107.353 C	4.330%	06/15/2015	100.000	73,530.00
Serial 2020 B:									
	06/15/2020	255,000	4.500%	4.100%	103.266 C	4.205%	06/15/2015	100.000	8,328.30

BOND PRICING

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial 2021-2023:									
	06/15/2021	1,330,000	5.000%	4.160%	106.842 C	4.401%	06/15/2015	100.000	90,998.60
	06/15/2022	1,440,000	5.000%	4.210%	106.419 C	4.458%	06/15/2015	100.000	92,433.60
	06/15/2023	1,555,000	5.000%	4.260%	105.998 C	4.511%	06/15/2015	100.000	93,268.90
		4,325,000							276,701.10
Term Bond:									
	06/15/2024	1,680,000	4.250%	4.410%	97.882	-	-	-	-35,582.40
	06/15/2025	1,795,000	4.250%	4.410%	97.882	-	-	-	-38,018.10
		3,475,000							-73,600.50
		18,500,000							643,565.45

Dated Date	05/25/2005	
Delivery Date	05/25/2005	
First Coupon	12/15/2005	
Par Amount	18,500,000.00	
Premium	643,565.45	
Production	19,143,565.45	103.478732%
Underwriter's Discount	-98,815.00	-0.534135%
Purchase Price	19,044,750.45	102.944597%
Accrued Interest	-	
Net Proceeds	19,044,750.45	

BOND DEBT SERVICE

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Dated Date	05/25/2005
Delivery Date	05/25/2005

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/25/2005	-	-	-	-	-
12/15/2005	-	-	455,440.97	455,440.97	-
06/15/2006	235,000	3.000%	409,896.88	644,896.88	1,100,337.85
12/15/2006	-	-	406,371.88	406,371.88	-
06/15/2007	350,000	3.250%	406,371.88	756,371.88	1,162,743.76
12/15/2007	-	-	400,684.38	400,684.38	-
06/15/2008	395,000	3.250%	400,684.38	795,684.38	1,196,368.76
12/15/2008	-	-	394,265.63	394,265.63	-
06/15/2009	475,000	3.500%	394,265.63	869,265.63	1,263,531.26
12/15/2009	-	-	385,953.13	385,953.13	-
06/15/2010	525,000	3.500%	385,953.13	910,953.13	1,296,906.26
12/15/2010	-	-	376,765.63	376,765.63	-
06/15/2011	565,000	3.500%	376,765.63	941,765.63	1,318,531.26
12/15/2011	-	-	366,878.13	366,878.13	-
06/15/2012	625,000	3.750%	366,878.13	991,878.13	1,358,756.26
12/15/2012	-	-	355,159.38	355,159.38	-
06/15/2013	680,000	3.750%	355,159.38	1,035,159.38	1,390,318.76
12/15/2013	-	-	342,409.38	342,409.38	-
06/15/2014	740,000	**	342,409.38	1,082,409.38	1,424,818.76
12/15/2014	-	-	326,906.25	326,906.25	-
06/15/2015	810,000	4.000%	326,906.25	1,136,906.25	1,463,812.50
12/15/2015	-	-	310,706.25	310,706.25	-
06/15/2016	875,000	**	310,706.25	1,185,706.25	1,496,412.50
12/15/2016	-	-	291,956.25	291,956.25	-
06/15/2017	1,000,000	5.000%	291,956.25	1,291,956.25	1,583,912.50
12/15/2017	-	-	266,956.25	266,956.25	-
06/15/2018	1,040,000	5.000%	266,956.25	1,306,956.25	1,573,912.50
12/15/2018	-	-	240,956.25	240,956.25	-
06/15/2019	1,130,000	5.000%	240,956.25	1,370,956.25	1,611,912.50
12/15/2019	-	-	212,706.25	212,706.25	-
06/15/2020	1,255,000	**	212,706.25	1,467,706.25	1,680,412.50
12/15/2020	-	-	181,968.75	181,968.75	-
06/15/2021	1,330,000	5.000%	181,968.75	1,511,968.75	1,693,937.50
12/15/2021	-	-	148,718.75	148,718.75	-
06/15/2022	1,440,000	5.000%	148,718.75	1,588,718.75	1,737,437.50
12/15/2022	-	-	112,718.75	112,718.75	-
06/15/2023	1,555,000	5.000%	112,718.75	1,667,718.75	1,780,437.50
12/15/2023	-	-	73,843.75	73,843.75	-
06/15/2024	1,680,000	4.250%	73,843.75	1,753,843.75	1,827,687.50
12/15/2024	-	-	38,143.75	38,143.75	-
06/15/2025	1,795,000	4.250%	38,143.75	1,833,143.75	1,871,287.50
	18,500,000		11,333,475.43	29,833,475.43	29,833,475.43

SOURCES AND USES OF FUNDS

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Dated Date	05/25/2005
Delivery Date	05/25/2005

Sources:		
Bond Proceeds:		
Par Amount		18,500,000.00
Net Premium		643,565.45
		19,143,565.45

Uses:		
Project Fund Deposits:		
Project		18,959,817.10
Delivery Date Expenses:		
Cost of Issuance	38,550.00	
Underwriter's Discount	98,815.00	
Oregon School Bond Guaranty	3,083.35	
Bond Insurance MBIA @ 14.5 bps	43,300.00	
	183,748.35	
		19,143,565.45

COST OF ISSUANCE

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Cost of Issuance	$/1000	Amount
Bond Counsel	0.97297	18,000.00
Moody's Rating Fee	0.57297	10,600.00
Paying Agent (Initial)	0.01351	250.00
Paying Agent (One-time)	0.36216	6,700.00
OS Printing & Mailing (Est.)	0.08108	1,500.00
Financial Advisor	0.08108	1,500.00
	2.08378	38,550.00

UNDERWRITER'S DISCOUNT

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Underwriter's Discount	$/1000	Amount
Average Takedown	3.75000	69,375.00
Management Fee	1.35135	25,000.00
Expenses	0.24000	4,440.00
	5.34135	98,815.00

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Date	Debt Service	Present Value to 05/25/2005 @ 4.1164886%
12/15/2005	455,440.97	445,246.88
06/15/2006	644,896.88	617,747.46
12/15/2006	406,371.88	381,413.66
06/15/2007	756,371.88	695,600.49
12/15/2007	400,684.38	361,059.54
06/15/2008	795,684.38	702,536.92
12/15/2008	394,265.63	341,090.13
06/15/2009	869,265.63	736,859.43
12/15/2009	385,953.13	320,566.85
06/15/2010	910,953.13	741,364.83
12/15/2010	376,765.63	300,440.96
06/15/2011	941,765.63	735,838.66
12/15/2011	366,878.13	280,875.26
06/15/2012	991,878.13	744,049.61
12/15/2012	355,159.38	261,047.04
06/15/2013	1,035,159.38	745,511.96
12/15/2013	342,409.38	241,626.72
06/15/2014	1,082,409.38	748,415.46
12/15/2014	326,906.25	221,475.83
06/15/2015	10,136,906.25	6,729,153.73
12/15/2015	86,343.75	56,161.39
06/15/2016	711,343.75	453,354.94
12/15/2016	73,843.75	46,113.12
06/15/2017	73,843.75	45,183.14
12/15/2017	73,843.75	44,271.91
06/15/2018	73,843.75	43,379.07
12/15/2018	73,843.75	42,504.23
06/15/2019	73,843.75	41,647.03
12/15/2019	73,843.75	40,807.12
06/15/2020	73,843.75	39,984.15
12/15/2020	73,843.75	39,177.77
06/15/2021	73,843.75	38,387.66
12/15/2021	73,843.75	37,613.48
06/15/2022	73,843.75	36,854.92
12/15/2022	73,843.75	36,111.65
06/15/2023	73,843.75	35,383.38
12/15/2023	73,843.75	34,669.79
06/15/2024	1,753,843.75	806,826.67
12/15/2024	38,143.75	17,193.51
06/15/2025	1,833,143.75	809,635.76
	27,506,600.43	19,097,182.10

Proceeds Summary

Delivery date	05/25/2005
Par Value	18,500,000.00
Premium (Discount)	643,565.45
Arbitrage expenses	-46,383.35

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Proceeds Summary

Target for yield calculation	19,097,182.10

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Call Date	Call Price	Net Present Value (NPV) to 05/25/2005 @ 4.1164886%
2016A	06/15/2016	06/15/2015	100.000	-4,657.24
SERIAL2	06/15/2017	06/15/2015	100.000	-13,428.95
SERIAL2	06/15/2018	06/15/2015	100.000	-9,483.71
SERIAL2	06/15/2019	06/15/2015	100.000	-6,417.21
2020A	06/15/2020	06/15/2015	100.000	-1,408.95
2020B	06/15/2020	06/15/2015	100.000	-348.93
SERIAL3	06/15/2021	06/15/2015	100.000	4,922.40
SERIAL3	06/15/2022	06/15/2015	100.000	11,420.71
SERIAL3	06/15/2023	06/15/2015	100.000	18,879.33

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Call Date	Call Price	Net Present Value (NPV) to 05/25/2005 @ 4.1164886%	Increase to NPV
2016A	06/15/2016	-	-	-3,235.05	1,422.19
SERIAL2	06/15/2017	-	-	-2,278.57	11,150.38
SERIAL2	06/15/2018	-	-	7,565.97	17,049.68
SERIAL2	06/15/2019	-	-	17,796.55	24,213.76
2020A	06/15/2020	-	-	24,852.34	26,261.29
2020B	06/15/2020	-	-	2,557.92	2,906.85
SERIAL3	06/15/2021	-	-	46,021.37	41,098.97
SERIAL3	06/15/2022	-	-	62,333.94	50,913.23
SERIAL3	06/15/2023	-	-	80,509.36	61,630.03

FORM 8038 STATISTICS

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Dated Date	05/25/2005
Delivery Date	05/25/2005

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial 2006-2013:						
	06/15/2006	235,000.00	3.000%	100.257	235,603.95	235,000.00
	06/15/2007	350,000.00	3.250%	100.632	352,212.00	350,000.00
	06/15/2008	395,000.00	3.250%	100.549	397,168.55	395,000.00
	06/15/2009	475,000.00	3.500%	101.321	481,274.75	475,000.00
	06/15/2010	525,000.00	3.500%	101.062	530,575.50	525,000.00
	06/15/2011	565,000.00	3.500%	100.541	568,056.65	565,000.00
	06/15/2012	625,000.00	3.750%	101.486	634,287.50	625,000.00
	06/15/2013	680,000.00	3.750%	100.830	685,644.00	680,000.00
Serial 2014 A:						
	06/15/2014	225,000.00	4.625%	106.822	240,349.50	225,000.00
Serial 2014 B:						
	06/15/2014	515,000.00	4.000%	102.056	525,588.40	515,000.00
Serial 2015:						
	06/15/2015	810,000.00	4.000%	101.489	822,060.90	810,000.00
Serial 2016 A:						
	06/15/2016	250,000.00	5.000%	109.075	272,687.50	250,000.00
Serial 2016 B:						
	06/15/2016	625,000.00	4.000%	100.823	630,143.75	625,000.00
Serial 2017-2019:						
	06/15/2017	1,000,000.00	5.000%	108.555	1,085,550.00	1,000,000.00
	06/15/2018	1,040,000.00	5.000%	108.124	1,124,489.60	1,040,000.00
	06/15/2019	1,130,000.00	5.000%	107.780	1,217,914.00	1,130,000.00
Serial 2020 A:						
	06/15/2020	1,000,000.00	5.000%	107.353	1,073,530.00	1,000,000.00
Serial 2020 B:						
	06/15/2020	255,000.00	4.500%	103.266	263,328.30	255,000.00
Serial 2021-2023:						
	06/15/2021	1,330,000.00	5.000%	106.842	1,420,998.60	1,330,000.00
	06/15/2022	1,440,000.00	5.000%	106.419	1,532,433.60	1,440,000.00
	06/15/2023	1,555,000.00	5.000%	105.998	1,648,268.90	1,555,000.00
Term Bond:						
	06/15/2024	1,680,000.00	4.250%	97.882	1,644,417.60	1,680,000.00
	06/15/2025	1,795,000.00	4.250%	97.882	1,756,981.90	1,795,000.00
		18,500,000.00			19,143,565.45	18,500,000.00

FORM 8038 STATISTICS

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield	Net Interest Cost
Final Maturity	06/15/2025	4.250%	1,756,981.90	1,795,000.00	-	-	-
Entire Issue	-	-	19,143,565.45	18,500,000.00	13.3591	4.1165%	4.1800%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	137,365.00
Proceeds used for credit enhancement	46,383.35
Proceeds allocated to reasonably required reserve or replacement fund	0.00

EXHIBIT C
COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
GENERAL OBLIGATION BONDS, SERIES 2005
CLOSING DOCUMENTS

Issuer's Closing Documents

a) Copies of the Documents, which includes the Resolution, Undertaking, Blanket Issuer Letter of Representation, and any other documents necessary to issue and sell the Bonds;

b) The "deemed final" letter referenced in Paragraph 5 of this Purchase Agreement;

c) The following opinions:

   i) The approving opinion of Bond Counsel dated as of the Closing date and addressed to the Issuer, substantially in the form set forth in Appendix A to the Final Official Statement and a letter addressed to the Insurer to the effect that the Insurer may rely upon such opinion as if it were addressed to the Insurer;

   ii) The supplemental opinion of Bond Counsel substantially in the form attached hereto as Exhibit D;

d) Evidence of each of the following:

   i) That Moody's Investors Service has assigned its (i) underlying rating of "A2" to the Bonds and that such rating is in full force and effect on and as of the date of Closing, (ii) credit-enhanced rating of "Aa3", based on the Issuer's participation in the State Guaranty, and (iii) insured rating of "Aaa", based upon the Issuer's purchase of a municipal bond insurance policy (also referred to as a "financial guaranty") issued by the Insurer and evidence of the Issuer's purchase of such insurance, including a copy of the Policy and an opinion of counsel to the Insurer in form and substance satisfactory to the Underwriter;

   ii) That the State has provided its State Guaranty for the Issuer's Bonds together a copy of the Master Undertaking Certificate (the "Master Undertaking") to provide ongoing continuing disclosure about the State for the benefit of the owners of the Bonds on or before Closing as required by the Rule and that the State has not failed to comply with any prior undertaking under the Rule in the past five years;

d) A copy of completed Form 8038-G;

e) A copy of the Undertaking substantially in the form as described in the POS and Final Official Statement;

f) The following certifications, which may be combined, executed by an authorized officer of the Issuer and dated as of the date of the Closing, to the effect that:

i) The representations, warranties and covenants of the Issuer contained herein and in the Resolution are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of Closing;

ii) No litigation or other proceedings are pending or, to the knowledge of the Issuer, after inquiry with local counsel, threatened in any court in any way (a) affecting the position or title of the authorized officers of the Issuer, or (b) seeking to restrain or to enjoin the authorization, issuance, sale or delivery of, or security for, any of the Bonds, or (c) contesting or affecting the validity or enforceability of the Bonds, the Resolution, this Purchase Agreement, or (d) contesting the completeness or accuracy of the POS or the Final Official Statement, or (e) contesting the powers of the Issuer or its authority with respect to the Bonds, the Resolution, or this Purchase Agreement, the agreement with the Fiscal Agent, the Undertaking and the Blanket Issuer Letter of Representation or (f) materially affecting the finances of the Issuer. For the purpose of this subparagraph, the Issuer may rely upon a certificate of the Issuer's legal counsel with respect to the legal matters set forth therein;

iii) No event affecting the Issuer has occurred since the date of the Final Official Statement which should be disclosed in the Final Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements therein not misleading, and the Final Official Statement (except for information relating to DTC, the book-entry system, the State Guaranty, the Insurer, and the Fiscal Agent) does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

iv) In issuing the Bonds, the Issuer has complied with any applicable limitation on bonded indebtedness;

v) The proceeds from the sale of the Bonds shall be used solely as set forth in the Resolution;

vi) The representations and warranties of the Issuer contained in this Purchase Agreement were true and correct when made and are true and correct as of the date of the Closing;

vii) The Issuer has complied with applicable provisions of any applicable budget law with respect to the issuance of the Bonds; and

viii) A certificate of Regional Financial Advisors, Inc., financial advisor to the Issuer (the "Financial Advisor"), that the prices offered reflect current market conditions; and

g) Such additional certificates, instruments or opinions or other evidence as the Underwriter or the Bond Counsel may deem reasonably necessary or desirable to evidence the due authorization, issuance, execution, authentication and delivery of the Bonds, the truth and accuracy as of the time of the Closing of the representations and warranties contained in this Purchase Agreement, and the conformity of the Bonds and Resolution with the terms thereof as summarized in the POS and the Final Official Statement, and to cover such other matters as the Underwriter or the Bond Counsel reasonably requests.

Underwriter's Closing Documents

By Closing, Underwriter shall deliver or cause to be delivered to the Issuer or Bond Counsel a receipt for the Bonds.

EXHIBIT D
COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
Form of Bond Counsel Supplemental Opinion

Seattle-Northwest Securities Corporation
1000 SW Broadway, Suite 1800
Portland, Oregon 97205

Ladies & Gentlemen:

This opinion is rendered to you in connection with the purchase by you of the General Obligation Bonds, Series 2005 in the aggregate principal amount of $18,500,000 (the "Bonds") pursuant to a Purchase Agreement dated May 11, 2005 (the "Purchase Agreement"), by and between you and the Columbia Gorge Community College (the "Seller"). All terms used in this opinion and not otherwise defined herein shall have the respective meanings assigned thereto in the Agreement or the Resolution (as defined in the Agreement). In our capacity as Bond Counsel with respect to the authorization, issuance, sale and delivery of the Bonds, we have examined the Official Statement dated May 11, 2005 relating to the Bonds (the "Official Statement"). We have also examined originals, or copies certified or otherwise identified to our satisfaction as being true copies of the originals, of such proceedings of the Seller, certificates of officials of the Seller and others and such other documents as we have deemed necessary for purposes of this opinion. Based on our review of the foregoing, we are of the opinion that:

1. The statements in the Official Statement under the headings "Description of the Bonds" (except for the description of the "Book-Entry System" thereunder), "Security for the Bonds," "Legislative Referrals," "The Initiative Process," "Continuing Disclosure," and "Tax Exemption," (together with specific references thereto contained in the Official Statement), insofar as such statements purport to summarize the provisions of the Bonds (other than any financial or statistical data contained in such sections as to which we express no opinion) present a fair summary of the relevant provisions of the Bonds.

2. Based upon our participation in the preparation of the Official Statement as Bond Counsel but without having undertaken to determine independently the accuracy or completeness of, and without assuming any responsibility for, the statements contained in the Official Statement except to the limited extent noted immediately above, nothing has come to our attention which would lead us to believe that the statements contained in the Official Statement, as of the date of the Official Statement (except for the financial and statistical data included therein, as to which we express no opinion), contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they are made, not misleading.

3. The Purchase Agreement has been duly authorized, executed and delivered by the Seller and constitutes a valid and binding agreement of the Seller, which is enforceable in accordance with its terms, except to the extent that enforceability may be limited by or rendered ineffective by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Seller.

4. The Bonds are general obligations of the Seller and the full faith and credit of the Seller is pledged for the punctual payment of the principal of and the interest on the Bonds. The Bonds are secured by general ad valorem taxes to be levied against all taxable property within the Seller without limitation as to rate or amount. Taxes levied to pay the Bonds will be levied outside the limitations imposed by Article XI, Section 11b of the Oregon State Constitution.

5. We have reviewed the undertaking of the Seller regarding secondary market disclosure as further described in the Preliminary Official Statement and the Official Statement. In our opinion, such undertaking is valid and binding, is in full force and effect as of the date of Closing and complies with the requirements of Securities and Exchange Commission Rule 15c2-12 as it pertains to such undertakings.

We express no opinion as to the creditworthiness of the Seller, the investment quality of the Bonds or the adequacy of the security for the Bonds. We are furnishing this letter to you pursuant to the Agreement solely for your benefit. This letter is not to be used, circulated, quoted or otherwise referred to in connection with the marketing of the Bonds nor is it to be relied upon by any person without prior written permission; provided that reference may be made to it in any list or transcript of closing documents pertaining to the Bonds. We expressly disclaim any duty to advise you of any matters arising after the date hereof.

Respectfully submitted,

____

Mersereau & Shannon, LLP

PAYING AGENT AND REGISTRAR AGREEMENT

THIS PAYING AGENT AND REGISTRAR AGREEMENT, dated as of the 25th day of May, 2005 between **COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT** (the "Issuer") and **U.S. BANK NATIONAL ASSOCIATION, Portland, Oregon office**, ("U.S. Bank").

WITNESSETH

The Issuer intends to issue its Securities described as follows:

Name of Issue:	Columbia Gorge Community College District General Obligation Bonds, Series 2005
Date of Issue:	May 25th, 2005
Total Issue:	$18,500,000
Interest Payment Dates:	June 15th and December 15th, beginning December 15th, 2005

The Issuer desires to appoint U.S. Bank as paying agent, transfer agent, authenticating agent and registrar for the purposes of performing services for the payment of principal and interest on the Securities issued or to be issued by the Issuer and for U.S. Bank to act as registrar of the Securities and to transfer and exchange the Securities, and U.S. Bank desires to render the services in its capacity as paying agent, transfer agent, authenticating agent and registrar.

NOW, THEREFORE, the Issuer and U.S. Bank agree as follows:

1. The Issuer shall remit, or cause to be remitted, to U.S. Bank, in immediately available and collected funds, the full amount necessary to pay the interest on the Securities due on each of the related interest dates **at least 15 days prior** to the respective interest payment dates, and the full amount necessary to pay the principal of the Securities due on each of the related maturity or redemption dates at **least 15 days prior** to the stated maturity or earlier redemption date, in accordance with the provisions of the Oregon School Bond Guaranty Act. U.S. Bank is authorized to pay from monies so deposited with it the principal of and interest on the Securities to the registered owner of the Securities whose name and address appears on the registration books of the Issuer maintained by U.S. Bank. At the time of the Closing, Securities are Book Entry Only registered in the name of Cede & Co. Interest and principal on the Book Entry Only Securities shall be payable by wire to the registered owner of the Securities at the address appearing on the registration books maintained by U.S. Bank. The duty of U.S. Bank for the payment of the principal of and interest on the Securities shall be to receive funds for payment therefore, and to pay from funds so deposited with it the interest on the Securities and principal of the Securities when due and presented for payment. Under no circumstances shall U.S. Bank be obligated to make principal and/or interest payments next due unless and until the Issuer has caused to be delivered to U.S. Bank, in immediately available funds, the full amount of Principal and/or interest next due. In the event a principal and/or interest payment date is not a business day, U.S. Bank shall make the principal and/or interest payment on the following business day.

2. Monies deposited with U.S. Bank prior to the payment date for payment of principal of and interest on the Securities shall be held by U.S. Bank in a U.S. Bank Money Market Account. The U.S. Bank Money Market account is a U.S. Bank National Association interest-bearing time deposit account designed to meet the needs of U.S. Bank's Corporate Trust Services Escrow Group and other Corporate Trust customers of U.S. Bank. Selection of this investment includes authorization to place funds on deposit with U.S. Bank. The deposit account is insured by the Federal Deposit Insurance Corporation up to $100,000.

If any of the Securities are not presented for payment when due, and funds sufficient to pay such Security shall have been paid to U.S. Bank, U.S. Bank shall hold such funds for the benefit of the registered owner of the Securities, without liability for interest thereon. Any monies held by U.S. Bank for such payment after five years from the due date thereof shall be paid by U.S. Bank to the Issuer and the registered owner of the Securities shall thereafter seek payment only from the Issuer.

3. All matured and fully paid Securities shall be canceled by U.S. Bank and, unless otherwise directed in writing by the Issuer, destroyed. A Certificate of Destruction evidencing the destruction of the Securities shall be furnished to the Issuer.

4. If applicable, the Issuer shall furnish to U.S. Bank a sufficient supply of blank certificates for the Securities in appropriate form acceptable to U.S. Bank, and, from time to time, will renew such supply upon the request of U.S. Bank. Such blank certificates shall be signed manually or by facsimile by the officials of the Issuer duly authorized to sign certificates for the Issuer.

5. Upon appropriate instructions received by U.S. Bank from the underwriter, or the Securities purchaser or the Issuer, and the receipt of a sufficient supply of the original supply of blank certificates for the Securities, U.S. Bank shall complete the Securities as to registered owner, denomination, and such other matters as so directed. U.S. Bank shall authenticate the Securities upon request by the Issuer and shall deliver the Securities in accordance with the instructions of the Issuer.

6. U.S. Bank shall maintain for the Issuer appropriate registration books for the registration of the Securities and the registration of transfer and exchange of the Securities. Transfer and exchange of the Securities shall be registered and new certificates issued upon surrender of the outstanding certificates if the Securities are duly endorsed by, or accompanied by a written instrument or instruments of transfer in a form satisfactory to U.S. Bank duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, together with a guarantee of the signature satisfactory to U.S. Bank and such other documentation as U.S. Bank may reasonably require.

7. U.S. Bank shall comply with the terms and conditions of Oregon Administrative Rule 170-061-0010 issued by the Municipal Debt Advisory Commission as attached to this Paying Agent and Registrar Agreement as Exhibit "A" and by this reference incorporated herein.

8. U.S. Bank may rely upon the documents of the Issuer authorizing the Securities and upon the Uniform Commercial Code of the State of Oregon or any other statutes which, in the opinion of counsel for U.S. Bank, to protect U.S. Bank and the Issuer without requiring complete documentation, or in registering transfers without inquiry into adverse claims, or in the transfer or registration of

Securities standing in the name of the decedent in small estates where no administration is contemplated and documentation furnished conforms with the laws of the descendant's domicile, or in refusing registration where, in the judgment of U.S. Bank, an adverse claim requires such refusal. U.S. Bank reserves the right to refuse to transfer Securities until it is satisfied that the requested transfer is legally authorized; and shall incur no liability for a good faith refusal to make a transfer, which it, in its sole judgment deems improper or unauthorized. U.S. Bank shall not be obligated to register any transfer of Securities after the record date fixed for any redemption of such Securities.

9. U.S. Bank shall pay interest as is due on each stated interest payment date, with the funds received from the Issuer, to the registered owners of the Bonds as of the close of business on the last day (whether or not a business day) of the preceding month, at their addresses as they appear on the bond register. U.S. Bank shall pay the principal of the Securities as is due on the stated payment dates, with the funds received by the Issuer, upon surrender of the Securities to the corporate trust office for payment. "Principal Corporate Trust Office" or "corporate trust office" means the principal corporate trust office of the Paying Agent in the State of Oregon at 555 SW Oak Street, PD-OR-P6TD, Portland, Oregon 97204, Attention: U.S. Bank (except with respect to payments on the Securities and any exchange, transfer or other surrender of the Securities, in which case c/o U.S. Bank, N.A., 60 Livingston Avenue, St. Paul, Minnesota 55107), or such other or additional offices as may be designated by the Paying Agent.

10. As applicable in connection with mandatory Securities redemptions that are scheduled and fixed in amount under the documents authorizing issuance of the Securities or upon timely receipt of written notification from the Issuer of any other Securities redemption, together with a certified copy of the authorizing resolution, if any, U.S. Bank shall send notice of redemption by first class mail to the registered owner of any Securities to be redeemed not more than (60) days and not less than thirty (30) days prior to the redemption date. Wherever necessary, U.S. Bank will comply with the minimum standards endorsed by the Securities and Exchange Commission for securities redemption notices, including notice to all registered securities depositories and to national information services that disseminate redemption notices.

11. U.S. Bank may authenticate and deliver new certificates in substitution for certificates for any Securities represented to have been lost, destroyed or stolen, or in exchange for any certificate represented to have been mutilated, upon receiving indemnity satisfactory to the Issuer and U.S. Bank. All expenses associated with procuring such indemnity and with the preparation, authentication and delivery of a new certificate shall be borne by the registered owner of the lost, destroyed, stolen or mutilated Securities. In the event that a lost, destroyed, stolen or mutilated certificate shall have matured or been called for redemption, such Securities shall be paid, and no new Securities shall be issued in lieu thereof or in exchange therefor.

12. Securities bearing the manual or facsimile signatures of individuals who were, at any time, authorized to execute such Securities shall bind the Issuer. U.S. Bank may issue and register such Securities as the Securities of the Issuer, notwithstanding that such individuals have ceased to hold office with the Issuer prior to the authentication and delivery of such Securities or did not hold such office at the date of transfer of such Securities.

13. At any time, U.S. Bank may apply to an official of the Issuer for instruction, and may consult counsel for the Issuer or bond counsel in respect to any matter arising in connection with any agency hereunder, and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with such instructions or with the advise or opinion of such counsel. U.S. Bank shall be protected in treating as duly executed certificates for Securities that it reasonably believes to bear the proper manual or facsimile signatures of the officials of the Issuer. U.S. Bank shall not be responsible, for any reason, for any action taken or omitted to be taken by it in good faith or for anything whatever in connection with this Agreement or any of the Securities except for its own negligence, willful misconduct or bad faith in the performance of any duty to be performed by U.S. Bank hereunder. U.S. Bank and its employees are acting solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust, for or with any of the registered owners or holders of the Securities, except that all funds held by U.S. Bank shall be held in the paying agency account and subject to the provisions hereof.

14. The Issuer agrees to pay U.S. Bank reasonable compensation for services rendered by U.S. Bank hereunder in accordance with the schedule of fees attached hereto as Exhibit "B", or as otherwise agreed to from time to time. The Issuer agrees to reimburse U.S. Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by U.S. Bank in accordance with any provision hereof, including the reasonable compensation, expenses and disbursements of its employees and counsel, except any such expenses, disbursements or advances as may be attributable to U.S. Bank's own negligence, willful misconduct or bad faith. The Issuer and U.S. Bank specifically agree that the fees of U.S. Bank paid hereunder have been negotiated with U.S. Bank and have taken into account the provisions of OAR 170-061-0015. The obligations of the Issuer under this paragraph shall survive payment of the Securities and the resignation or removal of U.S. Bank. U.S. Bank shall invoice the Issuer for its services, expenses, advances and disbursements one time at closing for ordinary administrative fees for the term of this Agreement.

15. U.S. Bank will supply all necessary tax reporting to the security holders and to the Internal Revenue Service in accordance with applicable regulations.

16. The Issuer agrees to indemnify and U.S. Bank shall be protected, in the absence of negligence, willful misconduct or bad faith, in acting upon or relying on any paper or document reasonably believed by it to be genuine and to have been signed by the proper person or persons. U.S. Bank shall also be protected in acting upon or recognizing Securities which it reasonably believes to bear the manual or facsimile signature of authorized representative of the Issuer and the genuine counter-signature of the Registrar or any Co-registrar. The Issuer assumes full responsibility and shall indemnify U.S. Bank and save it harmless from and against any and all actions and suits, whether groundless or otherwise and from and against any and all losses, damages, charges, costs, counsel fees, payments, expenses and liabilities arising directly or indirectly out of its agency relationship to the Issuer, so long as it acted without negligence, willful misconduct or bad faith.

17. U.S. Bank shall take all reasonable precautions to safeguard all materials in its possession, including Securities being held by it.

18. U.S. Bank may resign as paying agent and registrar or may be removed by the Issuer, such resignation or removal to be effective sixty (60) days after written notice to the other party. The Issuer, prior to the effective date of such resignation or removal, shall appoint a successor agent and, upon such appointment, U.S. Bank shall deliver to the successor agent all its funds, documents, files and records relating to the Securities. The successor agent shall notify the registered owner of the Securities of any change in agents as soon as the successor agent is appointed.

19. The files and materials kept by U.S. Bank pursuant to this Agreement, including registration books and the records of registered Securities ownership, are not public records within the meaning of Oregon Revised Statutes 192.410(4) and U.S. Bank shall not release to or disclose to other persons the registered ownership of the Securities of the Issuer, except as directed by the Issuer. Any files, records or materials in the possession of U.S. Bank pursuant to this Agreement shall be used only for performance of this Agreement.

20. Any duties required of U.S. Bank pursuant to the terms of this Agreement, including payment of interest and/or principal, shall be performed on the date specified, or, if said date is not a business day, the following business day.

21. The Issuer has the authority to make this appointment and it is not in contravention of any other documents which the Issuer has signed in connection with the issuance of the Securities.

22. This Paying Agent and Registrar Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Oregon.

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
Hood River and Wasco Counties, Oregon

Sandra Buchanan

By: Sandra Buchanan
Title: Chief Finance Officer

ACCEPTED:

U.S. Bank National Association
Portland, Oregon

Cheryl Nelson

By: Cheryl Nelson
Title: Vice President

EXHIBIT A

OREGON ADMINISTRATIVE RULE #170-61-010

Terms and Conditions to be Satisfied by Registrars for Municipal Bonds of Oregon Municipalities.

(1) Definitions: For the purpose of this rule, the following definitions shall apply:

(a) "Commission" means the Municipal Debt Advisory Commission of the State of Oregon and includes the Municipal Bond Division of the Office of the State Treasurer.
(b) "Municipality" means any political subdivision of or in the State of Oregon and any municipal, quasi-municipal and public corporation authorized by law to issue bonds.
(c) "Act" means the new provisions added to and amendments to Oregon Revised Statutes contained in A-Engrossed House Bill 2229 which was approved during the 1983 Regular Session of the Legislature and signed into law by the Governor on May 26, 1983.
(d) "Registrar" means one of the paying agents appointed by a municipality as provided in ORS 288.570(1) who shall be a financial institution authorized to do business in Oregon or the State's fiscal agent, or the municipality for which the bonds are being issued as provided in ORS 288.570(7). The municipality shall determine which of the paying agents appointed by the municipality as provided in 288.570(2) shall act as paying agent/registrar for each outstanding bond issue and for each subsequent bond issue.
(e) "Bonds means any municipal obligation subject to the registration requirement contained in the Tax Equity and Fiscal Responsibility Act of 1982.

(1) Standard Record Date: Any municipality or financial institution serving as registrar for municipal bonds issued by a municipality must adopt the standard 15-day record date. This provides that items must be received no later than 15 days prior to an interest payment date for that payment to be received by the new registered owner.
(a) For interest payable on the 1st of a month, the record date should be the 15th day of the preceding month (e.g., for interest payable on January 1, 1983, the record date should be December 15, 1982);
(b) For interest payable on the 15th day of a month, the record date should be the last business day of the preceding month (e.g., for interest payable on November 15, 1982, the record date should be October 29, 1982);
(c) For interest payable on a date other than the 1st or 15th day of a month, the record date should be the 15th calendar day before the interest payment date (e.g., for interest payable on March 31, 1983, the record date should be March 16, 1983).

(1) Three Business Day Turnaround on Routine Items: Any municipality or financial institution serving as registrar for municipal bonds issued by a municipality must effect the transfer of not less than 90% of routine items within three business days of receipt. A financial institution proposing to serve as registrar must demonstrate the ability to generate performance reports that indicate compliance or noncompliance with the three business days turnaround requirement during the reporting period. Such reports are to be prepared and provided to the municipality at least once each fiscal year. Whenever such reports

show that the financial institution has failed to satisfy the three business day turnaround requirement cited above for any month of the reporting period, a copy of the report is to be provided to the Commission. The contract for registrar services between a financial institution and a municipality shall state the charge to the municipality for generation of such reports.

(2) Capacity to Handle Standard Bond Format: Any municipality or financial institution serving as registrar for municipal bonds issued by a municipality must demonstrate the ability to process bonds that are the size of standard stock certificates.

(3) Uncashed Check Report: Any financial institution serving as registrar for bonds issued by a municipality must demonstrate the ability to generate a report showing the currently outstanding checks issued and not cashed along with the age of such checks. Such reports are to be generated and made available to the municipality upon request. Any municipality or financial institution serving as registrar for bonds issued by a municipality shall use its best efforts to forward all returned checks to the proper owner thereof. When negotiating a contract with a financial institution for paying agent/registrar services, a municipality should take into consideration the earnings on funds held by the financial institution pending presentation of outstanding checks. Such earnings should be credited to the municipality to offset charges related to bond registration and payment.

(4) Bondholder Mailing List: Any municipality or financial institution serving as registrar for bonds issued by a municipality shall make available to the municipality upon request a list of the names and addresses of holders of the municipality's bonds. The contract for registrar services between a financial institution and a municipality shall state the charge to the municipality for generation of such reports. No registrar shall make available to anyone other than the municipality the names and addresses of the municipality's bondholders. Municipalities shall treat such information as confidential.

(5) Compliance With Administrative Rules: Any municipality serving as registrar for bonds issued by a municipality shall adopt a resolution or ordinance providing for compliance with this Administrative Rule. A copy of the resolution or ordinance is to be provided to the Commission. Any contract or agreement between a municipality and a financial institution to provide for registrar services shall include the requirements of this Administrative Rule.

(6) Application of Rule: The terms and conditions of this Administrative Rule do not apply to contracts and agreements for registrar services executed prior to its effective date. This Administrative Rule does not apply to contracts and agreements for registrar services entered into under authority provided by statutes other than the Act or by home rule charter. A municipality may request Commission approval of the appointment of a registrar under special conditions approved by the State Treasurer.

Stat. Auth.: ORS Ch. 288
Hist: TD 1-1983, f. & ef. 7-12-83

AUTHORIZED SIGNER(S)

I hereby certify that the following is a true and exact extract of Article VI of the Bylaws presently in effect for U.S. Bank National Association, an association organized and existing under the laws of the United States:

ARTICLE VI.
CONVEYANCES, CONTRACTS, ETC.

All transfers and conveyances of real estate, mortgages, and transfers, endorsements or assignments of stock, bonds, notes, debentures or other negotiable instruments, securities or personal property shall be signed by any elected or appointed officer.

All checks, drafts, certificates of deposit and all funds of the Association held in its own or in a fiduciary capacity may be paid out by an order, draft or check bearing the manual or facsimile signature of any elected or appointed officer of the Association.

All mortgage satisfactions, releases, all types of loan agreements, all routine transactional documents of the Association, and all other instruments not specifically provided for, whether to be executed in a fiduciary capacity or otherwise, may be signed on behalf of the Association by any elected or appointed officer thereof.

The Secretary of the Association or other proper officer may execute and certify that required action or authority has been given or has taken place by resolution of the Board under this Bylaw without the necessity of further action by the Board.

I further certify that the following officer of U.S. Bank National Association, has been duly elected and qualified and now holds the office listed herein, and that the signature of such officer is authentic:

Cheryl Nelson
Vice President

WILL SIGN: Cheryl Nelson

IN WITNESS WHEREOF, I have hereunto set my hand to be affixed hereto this 25th day of May, 2005.

U.S. Bank National Association
By: Corazon Gruenberg
Corazon Gruenberg
Vice President

RECEIPT FOR BONDS

Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Bonds
Series 2005

$18,500,000

On behalf of U.S. Bank National Association, as Paying Agent for the $18,500,000 aggregate principal amount of the General Obligation Bonds, Series 2005 dated May 25, 2005 (the "Bonds") issued by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District"), I hereby certify that: the Paying Agent has received and accepted the Bonds in the aggregate principal amount of $18,500,000; the Paying Agent has duly and properly authenticated and registered the Bonds pursuant to the order and direction of the District; the Bonds are registered in the name of Cede & Co., as nominee for Depository Trust Company ("DTC"); and the Bonds will be held in DTC's Fast Automated Securities Transfer ("FAST") for DTC's book-entry only system to be credited to the account of Seattle-Northwest Securities Corporation, as underwriter of the Bonds on this date.

DATED this 25th day of May, 2005.

U.S. BANK NATIONAL ASSOCIATION

By Cheryl Nelson
Authorized Officer

RECEIPT FOR BOND PROCEEDS

Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Bonds
Series 2005

$18,500,000

On behalf of the Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District"), I, Saundra Buchanan, Chief Financial Officer, acknowledge receipt of the proceeds of the Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon General Obligation Bonds, Series 2005, in the aggregate principal amount of $18,500,000 dated May 25, 2005, from Seattle-Northwest Securities Corporation as follows:

Sources of Funds:

Principal Amount of Bonds	$18,500,000.00
Plus Net Original Issue Premium	643,565.45
Less Underwriter's Discount	(98,815.00)
NET PURCHASE PRICE	$19,044,750.45

Application of Funds:

Wired to the District	
Project	18,959,817.10
Estimated Costs of Issuance (see Exhibit A)	23,633.35
Net Funds wired to the District	$18,983,450.45
Wired to service providers:	
Bond Counsel Fees and Expenses (Mersereau & Shannon, LLP)	18,000.00
Bond Insurance Premium (MBIA Insurance Corporation)	43,300.00
Funds wired to service providers	$ 61,300.00
TOTAL DISTRIBUTION OF FUNDS	$19,044,750.45

DATED this 25th day of May, 2005.

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON

By Saundra Buchanan

Saundra Buchanan
Chief Financial Officer

CERTIFICATE AS TO REOFFERING

Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Bonds
Series 2005

$18,500,000

The undersigned, on behalf of Seattle-Northwest Securities Corporation, as purchaser of the Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon General Obligation Bonds, Series 2005 in the aggregate principal amount of $18,500,000dated May 25, 2005 (the "Bonds"), certify as follows:

1. The Bonds have been sold through a bona fide public offering of the Bonds; and

2. The final reoffering price to the public (excluding bond houses, brokers, and other intermediaries) of each maturity of the Bonds at which price a substantial amount (defined as at least 10%) of the Bonds of each maturity was sold, is as follows:

Maturity	Principal Amount	Interest Rate	Reoffering Yield
06/15/2006	$ 235,000.00	3.000%	2.75%
06/15/2007	350,000.00	3.250%	2.93%
06/15/2008	395,000.00	3.250%	3.06%
06/15/2009	475,000.00	3.500%	3.15%
06/15/2010	525,000.00	3.500%	3.27%
06/15/2011	565,000.00	3.500%	3.40%
06/15/2012	625,000.00	3.750%	3.51%
06/15/2013	680,000.00	3.750%	3.63%
06/15/2014	225,000.00	4.625%	3.73%
06/15/2014	515,000.00	4.000%	3.73%
06/15/2015	810,000.00	4.000%	3.82%
06/15/2016	250,000.00	5.000%	3.90%*
06/15/2016	625,000.00	4.000%	3.90%*
06/15/2017	1,000,000.00	5.000%	3.96%*
06/15/2018	1,040,000.00	5.000%	4.01%*
06/15/2019	1,130,000.00	5.000%	4.05%*
06/15/2020	1,000,000.00	5.000%	4.10%*
06/15/2020	255,000.00	4.500%	4.10%*
06/15/2021	1,330,000.00	5.000%	4.16%*
06/15/2022	1,440,000.00	5.000%	4.21%*
06/15/2023	1,555,000.00	5.000%	4.26%*
06/15/2025	3,475,000.00	4.250%	4.41%

* *Priced to the call date.*

3. The net original issue premium generated in connection with the reoffering of the Bonds to the public in the amount of $643,565.45 resulted from market conditions at the time of pricing and was necessary in order to obtain the lowest true interest cost for the Bonds.

DATED this 25th day of May, 2005.

SEATTLE-NORTHWEST SECURITIES CORPORATION

By ________________________________
Authorized Representative

TAX EXEMPTION CERTIFICATE AND AGREEMENT

Relating to

$18,500,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Bonds
Series 2005

May 25, 2005

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TAX EXEMPTION CERTIFICATE AND AGREEMENT

The undersigned is a duly authorized officer of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the *"Issuer"*). The undersigned officer of the Issuer is charged, with others, with the responsibility for executing and delivering the Issuer's General Obligation Bonds, Series 2005 in the aggregate principal amount of $18,500,000 (the *"Bonds"*) on the date hereof. The Bonds are being issued pursuant to the authority granted by a majority of the legal voters of the Issuer voting at the November 2, 2004 election and are authorized by a Resolution of the Issuer adopted on April 12, 2005 to provide funds to finance the Issuer's capital construction and improvements for health science training and classroom facilities, renovate existing facilities, demolish unusable buildings, purchase land and to pay the costs of issuance of the Bonds (the "Project"). Certain terms are defined in Article I hereof.

One purpose of executing this Tax Agreement is to set forth various facts regarding the Bonds and to establish the expectations of the Issuer as to future events regarding the Bonds and the use of Bond proceeds. The certifications, covenants and representations contained herein are for the benefit of the owners from time to time of the Bonds. In providing the certifications, covenants and representations contained herein, the Issuer acknowledges it will not take any action that would cause interest on the Bonds to become includable in the gross income of the owners thereof for federal income tax purposes.

ARTICLE I
DEFINITIONS

In addition to such other words and terms used and defined in this Tax Agreement, the following words and terms used in this Tax Agreement shall have the following meanings unless, in either case, the context or use clearly indicates another or different meaning is intended:

"Available Construction Proceeds" means, with respect to the Bonds, the amount equal to the sum of the issue price of the Bonds (excluding Pre-Issuance Accrued Interest), earnings on such issue price, earnings on any amounts in a reasonably required reserve or replacement fund for the Bonds not funded by the Bonds and earnings on all of the foregoing earnings, less the amount of such issue price deposited in a reasonably required reserve or replacement fund and less the issuance costs financed by the Bonds. For purposes of this definition, earnings include earnings on any tax-exempt bond. Earnings on any reasonably required reserve or replacement fund for the Bonds are Available Construction Proceeds only to the extent that those earnings accrue before earlier of (i) the date construction is substantially completed or (ii) the date that is two years after the Closing.

"Bond Counsel" means Mersereau & Shannon LLP or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

"Bonds" means the Issuer's General Obligation Bonds, Series 2005 in the aggregate principal amount of $18,500,000.

"Bond Year" means the one year period (or shorter period) ending on May 25, or such other date as the Issuer shall elect prior to the first Installment Computation Date.

"Closing" means the date of this Tax Agreement, which is the first date on which the Issuer is receiving the purchase price for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended.

"Computation Date" means an Installment Computation Date or the Final Computation Date.

"Computation Date Credit" means, with respect to the Bonds on an eligible Computation Date, a credit of $1,000 on the last day of each Bond Year during which there are amounts allocated to Gross Proceeds of the Bonds that are subject to the Rebate Requirement, and on the final maturity date.

"Construction Expenditures" means capital expenditures (i.e., costs of a type that are properly chargeable to capital account, or that would be so chargeable with a proper election under general Federal income tax principles) that are allocable to the costs of real property or constructive personal property, excluding expenditures for acquisitions of interests in land or other existing real property.

"Costs of Issuance" means the costs of issuing the Bonds, including underwriter's discount or fees and legal fees.

"Debt Service Fund" means the Debt Service Fund described in Section 3.2 hereof.

"Final Computation Date" means the date the last bond that is part of the Bonds is discharged.

"GIC" means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates *(e.g.,* a forward supply contract).

"Gross Proceeds" shall have the meaning contained in the Regulation Section 1.148-l(b), and shall generally include amounts which are:

(1) actually or constructively received from the sale of the Bonds, including amounts used to pay underwriter's discount or compensation and accrued interest other than Pre-Issuance Accrued Interest;

(2) investment proceeds (defined in Regulation Section 1.148-1(b) to include amounts actually or constructively received at any time by the Issuer, such as interest and dividends, from the investment of proceeds of the Bonds);

(3) treated as proceeds under Regulation Section 1.148- 1(c) (which treats amounts in invested sinking funds and pledged funds for an issue as proceeds of an issue), including amounts in the Debt Service Fund;

(4) invested in a reasonably required reserve or replacement fund (as defined in Regulation Section 1.148-2(f));

(5) pledged by the Issuer as security for payment of debt service on the Bonds;

(6) used to pay debt service on the Bonds;

Such term shall not include amounts that are not otherwise Gross Proceeds but that are deposited in the Rebate Fund. For purposes of (5) above, an amount is pledged to pay principal of or interest on the Bonds if there is reasonable assurance that the amount will be available to be used for such purposes in the event that the Issuer encounters financial difficulties.

"Installment Computation Date" means the last day of the fifth Bond Year and each succeeding fifth Bond Year.

"Investment Property" means any security or obligation (other than tax-exempt obligations that are not "specified private activity bonds" within the meaning of Section 57(a)(5)(C) of the Code or a tax-exempt mutual fund that invests in tax-exempt bonds other than specified private activity bonds), any annuity contract or any other property described in Section 148(b)(2)(A), (B), (C), or (E) of the Code that is held principally as a passive vehicle for the production of income.

"Issuer" means Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon.

"Nonpurpose Investment" means any Investment Property in which Gross Proceeds are invested or to which Gross Proceeds are allocated other than purpose investments, such as a loan agreement. Nonpurpose Investments shall not include:

(1) United States Treasury Demand Deposit Securities -- State and Local Government Series; and

(2) Tax-Exempt Obligations.

For purposes of this Tax Certificate, the term "Tax-Exempt Obligations" shall include only obligations the interest on which is (i) excluded from gross income for Federal income tax purposes, and (ii) not treated as an item of tax preference under Section 57(a)(5) of the Code. The term "Tax-Exempt Obligation" shall, however, include an interest in a regulated investment company (within the meaning of Section 851(a) of the Code) to the extent that at least ninety-five percent (95%) of the income to the holder is interest that is excluded from gross income by Section 103(a) of the Code.

"Pre-Issuance Accrued Interest" means amounts representing interest that accrued on the Bonds for a period not greater than one year before their Closing, but only if these amounts are paid within one year after the Closing.

"Purchaser" means the purchaser of the Bonds from the Issuer.

"Qualified Tax Exempt Obligations" means (a) any obligation described in Section 103(a) of the Code, the interest on which is excludable from gross income of the owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; (b) an interest in a regulated investment company to the extent that at least ninety-five percent of the income to the holder of the interest is interest which is excludable from gross income under Section 103 of the Code of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. part 344.

"Rebate Fund" means the fund, if any, identified and defined in Section 4.3 herein.

"Rebate Provisions" means the rebate requirements contained in Section 148(f) of the Code and in the Regulations.

"Rebate Requirement" shall have the meaning ascribed thereto in Section 4.2(f) of this Tax Certificate.

"Regulations" means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

"Sale Proceeds" means amounts actually or constructively received from the sale of the Bonds, including (a) amounts used to pay underwriter's discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before Closing but only if it is to be paid within one year after Closing and (b) amounts derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond *(e.g.,* a redemption right).

"Tax Agreement" means this Tax Exemption Certificate and Agreement.

"Yield" means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using semiannual compounding on the basis of a 360-day year) produces an amount equal to the obligation's purchase price (or in the case of the Bonds, the issue price as established in Section 5.1), including accrued interest. In calculating the Yield on the Bonds, any Bonds issued at an original issuance premium will be considered to be redeemed at their stated redemption prices on the optional redemption dates that would produce the lowest yield on the entire Bond issue when the difference between (i) the stated redemption price of such Bonds at maturity and (ii) the issue price of such Bonds is more than the product of (x) .25 per cent per year, (y) the stated redemption price of such Bonds at maturity and (z) the number of complete years to the first optional redemption date for the Bonds.

"Yield Reduction Payment" means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the Internal Revenue Service may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

ARTICLE II
DESCRIPTION OF PROJECT

Section 2.1. Purpose of the Bonds. The Bonds are being issued to provide funds to finance capital construction and improvements for health science training and classroom facilities, renovate existing facilities, demolish unusable buildings, purchase land and pay the costs of issuance of the Bonds. Sale Proceeds of the Bonds will be used as described in Section 3.1.

Section 2.2. Investment of Bond Proceeds. The principal purpose of the Bonds is to take advantage of the lower borrowing costs available to the Issuer because of the tax-exempt nature of the Bonds, not to exploit the difference between taxable and tax-exempt interest rates.

Section 2.3. No Grants. None of the Sale Proceeds or investment earnings thereon will be used to make grants to any person.

Section 2.4. Hedges. The Issuer has not entered into or expects to enter into any hedge *(e.g.,* an interest rate swap, interest rate cap, futures contract, forward contract or an option) directly related to the Bonds. The Issuer acknowledges that the Internal Revenue Service could recalculate the Yield if the failure to account for any such hedge fails to clearly reflect the economic substance of this transaction.

ARTICLE III
USE OF PROCEEDS; DESCRIPTION OF FUNDS

Section 3.1. Use of Proceeds. (a) The Bond proceeds will be used as follows:

Sale Proceeds

Face Amount of the Bonds	$18,500,000.00
Net Original Issue Premium	643,565.45
Sale Proceeds	$19,143,565.45

Application

(1) $98,815.00 will be used to pay the underwriter's discount;

(2) $43,300.00 will be used to pay the insurance premium to MBIA Insurance Corporation;

(3) $3,083.35 will be used to pay the cost of the State of Oregon Bond Guaranty;

(4) $38,550.00 will be used to pay other costs of issuance of the Bonds; and

(5) $18,959,817.10 will be used to pay the cost of the Project.

Section 3.2. Purpose of Debt Service Fund. The Debt Service Fund will be used primarily to achieve a proper matching of revenues and earnings with principal of and interest payments on the Bonds in each bond year. It is expected that the Debt Service Fund will be depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (a) the earnings on the investment of moneys in the Debt Service Fund for the immediately preceding bond year or (b) 1/12th of the principal and interest payments on the Bonds for the immediately preceding bond year.

Section 3.3. No Other Gross Proceeds. (a) Except as described in Section 3.1 hereof, after the issuance of the Bonds, the Issuer will not have any property, including cash or securities, that constitutes:

(i) Sale Proceeds;

(ii) amounts in any fund and account with respect to the Bonds (other than the Rebate Fund);

(iii) amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Bonds were not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);

(iv) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Bonds or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Bonds, or obligations under any credit enhancement or liquidity device with respect to the Bonds, even if the Issuer encounters financial difficulties;

(v) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the owners or any credit enhancement provider, including any liquidity device or negative pledge (any amount pledged to pay principal of or interest on an issue held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of owners or a guarantor of the Bonds); or

(vi) amounts actually or constructively received from the investment and reinvestment of the amounts described in (i) or (ii) above.

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes or similar arrangement exists with respect to, in any way, the Bonds or any credit enhancement or liquidity device related to the Bonds.

(c) The term of the Bonds is not longer than is reasonably necessary for the governmental purposes of the Bonds.

Section 3.4. Expenditure of Proceeds. (a) The Issuer reasonably expects that at least 85% of the Net Sale Proceeds of the Bonds will be used to pay the costs of the Project no later than May 25, 2008.

(b) The Issuer reasonably expects to enter into within six months of the date of issuance of the Bonds a substantial binding obligation to a third party to expend at least 5% of the Net Sale Proceeds of the Bonds on capital projects.

(c) The Issuer reasonably expects that work on the Project and the allocation of the Net Sale Proceeds to expenditures with respect thereto will proceed with due diligence.

(d) The term of the Bonds is not longer than is reasonably necessary for the governmental purposes of the Bonds.

ARTICLE IV
ARBITRAGE REBATE; RECORD KEEPING; INVESTMENT DIRECTION

Section 4.1. Compliance with Rebate Provisions. The Issuer covenants to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the Rebate Provisions applicable to the Bonds. The Issuer will make, or cause to be made, rebate payments with respect to the Bonds in accordance with law. For arbitrage purposes, the Bonds are treated as a single issue, and thus all calculations and payments relating to arbitrage rebate must be made for the Bonds in the aggregate.

Section 4.2. Rebate Exceptions. (a) Certain Gross Proceeds of the Bonds will be exempt from the Rebate Requirement described in Section 4.2(f) hereof if the Bonds satisfy the requirements of Section either 4.2(b), (c), (d) or (e) hereof.

(b) Two Year Exception. The Issuer reasonably expects to spend at least 75 percent of the Available Construction Proceeds of the Bonds for Construction Expenditures with respect to property reasonably expected by the Issuer to be owned by a governmental unit. The Issuer has not previously failed to use proceeds of any other issue of tax-exempt obligations in accordance with certifications of reasonable expectations made with respect to such other issues or tax-exempt obligations similar to those made in this Section 4.2(b). The Rebate Requirement described in Section 4.2(f) hereof shall not apply to the Available Construction Proceeds of the Bonds (or to Gross Proceeds of the Bonds used to pay for costs of issuance of the Bonds) if all Gross Proceeds to be used to pay costs of issuance are expended by the fourth Measuring Date, as defined below, if the following percentages (the "Required Expenditures") of such Available Construction Proceeds are expended for the governmental purposes of the Bonds by the last day of each of the periods identified below (the "Measuring Dates"). The governmental purposes of the Bonds include (1) payments of interest on but no payments of principal of the Bonds, (2) payments of interest on other obligations of the Issuer, which interest either (i) accrues on such other obligations during a one-year period including the Closing, (ii) is a capital expenditure as defined in Treasury Regulations Section 1. 150-1 (b), or (iii) is a de minimis Working Capital Expenditure, and (3) payments of costs of issuance made from earnings on Gross Proceeds.

Required Percentage of Expenditure of Available Construction Proceeds	Measuring Date
10%	November 25, 2005
45%	May 25, 2006
75%	November 25, 2006
100%	May 25, 2007

The Required Expenditures as of the last of the Measuring Dates will be treated as made if, as of the fourth such Measuring Date, all Available Construction Proceeds have been spent for the governmental purposes of the Bonds, except for a Reasonable Retainage not exceeding 5% of the Available Construction Proceeds as of such date, and 100% of the Available Construction Proceeds are actually spent for the governmental purposes of the Bonds within the 3~year period beginning on the Closing. A failure to satisfy the final spending requirement will be disregarded if the Issuer exercises due diligence to complete the Projects and the amount of the failure does not exceed the lesser of 3 percent of the issue price of the Bonds or $250,000. For purposes of determining whether the above spending requirements have been met as of the first three Measuring Dates, Available Construction Proceeds shall include earnings reasonably expected by the Issuer as of the Closing to be generated for the entire two year period. For purposes of determining whether the Required Expenditures have been made as of the fourth and any subsequent Measuring Date identified above, Available Construction Proceeds shall include only actual investment earnings generated as of such date. In the event any of the Required Expenditures are not made as and when required, all Gross Proceeds of the Bonds shall be subject to the Rebate Requirement set forth in Section 4.2(f) of this Tax Certificate. In the event the Bonds satisfies all requirements described in this Section 4.2(b) necessary to qualify for the exemption from the Rebate Requirement, the Issuer, may nevertheless subsequently elect to disregard the exemption from the Rebate Requirement provided by this Section 4.2(b) and to satisfy the Rebate Requirement with respect to all Gross Proceeds of the Bonds.

(c) Eighteen Month Exception. The Rebate Requirement described in Section 4.2(f) hereof shall not apply to the Gross Proceeds of the Bonds if the following percentages (the "Qualifying Expenditures") of such Gross Proceeds are expended for the governmental purposes of the Bonds by the last day of each of the periods identified below (the "Qualifying Dates"). For this purpose the governmental purposes of the Bonds shall be as described above in Section 4.2(b) hereof. For this purpose, Gross Proceeds has the meaning set forth in Article I of this Tax Certificate, except that it does not include (i) amounts held in a bona fide debt service fund, (ii) amounts held in a reasonably required reserve or replacement fund, and (iii) amounts that, as of the Closing, are not reasonably expected to be Gross Proceeds, but that become Gross Proceeds after the end of the eighteen-month period.

Required Percentage Expenditure of Gross Proceeds	Qualifying Date
15%	November 25, 2005
60%	May 25, 2006
100%	November 25, 2006

The Qualifying Expenditures as of the last of the Qualifying Dates set forth above will be treated as made if, as of the third such date, all such Gross Proceeds have been spent for the governmental purposes of the Bonds, except for a Reasonable Retainage not exceeding 5 percent of the Gross Proceeds as of such date, and 100% of the Gross Proceeds are actually spent for the governmental purposes of the Bonds within the 30-month period beginning on the Closing. A failure to satisfy the final spending requirement will be disregarded if the Issuer exercises due diligence to complete the Projects and the amount of the failure does not exceed the lesser of 3 percent of the issue price of the Bonds or $250,000. For purposes of determining whether the above Qualifying Expenditures have been made as of the first two Qualifying Dates, the Issuer shall include earnings reasonably expected by the Issuer as of the Closing to be generated for the entire 18-month spending period. For purposes of determining whether the Qualifying Expenditures have been made as of the third and any subsequent Qualifying Dates, the Issuer shall include only actual investment earnings generated as of such date. In the event any of the Qualifying Expenditures are not made as and when required, all Gross Proceeds of the Bonds shall be subject to the Rebate Requirement set forth in Section 4.2(f) of this Tax Certificate. In the event the Bonds satisfies all requirements described in this Section 4.2(c) necessary to qualify for the exemption from the Rebate Requirement, the Issuer may nevertheless subsequently elect to disregard the available exemption from the Rebate Requirement provided in this Section 4.2(c) and to satisfy the Rebate Requirement with respect to all Gross Proceeds of the Bonds. Notwithstanding the above, Gross Proceeds of the Bonds shall not be eligible for the exemption from the Rebate Requirement described in this Section 4.2(c) unless the Rebate Requirement set forth in Section 4.2(f) is met for Gross Proceeds of such issue not required to be spent within the 18-month spending period (other than earnings on amounts in the Debt Service Fund).

(d) Six Month Exception. The Bonds shall be treated as meeting the Rebate Requirement described in Section 4.2(f) hereof if the Gross Proceeds of the Bonds are expended for the governmental purposes of such issue within the 6-month period beginning on the Closing. For purposes of this Section 4.2(d), the governmental purposes of the Bonds include payments of interest on but not payments of principal of the Bonds, and payments of interest on or principal of other obligations of the Issuer. The six-month spending period will be extended for an additional six months if the Gross Proceeds of the Bonds, as specially defined for purposes of this Section 4.2(d), are expended within the first six-month spending period except for an amount not exceeding the lesser of 5% of the issue price of the Bonds, or $100,000. Notwithstanding the above, Gross Proceeds of the Bonds shall not be eligible for the exemption from the Rebate Requirement described in this Section 4.2(d) unless the Rebate Requirement set forth in Section 4.2(f) is met for Gross

Proceeds of such issues not required to be spent within the six-month spending period (other than earnings on amounts in the Debt Service Fund). In the event that the Bonds satisfy the requirements of this Section 4.2(d), the Issuer may nevertheless subsequently elect to disregard the availability of the exemption from rebate described in this Section 4.2(d) and to satisfy the Rebate Requirement with respect to the Bonds.

(e) Small Issuer Exception. The Bonds shall be treated as meeting the Rebate requirement described in Section 4.2(f) hereof if (1) the Bonds are issued by a governmental unit with general taxing powers (i.e. the power to impose taxes of general applicability which, when collected, may be used for general purposes of the issuer), (2) the Bonds are not private activity bonds, (3) at least 95% of the net proceeds of the Bonds are to be used for the local governmental activities of the Issuer or a governmental unit entirely within the jurisdiction of the Issuer, and (4) the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the Issuer and all subordinate entities of the Issuer during the calendar year of the issuance of the Bonds is not reasonably expected to exceed $5,000,000 plus the lesser of $10,000,000 or the face amount of bonds that are attributable to proceeds used to pay construction expenditures of public school facilities.

(f) Rebate Requirement. The Rebate Requirement as of any Computation Date, subject to such modifications as may be made by Treasury Regulations or rulings, is an amount equal to the excess (if any) of the future value of all Nonpurpose Receipts over the future value of all Nonpurpose Payments. All future values are computed as of the Computation Date using an interest rate equal to the Bond Yield.

(g) Future Value. The future value of a Nonpurpose Receipt or Payment is calculated using the following formula:

$$FV = PV\,(I + i)^n$$

where FV = The future value of the Nonpurpose Receipt or Payment;

PV = The amount of the Nonpurpose Receipt or Payment;

i = Bond Yield divided by the number of compounding intervals in a Bonds Year; and

n = The number of compounding intervals from the date of the Nonpurpose Receipt or Payment through the Computation Date.

(h) Allocation and Accounting Rules. Generally, investments are allocated to the Bonds for the period that (1) begins on the date Gross Proceeds are allocated to the Bonds and to the investment, and (2) ends on the date such Gross Proceeds cease to be allocated to the Bonds or to the investment.

(i) Relationship to Yield Restriction. Subject to Section 4.2(i) hereof, the requirements of this Section 4.2 relating to the Rebate Requirement of the Code apply to all Gross Proceeds, regardless of whether such amounts are subject to yield restriction or are unrestricted as to yield. Thus, an amount of Gross Proceeds may be "unrestricted as to yield" but will, notwithstanding that characterization, be subject to the Rebate Requirement of the Code. Similarly, an amount of Gross Proceeds may be "restricted as to yield" but will, notwithstanding that characterization, also be subject to the Rebate Requirement of the Code.

(j) Debt Service Fund. The amounts in the Debt Service Fund and the earnings thereon are excluded from the calculation of the Rebate Requirement in any year in which the gross earnings in such fund are less than $100,000. The Issuer shall comply with the recordkeeping requirements set forth in Section 4.4 of this Tax Certificate with respect to such earnings.

(k) Computation and Payment Dates. The Rebate Requirement, net of the Computation Date Credit, must be computed by the Issuer as of each Installment Computation Date and as of the Final Computation Date. Rebate installments of an amount which, when added to the future value of all previous rebate payments made with respect to the Bonds, equals at least 90 percent of the Rebate Requirement, must be paid by the Issuer no later than the date 60 days after each Installment Computation Date. The final rebate payment of an amount which, when added to the future value of all previous rebate payments made with respect to the Bonds, equals 100 percent of the Rebate Requirement as of the Final Computation Date, must be paid by the Issuer to the Department of Treasury no later than the date 60 days after the Final Computation Date.

(l) Procedure for Remittance. Each payment to be made by the Issuer pursuant to this Section shall be filed with the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255 on or before the date payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T.

Section 4.3. Rebate Fund. The Issuer hereby agrees to establish a special fund to be known as the General Obligation Bonds, Series 2005 Rebate Fund" (the *"Rebate Fund")*, which, if created, shall be continuously held, invested, expended and accounted for in accordance with this Tax Agreement. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the Owners. Except as provided in the Regulations, moneys in the Rebate Fund (including earnings and deposits therein) shall be held in trust for payment to the United States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Tax Agreement.

Section 4.4. Records. The Issuer agrees to keep and retain or cause to be kept and retained until six years after the Bonds are paid in full adequate records with respect to the investment of all Gross Proceeds and amounts in the Rebate Fund. Such records shall include:

(a) purchase price;
(b) purchase date;
(c) type of investment;
(d) accrued interest paid;
(e) interest rate;
(f) principal amount;
(g) maturity date,
(h) interest payment date;
(i) date of liquidation; and
(j) receipt upon liquidation.

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment is retained after the date the last Bond is retired, the records required to be kept shall include the fair market value of such investment on the date the last Bond is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

Section 4.5. Fair Market Value; Certificates of Deposit and Investment Agreements. In making or directing investments of Gross Proceeds, the Issuer shall take into account prudent investment standards including the date on which moneys to be invested may be needed. Amounts which constitute Gross Proceeds and any amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable in investments permitted under this Tax Agreement, and no amounts may be held as cash or be invested in zero Yield investments other than obligations of the United States purchased directly from the United States; provided, however, that in the event moneys cannot be invested, other than as provided in this sentence, due to the denomination, price or availability of investments, such amounts shall be invested in an interest bearing deposit account of a bank with a Yield not less than that paid to the general public or held uninvested (but uninvested amounts shall be held to the minimum amount necessary).

For purposes of determining the purchase price of investments (for either Yield restriction or rebate purposes), Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in GICs shall be invested only in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below.

(b) Investments in GICs shall be made only if

(i) a bona fide solicitation is made for a specified GIC and at least three bona fide bids from different providers that have no material financial interest in the Bonds (e.g., as underwriters or brokers) are received;

(ii) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased;

(iii) the Yield on the GIC (determined net of broker's fees) is not less than the Yield then available from the provider on reasonably comparable GIGS, if any, offered to other persons from a source of funds other than Gross Proceeds of tax-exempt obligations;

(iv) the determination of the terms of the GIC takes into account as a significant factor the reasonably expected drawdown schedule for the amounts to be invested, except for amounts deposited in the Debt Service Fund;

(v) the terms of the GIC, including collateral security requirements, are reasonable;

(vi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC;

(vii) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(viii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review others bids (a last look) before bidding; and

(ix) all bidders for the GICs are reasonably competitive providers of investments of the type purchased.

Moneys to be rebated to the United States shall be invested to mature on or prior to the anticipated rebate payment date. All investments made with Gross Proceeds or amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically described in this section and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an "established securities market" includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established market solely because it is convertible into property which is so traded.

Section 4.6. Arbitrage Elections. No elections with respect to arbitrage are being made on the date hereof.

ARTICLE V
YIELD AND INVESTMENT LIMITATIONS

Section 5.1. Issue Price. The Purchaser has certified, inter alia, in the Certificate of the Purchaser set forth as Exhibit A, which is attached hereto, the first offering price at which it sold at least 10% of the Bonds, plus accrued interest.

Section 5.2. Yield Limits. (a) Except as provided in paragraph (b), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Bonds.

(b) The following may be invested without Yield restriction:

(i) amounts invested in Qualified Tax Exempt Obligations;

(ii) amounts in the Rebate Fund;

(iii) amounts on deposit in the Debt Service Fund that have not been on deposit for more than 13 months, so long as the Debt Service Fund continues to qualify as a bona fide debt service fund as described in Section 3.2 hereof; and

(iv) non-refunding proceeds of the Bonds until three years from the date hereof.

Section 5.3. Continuing Nature of Yield Limits. Except as provided in Section 6.8, once moneys are subject to the Yield limits of Section 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

Section 5.4. Other Payments Relating to the Bonds. Except for (a) costs of issuance relating to the Bonds, including the Purchaser's compensation, (b) fees and expenses of the paying agent, and (c) fees, and expenses of the Issuer, no consideration, in cash or in kind, is being or will be paid by any person to any person in connection with or relating to issuing, carrying or redeeming the Bonds.

Section 5.5. Federal Guarantees. Except for investments meeting the requirements of Sections 5.2(b) hereof, investments of Gross Proceeds shall not be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (e.g., Refcorp Strips); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). No portion of the payment of principal or interest on the Bonds, or any other credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any Issuer or instrumentality thereof). No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any Issuer or instrumentality thereof). This Section 5.5 does not apply to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

ARTICLE VI
MISCELLANEOUS

Section 6.1. Termination; Interest of Issuer in Rebate Fund. This Tax Agreement shall terminate at the later of (a) 75 days after the Bonds have been fully paid and retired or (b) the date on which all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United States and any other payments required to satisfy the Rebate Provisions of the Code have been made to the United States. Notwithstanding the foregoing, the provisions of Section 4.3 hereof shall not terminate until the sixth anniversary of the date the Bonds are fully paid and retired.

Section 6.2. Form 8038-G. The information contained in the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G attached hereto as *Exhibit B,* is true and complete. The Issuer will file, or cause to be filed, Form 8038-G (and all other required information reporting forms) in a timely manner.

Section 6.3. Common Plan of Financing. During the period commencing on May 9, 2005 and ending on May 25, 2005, no obligations issued by or on behalf of a state or political subdivision that are reasonably expected to be paid out of substantially the same source of funds as the Bonds have been or will be sold or delivered, except for the Bonds.

Section 6.4. No Sale of the Project. No portion of the Project other than personal property or fixtures which are expected to be sold, traded in or discarded upon wearing out or becoming obsolete is expected to be sold or otherwise disposed of in whole or in part prior to the last maturity of the Bonds.

Section 6.5. Future Events. The Issuer acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein and agree to promptly contact Bond Counsel if such changes do occur.

Section 6.6. Permitted Changes; Opinion of Bond Counsel. The Yield restrictions contained in Section 5.2 or any other restriction or covenant contained herein need not be observed or may be changed if the Issuer receives an opinion of Bond Counsel to the effect that such nonobservance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled.

Section 6.7. Severability. If any clause, provision or section of this Tax Agreement is ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, sections or provisions hereof.

Section 6.8. Successors and Assigns. The terms, provisions, covenants and conditions of this Tax Agreement shall bind and inure to the benefit of the respective successors and assigns of the Issuer.

Section 6.9. Headings. The headings of this Tax Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Tax Agreement.

Section 6.10. Governing Law. This Tax Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

Section 6.11. Expectations. The facts, estimates, circumstances and expectations of the Issuer as to future events in connection with the issuance of the Bonds are set forth in summary form in this Tax Agreement. Such facts and estimates are true and are not incomplete in any material respect. On the basis of such facts, estimates, circumstances and expectations, it is not expected that the Sale Proceeds or any other moneys or property will be used in a manner that will cause the Bonds to be arbitrage bonds within the meaning of the Rebate Provisions and the Regulations. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

DATED this 25th day of May, 2005.

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON

By: Saundra Buchanan
Saundra Buchanan
Chief Financial Officer

CERTIFICATE AS TO REOFFERING

Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Bonds
Series 2005

$18,500,000

The undersigned, on behalf of Seattle-Northwest Securities Corporation, as purchaser of the Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon General Obligation Bonds, Series 2005 in the aggregate principal amount of $18,500,000dated May 25, 2005 (the "Bonds"), certify as follows:

1. The Bonds have been sold through a bona fide public offering of the Bonds; and

2. The final reoffering price to the public (excluding bond houses, brokers, and other intermediaries) of each maturity of the Bonds at which price a substantial amount (defined as at least 10%) of the Bonds of each maturity was sold, is as follows:

Maturity	Principal Amount	Interest Rate	Reoffering Yield
06/15/2006	$ 235,000.00	3.000%	2.75%
06/15/2007	350,000.00	3.250%	2.93%
06/15/2008	395,000.00	3.250%	3.06%
06/15/2009	475,000.00	3.500%	3.15%
06/15/2010	525,000.00	3.500%	3.27%
06/15/2011	565,000.00	3.500%	3.40%
06/15/2012	625,000.00	3.750%	3.51%
06/15/2013	680,000.00	3.750%	3.63%
06/15/2014	225,000.00	4.625%	3.73%
06/15/2014	515,000.00	4.000%	3.73%
06/15/2015	810,000.00	4.000%	3.82%
06/15/2016	250,000.00	5.000%	3.90%*
06/15/2016	625,000.00	4.000%	3.90%*
06/15/2017	1,000,000.00	5.000%	3.96%*
06/15/2018	1,040,000.00	5.000%	4.01%*
06/15/2019	1,130,000.00	5.000%	4.05%*
06/15/2020	1,000,000.00	5.000%	4.10%*
06/15/2020	255,000.00	4.500%	4.10%*
06/15/2021	1,330,000.00	5.000%	4.16%*
06/15/2022	1,440,000.00	5.000%	4.21%*
06/15/2023	1,555,000.00	5.000%	4.26%*
06/15/2025	3,475,000.00	4.250%	4.41%

* *Priced to the call date.*

EXHIBIT A

3. The net original issue premium generated in connection with the reoffering of the Bonds to the public in the amount of $643,565.45 resulted from market conditions at the time of pricing and was necessary in order to obtain the lowest true interest cost for the Bonds.

DATED this 25th day of May, 2005.

SEATTLE-NORTHWEST SECURITIES CORPORATION

By________________________________
Authorized Representative

Form **8038-G** (Rev. November 2000) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
▶ See separate Instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ▶ ☐

1 Issuer's name: Columbia Gorge Community College District	2 Issuer's employer identification number: 93 : 0700843
3 Number and street (or P.O. box if mail is not delivered to street address): 400 East Scenic Drive	Room/suite:	4 Report number: 3 01
5 City, town, or post office, state, and ZIP code: The Dalles, Oregon 97058-3434	6 Date of issue: May 25, 2005
7 Name of issue: General Obligation Bonds, Series 2005	8 CUSIP number: 197659 CB9
9 Name and title of officer or legal representative whom the IRS may call for more information: James P. Shannon, Bond Counsel	10 Telephone number of officer or legal representative: (503) 226-6400

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11	☑ Education	11	19,143,565
12	☐ Health and hospital	12	
13	☐ Transportation	13	
14	☐ Public safety	14	
15	☐ Environment (including sewage bonds)	15	
16	☐ Housing	16	
17	☐ Utilities	17	
18	☐ Other. Describe ▶	18	

19 If obligations are TANs or RANs, check box ▶ ☐ If obligations are BANs, check box ▶ ☐
20 If obligations are in the form of a lease or installment sale, check box ▶ ☐

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	6/15/2025	$ 19,143,565	$ 18,500,000	13.3591 years	4.1165 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	-0-
23	Issue price of entire issue (enter amount from line 21, column (b))			23	19,143,565
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	137,365		
25	Proceeds used for credit enhancement	25	46,383		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	-0-		
27	Proceeds used to currently refund prior issues	27	-0-		
28	Proceeds used to advance refund prior issues	28	-0-		
29	Total (add lines 24 through 28)			29	183,748
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	18,959,817

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31 Enter the remaining weighted average maturity of the bonds to be currently refunded ▶ N/A years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded ▶ N/A years
33 Enter the last date on which the refunded bonds will be called ▶ N/A
34 Enter the date(s) the refunded bonds were issued ▶ N/A

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) — 35: N/A
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions) — 36a: N/A
b Enter the final maturity date of the guaranteed investment contract ▶ ----------
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units — 37a: N/A
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ ---------- and the date of the issue ▶ N/A
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☐
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐
40 If the issuer has identified a hedge, check box ▶ ☐

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Saundra Buchanan — Signature of issuer's authorized representative
5/25/05 — Date
Saundra Buchanan, Chief Financial Officer — Type or print name and title

For Paperwork Reduction Act Notice, see page 2 of the Instructions. Cat. No. 63773S Form **8038-G** (Rev. 11-2000)

EXHIBIT B

MBIA Insurance Corporation
113 King Street, Armonk, NY 10504
Tel 914-273-4545
www.mbia.com

MBIA

Capital Strength. Triple-A Performance.

TAX CERTIFICATE

Columbia Gorge Community College District
400 East Scenic Drive
The Dalles, Oregon 97058

RE: $18,500,000 Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, General Obligation Bonds, Series 2005
(the "Obligations")

Ladies and Gentlemen:

In connection with the issuance of the above-referenced obligations (the "Obligations"), MBIA Insurance Corporation (the "Insurer") is issuing a financial guaranty insurance policy (the "Policy") securing the payment of principal and interest on the Obligations.

This is to advise you that:

1. The Policy is an unconditional obligation of the Insurer to pay scheduled payments of principal and interest on the Obligations in the event of a failure to do so by the Columbia Gorge Community College District (the "Issuer");

2. The insurance premium in the amount of $43,300 for the Policy, represents the charge for a transfer of credit risk and was determined in arm's length negotiations and is required to be paid as a condition to the issuance of the Policy;

3. No portion of such premium represents an indirect payment of costs related to the issuance of the Obligations other than for the transfer of credit risk;

4. The Insurer does not reasonably expect that it will be called upon to make any payment under the Policy; and

5. To the extent the Insurer is called upon to make any payment under the Policy, the Insurer reasonably expects to pursue all available legal remedies to secure reimbursement for such payment.

Dated: May 25, 2005

MBIA Insurance Corporation

Assistant Secretary

COLUMBIA GORGE COMMUNITY COLLEGE

400 EAST SCENIC DRIVE
THE DALLES, OREGON 97058
(541) 296-6182 • FAX (541) 298-3104

April 29, 2005

Ms. Carol Samuels
Seattle-Northwest Securities Corporation
1000 SW Broadway, Suite 1800
Portland, Oregon 97205

Re: Columbia Gorge Community College District
$18,500,000 General Obligation Bonds, Series 2005 – Preliminary Official Statement

Dear Ms. Samuels:

Seattle-Northwest Securities Corporation is serving as underwriter on the above captioned issue. As Chief Financial Officer of Columbia Gorge Community College District (the "Issuer"), I hereby certify as follows:

a) To the best of my knowledge and belief, after due review, the Preliminary Official Statement, except for matters directly relating to DTC and the Paying Agent, as of the date hereof does not contain any untrue statement of a material fact or omit any statement or information which is necessary to make the statements therein, in the light of the circumstances under which made, not misleading;

b) The copy of the Preliminary Official Statement attached hereto is hereby "deemed final" (except for the omission of the following information: offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, other terms of the securities depending on such matters, and the identity of the underwriter), for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1); and

c) Seattle-Northwest Securities Corporation is authorized to distribute and otherwise utilize the Preliminary Official Statement in connection with the marketing of the Bonds.

Sincerely,

Saundra Buchanan

Saundra Buchanan
Chief Financial Officer

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 29, 2005

$18,500,000[(1)]

Columbia Gorge Community College District

Hood River and Wasco Counties, Oregon

General Obligation Bonds, Series 2005

DATED: Date of Delivery DUE: June 15, as shown below

NOT BANK QUALIFIED — The Columbia Gorge Community College District in Hood River and Wasco Counties, Oregon (the "College" or "College District") has not designated the General Obligation Bonds, Series 2005 (the "Bonds") as "qualified tax-exempt obligations" for banks, thrift institutions and other financial institutions.

BOOK-ENTRY ONLY SYSTEM — The Bonds will be issued in fully registered form under a book-entry only system and will be registered in the name of Cede & Co., as bond owner and nominee for The Depository Trust Company ("DTC"). DTC will act as initial securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form, in the denomination of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased.

PRINCIPAL AND INTEREST PAYMENTS — Interest on the Bonds will be paid on December 15, 2005 and semiannually thereafter on June 15 and December 15 of each year to the maturity or earlier redemption of the Bonds. Principal of and interest on the Bonds will be payable to the persons in whose names such Bonds are registered (the "Beneficial Owner"), at the address appearing upon the registration books on the last business day of the month preceding a payment date. The principal of and interest on the Bonds will be payable by the College's Paying Agent, currently U.S. Bank National Association, to DTC which, in turn, will remit such principal and interest to the DTC participants for subsequent disbursement to the Beneficial Owners of the Bonds.

PURPOSE — The Bonds are being issued to finance the costs of capital construction and improvements for health science training and classroom facilities, renovate existing facilities, demolish unusable buildings, purchase land and pay the costs of issuance of the Bonds.

MATURITY SCHEDULE —

Due June 15	Amounts[(1)]	Interest Rates	Yields	CUSIP	Due June 15	Amounts[(1)]	Interest Rates	Yields	CUSIP
2006	$ 230,000				2016	$ 900,000			
2007	360,000				2017	970,000			
2008	425,000				2018	1,050,000			
2009	490,000				2019	1,135,000			
2010	540,000				2020	1,225,000			
2011	590,000				2021	1,315,000			
2012	645,000				2022	1,415,000			
2013	700,000				2023	1,525,000			
2014	765,000				2024	1,635,000			
2015	830,000				2025	1,755,000			

REDEMPTION — The Bonds are subject to redemption prior to their stated maturities as further described herein.

SECURITY — The Bonds are general obligations of the College and the full faith, credit and resources of the College are pledged for the punctual payment of the principal of and interest on the Bonds. The College has covenanted and is obligated by law to levy annually *ad valorem* taxes without limitation as to rate or amount on all taxable property in the College District sufficient to pay the principal of and interest on the Bonds. Such taxes are not subject to the limitations of Article XI, Sections 11 and 11b of the Oregon Constitution. The Bonds do not constitute a debt or indebtedness of Hood River County, Wasco County, the State of Oregon, or any political subdivision thereof other than the College.

TAX EXEMPTION — *In the opinion of Mersereau & Shannon, LLP, Bond Counsel ("Bond Counsel"), under existing law and assuming compliance by the College with certain tax covenants described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of determining the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel to the College, interest on the Bonds is exempt from present personal income tax imposed by the State of Oregon.*

DELIVERY — The Bonds are offered for sale to the original purchaser subject to the final approving legal opinion of Bond Counsel. It is expected that the Bonds will be available for delivery to the Paying Agent for Fast Automated Securities Transfer on behalf of DTC, on or about May 25, 2005 (the "Date of Delivery").

(1) Preliminary, subject to change.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

SEATTLE-NORTHWEST
SECURITIES CORPORATION

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Columbia Gorge Community College District
400 East Scenic Drive
The Dalles, Oregon 97058-3434
(541) 296-6182

Board of Education

Mike Schend	Chairman
Dr. Ernie Keller	Vice Chairman
Charleen Cobb	Board Member
Dave Fenwick	Board Member
Christie Reed	Board Member
M.D. Van Valkenburgh	Board Member
Dr. James R. Willcox	Board Member

College Administrators

Dr. Frank K. Toda	President
Saundra L. Buchanan	Chief Financial Officer
Dr. Susan Wolff	Dean of Instruction
Karen Carter	Dean of Student Services
Robert Cole	Executive Director of Resource Development
Dennis Whitehouse	Facilities Director
Bill Bohn	Information Technologies Director

Bond Counsel

Mersereau & Shannon, LLP
Portland, Oregon
(503) 226-6400

Paying Agent

U.S. Bank National Association
Portland, Oregon
(503) 275-5708

This Official Statement does not constitute an offer to sell the Bonds in any jurisdiction in which or to a person to whom it is unlawful to make such an offer. No dealer, salesperson or other person has been authorized by the College or Seattle-Northwest Securities Corporation (the "Underwriter") to give any information or to make any representations, other than those contained herein, in connection with the offering of the Bonds and, if given or made, such information or representations must not be relied upon. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create an implication that there has been no change in the affairs of the College since the date hereof.

This Preliminary Official Statement has been "deemed final" by the College, pursuant to Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, except for information which is permitted to be excluded from this Preliminary Official Statement under said Rule 15c2-12.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

In connection with this offering, the Underwriter may over allot or effect transactions that stabilize or maintain the market price of the bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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OFFICIAL STATEMENT

Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon

$18,500,000(1)
General Obligation Bonds, Series 2005

Columbia Gorge Community College District in Hood River and Wasco Counties, Oregon (the "College" or the "College District"), a community college district duly organized and existing under and by virtue of the laws of the State of Oregon (the "State") furnishes this Official Statement in connection with the offering of $18,500,000(1) aggregate principal amount of General Obligation Bonds, Series 2005 (the "Bonds"), dated the Date of Delivery.

This Official Statement, which includes the cover page and appendices, provides information concerning the College and the Bonds.

The District

The College is an independent municipal corporation under the Oregon Revised Statutes.

The College was originally organized as an "Area Education District," as described in Chapter 341 of the Oregon Statues relating to Community Colleges. In 1977, Wasco Area Education Service District was formed. Later that year, the College's name was changed to Treaty Oak Education Service District. In 1989, a vote of the people of Wasco County allowed the Board of Education to drop the "Service District" designation and the College became Treaty Oak Community College. The name changed again in November of 1989 to Columbia Gorge Community College. On November 6, 2001, voters in Wasco County and Hood River County approved the annexation of a portion of Hood River County to join the Columbia Gorge Community College District.

Description of the Bonds

Principal Amount, Date, Interest Rates and Maturities

The Bonds will be issued in the aggregate principal amount posted on the cover of this Official Statement and will be dated and bear interest from the Date of Delivery. The Bonds will mature on the dates and in the principal amounts and will bear interest, payable semiannually, until the maturity or earlier redemption of the Bonds as set forth on the cover of this Official Statement. Interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Redemption Provisions

Optional Redemption. The Bonds maturing in years 2006 through ____, inclusive, are not subject to redemption prior to maturity. The Bonds maturing on and after June 15, ____ are subject to redemption by lot at the option of the College, in whole or in part on any date, on and after June 15, ____ at the price of par, plus accrued interest, if any, to the date of redemption.

For as long as the Bonds are in book-entry only form, if fewer than all of the Bonds of a maturity are called for redemption, the selection of Bonds within a maturity to be redeemed shall be made by The Depository Trust Company, New York, New York ("DTC") in accordance with its operational procedures then in effect. See Appendix C attached hereto. If the Bonds are no longer held in book-entry only form, then the College's

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(1) Preliminary, subject to change.

registrar and paying agent, currently U.S. Bank National Association (the "Paying Agent"), would select Bonds for redemption by lot.

Notice of Redemption (Book-Entry). So long as the Bonds are in book-entry only form, the Paying Agent shall notify DTC of an early redemption not less than 30 days prior to the date fixed for redemption, and shall provide such information as required by a letter of representation submitted to DTC in connection with the issuance of the Bonds.

Notice of Redemption (No Book-Entry). During any period in which the Bonds are not in book-entry only form, unless waived by any Owner of the Bonds to be redeemed, official notice of any redemption of Bonds shall be given by the Paying Agent on behalf of the College by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption, to the Owners of the Bonds to be redeemed at the address shown on the bond register or at such other address as is furnished in writing by such Owner to the Paying Agent.

Paying Agent and Registration Features

Paying Agent. The principal of and interest on the Bonds will be payable by the Paying Agent to DTC, which, in turn, is obligated to remit such principal and interest to its participants ("DTC Participants") for subsequent disbursement to the persons in whose names such Bonds are registered (the "Beneficial Owners") of the Bonds, as further described in Appendix C attached hereto. Interest on the Bonds shall be credited to the Beneficial Owners by the DTC participants.

Book-Entry System. The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co. as Bond Owner and as nominee for DTC. DTC will act as securities depository for the Bonds. Individual purchases and sales of the Bonds may be made in book-entry form only in minimum denominations of $5,000 within a single maturity and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds. See Appendix C attached hereto for additional information.

Procedure in the Event of Revisions of Book-Entry Transfer System. If DTC resigns as the securities depository and the College is unable to retain a qualified successor to DTC, or the College has determined that it is in the best interest of the College not to continue the book-entry system of transfer or that interests of the Beneficial Owners of the Bonds might be adversely affected if the book-entry system of transfer is continued, the College will execute, authenticate and deliver at no cost to the Beneficial Owners of the Bonds or their nominees, Bonds in fully registered form, in the denomination of $5,000 or any integral multiple thereof within a maturity. Thereafter, the principal of the Bonds will be payable upon due presentment and surrender thereof at the principal office of the Bond Registrar; interest on the Bonds will be delivered to the persons in whose names such Bonds are registered, at the address appearing upon the registration books on the last business day of the month preceding an interest payment date, and the Bonds will be transferable as provided in the Resolution (defined below).

Authorization for Issuance

The College is authorized pursuant to the Constitution and Statutes of the State of Oregon, specifically Oregon Revised Statutes ("ORS") 341.675 through 341.702; 287.014 through 287.020; and 287.029 (collectively, the "Act"), to issue general obligation bonds to finance capital construction and improvements. This general obligation bond is issued pursuant to the Act and a resolution (the "Resolution") adopted by the College's Board of Education (the "Board") on April 12, 2005.

The measure for authorizing up to $18,500,000 of general obligation bonds was on the November 2, 2005 ballot in the College District and was approved by a favorable vote of the College's residents. Final election results were as follows:

Voter Tally

	Number of Votes	Percentage
Yes	12,069	59%
No	8,255	41%

Source: Columbia Gorge Community College Election Declaration Resolution, December 7, 2004.

Article XI, Section 11 of the Oregon Constitution ("Article XI, Section 11"), requires that for new or additional ad valorem property taxes approval must be by not less than 50 percent of *voters voting* in a general election in an even-numbered year. Fifty-nine percent of voters in the College District approved the bond measure on November 2, 2004, meeting the constitutional requirement

The ballot measure for the Bonds states that the Bonds will mature over a period not to exceed21 years.

Purpose and Use of Proceeds

Purpose

The proceeds from the sale of the Bonds will be used to finance capital construction and improvements for health science training and classroom facilities, renovate existing facilities, demolish unusable buildings, purchase land and pay the costs of issuance of the Bonds (the "Project").

The Project includes:

- Constructing a new nurse training and health sciences building;
- Adding classrooms and labs, upgrading the library and modernizing instructional technology for college transfer, basic skills and workforce training programs;
- Renovating leaking roofs and making other improvements to address environmental, fire and safety concerns and to prolong building life;
- Restoring existing campus buildings and grounds to a safe and sound condition;
- Removing condemned and unusable buildings;
- Purchasing property in Hood River County for classrooms and labs to provide job training, college transfer, and adult basic education programs, as well as expanding opportunities for high school students; and
- Paying the costs of issuance of the Bonds.

Sources and Uses of Funds

The proceeds of the Bonds are estimated to be applied as follows:

Estimated Sources and Uses of Funds

Sources of Funds(1)	
Par Amount of Bonds	$ 18,500,000
Accrued Interest	
Original Issue Premium	
Total Sources of Funds	$
Uses of Funds(1)	
Project Requirements	$
Accrued Interest	
Underwriting and Costs of Issuance	
Total Uses of Funds	$

(1) Information will be provided in the final Official Statement. Principal amount is preliminary, subject to change.

Security for the Bonds

General

The Bonds are general obligations of the College and the full faith, credit and resources of the College are pledged for the punctual payment of the principal of and the interest on the Bonds. The Bonds are secured by ad valorem taxes to be levied against all taxable property within the College District without limitation as to rate or amount under Article XI, Sections 11 and 11b of the Oregon Constitution ("Article XI, Sections 11 and 11b") (see "Revenue Sources" herein). More specifically, for the purpose of paying the principal of and interest on the Bonds as the same will become due, the College will levy on all taxable property located within the College District, in addition to all other taxes, direct annual taxes sufficient in amount to provide for the payment of principal of and interest on the Bonds. The taxes, when collected, are required to be applied solely for the purpose of payment of principal and interest on the Bonds and for no other purpose until theBonds will have been fully paid, satisfied and discharged.

The College may, subject to applicable laws, apply other funds available to make payments with respect to the Bonds and thereby reduce the amount of future tax levies for such purpose.

The Bonds do not constitute a debt or indebtedness of Hood River County, Wasco County, the State, or any political subdivision thereof other than theCollege.

Bonded Indebtedness

Obligation to Pay

Debt incurred by a community college district becomes the obligation of such community college district to pay. In the case that a community college district no longer has students and no longer provides educational services, it is still required to levy and collect property taxes, up to its permanent rate (see "Revenue Sources – Property Taxes" herein) to pay its debt obligations.

College District Debt Liability

The Bonds are secured by general ad valorem taxes to be levied against all taxable property within the College District without limitation as to rate oramount. See "Security for the Bonds" herein.

Prior to the annexation of real property in Hood River County to the College District, the College District issued its General Obligation Refunding Bonds, Series 1998 (the "Series 1998 Bonds"), to refund its General Obligation Bonds, Series 1993, which were approved only by the voters in Wasco County. The principal of and interest on the Series 1998 Bonds are payable solely from ad valorem taxes levied on the taxable property within the boundaries of the Wasco County portion of the College District and are not payable from any tax levy on taxable property within the boundaries of the Hood River County portion of the College District.

Debt Limitation

General Obligation Bonds. ORS 341.675 establishes a parameter of general obligation bonded indebtedness for community college districts. Community colleges may, subject to approval by voters within the community college district, issue bonds for college buildings, property acquisition and improvements, refunding outstanding debt and costs associated with bond issuance. Community colleges may issue up to an aggregate amount up to 1.5 percent of all the real market value ("Real Market Value") of all taxable properties within the district as reflected in the last certified assessment roll per ORS 308.207. **The Bonds are general obligation bonds, subject to the limitations of ORS 341.675.**

The following table shows the general obligation debt capacity of theCollege.

Real Market Value used to compute rate (Fiscal Year 2005)(1)	$ 3,710,075,564
General Obligation Debt Capacity:	
1.5% of Real Market Value	$ 55,651,133
Less: Outstanding Debt subject to limit	(23,760,000)(2)
Remaining Legal General Obligation Debt Capacity	$ 31,891,133
Percent of Capacity Issued	42.69%

(1) Fiscal years are from July 1 through June 30 (the "Fiscal Year"). *Source: Hood River County and Wasco County Assessors' Offices.*

(2) Represents voter-approved, unlimited tax general obligations of the College. Payment of principal and interest on the College's Series 1998 Bonds are the obligation of property owners in the College District's portion of Wasco County only. Payment of principal and interest on this Bond issue is the obligation of property owners throughout the College District. See "College District Debt Liability" herein. *Source: Audited Financial Report for the Year Ended June 30, 2004 and this Bond issue.*

Pension Bonds. ORS 238.694 authorizes community colleges to incur limited tax indebtedness for payment of pension liabilities without limitation as to principal amount. The College issued pension bonds in 2003 (see "Outstanding Long-Term Debt" herein); however, the Bonds are not pension bonds.

Other Limited-Tax Debt. Except as noted below, the State Constitution and statutes do not limit the amount of limited-tax debt payable from the general fund of community college districts. Such limited-tax debt includes full faith and credit obligations, certificates of participation and certain capital leases. Collection of property taxes to pay principal and interest on such limited-tax debt is subject to the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution. The College has a loan outstanding with the State of Oregon that is limited-tax debt; however, the Bonds are not limited-tax debt.

Notes. ORS 288.165 provides that the College may borrow money by entering into a credit agreement, or issuing notes, warrants, short-term promissory notes, commercial paper or other obligations ("notes"). The College does not have any notes outstanding at this time and theBonds are not notes.

Outstanding Long-Term Debt

General Obligation Bonds and Full Faith and Credit Obligations.

General Obligation Bonds	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding
Series 1998 Bonds(1)	11/01/98	06/01/13	$ 5,985,000	$ 5,260,000
Series 2005 Bonds (this issue)(2)	05/25/05	06/01/25	18,500,000	18,500,000
Total General Obligation Bonds				$ 23,760,000
Full Faith and Credit Obligations				
Oregon Small Scale Energy Loan	11/08/94	09/15/09	$ 263,000	$ 121,806

(1) Payment of principal and interest on the Series 1998 Bonds are the obligation of property owners in the College District's portion of Wasco County only. See "College District Debt Liability" herein.
(2) Preliminary, subject to change.

Source: Audited Financial Report for the Year Ended June 30, 2004 and this Bond issue.

General Obligation Bonds
Projected Debt Service Requirements

Fiscal	Series 1998 Bonds(1)		Series 2005 Bonds(2)		Total
Year	Principal	Interest	Principal	Interest	Debt Service(2)
2005	$ 455,000	$ 214,785	$ 0	$ 0	$ 669,785
2006	485,000	197,723	230,000	851,835	1,764,557
2007	515,000	178,808	360,000	769,801	1,823,608
2008	535,000	158,465	425,000	758,893	1,877,358
2009	570,000	137,065	490,000	745,420	1,942,485
2010	615,000	114,265	540,000	729,005	1,998,270
2011	650,000	89,050	590,000	710,159	2,039,209
2012	695,000	62,075	645,000	688,683	2,090,758
2013	740,000	32,190	700,000	664,302	2,136,492
2014	0	0	765,000	637,072	1,402,072
2015	0	0	830,000	606,549	1,436,549
2016	0	0	900,000	572,685	1,472,685
2017	0	0	970,000	535,245	1,505,245
2018	0	0	1,050,000	494,311	1,544,311
2019	0	0	1,135,000	449,371	1,584,371
2020	0	0	1,225,000	400,339	1,625,339
2021	0	0	1,315,000	346,806	1,661,806
2022	0	0	1,415,000	288,683	1,703,683
2023	0	0	1,525,000	225,433	1,750,433
2024	0	0	1,635,000	156,503	1,791,503
2025	0	0	1,755,000	81,783	1,836,783
	$ 5,260,000	$ 1,184,425	$ 18,500,000	$ 10,712,873	$ 35,657,298

(1) Payment of principal and interest on the College's Series 1998 Bonds are the obligation of property owners in the College District's portion of Wasco County only. See "College District Debt Liability" herein.
(2) Amounts are provided for illustrative purposes only. Principal and interest are preliminary, subject to change.

Source: Audited Financial Report for the Year Ended June 30, 2004 and this Bond issue.

Pension Bonds. The College issued limited tax pension bonds in April 2003 (the "Pension Bonds"). Net proceeds of the Pension Bonds were deposited into a lump sum payment account at PERS for the benefit of the College. This Pension Bond was issued as part of a larger pool of pension obligations. The College's Pension Bonds refinance a portion of the Unfunded Actuarial Liability allocated to the College in the Oregon Public Employees Retirement System (see "Pension System" herein). The Pension Bonds were issued in the principal amount of $3,570,327.10. Such lump sum payment reduced the College's current payroll contribution rates (see "Pension System" herein), and, if returns on the account exceed the cost of the borrowing, will result in a net benefit to the College. Payment of debt service on the Pension Bond is primarily from the College's General Fund, the same Fund from which the College would have made pension plan contributions for the unfunded actuarial liability.

Pension Bonds

Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding
04/23/03	06/30/28	$ 3,570,327.10	$ 3,570,327.10

Source: Audited Financial Report for the Year Ended June 30, 2004.

Summary of Overlapping Debt
(As of March 28, 2005)

Overlapping District	Real Market Value	Percent Overlap	Overlapping Debt: Gross Bonded Debt (1)	Overlapping Debt: Net Direct Debt (2)
Port of The Dalles	$ 1,220,849,505	100.0000%	$ 465,000	$ 465,000
Mid Columbia Fire and Rescue	1,084,314,998	100.0000%	3,065,000	3,065,000
The Dalles School District No. 12	812,574,274	100.0000%	16,305,000	16,305,000
City of Hood River	558,869,344	100.0000%	155,000	0
Ice Fountain Water District	509,065,632	100.0000%	3,265,000	2,690,000
Chenowith School District No. 9	376,050,604	100.0000%	1,570,000	1,570,000
Dufur School District No. 29	155,686,027	100.0000%	740,000	740,000
Odell Sanitary District	115,600,208	100.0000%	25,000	25,000
City of Maupin	35,890,328	100.0000%	146,614	146,614
City of Dufur	26,164,951	100.0000%	138,230	138,230
City of Mosier	25,337,733	100.0000%	55,438	0
City of Shaniko	3,413,645	100.0000%	1,146	1,146
Wasco County	1,626,398,659	99.5293%	3,219,773	3,219,773
Hood River Valley Parks & Recreation District	1,613,140,881	97.7402%	1,808,194	1,808,194
Hood River County	1,682,666,786	93.7017%	2,544,001	2,544,001
Hood River County School District	1,682,666,786	93.7017%	14,369,156	14,369,156
Northern Oregon Regional Corrections	3,813,393,018	83.7949%	9,640,603	1,508,308
Sherman County School District	239,069,212	10.1600%	234	234
Jefferson County School District No. 509J	816,219,061	1.8298%	443,361	443,361
Total			$ 57,956,750	$ 49,039,017

(1) Gross Bonded Debt includes all bonds backed by a general obligation pledge including self-supporting general obligation bonds and limited tax debt.
(2) Net Direct Debt includes all unlimited tax-supported bonds. Self-supporting bonds are excluded.

Source: Debt Management Division, Oregon State Treasury.

Net Direct and Overlapping Debt

The following tables present information regarding the College's tax-supported debt, including the Bonds ("direct debt"), and the estimated portion of the debt of overlapping taxing districts allocated to the College District's property owners.

Fiscal Year 2005:	
Real Market Value (1)	$ 3,710,075,564
Assessed Value (2)	$ 2,533,215,083
Estimated Population	43,236

Debt Information		
Net Direct Debt (includes this issue)(3)	$	23,760,000
Estimated Net Overlapping Debt (as detailed further herein) (3)		49,039,017
Total Net Direct and Overlapping Debt(3)	$	72,799,017
Bonded Debt Ratios		
Net Direct Debt to Real Market Value		0.64%
Net Direct and Net Overlapping Debt to Real Market Value		1.96%
Per Capita Real Market Value	$	85,810
Per Capita Net Direct Debt	$	550
Per Capita Total Net Direct and Net Overlapping Debt	$	1,684

(1) Value is the Real Market Value of taxable property, including special assessed properties such as farms, within the College District. The value is commonly referred to as the "Measure 5 value" by county assessors.

(2) The value is the net assessed value of taxable property in the College District, which is the value used to compute tax rates.

(3) Net Direct and Net Overlapping Debt includes all voter-approved, tax-supported bonds, including the Series 1998 Bonds and this Bond issue. Self-supporting bonds and limited tax obligations, such as full faith and credit obligations and capital leases, are excluded. Payment of principal and interest on the Series 1998 Bonds are the obligation of property owners in Wasco County. Payment of principal and interest on this Bond issue is the obligation of property owners throughout the College District. See "College District Debt Liability" herein.

Short-Term Borrowing

The College does not currently have any notes outstanding, nor does it plan to issue any notes in calendar year 2005.

Debt Payment Record

The College has promptly met principal and interest payments on outstanding bonds and other indebtedness in the past ten years when due. Additionally, no refunding bonds have been issued for the purpose of preventing an impending default.

Future Financings

Other than the Bonds, the College has no authorized but unissued bonds outstanding, nor does it anticipate issuing additional long-term debt within calendar year 2005.

Revenue Sources

Community College District Funding

Community colleges derive revenue from three primary sources: State aid, *ad valorem* property taxes, and tuition and fees. State funding, property taxes and tuition revenues support programs for: (i) professional and technical education programs, (ii) lower division transfer classes, similar to those offered in the first two years at a four-year university, (iii) training for displaced workers, as well as skill enhancement for employed workers, (iv) training tailored for businesses, and (v) adult literacy, including General Education Development course work. Professional technical programs are supported by federal Carl Perkins funding.

The following table summarizes revenue sources for the College:

Columbia Gorge Community College District
General Fund Historic and Budgeted Revenue Sources

Revenues	2005(1)	2004(2)	2003(3)	2002	2001	2000
State sources	$ 2,752,069 (4)	$ 3,820,734 (5)	$ 2,012,339 (5)	$ 2,260,978	$ 2,004,737	$ 1,887,634
Federal sources	120,250	120,250	96,575	67,750	65,250	56,250
Ad valorem taxes and local sources	648,557	612,104	617,856	310,121	301,641	290,323
Tuition and fees	1,635,224	1,527,854	1,303,152	1,087,426	935,718	737,094
Other sources	427,606	67,686	67,407	61,439	132,058	132,066
Total Revenues	$ 5,583,706	$ 6,148,628	$ 4,097,329	$ 3,787,714	$ 3,439,404	$ 3,103,367

(1) Budgeted.
(2) The College implemented GASB-34 and 35.
(3) The State is scheduled to defer the last quarter's payment of State revenues to the College in Fiscal Year 2005.
(4) The College received $3,779,401 in Fiscal Year 2004 for State Community College Support, of which $622,797 was a fourth-quarter payment for Fiscal Year 2003 that was deferred by the State until Fiscal Year 2004. The College made budget cuts in Fiscal Year 2003 and raised tuition to compensate for the deferral of State revenues.

Source: Audited Financial Reports, and Fiscal Year 2005 Adopted Budget.

State of Oregon Community College Funding

The largest portion of revenue for community college districts is derived from the State based on a funding formula. The Legislative Assembly, which meets on a biennial basis, is responsible for determining the amount of education funding. The 2005 Legislative Assembly opened January 10, 2005. The State Board of Education establishes the allocation formula, which is subject to change. The current formula allocates revenues to community college districts based on the full-time equivalent ("FTE") student for each community college district.

Current State Funding Formula. Community College Support Funds ("CCSF") are distributed through a funding formula set forth in Oregon Administrative Rules 589-002-0100. The Oregon Department of Community Colleges and Workforce Development ("CCWD") administers the CCSF. The current formula allocates revenues to community college districts based on the FTE student for each community college district, as described below:

(1) The formula starts with the aggregate CCSF appropriated by the Legislative Assembly for community college districts in a given biennium (i.e., the amount allocated for each Fiscal Year of the biennium) and then subtracts the cost of certain line-item investments, such as service to students outside of districts, newly annexed areas, or other items directed by the Legislative Assembly, to be distributed outside the formula (the net amount is referred to as "State Formula Resources").

(2) State Formula Resources are distributed to individual community college districts based on a specific dollar amount for each FTE student. Five-hundred and ten clock hours of coursework equals one student deemed to be enrolled on a FTE basis.

(3) The base payment for each college is subject to adjustments according to the size of the college, providing colleges with lower average enrollment with higher base payment adjustments. Each community college district is to receive a base payment of $600 for each FTE up to and including 1,100 FTEs for Fiscal Year 2004-05, and $300 per FTE for unrealized enrollments between actual enrollment numbers and 1,100 FTE.

(4) After the base payment, each district will receive from State funds an amount necessary to bring it to an equalization percentage target of the prior year's highest property tax revenue per FTE received by any district. For 2004-05, the equalization percentage target is 55 percent. An allocation of State dollars will be made to a district, if necessary, to bring every district up to 55 percent of the prior years' highest property tax revenue per FTE received by any district. Districts with property tax revenues above 55 percent of the of the prior year's highest property tax revenue per FTE received by any district, will receive no state funds under this equalization component.

(5) The remaining Formula Resources are divided by total FTE. This amount is then multiplied by the individual community college district's FTE to project its share of Formula Resources. As of July 1, 2004 colleges retain 100 percent of their property taxes. Individual colleges impose property taxes directly (see "Revenue Sources" herein).

(6) Hold Harmless: For 2004-05 only, districts for which the above distribution results in a decrease in State funding from the amount received in 2003-04, will receive State funding equivalent to what they received in 2003-04 by way of a proportional reduction in the increase received by the other districts.

Appropriations. The Governor released his budget recommendation for the 2005-07 biennium in December 2004. The Governor has recommended a 1.6 percent reduction from the 2003-05 Legislatively-approved budget, which may result in increased tuition, reduced academic and other programs. The reduction is a result of a decline in State revenues due to the economic slowdown experienced in recent years. During meetings with community college representatives, the Governor stated that an error was made in his recommended budget. The Legislative Fiscal Office estimates that the budget for community colleges could increase by as much as $20 million, which would mean an additional $300,000 annual during the 2005-07 biennium for the College.

The budget includes bonding authority to support $94.1 million in capital construction projects at Rogue Community College, Oregon Coast Community College, **Columbia Gorge Community College**, Clatsop Community College, Tillamook Bay Community College and Klamath Community College. Half of this appropriation will be paid with Article XI-G bonds for which the State is required to pay debt service with its general fund revenues; local community colleges will provide the constitutionally-required 50 percent match. According to the recommended budget, sale of Article XI-G bonds will be delayed until the end of the biennium to defer debt service payments until the 2007-09 biennium.

A summary of the recommended budget and historic appropriations for CCWD follows:

Governor's 2005-07 Recommended Budget
Oregon Department of Community Colleges and Workforce Development

Source	2001-03 Actuals	2003-05 Legislatively Approved	2005-07 Governor's Recommendation	Percent Growth (Decline) from 2003-05
General Fund	$382,129,816	$416,420,326	$393,642,264	-5.5%
Lottery Funds	0	49,000	0	-100.0
Other Funds	13,908,964	13,152,259	13,557,139	3.1
Federal Funds	146,092,209	123,383,620	127,459,844	3.3
Federal Funds (Nonlimited)	0	2,339,105	12,000,000	413.0
Total Funds	**$542,130,989**	**$555,344,310**	**$546,659,247**	**-1.6%**

Source: http://egov.oregon.gov/DAS/BAM/docs/Publications/GRB0507/B-Education.pdf, January 7, 2005.

The Oregon Department of Administrative Services released its March 2005 forecast, which indicates that the State will have approximately $200 million more revenue to balance the 2005-2007 biennium budget than was forecast in December 2004. Distribution of revenues is currently under discussion by the 2005 Legislative Assembly and there is no certainty of the outcome.

Impact on the College. In the 2003-05 biennium, the College received $5,316,584 in formula appropriation, as well as an additional $1,170,000 in State appropriation for services in the then-newly-annexed Hood River County service area, for a total of $6,486,584. The College expects to receive $7,576,575 of such appropriation in the 2005-07 biennium, according to the Department of Community Colleges and Workforce Development.

Property Taxes

Most local governments, school districts, education service districts and community college districts ("local governments") were granted permanent authority to levy property taxes for operations in the future at a maximum rate (the "operating tax rate limit"). All community college districts have this authority. Local governments that have never levied property taxes may request that the voters approve a new operating tax limit.

Local governments with operating tax rates may not increase the amount provided on a permanent basis; rather they may only request that voters approve limited term levies for operations or capital expenditures ("local option levies") and general obligation bond levies. All property tax levies that exceed the operating tax rate limit require voter approval at a general election in an even numbered year, or at another election at which a majority of registered voters cast ballots.

Local option levies that fund operating expenses are limited to five years, and local option levies that are dedicated to capital expenditures are limited to ten years. Local governments (including community colleges and school districts, but excluding education service districts) are authorized to ask voters for limited term levies outside the limits of Article XI, Section 11, but subject to the limits of Article XI, Section 11b, assuming the levy is approved by voters. Local option taxes for community colleges may not, pursuant to ORS 280.057, exceed the amount of reduction in ad valorem property taxes caused by the implementation of tax limitations set forth in Article XI, Section 11 (see "Valuation of Property - Assessment" herein).

The College does not currently have a local option levy and has no plans at this time to seek voter approval of a local option levy.

Levies to pay general obligation bonds are limited by the principal amount of the bonds which is stated in the ballot that approves the bonds. Community college districts' ability to issue general obligation bonds is subject to State debt capacity limits.

Local governments impose property taxes by certifying their levies to the county assessor of the county in which the local government is located. Property taxes ordinarily can only be levied once each Fiscal Year, which is July 1 through June 30. The local government ordinarily must notify the county assessor of its levies by July 15.

Valuation of Property – Assessment. Property taxes are imposed on the assessed value of property. The assessed value of each parcel cannot exceed its fair market value, and ordinarily is less than its fair market value. The assessed value of property was initially established as a result of the enactment of a constitutional amendment. That amendment (now Article XI, Section 11 of the Oregon Constitution and often called "Measure 50") assigned each property a value that was in most cases less than its fair market value in Fiscal Year 1997-1998, and limited increases in that assessed value to three percent per year, unless the property is improved, rezoned, subdivided, or ceases to qualify for exemption. When property is newly constructed or reassessed because it is improved, rezoned, subdivided, or ceases to qualify for exemption, it is assigned an assessed value that is comparable to the assessed value of similar property.

Property subject to taxation includes all privately owned real property (land, buildings and improvements)and personal property (machinery, office furniture and equipment) for non-residential taxpayers. There is no property tax on household furnishings (exempt since 1913), personal belongings, automobiles (exempt since 1920), crops, orchards, business inventories or intangible property such as stocks, bonds or bank accounts, except for centrally assessed utilities, for which intangible personal property is subject to taxation. Forestland is subject to special assessment that provides a reduction in property tax that would be paid if based on the real market value. Property used for charitable, religious, fraternal and governmental purposes is exempt and reductions in assessments may be granted (upon application) for veterans' homesteads, farm and forest land, open space and historic buildings. The assessment roll, a listing of all taxable property, is prepared as of January 1 of each year.

Certain properties, such as utilities, are valued on the unitary valuation approach. Under the unitary valuation approach, the taxpaying entity's operating system is defined and a value is assigned for the operating unit using the market value approach (cost, market value and income appraisals). Values are then allocated to the entities' operations in Oregon, and then to each county the entity operates in and finally to site locations.

Tax Rate Limitation – Real Market Value. Article XI, Section 11b of the State Constitution separates property taxes into two categories: one to fund the public school system (kindergarten through grade twelve school districts, education service districts and community college districts) and one to fund government operations other than the public school system. Public school system taxes are limited to $5 per $1,000 of the Real Market Value of property. In Fiscal Year 2005, there was $34,030.69 of compression in the College District due to the tax rate limitation. This compression is taken into account in the SSF Distribution Formula. Other government operations taxes are limited to $10 per $1,000 of the Real Market Value of property. "Real Market Value" is the minimum amount in cash which could reasonably be expected by an informed seller acting without compulsion, from an informed buyer acting without compulsion, in an "arms-length" transaction during the period for which the property is taxed. Taxes imposed to pay the principal and interest on the following bonded indebtedness are not subject to the foregoing limitations: (1) bonded indebtedness authorized by a specific provision of the State Constitution; and (2) general obligation bonded indebtedness incurred for capital construction or improvements approved by the electors of the issuer and bonds issued to refund such bonds. **The Bonds constitute "Exempt Bonded Indebtedness" and the collection of property taxes and use for payment of debt service on the Bonds is not subject to tax rate limits.**

Property Tax Collections. Each county assessor is required to deliver the tax roll to the county tax collector in sufficient time to mail tax statements on or before October 25 each year. All tax levy revenues collected by a county for all taxing units within the county are required to be placed in an unsegregated pool, and each taxing unit shares in the pool in the same proportion as its levy bears to the total of all taxes levied by all taxing units within the county. As a result, the tax collection record of each taxing unit is a *pro-rata* share of the total tax collection record of all taxing units within the county combined.

Under the partial payment schedule, taxes are payable in three equal installments on the 15th of November, February and May of the same Fiscal Year. The method of giving notice of taxes due, the county treasurer's account for the money collected, the division of the taxes among the various taxing districts, notices of delinquency, and collection procedures are all specified by detailed statutes. The lien for property taxes is prior to all other liens or encumbrances of any kind on real or personal property subject to taxation. By law, a county may not commence foreclosure of a tax lien on real property until three years have passed since the first delinquency.

A Senior Citizen Property Tax Deferral Program (1963) allows certain homeowners to defer taxes until death or sale of the home. A similar program is offered for Disability Tax Deferral (2001), which does not have an age limitation.

The following tables represent historic tax information for theCollege District.

Taxable Property Values

Real Market Value(1)

Fiscal Year	Hood River County(2)	Wasco County	Total College District
2005	$2,022,863,452	$1,687,212,112	$3,710,075,564
2004	1,762,795,225	1,601,824,315	3,364,619,540
2003	1,662,168,666	1,569,696,159	3,231,864,825
2002	--	1,594,023,487	1,594,023,487
2001	--	1,549,059,824	1,549,059,824
2000	--	1,418,777,873	1,418,777,873

Assessed Value(3)

Fiscal Year	Hood River County(2)	Wasco County	Total College District
2005	$1,208,437,497	$1,324,777,586	$2,533,215,083
2004	1,127,532,199	1,279,534,406	2,407,066,605
2003	1,079,874,193	1,262,969,923	2,342,844,116
2002	--	1,223,976,187	1,223,976,187
2001	--	1,175,083,776	1,175,083,776
2000	--	1,111,349,270	1,111,349,270

Taxable Property Values – Total College District

Fiscal Year	Real Market Value(1)	Assessed Value Used to Calculate Tax Rates(3)	AV as a % of RMV
2005	$ 3,710,075,564	$ 2,533,215,083	68.3%
2004	3,364,619,540	2,407,066,605	71.5%
2003	3,231,864,825	2,342,844,116	72.5%
2002	1,594,023,487	1,223,976,187	76.8%
2001	1,549,059,824	1,175,083,776	75.9%
2000	1,418,777,873	1,111,349,270	78.3%

(1) Value represents the Real Market Value of taxable properties, including special assessed properties such as farms. This value is also commonly referred to as the "Measure 5 value" by county assessors.
(2) Hood River County was annexed by the College District beginning in Fiscal Year 2003.
(3) Assessed Value used to compute levy rates is the total Assessed Value of property in the College District, excluding urban renewal and any other offsets.

Source: Hood River and Wasco Counties' Departments of Assessment and Taxation.

The following tables present the Fiscal Year 2005 tax rates for the College District and other taxing jurisdictions within Wasco County that overlap the College District. The permanent rate for taxing jurisdictions is calculated by dividing the tax levy by the assessed value (see "Valuation of Property - Assessment" herein). The billing rate shown below is the permanent rate or a lower rate determined in conjunction with the taxing jurisdiction.

Fiscal Year 2005 Representative Levy Rate
(Rates Per $1,000 of Assessed Value)

General Government	Billing Rate	Bond Rate	Consolidated Rate
Wasco County	$ 4.2513	$ 0.3245	$ 4.5758
NORCOR	0.0000	0.4199	0.4199
Port of The Dalles	0.2007	0.5088	0.7095
Parks and Library District	0.6799	0.0000	0.6799
Regional Fire and Protection District	2.1004	0.2918	2.3922
City of The Dalles	3.0155	0.0000	3.0155
Total General Government	10.2478	1.5450	11.7928
Education			
Northern Wasco County SD No. 21	5.4894	2.1491	7.6385
Columbia Gorge Community College	0.2703	0.5114	0.7817
Region 9 Education Service District	0.4678	0.0000	0.4678
Total Education	6.2275	2.6605	8.8880
Total Tax Rate	$ 16.4753	$ 4.2055	$ 20.6808

NOTE: County assessors report levy rates by tax code. Levy rates apply to taxable "assessed" property value. Tax rate limitations are based on "real market" value and are only reported in total dollar amount of compression, if any, for each taxing jurisdiction (see "Tax Rate limitation - Real Market Value" herein).

Source: Wasco County Department of Assessment and Taxation, Tax Code 12.11.

Tax Collection Record(1)

	Hood River County		Wasco County	
Fiscal Year	Year of Levy(2)	As of 06/30/04(3)	Year of Levy(2)	As of 06/30/04(3)
2004	97.31%	97.31%	93.42%	93.42%
2003	96.82	98.76	93.26	95.31
2002	95.98	98.95	95.30	98.45
2001	96.35	99.70	95.37	99.69
2000	96.48	99.92	95.57	99.97
1999	95.96	99.96	95.70	99.99

(1) Percentage of total tax levy collection in Wasco County. Pre-payment discounts are considered to be collected when outstanding taxes are calculated. The tax rates are before offsets.
(2) The percentage of taxes collected in the "year of the levy" represents taxes collected in a single levy year, beginning July 1 and ending June 30.
(3) The percentage of taxes shown in the column represents taxes collected cumulatively from July 1 of a given levy year through June 30, 2004.

Source: Hood River and Wasco Counties' Departments of Assessment and Taxation.

Columbia Gorge Community College District
Major Taxpayers
(As of Fiscal Year 2005)

Taxpayer	Business/Service	Tax	Assessed Value	Percent of Value
Union Pacific Railroad Co	Railway	$ 332,178	$ 22,106,684	0.87%
Pacificorp (PP&L)	Utility	317,805	27,822,000	1.10%
United Telephone Northwest	Utility	291,142	16,759,600	0.66%
Northwest Aluminum Co	Aluminum Manufacturing	284,145	18,524,929	0.73%
Gas Transmission NW Corp	Utility	282,124	25,376,815	1.00%
Diamond Fruit Growers Inc	Agriculture	267,867	23,331,009	0.92%
Northern Wasco PUD	Utility	264,558	15,422,631	0.61%
BNSF Railway Co.	Railway	236,540	19,176,600	0.76%
United Telphone Northwest	Telecommunications	225,066	17,211,161	0.68%
Northwest Aluminum Specialties	Aluminum Manufacturing	210,941	13,884,534	0.55%
Subtotal - ten of District's largest taxpayers			199,615,963	7.88%
All other District's taxpayers			2,333,599,120	92.12%
Total District			$ 2,533,215,083	100.00%

Source: Hood River and Wasco Counties' Departments of Assessment and Taxation.

Strategic Investments Program

The Strategic Investments Program ("SIP") was authorized by the Legislature in 1993 to provide tax incentives for capital intensive investments by firms in Oregon's key industries, particularly in the high technology and metals industries. SIP recipients receive a tax break on the assessed value of new construction over $100 million for 15 years. The $100 million cap on assessed value increases by six percent per year. SIP recipients pay an annual Community Service Fee which is equal to one-fourth of the value of the tax break and which is allocated to local governments. Allocation is determined by negotiation of the local governments. The Community Service Fee is not considered a property tax and thus is outside of the Constitutional property tax rate limitations. There are no SIP recipients in Hood River County or Wasco County at this time.

Tuition and Fees

Community colleges prescribe and collect tuition as authorized in ORS 341.290(7). There are no statutory or Oregon Administrative Rule limitations on tuition charged by community colleges. The amount and rates associated with tuition for community colleges vary.

The College increased its tuition rate $5 increase per credit hour to $54 per credit hour (a 10.2 percent increase over the prior tuition rate) in Fiscal Year 2004 and another $5 per credit hour to $59 per credit hour in Fiscal Year 2005. The service rate remained unchanged at $8 per credit hour.

Historical and Projected Tuition

Fiscal Year	Annual Tuition (3)
2007(2)	$2,925
2006(2)	2,790
2005(1)	2,655
2004	2,430
2003	2,175
2002	1,890
2001	1,800
2000	1,710

(1) Projected. No assurance can be given that this projection will be achieved and actual results may differ materially from this projection.
(2) Projected. Assumes a minimum tuition increase of $3 per credit hour over the preceding year for in-state students.
(3) Annual tuition for an in-state student based on 15 credit hours per term for three terms (Fall, Winter and Spring). No assurance can be given that these projections will be achieved and actual results may differ materially from these projections.

Source: Columbia Gorge Community College March 31, 2005.

Tuition rates for students vary, depending on whether the student is a resident within the community college district, out-of-district or out-of-state. Current tuition rates statewide are presented in the following table:

Oregon Community Colleges
Tuition Rates Per Term
Fiscal Year 2005

		In-District		Out-of-District		Out-of-State	
	College	Per Credit Hour	Full Time(1)	Per Credit Hour	Full Time(1)	Per Credit Hour	Full Time(1)
1.	Blue Mountain	$54	$815	$54	$815	$ 109	$1,629
2.	Central Oregon	55	825	75	1,125	155	2,325
3.	Chemeketa	56	840	56	840	192	2,880
4.	Clackamas	54	810	54	810	184	2,760
5.	Clatsop	54	810	54	810	108	1,620
6.	**Columbia Gorge**	**59**	**885**	**59**	**885**	**59**	**885**
7.	Klamath	60	900	60	900	138	2,070
8.	Lane	65	968	65	968	221	3,315
9.	Linn-Benton	52	780	52	780	153	2,295
10.	Mt. Hood	63	945	63	945	209	3,135
11.	Oregon Coast	60	900	60	900	172	2,580
12.	Portland	62	930	62	930	190	2,850
13.	Rogue	59	885	59	885	71	1,065
14.	Southwestern	56	840	56	840	56	840
15.	Tillamook Bay	55	825	55	825	75	1,125
16.	Treasure Valley	62	930	62	930	72	1,080
17.	Umpqua	54	810	54	810	154	2,310
	Average of all Community Colleges	**$58**	**$865**	**$59**	**$882**	**$136**	**$2,045**

(1) 15 Credit Hours.

Source: Oregon Department of Community Colleges and Workforce Development, January 2005.

The College District

Oregon Community Colleges

Community college districts are municipal corporations established pursuant to Oregon Revised Statutes Chapter 341. There is currently no mechanism in the Oregon Revised Statutes or State Constitution for an Oregon community college district to dissolve.

Community Colleges are educational institutions offering broad, comprehensive programs in academic as well as professional technical subjects. They provide two-year programs for some and serve to provide as transitional training for those who continue college work elsewhere. Community colleges also provide professional technical training to allow attainment of new skills as demands for old skills and old occupations are supplanted by new technologies.

Community colleges are governed by boards of education whose members are elected on a district-wide basis for staggered four-year terms of office. The Board has the oversight, responsibility and control over all activities related to the community college. A Board-appointed budget committee works in conjunction with the Board in each college's budget process.

The community colleges are subject to supervision by the State. The State Board of Education, a group of seven people appointed by the governor, is responsible for coordinating the community college program of the State and has general supervisory responsibilities for that program. The State Board of Education prepares estimates and makes the request for legislative appropriations for a reasonable and consistent basis of support and establishes standards for the distribution of that support. The administrative functions of the State Board of Education are handled through the CCWD, whose executive head is the Commissioner for Community College Services appointed under ORS 326.

General Description

The College was originally organized as an "Area Education District," as described in Chapter 341 of the Oregon Statues relating to Community Colleges. In 1977, Wasco Area Education Service District was formed. Later that year, the College's name was changed to Treaty Oak Education Service District. In 1989, a vote of the people of Wasco County allowed the Board of Education to drop the "Service District" designation and the College became Treaty Oak Community College. The name changed again in November of 1989 to Columbia Gorge Community College. On November 6, 2001, voters in Wasco County and Hood River County approved the annexation of a portion of Hood River County to join the Columbia Gorge Community College District.

The College includes all of Hood River County except for the City of Cascade Locks (94 percent of Hood River County's property value is in the College District) and all of Wasco County with the exception of the Warm Springs Reservation (99.5 percent of Wasco County's property value is in the College District). Population for the College is currently estimated to be 43,236.

The College offers a full range of courses, including collegiate transfer, vocational, adult basic, community education, degree completion and special certificate programs. Course offering are limited only by physical facilities. The College obtains accreditation through its contractual affiliation with Portland Community College. The long range plan anticipates that the College becomes a candidate for independent accreditation.

Board of Education

The College is governed by a seven-member Board of Education whose members are elected on a College-wide basis for staggered four-year terms of office. The Board of Education has the oversight, responsibility and control over all activities related to the College. A Board-appointed Budget Committee works in conjunction with the Board of Education in governing the College. The present directors of the Board, their occupations and the expiration of their respective terms of office follow.

Board of Education

Name	Position	Occupation	Service Began	Term Expires
Mike Schend	Chair	Director, Hood River Community Education	2003	June 30, 2007
Dr. Ernie Keller	Vice Chair	Small Business Owner	2001	June 30, 2005
Dave Fenwick	Director	Chief Executive Officer, vLetter Inc.	2003	June 30, 2007
Christie Reed	Director	Farm Owner	2003	June 30, 2007
Dr. James R. Willcox	Director	Orthodontist	1977	June 30, 2005
M.D.	Director	Attorney	2001	June 30, 2005
Charleen Cobb	Director	Retired School Teacher	2001	June 30, 2005

Key Administrative Officials

The administrative and management staff of the College includes a President, Chief Financial Officer, Deans and Directors. The Board appoints a President to administer the activities of the College.

Dr. Frank Toda, President. Dr. Toda was hired July 1, 2001 as President of Columbia Gorge Community College. He earned his Bachelor's and Master's degrees in business administration from the University of Portland, his Master's in systems management from University of Southern California, and his Ph.D. in education, emphasizing business management, also from U.S.C. Dr. Toda led a distinguished career in the Air Force including assignments as director of training, Chief Financial Officer and program manager for the Department of Defense. Dr. Toda has served seven consecutive terms on the Baldrige Board of Examiners, a review board for the Malcolm Baldrige National Quality Award. In addition, he is a Certified Quality Manager (CQM), a Certified Professional Contracts Manager (CPCM) and a certified Acquisition Professional, Level III, Contracting through the National Contract Management Association.

Saundra Buchanan, Chief Financial Officer. Ms. Buchanan serves as the Chief Financial Officer and was hired on June 1, 1993. Prior to joining the College, Ms. Buchanan was the Manager of Administration and Finance with the Casey Eye Institute of the Oregon Health and Sciences University. She received her M.B.A. from Arizona State University and B.S. Marketing from Arkansas State University. She is certified by the Oregon Association of School Business Officials as a Certified Business Administrator.

Dr. Susan Wolff, Dean of Instruction. Dr. Wolff has served as the Dean of Instruction since August 1, 2004. Prior to joining the College, Dr. Wolff has served as the Acting and Co-Director of the Oregon Professional Development System and Project Coordinator for the School of Education, Oregon State University, Associate Dean of Instruction for Clark College, and Associate Dean of Extended Learning and Director of the Benton Center for Linn-Benton Community College. She consults as the Director of Wolff Designs, Educational and Facilities Research, Planning, and Consulting. Dr. Wolff received her ED.D. from Oregon State University M.Ed. from Oregon State University and B.S. from Montana State University. Two facility-design projects that Dr. Wolff created have received major national and international design and planning awards.

Karen Carter, Dean of Student Services. Ms. Carter serves as the Dean of Student Services and has worked at the College since 1979. Prior to joining the College, she was a Non-Destructive Test Engineer for the Pratt & Whitney Aircraft Company. Ms. Carter received her M.S. Counseling from Portland State University, M.S. Engineering Physics from Rensselaer Polytechnic Institute and B.S. Physics from San Diego State University.

Robert Cole, Executive Director for Resource Development. Mr. Cole serves as the Executive Director for Resource Development. Mr. Cole has worked at the College since May 9, 1985 and is responsible for the Small Business Development Center, Workforce Training, Community Education, Human Resources, the CGCC Foundation, and Wasco County Economic Development. Prior to joining the College, Mr. Cole owned and operated his own retail and wholesale business from 1975 to 1985. Mr. Cole served five years in the U.S. Air Force. He is bilingual, able to provide business counseling in Spanish and English. Mr. Cole has a B.A. in Business Administration from Seattle Pacific University and a MBA from the University of Portland. Certificates include: Trade Specialist Training from Thunderbird the American Graduate School of International

Management and Specialist Training from the National Council for Resource Development. He is an active member of the Society for Human Resource Management.

Dennis Whitehouse, Facilities Director. Mr. Whitehouse was hired December 1, 1995 as the College's Facilities Director. Mr. Whitehouse retired from the U.S. Coast Guard as a Department Head of Naval Engineering with extensive facilities management experience. Mr. Whitehouse has over 30 years of project management experience with numerous certifications and served as a contrating officer's technical representative.

Bill Bohn, Information Technologies Director. Mr. Bohn was hired August 15, 1995 as the College's Information Technologies Director. Mr. Bohn previously worked as the Manager of Information Systems for Central Admixture Pharmacy Services, Owner of San Diego Micro Technologies, Sound Technician for San Diego State University and is co-owner of Sage's Café, Hood River, Oregon. He earned his A.S. Computer Science from Grossmont College and is a Certified Novell Engineer for intraNetWare, NetWare 5 & NetWare 6, and has over twenty years of information technology experience.

Administrative offices of the College are located at 400 East Scenic Drive, The Dalles, Oregon 97058-3434. The telephone number is (541) 296-6182.

Labor Relations

The College has a total of 59 full-time and 123 part-time employees. The College has two collective bargaining agreements with Local 4754, United Employees of Columbia Gorge Community College, AFT, AFL-CIO. The College enters into written bargaining agreements with each of the bargaining entities. Agreements contain provisions on such matters as salaries; vacation; sick leave; medical and dental insurance; working conditions; and grievance procedures. The College has an established Labor-Management Committee which meets regularly. The bargaining units which represent College employees and the number of employees represented by each are:

Bargaining Units

Bargaining Unit	No. of Employees	Terms	Contract Expires
American Federation of Teachers Local 4754 United Employees of Columbia Gorge Community College AFT, AFL-CIO			
Faculty employees	83	3 yrs	June 30, 2007
Classified	34	3 yrs	June 30, 2006

Enrollment

The first classes were offered in September 1977 and housed in local school district facilities. Enrollment in the first school year was 1,649 (108 FTE) and has steadily grown to approximately 5,348 (980 FTE) today. Associate degree courses were first offered in 1979-80 by contract with Portland Community College, and this relationship is still in force. In Fiscal Year 1989, a contracted out-of-district program was extended to Hood River County and a portion of the County was annexed into the College District effective July 1, 2002.

Columbia Gorge Community College District
Historic and Projected FTE Enrollment and Headcount

	FTE Enrollment		Headcount	
Fiscal Year Ended June 30	Total FTE	Yearly Change	Total Headcount	Yearly Change
2006(1)	1000.00	2.00%	5,457	2.00%
2005(1)	980.00	0.14%	5,348	0.13%
2004	978.66	(7.20%)	5,341	(9.33%)
2003	1054.53	3.83%	5,891	(1.47%)
2002	1015.64	6.35%	5,979	(11.36%)
2001	955.03	--	6,745	--

(1) Preliminary, subject to change. No assurance can be given that these projections will be achieved and actual results may differ materially from these projections.

Source: Columbia Gorge Community College District.

Financial Factors

Financial Reporting

New Accounting Standards. In June 1999, the Government Accounting Standards Board ("GASB") released Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" ("GASB-34"). GASB-34 established a new reporting format for governmental financial statements. GASB-34 requires a comprehensive one-line look at the entity as a whole, along with recognition of depreciation on capital assets. In November 1999, GASB issued Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities" ("GASB-35"). The College was required to adopt these two new standards for the fiscal year ending June 30, 2004.

Overview of the Financial Statements. The College's basic financial statements are comprised of entity-wide financial statements. The entity-wide financial statements for beginning in Fiscal Year 2004 are designed to give a broad overview of the College's finances and differ significantly in both the format and the accounting principles used in prior years. The financial statements presented in prior years focused on the accountability of funds, while the statements as of Fiscal Year 2004 focus on the financial condition of the College, the results of operations and cashflows of the College as a whole.

Fund Reporting Prior to Fiscal Year 2004. Prior to implementation of GASB-34 and GASB-35, the financial statements of the College were reported by funds. A fund is a grouping of related accounts that is used to maintain control over the resources that have been segregated for specific activities or objectives.

> *Governmental Funds* focused on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The General Fund is a governmental fund.
>
> *Proprietry Funds* included enterprise funds to report business-type activities. Internal service funds accumulated and allocated costs internally among the College's various functions.
>
> *Fiduciary Funds* were used to account for resources held for the benefit of parties outside the College. Resources of these funds were not available to support the College's programs.

Independent Audit Requirement

Each Oregon municipal corporation must obtain an audit and examination of its funds and account groups at least once each year pursuant to the Oregon Municipal Audit Law, Oregon Revised Statutes 297.405 to 297.555. Municipalities having annual expenditures of less than $500,000, with the exception of counties and school districts, are exempt from this requirement. All Oregon counties and school districts, regardless of amount of annual expenditures, must obtain an audit annually. The required audit may be performed by the State

Division of Audits or by independent public accountants certified by the State as capable of auditing municipal corporations.

The College's audit for the fiscal years that ended on June 30, 2000 through 2004 were performed by Byers, Neumayer & Bradford, P.C., CPAs, The Dalles, Oregon (the "Auditor"). The audit report for the year ended June 30, 2004 indicates the financial statements fairly present the College's financial position in all material respects and the results of its operations in conformity with accounting principles generally accepted in the United States of America. The Auditor was not requested to review this Official Statement and has not completed any additional auditing review procedures subsequent to the issuance of its report on the 2004 Fiscal Year.

The audited financial statements of the College as of June 30, 2004, are attached hereto as Appendix B, are incorporated by reference to this Official Statement and are filed with the four nationally recognized municipal securities information repositories ("NRMSIR"). Financial statements may be ordered by accessing the NRMSIR website, located at: http://www.sec.gov/info/municipal/nrmsir.htm.

The College's Statement of Net Assets and Statement of Revenues, Expenses; Changes in Net Assets; and Statement of Cash Flows for the Fiscal Year 2004 follows.

Statement of Net Assets
(Fiscal Year 2004)

Assets		2004
Current and other assets[1]	$	4,022,093
Net capital assets		6,444,531
Total Assets		10,466,624
Liabilities		
Current liabilities[2]		1,102,809
Long-term debt, non-current portion[3]		8,334,569
Total Liabilities		9,437,378
Net Assets		
Invested in capital assets, net of related debt		1,064,843
Restricted		142,761
Unrestricted		(178,358)
Total Net Assets	**$**	**1,029,246**

NOTE: The Net Assets presents information on all the College's assets and liabilities with the difference between the two reported as net assets. The Statement of Activities presents information showing how the College's net assets changed during a given Fiscal Year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Revenues and expenses are reported in this statement for some items that will result in cash flows in future periods, such as uncollected taxes and earned, but unused, vacation leave.

(1) Current assets of $4 million were sufficient to cover current liabilities of $1.1 million. Receivables consist of property taxes, student accounts and grants and contracts.

(2) Current liabilities consist primarily of payroll, various payables for operations and the current portion of long-term debt.

(3) Non-current liabilities consist of long-term debt from the Oregon Small Scale Energy Loan, Series 1998 Bonds and the Pension Bonds.

Source: Audited Financial Statements.

Statement of Revenues, Expenses and Changes in Net Assets
(Fiscal Year 2004)

		2004
Total operating revenues(1)	$	2,152,231
Total operating expenses		6,273,824
Operating Loss		(4,121,593)
Non-operating revenues, net(2)		5,938,570
Total increase in net assets		1,816,977
Net assets -- beginning of year, as restated		(787,731)
Net assets -- end of year	**$**	**1,029,246**

NOTE: The Net Assets presents information on all the College's assets and liabilities with the difference between the two reported as net assets. The Statement of Activities presents information showing how the College's net assets changed during a given Fiscal Year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Revenues and expenses are reported in this statement for some items that will result in cash flows in future periods, such as uncollected taxes and earned, but unused, vacation leave.

(1) Includes tuition and fees, bookstore sales and other operating revenues. Tuition and fees totaled $1,707,306. FTE enrollment declined by 7 percent in Fiscal Year 2004. Factors contributing to the decrease include a 10.2 percent increase in the tuition rate (a $5 increase per credit hour to $54 per credit hour; the service rate remained unchanged at $8 per credit hour), the graduation of local dislocated workers and limitations on State reimbursement for certain adult education courses, which resulted in reduced offerings. Bookstore sales totaled $377,423 and other operating revenue totaled $67,502.

(2) Annual State reimbursements and property taxes, while budgeted for operations, are considered non-operating revenue under GAAP. The College received $3,779,401 for State Community College Support, of which $622,797 was a fourth-quarter payment for Fiscal Year 2003 that was deferred by the State until Fiscal Year 2004 and $585,000 was a separate appropriation for services to the recently annexed portion of Hood River County. Property taxes totaled $1,261,932, which includes $623,121 for the Series 1998 Bonds. State and local grants and contracts totaled $126,547, lease income totaled $197,129, other non-operating income totaled $443,527, and interest income totaled $44,669.

Source: Audited Financial Statements.

A five-year summary of the College's General Fund Statement of Revenues, Expenditures and Changes in Fund Balance follows.

General Fund Statement of Revenues, Expenditures and Changes in Fund Balance
(Fiscal Years)

Revenues	2004(1)(2)	2003	2002	2001	2000
State sources	$ 3,820,734 (3)	$ 2,012,339 (3)	$ 2,260,978	$ 2,004,737	$ 1,887,634
Federal sources	120,250	96,575	67,750	65,250	56,250
Local sources	612,104	617,856	310,121	301,641	290,323
Tuition and fees	1,527,854	1,303,152	1,087,426	935,718	737,094
Other sources	67,686	67,407	61,439	132,058	132,066
Total Revenues	6,148,628	4,097,329	3,787,714	3,439,404	3,103,367
Expenditures					
Instruction	1,935,418	1,676,190	1,492,637	1,209,624	1,170,511
Instructional support	543,159	426,971	458,310	464,388	439,055
Student services	391,599	377,406	328,291	296,976	250,329
College support	1,024,654	881,034	841,357	780,704	817,258
Student financial aid	71,128	67,753	80,807	86,732	83,256
Campus operation and maintenance	683,633	679,259	642,332	558,032	430,509
Debt Service	26,976	0	0	0	0
Total Expenditures	4,676,566	4,108,613	3,843,734	3,396,456	3,190,918
Excess of revenues over (under) expenditures	1,472,062	(11,284)	(56,020)	42,948	(87,551)
Other Financing Sources (Uses)					
Operating transfers in	230,197	225,160	299,716	177,917	157,859
Operating transfers out	(281,132)	(285,811)	(141,931)	(56,905)	(11,720)
Total Other Financing Sources (Uses)	(50,935)	(60,651)	157,785	121,012	146,139
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	1,421,127	(71,935)	101,765	163,960	58,588
Beginning fund balance	1,569,604	1,565,092	1,463,326	1,299,366	1,240,776
Ending fund balance	$ 2,990,731	$ 1,493,157	$ 1,565,091	$ 1,463,326	$ 1,299,364

(1) Fiscal Year 2004 data is provided on the budget-basis of accounting. Prior years are provided on a GAAP-basis.

(2) The College implemented GASB-34 and 35.

(3) The College received $3,779,401 in Fiscal Year 2004 for State Community College Support, of which $622,797 was a fourth-quarter payment for Fiscal Year 2003 that was deferred by the State until Fiscal Year 2004. The College made budget cuts in Fiscal Year 2003 and raised tuition to compensate for the deferral of State revenues.

NOTE: The College estimates that as of June 30, 2005, total revenues, expenditures and ending fund balance in its General Fund will be $5.4 million, $6.7 million and $1.6 million, respectively. No assurance can be given that the future results will be achieved and actual results may differ materially from these estimates.

Source: Audited Financial Statements.

Budgetary Process

The College prepares an annual budget in accordance with the Oregon Local Budget Law. ORS Chapter 294 establishes standard procedures for all budget functions for all Oregon local governments. Under the applicable provisions, there must be public participation in the budget process and the adopted budget must be balanced.

The College's administrative staff evaluates the budget requests of the various departments of the College to determine the funding levels of the operating programs. The budget is presented to the public through public hearings held by a budget committee consisting of Board members and lay members. After giving due consideration to the input received from the citizens, the Board of Directors adopts the budget, authorizes the levying of taxes and sets appropriations. The budget must be adopted not later than June 30 of each Fiscal Year.

The State is scheduled to defer the last quarter's payment of State revenues to the College in Fiscal Year 2005 and is expected to continue the practice of deferring the last payment of the biennium for the next biennium for budget purposes. The annual budget accounts for the timing of expected State payment deferrals.

The budget may be amended during the applicable Fiscal Year through the adoption of a supplemental budget. Supplemental budgets may be adopted by the Board pursuant to ORS 294.480.

General Fund Adopted Budget
(Fiscal Year 2005)

Revenues		**2005**
State sources	$	2,752,069
Federal sources		120,250
Local sources		648,557
Tuition and fees		1,635,224
Other sources		427,606
Total Revenues		**5,583,706**
Net working capital carryover		2,600,951
Total Resources	**$**	**8,184,657**
Expenditures		
Instruction	$	2,270,743
Instructional support		676,861
Student services		507,121
College support		1,572,378
Student financial aid		90,966
Campus operation and maintenance		671,585
Contingency		950,000
Transfers		575,565
Debt service		26,976
Unappropriated ending fund balance		842,462
Total Budget Requirements	**$**	**8,184,657**

Source: Columbia Gorge Community College District Adopted Budget 2004-2005.

Investments

ORS 294.035 authorizes Oregon municipalities to invest in obligations, ranging from U.S. Treasury obligations and Agency securities to municipal obligations, bankers' acceptances, commercial paper, certificates of deposit, corporate debt and guaranteed investment contracts, all subject to certain size and maturity limitations. No municipality may have investments with maturities in excess of 18 months without adopting a written investment policy which has been reviewed and approved by the Oregon Short Term Fund Board. The College's Board does not have a separate investment policy.

Municipalities are also authorized to invest approximately $37 million (adjusted for inflation) in the Local Government Investment Pool of the Oregon Short-Term Fund, which is managed by the State Treasurer's office. Such investments are managed in accordance with the "prudent person rule" and administrative regulations of the State Treasurer which may change from time to time. Eligible investments presently include all of those listed above, as well as repurchase agreements and reverse repurchase agreements. Currently, the State's investment portfolios are not leveraged and do not contain any derivative products.

Pension System

Under Oregon law, all State agency and school district employees must participate in the statutorily prescribed retirement system, known as the Oregon Public Employees Retirement System or "PERS". The system provides retirement, death and disability benefits. As of June 30, 2004, the retirement system covered approximately 209,435 active and non-active State, school and local government members and 98,686 retired members. The Public Employees Retirement Board (the "PERS Board") administers the system. The assets of the system are held by the Public Employees Retirement Fund. The fund is a statutorily created trust fund that is used to pay the obligations of the system.

Several different retirement benefit structures apply to PERS members depending on their date of hire. Employees hired before January 1, 1996, are known as "Tier 1" participants. The retirement benefits applicable to Tier 1 employees were based primarily on a defined benefit model. In 1995, the Oregon Legislative Assembly revised the retirement benefits structure for what are known as "Tier 2" participants. The Tier 2 program is also a defined benefit plan but with lower expected costs to employers than under the Tier 1 plan. The Tier 2 plan applies to employees hired on or after January 1, 1996. Beginning January 1, 2004, the Legislative Assembly enacted the Oregon Public Service Retirement Plan ("OPSRP") that consists of separate defined benefit pension program ("PP") and defined contribution individual account program ("IAP"). Employer contributions fund the PP for employees hired on or after August 29, 2003. Employee contributions to the previous benefit package (the "prior plan") were discontinued after December 31, 2003. Members of the prior plan will continue to accrue pension benefits under that plan unless they have a break in service in excess of six months, at which time any additional pension benefits will accrue under ORPSRP. Contributions from employees participating in both the prior plan and the PP fund individual retirement accounts under the IAP. Employees in the PP are entitled to a defined benefit based on years of service, final average salary and a formula of 1.5 percent for general service employees and 1.8 percent for police and firefighters. This benefit is augmented with payments from the IAP.

Unfunded Actuarial Liability. An employer's unfunded actuarial liability ("UAL") is the excess of the actuarially determined present value of the employer's benefit obligations to employees over the existing actuarially determined assets available to pay those benefits. According to the December 31, 2003 actuarial valuation, the unfunded actuarial liability for the system is $6.2 billion without regard to lump sum payments made for the accounts of particular employers, and $1.7 billion after taking into account those lump sum payments.

Contribution Rates. Members are required to contribute 6 percent of their annual covered salary, which may be paid by the employer, to PERS.

System employers are required to remit contributions to the retirement system based on rates calculated by the PERS Board. The College's contribution to PERS for the years ending December 31, 2001, 2002, and 2003 were $179,381, $211,796, and $89,706, respectively, according to the College's audited financial statements.

Contribution rates are set at the amounts estimated by the PERS Board as necessary to pay the retirement and other pension obligations owed to employees when they retire, die or become disabled. The employer contribution rates are set using the entry age actuarial cost method. Contribution rates based on the December 31, 2001 and 2003 valuations follow. Contribution rates based on the December 31, 2001 valuation were adjusted by certain legislative changes in 2003. Such contribution rates are in effect through June 30, 2005. Contribution rates based on the December 31, 2003 valuation take effect July 1, 2005. The PERS Board announced on February 18, 2005 that implementation of rate increases would be staggered over two valuation periods, beginning July 1, 2005 and July 1, 2007, respectively.

The current contribution rate through June 30, 2005 for the community college district is 19.57 percent. Community college districts' contribution rates will be 15.73 percent as of July 1, 2005 and 21.22 percent as of July 1, 2007. The rates quoted do not take into account any lump sum payments made by jurisdictions.

Pension Fund Contribution Rates
(Do not include UAL Lump-sum Payments)

	December 31 Valuation		2003 Valuation Implementation Dates	
	2001(1)	2003(2)	July 1, 2005	July 1, 2007
System Average	**10.64%**	**18.89%**		
School Districts	11.11%	21.09%	16.97%	22.84%
Judges	18.72%	26.18%	23.38%	27.38%
State, Local Government Rate Pool (SLGRP):				
State Agencies	11.31%	20.56%	8.69	14.13
Community College Districts	**10.24%**	**19.57%**	**15.73**	**21.22**
Local Governments	Varies	Varies		

(1) Rates include the affects of legislation in 2003.
(2) The PERS Board announced its intention of implementing the new rates in steps, beginning on July 1, 2005.
Source: Oregon Public Employees Retirement System.

The College issued Pension Bonds to make a lump-sum payment to PERS in April 2003 to finance a portion of its estimated UAL. Such payment reduced the College's contribution rate from the community college's 19.57 percent to 5.02 percent based on the December 31, 2003 actuarial valuation, although debt service payments are also due on the Pension Bonds.

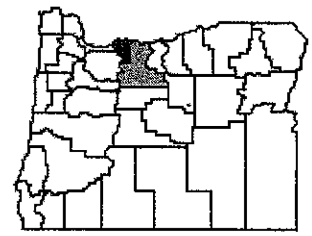
Legislation which was approved by the 2003 Legislative Assembly made significant reductions in rate increases. Many of these legislative changes were challenged in legal proceedings filed in the Oregon Supreme Court and in federal court by a number of unions and individual employees. A federal district court judge has held the 2003 legislative changes to PERS (the "2003 PERS Legislation") do not violate the federal constitution. The plaintiffs have appealed that decision to the Ninth Circuit Court of Appeals. On March 8, 2005, the Oregon Supreme Court released its opinion in the litigation (the "PERS Decision") and declared that certain portions of the 2003 PERS Legislation violate the Oregon Constitution and affirmed the validity of others.

The College is not able to estimate the effect of the PERS Decision on PERS, the UAL of the System, or future contributions that the College may be required to make to PERS until PERS produces a new actuarial valuation for participating employers. At its meeting on March 29, 2005, PERS indicated that it will wait for a decisionon another pending Oregon Supreme Court case to produce a new actuarial valuation.

Demographic Information

The College is contiguous with Hood River County and Wasco County except for the Confederated Tribes of the Warm Springs Indian Reservation which is outside of the College District boundaries and excludes the City of Cascade Locks in Hood River County. Located in north-central Oregon, the College borders the Columbia River to the north.

Wasco and
Hood River Counties



Income. Historic personal income and per capita income levels for the Counties and the State are shown below:

Historic Income Levels

	Hood River County		Wasco County		State of Oregon	
Year	Total Personal Income ($ millions)	Per Capita Income	Total Personal Income ($ millions)	Per Capita Income	Total Personal Income ($ millions)	Per Capita Income
2003	N/A	N/A	N/A	N/A	$ 102,538.32	$ 28,806
2002	$ 498.6	$ 24,151	$ 566.1	$ 24,088	100,480.91	28,533
2001	462.1	22,509	577.7	24,304	98,026.05	28,222
2000	451.6	22,056	574.7	24,120	94,853.50	27,660
1999	438.9	21,730	541.4	22,877	89,127.83	26,261

Source: U.S. Department of Commerce, Bureau of Economic Analysis. Dated March 2005.

Building Permits. Residential building permits are an indicator of growth within a region. The number and valuation of new single-family and multi-family residential building permits in the College's primary counties are listed below:

Residential Building Permits

Wasco County

	New Single Family Units		New Multi Family Units		Total
Year	Number	Valuation	Number	Valuation	Valuation
2003	17	$ 2,779,601	0	$ 0	$ 2,779,601
2002	23	3,631,306	0	0	3,631,306
2001	27	4,142,114	0	0	4,142,144
2000	27	3,911,739	4	353,268	4,265,007
1999	33	4,540,479	0	0	4,540,479

Hood River County

	New Single Family Units		New Multi Family Units		Total
Year	Number	Valuation	Number	Valuation	Valuation
2003	156	$ 22,717,401	10	$ 971,480	$ 23,688,881
2002	143	19,671,686	0	0	19,671,686
2001	109	12,924,685	17	1,851,208	14,775,893
2000	88	12,625,311	21	2,512,056	15,137,367
1999	99	14,444,605	12	1,040,850	15,485,455

NOTE: Portland State University ceased collecting and reporting building permit data as of January 1, 2004.

Source: Oregon Building Permit Report, Center for Population Research and Census, Portland State University.

Agriculture. The number of acres harvested and gross farm sales in the Countiesare as follows:

Harvested Acreage and Gross Farm Sales

	Harvested Acreage			Wasco County		Hood River County		Total College District
Year	Wasco County	Hood River County	Total College District	Crop Sales ($000)	Animal Products Sales ($000)	Crop Sales ($000)	Animal Products Sales ($000)	Total Gross Farm Sales
2004	90,065	16,696	106,761	$50,246	$0	$64,730	$1,200	$116,176
2003	99,804	14,827	114,631	41,005	0	53,367	1,126	95,498
2002	95,735	15,670	111,405	32,565	9,108	53,438	1,352	96,463
2001	95,102	15,457	110,559	33,725	9,561	56,028	1,021	100,335
2000	99,073	16,647	115,720	42,126	10,019	50,133	1,021	103,299

Source: Oregon State University Extension Service, "Oregon County and State Agricultural Estimates," Special Report 790, also available on the Extension's web site http://ludwig.arec.orst.edu/oain. Data as of April 2005.

Transportation. The College is located along Interstate Highway 84, the major east-west highway beginning in Portland and following the Columbia River. U.S. Highway 197 runs north-south through the College District. Commercial air service is available at Portland International Airport.

Employment. The College District's major employers include the following:

Major Employers in Wasco and Hood River Counties

Company	Product	Location	Employees
Mid-Columbia Medical Center	Health Care	The Dalles	789
Hood River County School District	Education	Hood River	550
Providence Hood River Memorial	Health Care	Hood River	350
Sprint International Inc.	Telecommunications	Hood River	294
Northern Wasco County SD No. 21	Education	The Dalles	250
Luhr Jensen & Sons Inc	Manufacturing	Hood River	250
Diamond Fruit Growers	Food Products	Odell	224
Kmart	Retail	The Dalles	200
Columbia Gorge Community	Education	The Dalles	182
Curtiss Orchards	Food Products	The Dalles	180

Source: Harris Infosource as of April 5, 2005. Hood River Chamber of Commerce, April 6, 2005. Mid Columbia Economic Development District, April 6, 2005.

Hood River and Wasco Counties
Consolidated Labor Force Summary
(by place of residence)[1]

				2004 Change from	
	2004	2003	2002	2003	2002
Civilian Labor Force	25,054	24,696	24,432	358	622
Unemployment	2,087	2,509	2,374	-422	-287
Percent of Labor Force	8.3%	10.2%	9.7%	xxx	xxx
Total Employment	22,967	22,187	22,058	780	909

Non-Agricultural Wage & Salary Employment
(by place of employment)[2]

				2004 Change from	
	2004	2003	2002	2003	2002
TOTAL NONFARM PAYROLL EMPLOYMENT	17,820	17,320	17,480	500	340
TOTAL PRIVATE	14,200	13,620	13,650	580	550
Natural resources, mining and construction	720	700	700	20	20
Manufacturing	1,820	1,660	1,750	160	70
Trade, transportation, and utilities	3,710	3,610	3,530	100	180
Information	210	230	240	-20	-30
Financial activities	610	580	580	30	30
Professional and business services	960	1,000	1,000	-40	-40
Educational and health services	2,870	2,660	2,560	210	310
Leisure and hospitality	2,740	2,690	2,750	50	-10
Other services	560	540	540	20	20
GOVERNMENT	3,620	3,700	3,830	-80	-210

(1) Includes employed and unemployed individuals 16 years and older. by place of residence. Data are adjusted for multiple job-holding and commuting.
(2) 2004, 2003 and 2002 Nonfarm payroll data are based on the North American Industry Classification System. The data are by place of work. Persons working multiple jobs are counted more than once.

Source: State of Oregon Employment Department, 2004, 2003 and 2002 statistics are as of April 2005.

Legislative Referrals

Referrals are proposed laws that originate from the Legislature to be voted on by the people. In Oregon, both houses of the Legislature must vote to refer a statute or constitutional amendment for a popular vote. Such referrals cannot be vetoed by the governor.

The Initiative Process

The Oregon Constitution, Article IV, Section 1, reserves to the people of the state the initiative and referendum power pursuant to which measures designed to amend the Oregon Constitution or enact legislation, can be placed on the statewide general election ballot for consideration by the voters. "Referendum" generally means measures that have been passed by the legislature and then referred to the electors by a legislative body, such as the State Legislative Assembly or the governing body of a district, county or other political subdivision, or by petition prior to its effective date. "Initiative" generally means a new measure placed before the voters as a result of a petition circulated by one or more private citizens.

Any person may file a proposed initiative with the Oregon Secretary of State's office. The Oregon Attorney General is required by law to draft a proposed ballot title for the initiative. Public comment on the draft ballot title is then solicited by the Secretary of State. After considering any public comments submitted, the Attorney General will either certify the draft ballot title or revise the draft ballot title. Any elector that submitted written comments who is dissatisfied with the ballot title certified by the Attorney General may petition the Oregon Supreme Court seeking a revision of the certified ballot title.

Once the ballot title has been certified and the Secretary of State has authorized the petitioners, the proponents of the initiative may start gathering the initiative petition signatures necessary to place the proposed initiative on the ballot. To be placed on a general election ballot, the proponents of a proposed initiative must submit to the Secretary of State initiative petitions signed by the number of qualified voters equal to a specified percentage of the total number of votes cast for all candidates for governor at the gubernatorial election at which a Governor was elected for a term of four years next preceding the filing of the petition with the Secretary of State. For the November 2006 election, the requirements are eight percent (75,630 signatures) for a constitutional measure and six percent (100,840 signatures) for a statutory initiative. Any elector may sign an initiative petition for any measure on which the elector is entitled to vote.

The initiative petition must be filed with the Secretary of State not less than four months prior to the general election at which the proposed measure is to be voted upon. As a practical matter, proponents of an initiative have approximately two years in which to gather the necessary number of signatures. State law permits persons circulating initiative petitions to pay money to persons obtaining signatures for the petition. If the person obtaining signatures is being paid, the signature sheet must contain a notice of such payment.

Historical Initiative Petitions

Over the past decade Oregon has witnessed increasing activity in the number of initiative petitions that have qualified for the statewide general election. According to the Elections Division of the Oregon Secretary of State, the number of initiative petitions that have qualified for the ballot and the number that have been approved in the general elections since 1988 are as follows:

Historic Initiative Petitions

Number of Year of General Election	Number of Initiatives that Qualified	Initiatives that were Approved
2004	6	2
2002	7	3
2000	18	8
1998	10	6
1996	16	4
1994	16	9
1992	7	0
1990	8	3
1988	5	3

NOTE: The Secretary of State posts a listing of initiatives on its web site: www.sos.state.or.us.
Source: Elections Division, Oregon Secretary of State, 2004 INITIATIVE LOG Elections Division

Tax Exemption

The Internal Revenue Code of 1986, as amended (the "Code") imposes certain requirements that must be met subsequent to the execution and delivery of the Bonds in order for interest on the Bonds to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the issue date of the Bonds. These requirements include limitations on the use of proceeds of the Bonds, limitations on the investment of proceeds of the Bonds prior to expenditure and a requirement that excess arbitrage earned on the investment of proceeds of the Bonds be rebated on a periodic basis to the United States under certain circumstances. The College has covenanted in the transaction documents that they will comply with these requirements (the "Tax Covenants.")

In the opinion of Bond Counsel, under existing law and assuming compliance by the College with certain tax covenants described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of determining the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from present personal income tax imposed by the State of Oregon.

However, Bond Counsel notes that interest on the Bonds owned by corporations will be taken into account for purposes of determining the alternative minimum tax imposed on 75 percent of the excess of a corporation's adjusted current earnings over its alternative minimum taxable income (determined without regard to this adjustment and the alternative tax net operating loss).

Bond Counsel expresses no opinion on any other federal, state or local tax consequences arising with respect to ownership of the Bonds. Bond Counsel has not undertaken to advise in the future whether any events after the date of execution and delivery of the Bonds may affect the tax status of the Bonds.

Although Bond Counsel has rendered an opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, property and casualty insurance companies, certain S corporations, recipients of Social Security and Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. Prospective purchasers of the Bonds should consult their tax advisors with respect to all such possible collateral consequences and as to the treatment of interest on the Bonds under the tax laws of any state other than Oregon.

[*Original Issue Premium.* Bond Counsel is of the opinion that the difference between the principal amount of the Bonds maturing on June 15 in the years ____ through ___, inclusive, (together the "Premium Bonds") and the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds were sold constitutes original issue premium. Such premium may not be deducted from Federal gross income by a holder of a Premium Bond. The amount of such premium must be amortized actuarially on a constant interest rate basis over the term of such Premium Bond, and the federal tax basis of such Premium Bond will be decreased over its term by the amount of such amortized premium. As a result of the tax cost reduction requirements of the Code relating to amortization of bond premium, under certain circumstances an owner of a Premium Bond may realize a taxable gain upon disposition of such Premium Bond even though they are sold or redeemed for an amount equal to such owner's original cost of acquiring such Premium Bond]

[*Original Issue Discount.* We are of the opinion that the difference between the principal amount of the Bonds maturing on June 15 in the years ____ through ____, inclusive, (together, the "Discount Bonds") and the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discount Bonds of the same maturity was sold constitutes original issue discount that is excluded from gross income for federal income tax purposes to the same extent as interest on the Discount Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Bond and the basis of such Discount

Bond acquired at such initial offering price by an initial purchaser of each Discount Bond will be increased by the amount of such accrued discount.]

Financial Institutions. The Code denies banks, thrift institutions and other financial institutions a deduction for 100 percent of their interest expense allocable to tax exempt obligations, such as the Bonds, acquired after August 7, 1986.

Continuing Disclosure

The Securities and Exchange Commission has published amendments to Rule 15c2-12 (the "Rule") that require at least annual disclosure of current financial information and timely disclosure of certain events with respect to the Bonds, if material. Pursuant to the Rule, the College has agreed to provide to each nationally recognized municipal securities information repository and to the appropriate state information depository, if any, audited financial information of the College and certain financial information or operating data. In addition, the College has agreed to provide to the Municipal Securities Rulemaking Board and to any state information repository, notice of certain events, pursuant to the requirements of Section (b)(5)(i) of the Rule.

The College's annual disclosure filing for Fiscal Year 2004 was made on April 14, 2005, two weeks after the deadline. Otherwise, the College has not failed to comply in the past five years with any prior undertaking under the Rule. A copy of the College's Continuing Disclosure Certificate is attached hereto as Appendix D.

Legal and Underwriting

Approval of Counsel

Legal matters incident to the authorization, issuance and sale of Bonds by the College are subject to the approving legal opinion of Bond Counsel, substantially in the form attached hereto as Appendix A. Bond Counsel has reviewed this document only to confirm that the portions of it describing the Bonds and the authority to issue them conform to the Bonds and the applicable laws under which they are issued

Litigation

There is no litigation pending questioning the validity of the Bonds nor the power and authority of the College to issue the Bonds. There is no litigation pending which would materially affect the finances of the College or affect the College's ability to meet debt service requirements on the Bonds.

Official Statement

The College has deemed this Preliminary Official Statement pursuant to Securities and Exchange Commission Rule 15c2-12 as final as of its date except for the omission of information dependent upon the pricing of the issue and the completion of the underwriting agreement, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, and other terms of the Bonds dependent on the foregoing matters.

Underwriting

The Bonds are being purchased by Seattle-Northwest Securities Corporation, the Underwriter. The purchase contract provides that the Underwriter will purchase all of the Bonds, if any are purchased, at a price of ______ percent of the par value of the Bonds, plus accrued interest. The Bonds will be reoffered at an average price of ______ percent of the par value of the Bonds. After the initial public offering, the public offering prices may be varied from time to time.

Concluding Statement

The information set forth herein has been obtained from the College and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, warranty or guarantee by the Underwriter. So far as any statement herein includes matters of opinion, or estimates of future expenses and income, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

The information contained herein should not be construed as representing all conditions affecting the College or the Bonds. Additional information may be obtained from the College. The statements relating to the Resolution are in summarized form, and in all respects are subject to and qualified in their entirety by express reference to the provisions of such document in its complete form.

The agreements of the College are set forth in such documents, and the information assembled herein is not to be construed as a contract with Owners of the Bonds. Information with respect to the College set forth in this Official Statement has been supplied by the College, and the Underwriter has relied on the College with respect to the accuracy and sufficiency of such information.

Appendix A

Form of Bond Counsel Opinion

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DRAFT

(TO BE PLACED ON MERSEREAU & SHANNON, LLP LETTERHEAD)

_______ __, 2005

Columbia Gorge Community College District
400 East Scenic Drive
The Dalles, Oregon 97058

Re: Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon General Obligation Bonds, Series 2005 - $_________

We have acted as bond counsel in connection with the issuance by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District") of $_________ General Obligation Bonds, Series 2005 dated May __, 2005 (the "Bonds"). The Bonds are issued pursuant to the authority granted by a majority of the legal voters of the District voting at the November 2, 2004 election, the applicable provisions of Oregon Revised Statutes Sections 341.675 to 341.702 and a resolution of the District adopted by the Board of Directors on April 12, 2005 (the "Resolution").

We have examined the law and a duly certified transcript of proceedings of the November 2, 2004 election of the District relating to the issuance and sale of the Bonds and such other documents as we deem necessary to render this opinion.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Bonds, and we express no opinion related thereto.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Bonds have been legally authorized and issued under and pursuant to the Constitution and Statutes of the State of Oregon and the Resolution.

2. The Bonds and the Resolution have been properly authorized, executed and delivered by the District and constitute valid binding obligations of the District enforceable in accordance with their terms.

3. The Bonds are a valid, legally binding full faith and credit general obligation of the District payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable property within the geographical boundaries of the District. The District is required by law to include in its annual tax levy the principal and interest maturing on the Bonds to the extent that sufficient funds are not provided from other sources.

4. Assuming compliance with applicable requirement of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds, *including any original issue discount properly allocable to the owner of the Bonds,* is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on

individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. *Any original issue premium properly allocable to the owner of the Bonds may not be deducted from federal gross income, but must be amortized actuarially on a constant interest rate basis over the term of such Bond, and the federal tax basis of such Bond will be decreased over its term by the amount of such amortized premium.* The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

5. The Bonds are not a "private activity bond" within the meaning of Section 141 of the Code.

6. The interest on the Bonds, *including any original issue discount properly allocable to the owner of the Bonds,* is exempt from present State of Oregon personal income taxes.

Except as stated herein, we express no opinion regarding other federal, state or local tax consequences arising with respect to ownership of the Bonds or other matters not expressly included in items 1-6 above. The owner of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral tax consequences and each owner is advised to consult with its own tax advisor regarding such consequences.

It is to be understood that the rights of the Registered Owner of the Bonds and the enforceability thereof are subject to (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, (ii) the application of equitable principles and to the exercise of judicial discretion in appropriate cases, (iii) common law and statutes affecting the enforceability of contractual obligations generally, and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the District.

Our opinions are limited to matters of current Oregon law and applicable federal law, and we assume no responsibility for the applicability or effect of laws of other jurisdictions.

Respectfully submitted,

MERSEREAU & SHANNON, LLP

James P. Shannon

Appendix B

Financial Statements

The College's Auditor has not performed any further review of the College's general purpose financial statements since the date of the audit contained herein.

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COLUMBIA GORGE COMMUNITY COLLEGE

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2004

COLUMBIA GORGE COMMUNITY COLLEGE

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COLUMBIA GORGE COMMUNITY COLLEGE

PRINCIPAL OFFICIALS

JUNE 30, 2004

BOARD OF EDUCATION

POSITION	NAME	ADDRESS	TERM EXPIRES
1	M.D. VanValkenburg	204 E. 4th Street The Dalles, Oregon 97058	6-30-05
2	Dr. James R. Willcox	514 Brentwood Drive The Dalles, Oregon 97058	6-30-05
3	Dave Fenwick	3663 Holly Drive Hood River, Oregon 97031	6-30-07
4	Christie Reed	675 Highline Road Hood River, Oregon 97031	6-30-07
5	Dr. Ernie Keller	1205 Walnut Street The Dalles, Oregon 97058	6-30-05
6	Michael Schend Vice Chair	4330 Wooded Acres Drive Hood River, Oregon 97031	6-30-07
7	Charleen Cobb Chair	1711 West 13th St., Apt. 16 The Dalles, Oregon 97058	6-30-05

COLUMBIA GORGE COMMUNITY COLLEGE

PRINCIPAL OFFICIALS

JUNE 30, 2004

ADMINISTRATIVE OFFICERS

Dr. Frank K. Toda - President	659 Sherman Drive The Dalles, Oregon 97058
Saundra Buchanan - Business Manager	5480 Hawley Road The Dalles, Oregon 97058
Reine Thomas - Dean of Instruction	400 E. Scenic Drive The Dalles, Oregon 97058
Karen Carter - Dean of Student Services	3803 Pleasant Ridge Road The Dalles, Oregon 97058
Robert A. Cole – Executive Director of Small Business Development Center & Resource Development	2200 Lewis Street The Dalles, Oregon 97058
Dennis Whitehouse - Campus Services Director	1612 W. 12th Street The Dalles, Oregon 97058
William S. Bohn – Information Technologies Director	409 11th Street Hood River, Oregon 97031
Stephanie A. Meagher – Assistant to the President & Board of Education	1419 East 21st Street The Dalles, Oregon 97058

FINANCIAL SECTION

BYERS, NEUMAYER & BRADFORD, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
305 East Fifth Street • The Dalles, Oregon 97058
(541) 296-2000 • (541) 296-5638 Fax
www.bnbcpas.com

Ben G. Neumayer
Gary F. Bradford

John W. Byers
Carolyn Rohde
Nathan Reagan
Carol Friend

INDEPENDENT AUDITORS' REPORT

Board of Education
Columbia Gorge Community College
The Dalles, Oregon 97058

We have audited the accompanying basic financial statements of Columbia Gorge Community College, as of June 30, 2004, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of Columbia Gorge Community College management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Columbia Gorge Community College, as of June 30, 2004, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the College implemented a new financial reporting model, as required by the provision of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis – for Public Colleges and Universities*, as of and for the year ended June 30, 2004.

Management's discussion and analysis and budgetary comparison information on pages 9 through 17 and 38 through 89, are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Byers Neumayer & Bradford, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

March 4, 2005

Board of Education
Columbia Gorge Community College

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Columbia Gorge Community College's (the College) Financial Report presents an analysis of the financial activities of the College for the fiscal year ended June 30, 2004. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with them. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. This discussion is designed to focus on current activities, resulting changes and current known facts.

New Accounting Standards

In June 1999, the Governmental Accounting Standards Board (GASB) released Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" which established a new reporting format for governmental financial statements. Statement No 34 requires a comprehensive one-column look at the entity as a whole, along with recognition of depreciation on capital assets. In November 1999, GASB issued Statement No. 35 "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities". The College was required to adopt these standards for the fiscal year ended June 30, 2004. Since this is a transition year for the new format, only one year of information is presented in the audited financial statements and this Management's Discussion and Analysis. Next year, the College will provide a comparison of prior year activities.

Overview of the Financial Statements

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

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

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

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

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

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

Financial and Enrollment Highlights

During one of five special legislative sessions in calendar 2002, in an attempt to balance the State budget, the legislature passed Senate Bill 1022 to cancel the portion of the appropriation that it had intended to pay to the seventeen Oregon community colleges in the last quarter of fiscal year 2002-2003. This is equivalent to one quarter of the state resources for all community colleges. The total amounts to \$56 million and it represents \$622,797 for Columbia Gorge Community College. The state reappropriated the canceled amount in fiscal year 2003-2004. The amount was paid on July 15, 2003. According to GAAP, we recognize the \$622,797 of state revenue in 2003-2004.

The College's financial position, as a whole, improved during the fiscal year ended June 30, 2004 as evidenced by:

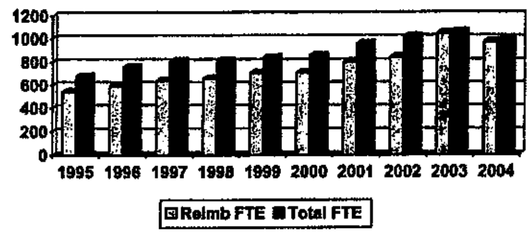
- Cash and cash equivalents increased by \$1,573,448 during the year to a total of \$3,329,666 at the close of the fiscal year.

- Net assets may serve over time as a useful indicator of the College's financial position. This report shows an increase in total net assets from (\$787,731) in fiscal year 2003 to \$1,029,246 in fiscal year 2004.

One of the College's largest net assets, \$1,064,843, reflects the amount invested in capital assets, (e.g. land, buildings, machinery and equipment), less any related outstanding debt used to acquire those assets. 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. The majority of the debts used to acquire the capital assets will be paid off over the next nine years with funding from the general obligation bond property tax levy.

Although full-time equivalent enrollment declined by 7% in fiscal year 2003-2004, plans are underway to expand daytime educational facilities in the recently annexed portion of Hood River County. Factors contributing to the decrease in enrollment include a 10.2 percent increase in the tuition rate, the graduation of local dislocated workers and limitations on State reimbursement for certain adult education courses which resulted in reduced offerings. The following chart shows reimbursable and total full-time equivalent enrollment levels for the past ten years.

Reimbursable and Total Full-time Equivalent Enrollment



Analysis of the Statement of Net Assets
As of June 30, 2004

The Statement of Net Assets includes all assets and liabilities of the College using the accrual basis of accounting, which is similar to the accounting presentation used by most private colleges. Net assets, the difference between assets and liabilities, are one measure of the financial condition of the College.

Statement of Net Assets	**2004**
Assets	
Current assets	$4,022,093
Capital assets, net of depreciation	6,444,531
Total assets	10,466,624
Liabilities	
Current liabilities	1,102,809
Long-term debt, non-current portion	8,334,569
Total liabilities	9,437,378
Net Assets	
Invested in capital assets, net of related debt	1,064,843
Restricted	142,761
Unrestricted	(178,358)
Total Net Assets	$1,029,246

At June 30, 2004, the College's assets were approximately $10.5 million. The College's current assets of $4 million were sufficient to cover current liabilities of $1.1 million. This represents a current ratio of 3.65. Receivables consist of property taxes, student accounts, and grants and contracts. The College's investment in capital assets is $6.4 million, net of accumulated depreciation.

The College's current liabilities consist primarily of payroll, various payables for operations and the current portion of long-term debt. Noncurrent liabilities consist of long term debt from the small scale energy loan incurred in 1994, general obligation refunding bonds series 1998, and the pension bonds series 2003.

Within net assets, the "Invested in capital assets" amount is $1,064,843. In future years, the College's capital assets will continue to grow as a result of the November 2004 voter approval to issue general obligation bonds up to $18.5 million for capital expansion and improvement projects on The Dalles campus and for establishing permanent facilities in Hood River County.

Analysis of the Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2004

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

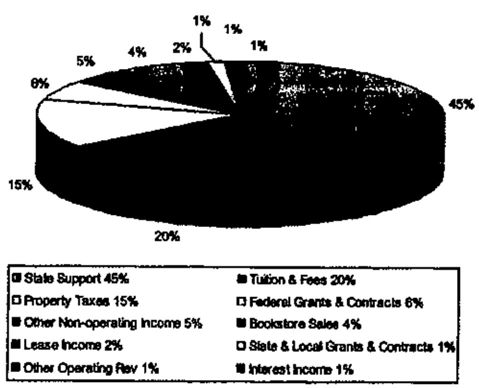
Statement of Revenues, Expenses and Changes in Net Assets	**2004**
Total operating revenues	$2,152,231
Total operating expenses	6,273,824
Operating loss	(4,121,593)
Non-operating revenues, net	5,938,570
Total increase in net assets	1,816,977
Net assets - Beginning of year, as restated	(787,731)
Net assets - end of year	$1,029,246

Revenues:

The sources of operating revenue for the College are tuition and fees, bookstore sales and other operating revenue. Tuition and fees include all amounts paid for educational purposes and totaled $1,707,306. The tuition rate increased in fiscal year 2004 by $5 per credit hour to $54 per credit hour. The service fee rate remained unchanged at $8 per credit hour. Bookstore sales totaled $377,423. Other operating revenue totaled $67,502.

The largest non-operating revenue source is the State of Oregon from appropriations to the Community College Support Fund. The College received $3,779,401 for State Community College Support this fiscal year. Of the $3,779,401 received from the State, $622,797 was a fourth quarter payment that related to the prior year and was deferred by the State and $585,000 was a separate appropriation for services to the recently annexed portion of Hood River County. Property taxes totaled $1,261,932 of non-operating revenue. Of the $1,261,932 in property taxes received, $623,121 is attributed to the general obligation bond levy. Non-operating revenue from federal grants and contracts totaled $512,451. Non-operating revenue from state and local grants and contracts totaled $126,547. Lease income totaled $197,129. Other non-operating income totaled $443,527. Interest income totaled $44,669. The following graph shows the allocation of revenues for the College:

Operating and Non-Operating Revenues

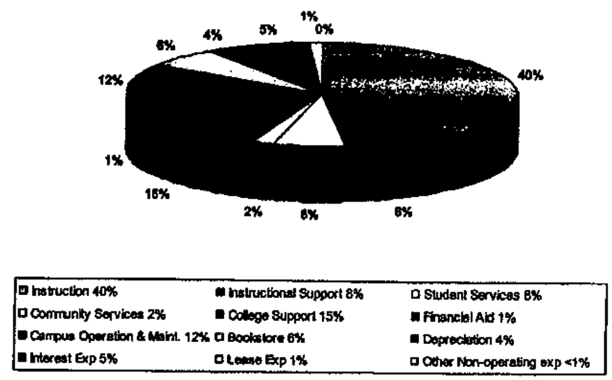


Expenses:

Operating expenses total $6,273,824. Instructional expenses represent the largest percentage of total expenses at $2,703,346 or 40 percent of total expenses. Instructional support expenses total $511,683 or 8 percent of total expenses. College support expenses total $1,015,660 or 15 percent of total expenses. Campus operation and maintenance expenses total $784,951 or 12 percent of total expenses. Bookstore expenses total $406,839 or 6 percent of total expenses. Student services expenses total $390,933 or 6 percent of total expenses. Depreciation totals $245,006 or 4 percent of total expenses. Community services total $144,280 or 2 percent of total expenses. Financial aid expenses total $71,128 or 1 percent of total expenses.

The most significant non-operating expense was interest on debt of $361,558, which represents 5 percent of total expenses. Lease expenses total $62,750 or 1 percent of total expenses. Other non-operating expenses total $2,780 or 0.04 percent of total expenses. The following chart shows the allocation of expenses for the College by functional classification:

Operating & Non-Operating Expenses



Analysis of the Statement of Cash Flows
For the Year Ended June 30, 2004

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

Statement of Cash Flows	2004
Cash Provided (Used) By:	
Operating Activities	($3,762,437)
Non-capital Financing Activities	6,094,975
Capital Financing Activities	(803,759)
Investing Activities	44,669
Net Increase in Cash	1,573,448
Cash - Beginning of year	1,756,218
Cash - End of year	$3,329,666

The major sources of funds included in operating activities include tuition and fees of $1,782,647, bookstore sales of $407,274 and other operating revenue of $87,502. Major operating uses were payments to employees and suppliers, as well as for student financial aid, totaling $6,019,860.

State appropriations and property taxes are the primary sources of non-capital financing. The new accounting standards require that we reflect these sources of revenue as non-operating even though the College's budget depends on these revenues to continue the current level of operations. Cash received from property taxes totaled $1,236,788. Cash from grants and contracts totaled $688,211. Major non-capital financing uses include interest paid on pension bonds of $122,822, payments for pension bonds of $59,015 and cash paid for lease expenses of $62,750.

The uses of cash from capital financing activities include the purchase of capital assets of $126,248, principal paid on long-term debt of $438,775 and interest paid on long-term debt of $238,736.

Interest on investments provided $44,669 in sources of funds for fiscal year 2004.

Budget

Columbia Gorge Community College adopts an annual budget at the fund level, which is under the modified accrual basis of accounting for governmental and fiduciary funds and on an accrual basis of accounting for proprietary funds. The College Board adopts budget modifications and makes contingency transfers as needed for unanticipated expenditures in accordance with Oregon Local Budget Law. For more information, please refer to the budgetary statements as Supplementary Information in the Financial Section of this report.

Capital Assets and Debt Administration

Capital Assets

The College's investment in capital assets as of June 30, 2004, amounts to $6,444,531, net of accumulated depreciation. Investment in capital assets includes land, building, improvements, machinery and equipment, library collections and infrastructure.

Additional information on the College's capital assets can be found in Note 9 of this report.

Long-Term Obligations

At the end of the current fiscal year, the College had total debt outstanding of $8,891,000. Of this amount, $5,260,000 is the outstanding general obligation refunding bond series 1998; $3,511,312 is the outstanding pension obligation bond series 2003; and $119,688 is the outstanding State of Oregon Small Scale Energy Loan.

The College issued no new debt and made all scheduled payments to reduce total debt by $497,790.

State statutes limit the amount of general obligation debt the College may issue to 1.5 percent of Real Market Value of properties within the College district. The current legal debt limit is $48,558,446, which is significantly higher than the College's outstanding debt. The College's outstanding general obligation bond debt is 10.8 percent of the legal debt limit. Additional information on the College's long-term debt can be found in Notes 10, 11 and 12 of this report.

Economic Factors and Next Year's Budget

Declining state revenues and the necessity to replace funds with increased tuition and fees continues to be a major challenge for the College. This issue impacts the College's mission to provide access to higher education for all in the community it serves.

The legislature passed several bills to create a new state retirement system. This will impact the College's unfunded actuarial liability (UAL). Even with the new retirement system in place, the legislative bills are anticipated to be in the court system due to challenges filed by public employee groups. The new Oregon Public Service Retirement Plan (OPSRP), a partial defined contribution plan and a partial defined benefits plan, went into effect on August 29, 2003. The impact of all of the changes is uncertain at this time.

The College proactively managed its financial position and adopted budgetary principles and practices that addressed cost reductions and revenue enhancement. The development of the fiscal year 2004-2005 budget adheres to the principles of maintaining access to educational programs, support for a diverse student population, and balancing budget requirements with revenue increases. The College budget continues the commitment to provide programs to meet and respond to changing community needs. The College budget anticipates the State's planned deferral of the fourth quarter payment to 2005-2006. The College budget includes new federal grant funding sources to support the nursing and health occupations programs. The College budget includes funding to support the College general obligation bond authorization measure in the November 2004 election. The College budget provides increased contingency funds to account for uncertainties in the level of State funding, the fiscal impact of the faculty collective bargaining negotiations, the effect of tuition rate increases on enrollment, the declining enrollment due to graduation of dislocated workers, and the cost of establishing temporary educational facilities in Hood River County. On June 8, 2004, the College adopted a balanced budget that includes a $5 per credit hour tuition increase. The College is required by the Oregon Local Budget Law to present and adopt a balanced budget each year. This will be an ongoing challenge for the College over the next few years until the state budget situation improves.

Requests for Information

This financial report is designed to provide a general overview of Columbia Gorge Community College's finances. Questions concerning any of the information provided 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 ASSETS

JUNE 30, 2004
(all amounts are in dollars)

ASSETS:	
Current Assets:	
Short-Term Investments	3,368,063
Prepaid Expenditures	28,568
Receivables:	
Taxes	144,481
Accounts, net	152,886
Grants and Contracts	181,279
Publisher's and Vendor's Credits	21,047
Inventory-Textbooks and Supplies	125,768
Total Current Assets	4,022,093
Noncurrent Assets:	
Capital Assets, net (Note 9)	6,444,531
Total Noncurrent Assets	6,444,531
TOTAL ASSETS	10,466,624
LIABILITIES:	
Current Liabilities:	
Cash in Bank - Net deficit	38,396
Accounts Payable	110,547
Accrued Payroll and Withholdings	204,749
Compensated Absences Payable	39,344
Due to Fiduciary Funds	1,926
Security Deposit	1,500
Deferred Revenue:	
Tuition and Fees	145,002
Grants and Contracts	4,913
Current Portion of Long-Term Debt (Notes 10 & 11)	556,431
Total Current Liabilities	1,102,809
Noncurrent Liabilities:	
Small Scale Energy Loan Payable	119,688
General Obligation Bonds Payable	5,260,000
Pension Bonds Payable	3,511,312
Less: Current Portion of Long-Term Debt	(556,431)
Total Noncurrent Liabilities	8,334,569
TOTAL LIABILITIES	9,437,378
NET ASSETS	
Invested in capital assets, net of related debt	1,064,843
Restricted for:	
Debt Service	131,830
Capital Projects	10,931
Unrestricted	(178,358)
TOTAL NET ASSETS	1,029,246

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

OPERATING REVENUES	
Student Tuition and Fees	1,707,306
Bookstore Sales	377,423
Other Operating Revenue	67,502
Total Operating Revenues	2,152,231
OPERATING EXPENSES	
Instruction	2,703,346
Instructional Support	511,683
Student Services	390,933
Community Services	144,280
College Support	1,015,660
Financial Aid	71,128
Campus Operation and Maintenance	784,951
Bookstore	406,839
Depreciation	245,006
Total Operating Expenses	6,273,824
Operating Income (Loss)	(4,121,593)
NONOPERATING REVENUES (EXPENSES)	
Federal Grants and Contracts	512,451
State and Local Grants and Contracts	126,547
State Community College Support	3,779,401
Property Taxes	1,261,932
Interest Income	44,669
Lease Income	197,129
Other Nonoperating Income	443,527
Interest Expense	(361,558)
Lease Expenses	(62,750)
Other Nonoperating Expenses	(2,760)
Total Nonoperating Revenues (Expenses)	5,938,570
Increase (Decrease) in Net Assets	1,816,977
NET ASSETS	
Net Assets - beginning of year, as restated	(787,731)
Net Assets - end of year	1,029,246

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Tuition and Fees	1,782,647	
Cash Received from Bookstore Sales	407,274	
Other Operating Revenue	67,502	
Cash Paid for Operating Expenses	(6,019,860)	
Net Cash Provided (Used) by Operating Activities		(3,762,437)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Received from Grants and Contracts	688,211	
Cash Received from Property Taxes	1,236,788	
Cash Received from State FTE Reimbursement	3,779,401	
Cash Received from Leases	195,260	
Other Nonoperating Income	443,527	
Cash Paid for Lease Expenses	(62,750)	
Payments for Pension Bonds	(59,015)	
Interest Paid on Pension Bonds	(122,822)	
Other Nonoperating Expenses	(3,625)	
Net Cash Provided (Used) by Noncapital Financing Activities		6,094,975
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of Capital Assets	(126,248)	
Principal Paid on Long-Term Debt	(438,775)	
Interest Paid on Long-Term Debt	(238,736)	
Net Cash Provided (Used) by Capital Financing Activities		(803,759)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	44,669	
Net Cash Provided (Used) by Investing Activities		44,669
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,573,448
CASH AND CASH EQUIVALENTS- BEGINNING OF YEAR		1,756,218
CASH AND CASH EQUIVALENTS - END OF YEAR		3,329,666

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

RECONCILIATION OF OPERATING LOSS TO CASH USED BY OPERATING ACTIVITIES		
Operating Loss		(4,121,593)
Adjustments to Reconcile:		
Depreciation	245,006	
(Increase) Decrease in Prepaid Expenditures	(19,317)	
(Increase) Decrease in Accounts Receivable	133,336	
(Increase) Decrease in Vendor's Credits	34,526	
(Increase) Decrease in Inventory	14,617	
Increase (Decrease) in Accounts Payable	(66,767)	
Increase (Decrease) in Accrued Payroll and Withholdings	84,583	
Increase (Decrease) in Accrued Compensated Absences	(4,158)	
Increase (Decrease) in Deferred Tuition and Fees	(62,670)	
Total Adjustments		359,156
Net Cash Used by Operating Activities		(3,762,437)

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF FIDUCIARY NET ASSETS

JUNE 30, 2004
(all amounts are in dollars)

	Hospitality	Student Council	Phi Theta Kappa	Environmental
ASSETS				
Due From General Fund	280	570	599	477
TOTAL ASSETS	280	570	599	477
LIABILITIES				
Current Liabilities				
Accounts Payable	34	-	32	-
TOTAL LIABILITIES	34	-	32	-
NET ASSETS	246	570	568	477

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	Hospitality	Student Council	Phi Theta Kappa	Environmental
ADDITIONS				
Contributions	220	-	-	-
Fund Raising	-	55	1,735	-
Membership Dues	-	-	1,950	-
TOTAL ADDITIONS	220	55	3,685	-
DEDUCTIONS				
Materials and Services	123	375	3,588	-
TOTAL DEDUCTIONS	123	375	3,588	-
CHANGE IN NET ASSETS	98	(320)	97	-
NET ASSETS, BEGINNING OF YEAR	149	890	471	477
NET ASSETS, END OF YEAR	246	570	568	477

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2004

1. SIGNIFICANT ACCOUNTING POLICIES:

The College was originally organized as an "Area Education District," as described in Chapter 341 of the Oregon Statues relating to Community Colleges. In 1977, Wasco Area Education Service District was formed. Later that year, the College's name was changed to Treaty Oak Education Service District. In 1989, a vote of the people of Wasco County allowed the Board of Education to drop the "Service District" designation and the College became Treaty Oak Community College. The name changed again in November of 1989 to Columbia Gorge Community College. On November 6, 2001, voters in Wasco County and Hood River County approved the annexation of a portion of Hood River County to join the Columbia Gorge Community College District. 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. As described in ORS 341.437, 341.440 and 341.445, the College may provide its courses through contracts with community college districts, other school districts, the Department of Higher Education or accredited private educational institutions. The College contracts with Portland Community College to provide courses and programs.

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

A. REPORTING ENTITY:

In evaluating how to define the College, for financial reporting purposes, management has considered all potential component units. The criteria for including potential component units within the College's reporting entity, as set forth in GASB No. 14, "The Financial Reporting Entity," is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to, or impose a financial burden on, the primary government.

Based upon the application of the above criteria, the potential component unit, Columbia Gorge Community College Foundation, has been excluded from the College's reporting entity. The Foundation is a separate not-for-profit corporation. The Board of Education is elected independently of any College Board of Trustee's appointments. Each Board is responsible for approving its own budget and accounting and finance-related activities.

1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

B. BASIS OF PRESENTATION:

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis – for Public Colleges and Universities*, issued in June and November 1999. The financial statement presentation required by GASB No. 34 and No. 35 provide a comprehensive entity-wide perspective of the College's financial activities. The entity-wide perspective replaces the fund-group perspective previously required. The College now 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. Fiduciary activities are reported separately.

C. 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-agency transactions have been eliminated.

Non-exchange transactions, in which the College receives value without directly giving equal value in return, includes property taxes, federal, state, and local grants, State appropriations, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. 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.

The College's basic financial statements have applied all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued after November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements.

1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

D. USE OF ESTIMATES:
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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.

E. 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 State of Oregon Treasurer's Local Government Investment Pool (LGIP) and short-term investments with original maturities of three moths or less from the date of acquisition. The LGIP is stated at cost, which approximates fair value. Fair value of the investments in the LGIP is the same as the value of the pool shares.

F. 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, 2004 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.

G. RECEIVABLES:
All accounts, student accounts, grants and property taxes receivable are shown net of an allowance for uncollectible accounts.

Property taxes are levied and become a lien on all taxable property as July 1. Taxes are payable on November 15, February 15 and May 15. Discounts are allowed of the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. Property taxes receivable are recognized as revenue when levied.

Student accounts receivables are recorded as tuition is assessed.

Non-reimbursed expenses from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenses are incurred. Grant funds received prior to the occurrence of qualifying expenses are recorded as deferred revenue.

1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

H. INVENTORIES:
An inventory control is maintained on textbooks and supplies purchased for resale to students and, therefore, the inventory at June 30, 2004, has been recorded as an asset of the Bookstore Fund. Also, inventory controls are maintained by the College on expendable office and instructional supplies. This inventory of supplies is recorded as an asset in the General Fund. The inventories are shown at cost.

I. PREPAID ITEMS:
Payments made to vendors for services that will benefit periods beyond June 30, 2004, are recorded as prepaid items.

J. CAPITAL ASSETS:
Capital assets include land and land improvements; building and building improvements; furniture, equipment and machinery; works of art and historical treasures; infrastructure (which include utility systems); library collections; leasehold improvements; and construction in progress. The College's capitalization threshold is $5,000, except for buildings and building improvements, infrastructure assets, land and land improvements and leasehold improvements, which have a capitalization amount of $50,000. Such assets are recorded at historical cost or estimated historical cost if purchase or constructed. Library collections are capitalized regardless of 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.

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

Building and building improvements	45-60 years
Furniture, equipment and machinery	5-20 years
Infrastructure	25-100 years
Land improvements	10-25 years
Leasehold improvements	10-12 years
Library collection	10 years

K. 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 as a liability 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.

1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

L. DEFERRED REVENUE:
Tuition revenue for summer term is collected in part in the month of June; however, the revenue and expenditures of summer term are reflected in the budget for the following fiscal year. Due to this timing difference, a liability account, "Deferred Revenue" has been established to record summer term tuition to be recognized as revenue in the month of July.

M. LONG-TERM DEBT:
Bond premiums and discounts, as well as issuance costs, when applicable are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

N. OPERATING REVENUES AND EXPENSES:
Operating revenues and expense are distinguished from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the College's ongoing operations. The principle 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 the faculty, administration and support expenses, bookstore items, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

O. NET ASSETS:
GASB Statements No. 34 reports equity as "Net Assets" rather than "Fund Balance". Net assets are classified according to external donor restrictions or availability of assets for satisfaction of College obligations. Net assets are classified in the following components:

Invested in capital assets, net of related debt – This component of net assets 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, expendable – This component of net assets consists of 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.

Restricted, nonexpendable – This component of net assets consists of 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 pf producing present and future income, which may either be expended or added to principal. The College does not have any nonexpendable restricted net assets.

Unrestricted – This component of net assets 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.

P. BUDGET AND BUDGETARY ACCOUNTING:
The budget is prepared on the modified accrual method of accounting for each fiscal year July 1 to June 30. The budget process includes a series of notices and publications culminating with the budget hearing. After the public hearing has been held, the Board enacts the resolutions to adopt the budget, make appropriations and declare the ad valorem tax levy for all funds except Trust and Agency Funds.

The Appropriations Resolution contains amounts for instruction, instructional support, student services, college support, student financial aid, plant operation and maintenance, interagency/fund transactions and an operating contingency for each fund. This is the 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 overexpenditure.

Budget amounts shown in the combined financial statements 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.

Q. RESTATEMENT:
As of and for the year ended June 30, 2004, the College implemented the following Governmental Accounting Standards Board pronouncements:

- No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments
- No. 35 – Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities
- No. 36 – Recipient Reporting for Certain Shared Nonexchange Revenues – An Amendment of GASB No. 33
- No. 37 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus
- No. 38 – Certain Financial Statement Note Disclosures
- No. 39 – Determining Whether Certain Organizations Are Component Units

As a result of implementing these pronouncements, the following restatements to the June 30, 2003 equity balances were made to determine July 1, 2003 beginning net assets:

Fund Balance – June 30, 2003	$ 1,930,320
Deferred Property Tax Revenues	107,450
Capital Assets, net of accumulated depreciation	6,563,289
Long-Term Debt	(9,388,790)
Net Assets – July 1, 2003	$ (787,731)

2. CASH AND INVESTMENTS:

The College has one checking account and VISA deposit account that is used by the General Fund. Receipts and disbursements for all funds go through the checking account.

Deposits for the College were with various banks and the State of Oregon Local Government Investment Pool. Schedule of Cash Balances and Collateral Security sets forth the carrying amounts, bank balances and collateral security for the College's deposits at each financial institution as of June 30, 2004. Oregon Revised Statutes require the depository institution to maintain on deposit with a collateral pool manager, securities having a value not less than 25 percent of the outstanding certificates of participation issued by the pool manager.

State statutes authorize the College to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the State Treasurer's Investment Pool, among others.

Investments of the College are valued at cost. The College invests entirely in the State of Oregon Local Government Investment Pool. Generally Accepted Accounting Principles require investments in external investment pools to be stated at fair value. However, the difference between cost and fair value for the College's investments as of June 30, 2004, was determined to be immaterial.

The College's deposits and investments are categorized to give an indication of the level of risk assumed by the College at year end. Category 1 includes deposits and investments that are insured or registered or for which the securities are held by the College or its agent in the College's name. Category 2 includes uninsured and unregistered deposits and investments for which the securities are held by the counter-party's trust department or agent in the College's name. Category 3 includes uninsured and unregistered deposits and investments for which the securities are held by the counter-party, or by its trust department or agent but not in the College's name.

	CATEGORY 1	CATEGORY 2	CATEGORY 3	CARRYING AMOUNT	MARKET VALUE
Cash in Banks:					
Checking Accounts	$ (52,494)	$ -	$ -	$ (52,494)	$ (52,494)
Local Government Investment Pool				3,368,063	3,368,063
Cash with County Treasurer				13,597	13,597
Petty Cash				500	500
TOTAL DEPOSITS AND INVESTMENTS				$ 3,329,667	$ 3,329,667

3. PROPERTY TAX REVENUES AND RECEIVABLES:

Property taxes are levied on July 1 pursuant to Oregon Revised Statute 310.030. Taxes are payable in full on November 15 or are payable in installments the last of which is due on May 15 of the year following the year in which imposed. Taxes become delinquent on personal property when any installment is not paid by its due date. Taxes become delinquent on real property if not paid by May 15. On January 1 and July 1 tax liens attach to personal and real property respectively to secure payment of all taxes, penalties and interest ultimately imposed. Personal property is subject to summary seizure and the responsible taxpayer is subject to warrant service 30 days after delinquency date. Foreclosure proceedings begin on real property after three years from the date taxes become delinquent.

3. PROPERTY TAX REVENUES AND RECEIVABLES - CONTINUED:

Property taxes are collected by the Wasco and Hood River County Tax Collectors and credited monthly to the College's account. Funds are distributed to the College on request, and excess funds are invested for the College by the County Treasurer. Property taxes are recognized as revenue in the year levied. The budgetary basis financial statements reflect property taxes as revenue when collected by the Wasco and Hood River County Tax Collector and are available to the College to pay current period expenditures. Taxes collected within 60 days of the year end are considered available to pay current period expenditures.

Property taxes receivable at year end have been reported on the balance sheet. No allowance has been made for uncollectible taxes since past history has shown losses to be minimal.

4. COLLEGE PAYROLL:

The College's administrative, office, clerical and advising staff are employees of the College. This payroll function is handled by the College's accounting staff.

By amendment of contract with Portland Community College, instructional staff became legally employees of Columbia Gorge Community College on 7-1-90. Their payroll is serviced by College's accounting staff; all decisions concerning hiring, firing and assignments are made by College administration. PCC reviews teacher certification and credentials for compliance with accrediting standards. The College is billed for this service.

5. DEFINED BENEFIT PENSION PLAN:

Columbia Gorge Community College contributes to the Oregon Public Employees Retirement Fund (OPERF), a cost-sharing multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System (PERS). PERS provides retirement and disability benefits, post-employment health care benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238. ORS Chapter 238.620 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. That report may be obtained by writing to PERS, PO Box 23700, Tigard, OR 97281-3700 or by calling 1-503-598-7377.

The 72nd Oregon Legislature created the Oregon Public Service Retirement Plan (OPSRP). Public employees hired on or after August 29, 2003 become part of OPSRP, unless membership was previously established in PERS. OPSRP is a hybrid (defined contribution/defined benefit) pension plan with two components: the Pension Program (defined benefit) and the Individual Account Program (defined contribution).

Members of PERS are required to contribute 6.0% of their salary covered under the plan. Beginning January 1, 2004, PERS member contributions will go into the Individual Account Program portion of OPSRP. OPSRP members also contribute 6.0% of their salary covered under the plan. The College is required by ORS 238.225 to contribute at an actuarially determined rate. The current contribution rate for PERS members is 0.64% and for OPSRP members is 8.04% of salary covered under the plan. Starting May 2003, the PERS employer rate decreased as a result of the issuance of the pension bonds. The bonds were issued to pay the unfunded actuarial liability. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. The College's contributions to PERS for the years ending December 31, 2001, 2002 and 2003 were $179,381, $211,796, and $89,706, respectively, equal to the required contributions for each year.

6. LEASES:

The college has entered into the following lease/contract agreements:

OFFICE SPACE:

LESSEE: Greater Oregon Behavioral Health, Inc.
LEASE TERM: July 1, 1997, to June 30, 2004.
RENT: $2,110.40 per month.
TERMINATION: Upon 60-day prior written notice by either party.

LESSEE: Department of Environmental Quality.
LEASE TERM: November 1, 1995, to April 14, 2004, with an option to extend for two terms of one year each with 90 day prior written notice to lessor.
RENTAL: $3,661.65 per month, starting June 2004 - $3,814.60.
TERMINATION: Upon 180-day prior written notice.

LESSEE: Oregon State University Extension Service.
LEASE TERM: July 1, 1997 to June 30, 2004.
RENT: $1,200 per month.
TERMINATION: Upon 60-day prior written notice by either party.

LESSEE: Haystack Broadcasting.
LEASE TERM: January 31, 1998, five-year term.
RENT: $75 per month.
TERMINATION: Upon 30-day prior written notice by either party.

LESSEE: Oregon Economic Development Department.
LEASE TERM: July 1, 1999, to June 30, 2004.
RENT: $246 per month.
TERMINATION: Upon 30- to 90-day prior written notice by either party.

LESSEE: Region 9 E.S.D.
LEASE TERM: July 1, 2000, to June 30, 2005.
RENT: $3,523.69 per month.
TERMINATION: Upon 90-day prior written notice by either party.

LESSEE: Ft. Dalles Railroaders.
LEASE TERM: Month-to-month.
RENT: $123 per month.

LESSEE: VoiceStream/T-Mobile.
LEASE TERM: December 1, 2003 – December 1, 2004
RENT: $11,695.68 annual
TERMINATION: Upon 30-day prior written notice.

LESSEE: Oregon Employment Department.
LEASE TERM: December 1, 1996, continuous.
RENT: $150 per month.
TERMINATION: Upon 60-day prior written notice.

LESSEE: Gorge NetWorks.
LEASE TERM: September 15, 1999 to June 30, 2004.
RENT: $200 per month, starting April 2004 - $250 per month.
TERMINATION: Upon 60-day prior written notice.

6. LEASES - CONTINUED:

LESSEE: Oregon Services to Children and Families.
LEASE TERM: November 1, 2000 to October 31, 2004.
RENT: $993 per month, starting November 2003 - $1,018.50 per month.
TERMINATION: Upon 30-day prior written notice.

INSTRUCTIONAL MASTER CONTRACT:

CONTRACTOR: Portland Community College.
CONTRACT TERM: June 25, 1990, to run continuously.
CONTRACT PRICE: Negotiated annually. (F.Y. 2003-04 $133,499).
TERMINATION: One fiscal year notice by either party. Ninety days written notice upon breach of contract.

7. COMMITMENTS AND CONTINGENT LIABILITIES:

There were no known contingent liabilities at June 30, 2004.

8. INTERFUND LOANS:

All cash for the College is maintained in the general fund. Therefore cash receipts in excess of cash expenditures for other governmental funds is in effect a short-term loan to the general fund. At June 30, 2004, the net loans from the general fund totaled $178,326. The detail is as follows:

		Amount
Due from General Fund		
Special Revenue Funds:		
MCCOG Contracts	$	6,344
Insurance Fund		5,638
Corps of Engineers		14,872
Customized Training		1,470
Skill Center Contracts		9,712
SBDC Program Income		25,460
Non-Reimbursable Community Education		7,849
Residential Leases		10,571
Building 2 Leases		15,949
Elderhostel		15,305
Nursing Program		9,280
Fundamentals of Caregiving		7,123
Hood River Lions Trust Grant		60
Hood River Technology		17,534
Debt Service Funds:		
Pension Bonds		130,480
Capital Projects Funds:		
Capital Projects		10,846

8. INTERFUND LOANS - CONTINUED:

Fiduciary Funds:		
Student Council		570
Hospitality		280
Phi Theta Kappa		599
Environmental Club		477
Total Due from General Fund	$	290,418
Due to General Fund		
Special Revenue Funds:		
Hood River C.O.D. Services	$	255
Oregon Child Care Resource and Referral		60
Oregon Child Care Division		16,235
Outreach Tutoring Grant		2,083
Accountability Grant		5,061
Food Services		471
Workforce Committee Services		10,943
Perkins Grants		18,667
Wasco County Inter-Govt. Agreement		2,256
Facilities Assessment Project		5,532
Program Improvement Grant		4,394
English Language Civics Grant		16,575
Cultural Diversity		9,769
DHS Integrated Child Care		4,173
Debt Service Funds:		
Wasco County G.O. Bonds		5,143
Proprietary Funds:		
Bookstore		10,497
Total Due to General Fund	$	112,092

9. CAPITAL ASSETS:
The following table presents the changes in the various capital asset categories:

	LAND	BUILDINGS	EQUIPMENT & FURNISHINGS	LIBRARY COLLECTIONS	TOTAL
BALANCE - JULY 1, 2003	210,000	7,505,666	967,596	728,751	9,412,012
ADDITIONS	-	-	100,571	25,676	126,247
DELETIONS	-	(42,762)	(828,053)	(189,419)	(1,060,234)
ADJUSTED BALANCE	210,000	7,462,904	240,114	565,008	8,478,025
Less: Accumulated depreciation	-	(1,524,888)	(78,023)	(430,584)	(2,033,495)
BALANCE - JUNE 30, 2004	210,000	5,938,016	162,091	134,424	6,444,530

10. GENERAL OBLIGATION BOND ISSUES:
In June 1993, the voters approved the issuance of $7,872,156 in general obligation bonds, the proceeds of which were utilized for the purchase, construction, renovation, and remodeling of the facilities at the college campus.

On November 1, 1998, the College advance refunded the 1993 general obligation bonds. The College issued $5,985,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt account group. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by $261,961 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of $205,000.

A statement of future requirements is set forth in Schedule of Future Wasco County G.O. Bond Statements.

11. PENSION BOND ISSUES:
In April 2003, the College issued Limited Tax Pension Bonds, Series 2003 in the amount of $3,570,327.10. This bond was issued for the purpose of financing all or any portion of the College's pension liability to the Oregon Public Employees Retirement System. The College has covenanted to pay this bond from its available general funds. Available general funds include (1) all the College's ad valorem property tax revenues received from levies under its permanent rate limit, and (2) all other unrestricted taxes, fees, charges, revenues, including tuition charges, and receipts of the College which Oregon law allows or will allow to be spent to make the bond payments.

A statement of future requirements is set forth in Schedule of Future Pension Bond Requirements.

12. **CHANGES IN GENERAL LONG-TERM DEBT:**

The following is a summary of long-term debt transactions of the College for the year ended June 30, 2004.

	Interest Rates	Balance July 1, 2003	Issued/ Additions	Payments/ Refunded	Balance June 30, 2004
Small Scale Energy Loan	6.2%	$ 138,463	$ -	$ 18,775	$ 119,688
Series 1998 G.O. Refunding Bonds	3.1% to 4.35%	5,680,000	-	420,000	5,260,000
Series 2003 Pension Bonds	1.4% to 6.25%	3,570,327	-	59,015	3,511,312
Totals		$ 9,388,790	$ -	$ 497,790	$ 8,891,000

13. **SUBSEQUENT EVENT:**

The issuance of $18,500,000 general obligation bonds was approved by District voters of Hood River and Wasco Counties at a general election on November 2, 2004. Voters authorized issuance of $18,500,000 of general obligation bonds with a maturity not to exceed 21 years to provide funds for construction, renovation, and infrastructure improvements on The Dalles campus, and for acquisition and development of a site for classroom and lab facilities in Hood River County.

SUPPLEMENTARY INFORMATION

INDIVIDUAL FUND FINANCIAL STATEMENTS

GENERAL FUND

The activities relating to the operation of the College are accounted for in this 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 instructional services including teachers' and administrative salaries and benefits, supplies, administrative costs, plant operations and capital outlay.

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Federal Sources	96,575	120,250	120,250	-
State Sources	3,197,427	3,202,804	3,820,734	617,930
Local Sources	624,194	624,194	612,104	(12,090)
Tuition and Fees	1,528,592	1,528,592	1,527,854	(738)
Other Revenue Sources	45,500	45,500	67,686	22,186
TOTAL REVENUES	5,492,288	5,521,340	6,148,628	627,288
EXPENDITURES:				
Instruction	2,513,077	2,372,466	1,935,418	437,048
Instructional Support	610,480	585,635	543,159	42,476
Student Services	466,193	441,461	391,599	49,862
College Support	1,253,392	1,213,972	1,024,654	189,318
Financial Aid	93,308	93,308	71,128	22,180
Campus Operation and Maintenance	671,804	700,559	683,633	16,926
Debt Service	26,976	26,976	26,976	-
Contingencies	688,517	631,985	-	631,985
TOTAL EXPENDITURES	6,323,747	6,066,362	4,676,566	1,389,796
Excess of Revenues Over (Under) Expenditures	(831,459)	(545,022)	1,472,062	2,017,084
OTHER FINANCING SOURCES (USES):				
Transfer From Other Funds	322,685	325,368	230,197	(95,171)
Transfer to Other Funds	(320,783)	(295,102)	(281,132)	13,970
TOTAL OTHER FINANCING SOURCES (USES)	1,902	30,266	(50,935)	(81,201)
Excess of Revenues Over (Under) Expenditures and Other Uses	(829,557)	(514,756)	1,421,128	1,935,884
FUND BALANCE - BEGINNING OF YEAR	1,730,924	1,527,930	1,569,604	(41,674)
FUND BALANCE - END OF YEAR	901,367	1,013,174	2,990,731	1,977,557

SPECIAL REVENUE FUNDS

CURRENT WORKFORCE SKILL DEVELOPMENT: This fund accounts for a special purpose grant funded by the Workforce Investment Act of 1998 for training of the incumbent workforce. The College is training employees of three manufacturing businesses in the Hood River area.

OREGON CHILD CARE DIVISION: This fund accounts for the contract with the Oregon Child Care Division which supports the Child Care Resource and Referral Program at the College.

CHILD CARE RESOURCE AND REFERRAL: The College manages a child care resource and referral project and 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.

MCCOG CONTRACTS: Funding is from federal flow-through grants administrated by Mid-Columbia Council of Governments as prime contractor. This fund supports the activities which are a part of contracts with MCCOG and Adult and Family Services to provide instruction and services to their clients.

INSURANCE FUND: This fund accounts for the unanticipated receipt of insurance claim proceeds and expenditures.

CORPS OF ENGINEERS: This fund is established to record revenue and expenditures of contracted training programs developed for the Corps of Engineers.

CUSTOMIZED TRAINING: This fund is used to record revenues and expenditures relating to specialized training programs offered to organizations. Revenues are from business and organizations contracting for training, and expenditures are for instruction, room and equipment rental and administration fees.

OUTREACH TUTORING: This fund accounts for the outreach tutoring grant through the Office of Community College Services to provide Outreach Project tutoring services for adult literacy students.

ACCOUNTABILITY GRANTS: This fund accounts for grants related to Skill Center programs. Included are grants through the Office of Community College services to provide Outreach Project tutoring services for adult literacy students, ABE assessment and accountability activities, staff development activities and to provide basic skills development services for incarcerated adults.

SPECIAL REVENUE FUNDS - CONTINUED:

SKILL CENTER CONTRACTS: This fund supports special projects related to Skill Center programs. Included are contracts to provide curriculum and coordination with local school districts including South Wasco County High School to provide Alternative High School Education programs; and literacy program activities.

SBDC PROGRAM INCOME: This fund accounts for Small Business Development Center program income.

NON-REIMBURSABLE COMMUNITY EDUCATION: This fund accounts for revenue and expenses of self-supporting community education classes.

RESIDENTIAL LEASES: This fund is used to record the revenues and expenditures relating to the residential leases.

BUILDING 2 LEASES: This fund is used to record the revenues and expenditures relating to leasing office space to various agencies.

FOOD SERVICE: This fund accounts for the revenues and expenditures of the campus food service contract.

WORKFORCE COMMITTEE SERVICES: This fund accounts for the contract to provide professional services to assist the Region 9 Workforce Committee.

COMMERCIAL KITCHEN: Three grants were received to establish a commercial and teaching kitchen. This facility is licensed and fully inspected in which specialty and gourmet food products can be produced. The facility is used to assist small start-up food companies that will contribute to the economic health of the community.

ELDERHOSTEL: This 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 55.

PERKINS GRANTS: This fund accounts for the Perkins funds which support the enhancement of Technical Education programs to better prepare students for a future in the workforce.

WASCO COUNTY INTERGOVERNMENTAL AGREEMENT: This fund accounts for the intergovernmental agreement between the College and Wasco County for professional staff support to the County for economic development activities.

NURSING PROGRAM: This fund accounts for contributions from regional health care providers and transfers from the General Fund to support direct expenditures of the Nursing Program.

SPECIAL REVENUE FUNDS - CONTINUED:

CORRECTIONS GRANT: This fund accounts for the corrections grant through the Office of Community College Services to provide services for incarcerated adults.

FUNDAMENTALS OF CAREGIVING: This fund accounts for the contract with the State of Washington to provide fundamentals of caregiving training.

FACILITIES ASSESSMENT PROJECT: This fund accounts for grants from the Oregon Investment Board, the USDA Forest Service, and Mt. Hood Alliance for the CGCC facilities assessment projects. These projects include space utilization study and master plan.

PROGRAM IMPROVEMENT GRANT: This fund accounts for the Program Improvement Grant from the Oregon Community College and Workforce Development Department.

ENGLISH LANGUAGE CIVICS GRANT: This fund accounts for the English Languages Civics Grant from the Oregon Community College and Workforce Development Department.

DEPARTMENT OF LABOR NURSING GRANT: This fund accounts for the proposed Federal grant to provide funding for the Nursing program.

HOOD RIVER LIONS TRUST GRANT: This fund accounts for grants from the Hood River Lions Trust.

MEYER MEMORIAL TRUST GRANT: This fund accounts for a grant from the Meyer Memorial Trust to purchase a HAS Trainer for the EET program.

CULTURAL DIVERSITY GRANT: This fund accounts for the USDA Forest Service grant for cultural diversity training.

DHS INTEGRATED CHILD CARE GRANT: This fund accounts for the contract from the Oregon Department of Human Services for the integrated child care program.

PORT OF HOOD RIVER TECHNOLOGY GRANT: This fund accounts for the $150,000 contract from the Port of Hood River to purchase equipment and furnishings for the Hood River Center.

DEPARTMENT OF EDUCATION NURSE TRAINING GRANT: This fund accounts for the grant from the U.S. Department of Education for a nurse training program.

LECTURE SERIES: This fund accounts for a grant from the Oregon Council for the Humanities and related program income for the literacy lecture series.

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

CURRENT WORKFORCE SKILL DEVELOPMENT

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Federal Sources	29,580	15,105	7,117	(7,988)
TOTAL REVENUES	29,580	15,105	7,117	(7,988)
EXPENDITURES:				
Personal Services	20,769	9,697	5,687	4,010
Materials and Services	7,548	6,946	2,967	3,979
TOTAL EXPENDITURES	28,317	16,643	8,655	7,988
Excess of Revenues Over (Under) Expenditures	1,263	(1,538)	(1,538)	-
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(1,263)	1,538	1,538	-
Excess of Revenues Over (Under) Other Sources (Uses)	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

OREGON CHILD CARE DIVISION

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Federal Sources	74,609	72,230	63,727	(8,503)
TOTAL REVENUES	74,609	72,230	63,727	(8,503)
EXPENDITURES:				
Personal Services	70,870	62,306	56,033	6,273
Materials and Services	3,477	4,146	2,596	1,551
TOTAL EXPENDITURES	74,347	66,452	58,629	7,823
Excess of Revenues Over (Under) Expenditures	262	5,778	5,098	(680)
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(262)	(5,778)	(5,098)	(680)
Excess of Revenues Over (Under) Other Sources (Uses)	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

CHILD CARE RESOURCE AND REFERRAL

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
State Sources	21,000	3,750	4,063	313
Other Sources	25,332	5,600	2,400	(3,200)
TOTAL REVENUES	46,332	9,350	6,463	(2,887)
EXPENDITURES:				
Personal Services	39,486	29,029	26,092	2,937
Materials and Services	22,066	888	625	263
TOTAL EXPENDITURES	61,552	29,917	26,716	3,201
Excess of Revenues Over (Under) Expenditures	(15,220)	(20,567)	(20,254)	313
OTHER FINANCE SOURCES (USES):				
Transfer from General Fund	10,850	16,366	16,366	-
Transfer to General Fund	(630)	-	-	-
FUND BALANCE - BEGINNING OF YEAR	5,000	4,201	4,201	-
FUND BALANCE - END OF YEAR	-	-	313	313

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

MCCOG CONTRACTS

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Federal Sources	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Personal Services	-	-	-	-
Materials and Services	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	6,344	6,344
FUND BALANCE - END OF YEAR	-	-	6,344	6,344

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

INSURANCE FUND

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Other Sources	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Materials and Services	5,683	5,638	-	5,638
TOTAL EXPENDITURES	5,683	5,638	-	5,638
Excess of Revenues Over (Under) Expenditures	(5,683)	(5,638)	-	5,638
FUND BALANCE - BEGINNING OF YEAR	5,683	5,638	5,638	-
FUND BALANCE - END OF YEAR	-	-	5,638	5,638

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

CORPS OF ENGINEERS

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Other Sources	25,000	25,000	15,840	(9,160)
TOTAL REVENUES	25,000	25,000	15,840	(9,160)
EXPENDITURES:				
Personal Services	15,489	14,672	698	13,974
Materials and Services	10,684	11,501	4,193	7,308
TOTAL EXPENDITURES	26,173	26,173	4,891	21,282
Excess of Revenues Over (Under) Expenditures	(1,173)	(1,173)	10,949	12,122
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(1,547)	(1,547)	(1,547)	-
FUND BALANCE - BEGINNING OF YEAR	2,720	2,720	5,470	2,750
FUND BALANCE - END OF YEAR	-	-	14,872	14,872

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

CUSTOMIZED TRAINING FUND

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Tuition and Fees	-	-	5,282	5,282
Other Sources	150,000	150,000	18,061	(131,940)
TOTAL REVENUES	150,000	150,000	23,343	(126,657)
EXPENDITURES:				
Personal Services	81,598	81,598	11,064	70,534
Materials and Services	62,124	62,124	8,954	53,170
TOTAL EXPENDITURES	143,722	143,722	20,018	123,704
Excess of Revenue Over (Under) Expenditures	6,278	6,278	3,324	(2,954)
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(6,278)	(6,278)	(3,662)	2,616
FUND BALANCE - BEGINNING OF YEAR	-	-	1,938	1,938
FUND BALANCE - END OF YEAR	-	-	1,600	1,600

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

OUTREACH TUTORING GRANT

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Federal Sources	11,000	11,000	11,000	-
TOTAL REVENUES	11,000	11,000	11,000	-
EXPENDITURES:				
Personal Services	10,287	10,287	10,287	-
Materials and Services	713	713	713	-
TOTAL EXPENDITURES	11,000	11,000	11,000	-
Excess of Revenues Over (Under) Expenditures	-	22,000	22,000	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	22,000	22,000	-

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

ACCOUNTABILITY GRANT

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Federal Sources	16,000	21,000	21,000	-
TOTAL REVENUES	16,000	21,000	21,000	-
EXPENDITURES:				
Personal Services	12,986	15,773	15,773	-
Materials and Services	3,014	5,227	5,227	-
TOTAL EXPENDITURES	16,000	21,000	21,000	-
Excess of Revenues 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

WITH BUDGET COMPARISON - BUDGETARY BASIS

SKILL CENTER CONTRACTS

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Other Sources	20,929	20,929	15,980	(4,949)
TOTAL REVENUES	20,929	20,929	15,980	(4,949)
EXPENDITURES:				
Personal Services	19,613	17,613	13,025	4,588
Materials and Services	1,316	3,316	3,202	114
TOTAL EXPENDITURES	20,929	20,929	16,227	4,702
Excess of Revenues Over (Under) Expenditures	-	-	(247)	(247)
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	25,211	25,211
FUND BALANCE - END OF YEAR	-	-	24,964	24,964

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

SBDC PROGRAM INCOME

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Tuition and Fees	15,000	15,000	28,152	13,152
Other Sources	-	-	-	-
TOTAL REVENUES	15,000	15,000	28,152	13,152
EXPENDITURES:				
Personal Services	9,019	8,544	8,523	21
Materials and Services	2,526	3,001	2,954	47
TOTAL EXPENDITURES	11,545	11,545	11,477	68
Excess of Revenues Over (Under) Expenditures	3,455	3,455	16,675	13,220
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(3,455)	(3,455)	(3,455)	-
FUND BALANCE - BEGINNING OF YEAR	-	-	10,049	10,049
FUND BALANCE - END OF YEAR	-	-	23,270	23,270

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

NON-REIMBURSABLE COMMUNITY EDUCATION

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Tuition and Fees	10,000	10,000	16,634	6,634
TOTAL REVENUES	10,000	10,000	16,634	6,634
EXPENDITURES:				
Personal Services	4,000	4,000	3,911	89
Materials and Services	1,000	5,500	5,108	392
TOTAL EXPENDITURES	5,000	9,500	9,019	481
Excess of Revenues Over (Under) Expenditures	5,000	500	7,615	7,115
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(5,000)	(500)	(500)	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	7,115	7,115

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

RESIDENTIAL LEASES

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Other Sources	42,660	42,660	42,521	(139)
TOTAL REVENUES	42,660	42,660	42,521	(139)
EXPENDITURES:				
Personal Services	17,341	17,772	17,364	408
Materials and Services	13,350	12,007	4,466	7,541
TOTAL EXPENDITURES	30,691	29,779	21,830	7,949
Excess of Revenues Over (Under) Expenditures	11,969	12,881	20,691	7,810
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(11,969)	(12,881)	(12,881)	-
FUND BALANCE - BEGINNING OF YEAR	-	-	1,116	1,116
FUND BALANCE - END OF YEAR	-	-	8,926	8,926

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

BUILDING 2 LEASES

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE
	ORIGINAL	FINAL	ACTUAL	(UNFAVORABLE)
REVENUES:				
Other Sources	153,867	153,867	154,608	741
TOTAL REVENUES	153,867	153,867	154,608	741
EXPENDITURES:				
Personal Services	17,341	16,429	14,721	1,708
Materials and Services	36,225	36,225	26,198	10,027
TOTAL EXPENDITURES	53,566	52,654	40,919	11,735
Excess of Revenues Over (Under) Expenditures	100,301	101,213	113,688	12,475
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(100,301)	(101,213)	(101,213)	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	12,475	12,475

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

FOOD SERVICE

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE
	ORIGINAL	FINAL	ACTUAL	(UNFAVORABLE)
REVENUES:				
Other Sources	6,500	6,500	7,382	882
TOTAL REVENUES	6,500	6,500	7,382	882
EXPENDITURES:				
Materials and Services	3,249	2,932	2,780	152
Capital Outlay	1	1	-	1
TOTAL EXPENDITURES	3,250	2,933	2,780	153
Excess of Revenues Over (Under) Expenditures	3,250	3,567	4,602	1,035
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(13,250)	(13,250)	(13,250)	-
FUND BALANCE - BEGINNING OF YEAR	10,000	9,683	9,683	-
FUND BALANCE - END OF YEAR	-	-	1,035	1,035

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

WORKFORCE COMMITTEE SERVICES

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
State Sources	48,000	48,000	41,152	(6,848)
TOTAL REVENUES	48,000	48,000	41,152	(6,848)
EXPENDITURES:				
Personal Services	39,399	37,321	36,452	869
Materials and Services	8,601	10,679	4,700	5,979
TOTAL EXPENDITURES	48,000	48,000	41,152	6,848
Excess of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

COMMERCIAL KITCHEN

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
State Sources	9,000	-	-	-
TOTAL REVENUES	9,000	-	-	-
EXPENDITURES:				
Materials and Services	11,000	-	-	-
TOTAL EXPENDITURES	11,000	-	-	-
Excess of Revenues Over (Under) Expenditures	(2,000)	-	-	-
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	2,000	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

ELDERHOSTEL

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Tuition and Fees	81,560	81,560	48,838	(32,723)
TOTAL REVENUES	81,560	81,560	48,838	(32,723)
EXPENDITURES:				
Personal Services	4,869	4,612	1,273	3,339
Materials and Services	73,185	73,442	36,125	37,317
TOTAL EXPENDITURES	78,054	78,054	37,399	40,655
Excess of Revenues Over (Under) Expenditures	3,506	3,506	11,439	7,933
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(3,506)	(3,506)	(3,506)	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	7,933	7,933

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

PERKINS GRANTS

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Federal Sources	73,689	73,689	73,689	-
TOTAL REVENUES	73,689	73,689	73,689	-
EXPENDITURES:				
Personal Services	70,568	70,254	70,254	-
Materials and Services	3,121	3,435	3,435	-
TOTAL EXPENDITURES	73,689	73,689	73,689	-
Excess of Revenues 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

WITH BUDGET COMPARISON - BUDGETARY BASIS

WASCO COUNTY INTERGOVERNMENTAL AGREEMENT

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
State Sources	40,000	40,000	40,000	-
TOTAL REVENUES	40,000	40,000	40,000	-
EXPENDITURES:				
Personal Services	-	-	-	-
Materials and Services	7,000	7,000	2,623	4,377
TOTAL EXPENDITURES	7,000	7,000	2,623	4,377
Excess of Revenues Over (Under) Expenditures	33,000	33,000	37,377	4,377
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(33,000)	(33,000)	(33,000)	-
FUND BALANCE - BEGINNING OF YEAR	-	-	(3,300)	(3,300)
FUND BALANCE - END OF YEAR	-	-	1,077	1,077

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

NURSING PROGRAM

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Tuition and Fees	87,078	87,078	80,546	(6,532)
Other Sources	140,000	140,000	150,240	10,240
TOTAL REVENUES	227,078	227,078	230,786	(3,708)
EXPENDITURES:				
Personal Services	484,936	455,239	449,322	5,917
Materials and Services	60,900	59,400	47,971	11,429
TOTAL EXPENDITURES	545,836	514,639	497,293	17,346
Excess of Revenues Over (Under) Expenditures	(318,758)	(287,561)	(266,507)	21,054
OTHER FINANCE SOURCES (USES):				
Transfer from General Fund	309,933	278,736	264,766	(13,970)
FUND BALANCE - BEGINNING OF YEAR	8,825	8,825	12,397	-
FUND BALANCE - END OF YEAR	-	-	10,657	10,657

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

CORRECTIONS GRANT

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Federal Sources	12,750	-	-	-
TOTAL REVENUES	12,750	-	-	-
EXPENDITURES:				
Personal Services	10,868	-	-	-
Materials and Services	1,882	-	-	-
TOTAL EXPENDITURES	12,750	-	-	-
Excess of Revenues 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

WITH BUDGET COMPARISON - BUDGETARY BASIS

FUNDAMENTALS OF CAREGIVING

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Other Sources	9,000	9,000	8,947	(53)
TOTAL REVENUES	9,000	9,000	8,947	(53)
EXPENDITURES:				
Personal Services	7,487	6,556	1,222	5,334
Materials and Services	1,413	2,344	624	1,720
TOTAL EXPENDITURES	8,900	8,900	1,846	7,054
Excess of Revenues Over (Under) Expenditures	100	100	7,101	7,001
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(100)	(100)	(100)	-
FUND BALANCE - BEGINNING OF YEAR	-	-	2,912	2,912
FUND BALANCE - END OF YEAR	-	-	9,912	9,912

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

FACILITIES ASSESSMENT PROJECT

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Federal Sources	20,000	-	-	-
TOTAL REVENUES	20,000	-	-	-
EXPENDITURES:				
Materials and Services	20,000	-	-	-
TOTAL EXPENDITURES	20,000	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCE SOURCES (USES):				
Transfer from General Fund	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

PROGRAM IMPROVEMENT GRANT

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Federal Sources	7,400	5,400	5,400	-
TOTAL REVENUES	7,400	5,400	5,400	-
EXPENDITURES:				
Personal Services	3,995	2,099	2,099	-
Materials and Services	3,405	3,301	3,301	-
TOTAL EXPENDITURES	7,400	5,400	5,400	-
Excess of Revenues 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

WITH BUDGET COMPARISON - BUDGETARY BASIS

ENGLISH LANGUAGE CIVICS GRANT

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Federal Sources	30,000	39,000	38,109	891
TOTAL REVENUES	30,000	39,000	38,109	891
EXPENDITURES:				
Personal Services	28,813	27,145	27,145	-
Materials and Services	1,187	11,855	10,964	891
TOTAL EXPENDITURES	30,000	39,000	38,109	891
Excess of Revenues 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

WITH BUDGET COMPARISON - BUDGETARY BASIS

DEPARTMENT OF LABOR NURSING GRANT

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Federal Sources	872,982	872,982	-	(872,982)
TOTAL REVENUES	872,982	872,982	-	(872,982)
EXPENDITURES:				
Personal Services	603,227	603,227	-	603,227
Materials and Services	219,320	219,320	-	219,320
Capital Outlay	50,435	50,435	-	50,435
TOTAL EXPENDITURES	872,982	872,982	-	872,982
Excess of Revenues 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

WITH BUDGET COMPARISON - BUDGETARY BASIS

HOOD RIVER LIONS TRUST GRANT

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Other Sources	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Materials and Services	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	60	60
FUND BALANCE - END OF YEAR	-	-	60	60

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

MEYER MEMORIAL TRUST GRANT

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Other Sources	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Capital Outlay	50,000	50,000	50,000	-
TOTAL EXPENDITURES	50,000	50,000	50,000	-
Excess of Revenues Over (Under) Expenditures	(50,000)	(50,000)	(50,000)	-
FUND BALANCE - BEGINNING OF YEAR	50,000	50,000	50,000	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

CULTURAL DIVERSITY GRANT

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Federal Sources	-	25,515	10,014	(15,501)
TOTAL REVENUES	-	25,515	10,014	(15,501)
EXPENDITURES:				
Personal Services	-	4,200	2,793	1,407
Materials and Services	-	18,041	7,214	10,827
TOTAL EXPENDITURES	-	22,241	10,007	12,234
Excess of Revenues Over (Under) Expenditures	-	3,274	7	(3,267)
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	-	(3,274)	-	3,274
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	7	7

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

DHS INTEGRATED CHILD CARE GRANT

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Federal Sources	-	12,077	11,076	(1,001)
TOTAL REVENUES	-	12,077	11,076	(1,001)
EXPENDITURES:				
Personal Services	-	11,227	10,285	942
Materials and Services	-	850	791	59
TOTAL EXPENDITURES	-	12,077	11,076	1,001
Excess of Revenues 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

WITH BUDGET COMPARISON - BUDGETARY BASIS

PORT OF HOOD RIVER TECHNOLOGY GRANT

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Federal Sources	-	150,000	150,000	-
TOTAL REVENUES	-	150,000	150,000	-
EXPENDITURES:				
Materials and Services	-	141,000	123,467	17,533
Capital Equipment	-	9,000	8,999	1
TOTAL EXPENDITURES	-	150,000	132,466	17,534
Excess of Revenues Over (Under) Expenditures	-	-	17,534	17,534
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	17,534	17,534

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

DEPARTMENT OF EDUCATION NURSE TRAINING GRANT

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Federal Sources	-	497,050	1,070	(495,980)
TOTAL REVENUES	-	497,050	1,070	(495,980)
EXPENDITURES:				
Personal Services	-	177,309	-	177,309
Materials and Services	-	179,741	1,070	178,671
Capital Equipment	-	140,000	-	140,000
TOTAL EXPENDITURES	-	497,050	1,070	495,980
Excess of Revenues 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

WITH BUDGET COMPARISON - BUDGETARY BASIS

LECTURE SERIES FUND

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Other Sources	-	6,000	4,083	(1,917)
TOTAL REVENUES	-	6,000	4,083	(1,917)
EXPENDITURES:				
Materials and Services	-	6,000	4,083	1,917
TOTAL EXPENDITURES	-	6,000	4,083	1,917
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

DEBT SERVICE FUNDS

WASCO COUNTY G.O. BOND: This fund is used to account for the accumulation of resources to pay the principal and interest on general obligation bonds.

PENSION BOND: This fund is established to account for the debt service of the pension obligation bonds issued by the College in 2003 and will be funded by a credit to the College's PERS employer rate beginning May 1, 2003.

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

WASCO COUNTY G.O. BONDS DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Local Sources	622,060	622,060	623,121	1,061
Other Sources	1,000	1,000	2,982	1,982
TOTAL REVENUES	623,060	623,060	626,103	3,043
EXPENDITURES:				
Debt Service	650,535	650,535	650,535	-
TOTAL EXPENDITURES	650,535	650,535	650,535	-
Excess of Revenues Over (Under) Expenditures	(27,475)	(27,475)	(24,432)	3,043
FUND BALANCE - BEGINNING OF YEAR	27,475	27,475	24,866	(2,609)
FUND BALANCE - END OF YEAR	-	-	435	435

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

PENSION BONDS DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Other Sources	233,220	233,220	262,097	28,877
TOTAL REVENUES	233,220	233,220	262,097	28,877
EXPENDITURES:				
Debt Service	181,837	181,837	181,837	-
TOTAL EXPENDITURES	181,837	181,837	181,837	-
Excess of Revenues Over (Under) Expenditures	51,383	51,383	80,261	28,878
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(88,601)	(88,601)	-	88,601
Excess of Revenues Over (Under) Other Sources (Uses)	(37,218)	(37,218)	80,261	117,479
FUND BALANCE - BEGINNING OF YEAR	37,218	37,218	51,134	13,916
FUND BALANCE - END OF YEAR	-	-	131,395	131,395

CAPITAL PROJECTS FUND

This fund was used to account for proceeds received from the 1993 bond election. Proceeds were used to acquire the 59.38-acre campus at 400 E. Scenic Drive, The Dalles, and to pay for direct construction costs and ongoing indirect construction costs to remodel the facilities of the existing 59.38-acre campus.

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

WITH BUDGET COMPARISON - BUDGETARY BASIS

CAPITAL PROJECTS FUND

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Other Sources	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Materials and Services	23,340	19,840	8,910	10,930
Capital Outlay	1	1	-	1
TOTAL EXPENDITURES	23,341	19,841	8,910	10,931
Excess of Revenues Over (Under) Expenditures	(23,341)	(19,841)	(8,910)	10,931
OTHER FINANCE SOURCES (USES):				
Transfer from General Fund	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	23,341	19,841	19,841	-
FUND BALANCE - END OF YEAR	-	-	10,931	10,931

ENTERPRISE FUND

COLLEGE BOOK STORE: This fund is used to record revenues and expenditures relating to texts and supplies made available to the students. Revenues are text and supply sales, and transfers from the General Fund. Expenditures are for purchases of resale items.

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

WITH BUDGET COMPARISON - BUDGETARY BASIS

COLLEGE BOOK STORE

FOR THE YEAR ENDED JUNE 30, 2004

(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
OPERATING REVENUES:				
Gross Sales, Text Books	599,186	599,186	377,433	(221,753)
Cash Short/Over	-	-	(10)	(10)
TOTAL OPERATING REVENUES	599,186	599,186	377,423	(221,763)
PURCHASES:				
Purchases, Text Books	504,465	504,465	425,848	78,617
Publishers Credits	(40,270)	(40,270)	(84,539)	44,269
NET PURCHASES	464,195	464,195	341,308	122,887
GROSS PROFIT	134,991	134,991	36,115	(98,876)
OPERATING EXPENSES:				
Personal Services	78,925	77,725	40,613	37,112
Materials and Services	51,730	51,730	24,958	26,772
TOTAL OPERATING EXPENSES	130,655	129,455	65,571	63,884
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(53,523)	(53,523)	(53,523)	-
Net Income (Loss)	(49,187)	(47,987)	(82,980)	(34,993)
RETAINED EARNINGS - BEGINNING OF YEAR	137,545	137,545	176,972	39,427
RETAINED EARNINGS - END OF YEAR	88,358	89,558	93,992	4,434

AGENCY FUNDS

STUDENT COUNCIL FUND: This fund was established to record the receipts and disbursements for student activities and fund raisers. Receipts are mostly from used book sales and fund raisers. Disbursements are for supplies and book purchases and various student activities.

HOSPITALITY FUND: This fund was established to account for voluntary employee contributions to be used for flowers and gifts for bereavement or illness.

PHI THETA KAPPA: This fund accounts for the student honor society activities.

ENVIRONMENTAL CLUB: This fund accounts for the activities of the student-organized Environmental Club.

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO AGENCY FUNDS

WITH BUDGET COMPARISON - BUDGETARY BASIS

STUDENT COUNCIL FUND

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET FAVORABLE
	ORIGINAL	FINAL	ACTUAL	(UNFAVORABLE)
RECEIPTS:				
Other Fund Raising	500	500	55	(445)
TOTAL RECEIPTS	500	500	55	(445)
DISBURSEMENTS:				
Other Fund Raising Costs	300	300	-	300
Approved Student Body Events	1,200	1,090	375	715
TOTAL DISBURSEMENTS	1,500	1,390	375	1,015
Excess of Receipts Over (Under) Disbursements	(1,000)	(890)	(320)	570
DUE TO AGENCY FUND - BEGINNING OF YEAR	1,000	890	890	-
DUE TO AGENCY FUND - END OF YEAR	-	-	570	570

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO AGENCY FUNDS

WITH BUDGET COMPARISON - BUDGETARY BASIS

HOSPITALITY FUND

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
RECEIPTS:				
Contributions	350	350	220	(130)
TOTAL RECEIPTS	350	350	220	(130)
DISBURSEMENTS:				
Materials and Services	600	499	123	376
TOTAL DISBURSEMENTS	600	499	123	376
Excess of Receipts Over (Under) Disbursements	(250)	(149)	98	246
DUE TO AGENCY FUND - BEGINNING OF YEAR	250	149	149	-
DUE TO AGENCY FUND - END OF YEAR	-	-	246	246

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO AGENCY FUNDS

WITH BUDGET COMPARISON - BUDGETARY BASIS

PHI THETA KAPPA FUND

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
RECEIPTS:				
Membership Dues	3,000	3,000	1,950	(1,050)
Fundraising	1,100	1,100	1,735	635
TOTAL RECEIPTS	4,100	4,100	3,685	(415)
DISBURSEMENTS:				
Fees & Dues	3,000	3,000	2,036	964
Approved Events	1,500	1,500	1,552	(52)
TOTAL DISBURSEMENTS	4,500	4,500	3,588	912
Excess of Receipts Over (Under) Disbursements	(400)	(400)	97	497
DUE TO AGENCY FUND - BEGINNING OF YEAR	400	400	471	71
DUE TO AGENCY FUND - END OF YEAR	-	-	568	568

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN DUE TO AGENCY FUNDS

WITH BUDGET COMPARISON - BUDGETARY BASIS

ENVIRONMENTAL CLUB FUND

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
RECEIPTS:				
Fundraising	500	500	-	(500)
TOTAL RECEIPTS	500	500	-	(500)
DISBURSEMENTS:				
Approved Events	978	978	-	978
TOTAL DISBURSEMENTS	978	978	-	978
Excess of Receipts Over (Under) Disbursements	(478)	(478)	-	478
DUE TO AGENCY FUND - BEGINNING OF YEAR	478	478	477	(1)
DUE TO AGENCY FUND - END OF YEAR	-	-	477	477

OTHER FINANCIAL SCHEDULES

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF WASCO COUNTY PROPERTY TAX TRANSACTIONS

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

TAX CONTROL RECORDS

TAX YEAR	TAXES RECEIVABLE 7/01/03	CURRENT YEAR LEVY	NET ADJUSTMENTS	DEDUCT TAX COLLECTIONS	TAXES RECEIVABLE 6/30/04
2003-04	-	992,003	(23,829)	(902,868)	65,306
2002-03	69,750	-	1,532	(22,762)	48,520
2001-02	24,515	-	1,310	(10,452)	15,373
2000-01	11,693	-	2,554	(11,529)	2,918
1999-00	3,161	-	1,088	(4,030)	219
1998-99	314	-	42	(276)	80
1997-98	137	-	4	(131)	10
1996-97	70	-	-	-	70
1995-96	53	-	-	-	53
1994-95	53	-	-	-	53
1993-94	-	-	-	-	-
1992-93	-	-	-	-	-
1991-92	-	-	-	-	-
1990-91	-	-	-	-	-
1989-90	20	-	-	-	20
1988-89	42	-	-	-	42
1987-88	40	-	-	-	40
1986-87	21	-	-	-	21
1985-86	28	-	-	-	28
1984-85	2	-	-	-	2
1983-84	31	-	-	-	31
1982-83	30	-	-	-	30
TOTALS	110,160	992,003	(17,299)	(952,048)	132,816

RECONCILIATION TO COUNTY TREASURER

TREASURER'S BALANCE - JULY 1, 2003		47,179
RECEIPTS:		
CURRENT YEAR LEVY:		
Tax Collections	902,196	
Unsegregated Interest	140	
Other Collections	349	
ADD: Interest	672	
TOTAL RECEIPTS - CURRENT YEAR LEVY		903,357
PRIOR YEARS' LEVIES:		
Tax Collections	41,427	
ADD: Interest	7,752	
TOTAL RECEIPTS - PRIOR YEARS' LEVIES		49,179
TOTAL RECEIPTS AND BEGINNING BALANCE		999,715
DEDUCT: Payments to the College		(983,713)
Cherry Growers Appeal		(4,662)
TREASURER'S BALANCE - JUNE 30, 2004		11,340

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF HOOD RIVER COUNTY PROPERTY TAX TRANSACTIONS

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

TAX CONTROL RECORDS

TAX YEAR	TAXES RECEIVABLE 7/1/03	CURRENT YEAR LEVY	NET ADJUSTMENTS	DEDUCT TAX COLLECTIONS	TAXES RECEIVABLE 6/30/04
2003-04	-	301,070	(11,004)	(281,981)	8,085
2002-03	9,178	-	348	(5,946)	3,580
TOTALS	9,178	301,070	(10,656)	(287,927)	11,665

RECONCILIATION TO COUNTY TREASURER

TREASURER'S BALANCE - JULY 1, 2003		-
RECEIPTS:		
CURRENT YEAR LEVY:		
Tax Collections	281,981	
ADD: Interest	138	
TOTAL RECEIPTS - CURRENT YEAR LEVY		282,119
PRIOR YEARS' LEVIES:		
Tax Collections	5,946	
ADD: Other	4	
Taxes in lieu	954	
TOTAL RECEIPTS - PRIOR YEARS' LEVIES		6,904
TOTAL RECEIPTS AND BEGINNING BALANCE		289,023
DEDUCT: Payments to the College		(286,766)
TREASURER'S BALANCE - JUNE 30, 2004		2,257

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF CASH BALANCES AND COLLATERAL SECURITY

JUNE 30, 2004
(all amounts are in dollars)

COLUMBIA RIVER BANKING COMPANY:	
Checking Account	(57,410)
TOTAL	(57,410)
COLLATERAL SECURITY:	
F.D.I.C. Insurance - Demand Deposits	100,000
Certificate of Participation No. 39917, Date 8-28-96	400,000
TOTAL	500,000
WELLS FARGO BANK:	
Checking Account	4,001
TOTAL	4,001
COLLATERAL SECURITY:	
F.D.I.C. Insurance - Demand Deposits	100,000
TOTAL	100,000
U.S. NATIONAL BANK:	
VISA Account - account closed December 2003	-
TOTAL	-
COLLATERAL SECURITY:	
F.D.I.C. Insurance - Demand Deposits	100,000
TOTAL	100,000
SHORT-TERM INVESTMENTS:	
Local Government Investment Pool	1,700,821
TOTAL SHORT-TERM INVESTMENTS	1,700,821

BANK RECONCILIATION:	CRBC	WFB	USNB	TOTAL
Balance per Books	(57,410)	4,001	-	(53,409)
ADD: Outstanding Checks	115,610	18,000	-	133,610
LESS: Outstanding Deposits	(4,462)	(11,152)	-	(15,614)
BALANCE PER BANK STATEMENT	53,738	10,849	-	64,587

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF INSURANCE

JUNE 30, 2004
(all amounts are in dollars)

POLICY NUMBER	COMPANY	AMOUNT	COVERAGE	PREMIUM	EXPIRATION
CS-00PCGCC	City County Insurance Services	5,000,000	Liability	41,123	6/30/04
			Auto Damage Deductible: Collision - $500 Comprehensive - $100		6/30/04
			Property Deductible: Building/Contents - $1,000 Inland Marine - $1,000 Earthquake - 5%; $50,000 min. Flood - $50,000 each occurrence Crime		6/30/04
		3,000,000	Worker's Compensation	24,450	6/30/04
YPO-242335	Old Republic Surety Company	50,000	Employee Bond - President only	150	6/30/04
YPE-219804	Old Republic Surety Company	50,000	Blanket Employee, Board Members	516	6/30/04

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF FUTURE WASCO COUNTY G.O. BOND REQUIREMENTS

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

PAYMENT DATE	1998 G.O. REFUNDING BONDS PRINCIPAL	1998 G.O. REFUNDING BONDS INTEREST	TOTAL REQUIREMENT
12/1/2004		107,392.50	107,392.50
6/1/2005	455,000.00	107,392.50	562,392.50
12/1/2005		98,861.25	98,861.25
6/1/2006	485,000.00	98,861.25	583,861.25
12/1/2006		89,403.75	89,403.75
6/1/2007	515,000.00	89,403.75	604,403.75
12/1/2007		79,232.50	79,232.50
6/1/2008	535,000.00	79,232.50	614,232.50
12/1/2008		68,532.50	68,532.50
6/1/2009	570,000.00	68,532.50	638,532.50
12/1/2009		57,132.50	57,132.50
6/1/2010	615,000.00	57,132.50	672,132.50
12/1/2010		44,525.00	44,525.00
6/1/2011	650,000.00	44,525.00	694,525.00
12/1/2011		31,037.50	31,037.50
6/1/2012	695,000.00	31,037.50	726,037.50
12/1/2012		16,095.00	16,095.00
6/1/2013	740,000.00	16,095.00	756,095.00
TOTALS	$ 5,260,000.00	$ 1,184,425.00	$ 6,444,425.00

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF FUTURE LOAN PAYMENTS

FOR SMALL SCALE ENERGY LOAN

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

YEAR	PAYMENT	INTEREST	PRINCIPAL	BALANCE
				119,687.51
2004-2005	26,976.00	6,855.25	20,120.75	99,566.76
2005-2006	26,976.00	5,571.69	21,404.31	78,162.45
2006-2007	26,976.00	4,206.25	22,769.75	55,392.70
2007-2008	26,976.00	2,753.72	24,222.28	31,170.42
2008-2009	26,976.00	1,208.51	25,767.49	5,402.93
2009-2010	5,447.29	44.36	5,402.93	0.00
TOTALS	140,327.29	20,639.76	119,687.51	0.00

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF FUTURE PENSION BOND REQUIREMENTS

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

PAYMENT DATE	PRINCIPAL	COUPON	INTEREST	TOTAL REQUIREMENT
12/30/2004			51,359.75	51,359.75
6/30/2005	81,310.15	2.04%	55,049.60	136,359.75
12/30/2005			51,359.75	51,359.75
6/30/2006	68,792.25	2.73%	57,567.50	126,359.75
12/30/2006			51,359.75	51,359.75
6/30/2007	74,024.80	3.33%	62,334.95	136,359.75
12/30/2007			51,359.75	51,359.75
6/30/2008	82,642.00	3.71%	68,717.75	151,359.75
12/30/2008			51,359.75	51,359.75
6/30/2009	85,317.10	4.15%	76,042.65	161,359.75
12/30/2009			51,359.75	51,359.75
6/30/2010	87,400.80	4.46%	83,958.95	171,359.75
12/30/2010			51,359.75	51,359.75
6/30/2011	88,591.10	4.74%	92,768.65	181,359.75
12/30/2011			51,359.75	51,359.75
6/30/2012	92,614.40	4.94%	103,745.35	196,359.75
12/30/2012			51,359.75	51,359.75
6/30/2013	92,522.60	5.13%	113,837.15	206,359.75
12/30/2013			51,359.75	51,359.75
6/30/2014	94,178.30	5.35%	127,181.45	221,359.75
12/30/2014			51,359.75	51,359.75
6/30/2015	95,276.85	5.52%	141,082.90	236,359.75
12/30/2015			51,359.75	51,359.75
6/30/2016	95,808.00	5.66%	155,551.75	251,359.75
12/30/2016			51,359.75	51,359.75
6/30/2017	95,670.70	5.79%	170,689.05	266,359.75
12/30/2017			51,359.75	51,359.75
6/30/2018	94,971.60	5.91%	186,388.15	281,359.75
12/30/2018			51,359.75	51,359.75
6/30/2019	93,658.60	6.03%	202,701.15	296,359.75
12/30/2019			51,359.75	51,359.75
6/30/2020	92,573.00	6.10%	218,786.75	311,359.75
12/30/2020			51,359.75	51,359.75
6/30/2021	92,562.40	6.18%	238,797.35	331,359.75
12/30/2021			51,359.75	51,359.75
6/30/2022	92,454.00	6.23%	258,905.75	351,359.75
12/30/2022			51,359.75	51,359.75
6/30/2023	90,943.65	6.25%	275,416.10	366,359.75
12/30/2023			51,359.75	51,359.75
6/30/2024	335,000.00	5.66%	51,359.75	386,359.75
12/30/2024			41,879.25	41,879.25
6/30/2025	375,000.00	5.67%	41,879.25	416,879.25
12/30/2025			31,248.00	31,248.00
6/30/2026	420,000.00	5.66%	31,248.00	451,248.00
12/30/2026			19,320.00	19,320.00
6/30/2027	465,000.00	5.60%	19,320.00	484,320.00
12/30/2027			6,300.00	6,300.00
6/30/2028	225,000.00	5.60%	6,300.00	231,300.00
TOTALS	3,511,312.30		3,965,572.20	7,476,884.50

OTHER REQUIRED REPORTS

COLUMBIA GORGE COMMUNITY COLLEGE

INDEPENDENT AUDITORS' COMMENTS REQUIRED BY MINIMUM STANDARDS

FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS

FOR THE YEAR ENDED JUNE 30, 2004

1. ACCOUNTING RECORDS:

We found the records of the College to be generally well maintained and adequate for audit purposes.

2. INVESTMENTS:

We have reviewed the College's compliance with ORS 294.035 regarding the investment of surplus public funds. Our review disclosed no conditions which we considered to be matters of noncompliance.

3. COLLATERAL SECURITY:

Collateral security pledged by depositories is set forth in Schedule of Cash Balances and Collateral Security. Sufficient collateral was maintained throughout the 2003-04 fiscal year to comply with legal requirements.

4. INDEBTEDNESS:

Long-term debt consists of general obligation bonds, energy loan, and the pension bonds. There is no short-term debt other than current operating expenses shown on the balance sheet as accounts payable, accrued payroll and payroll tax liabilities, and compensated absences payable. Our review disclosed no conditions which we considered to be matters of noncompliance.

5. BUDGET:

The College has complied with the legal requirements relating to the preparation, adoption and execution of the annual budget for the fiscal year ended June 30, 2004, and with the legal requirements relating to the preparation and adoption of the budget for the 2004-2005 fiscal year.

6. INSURANCE AND FIDELITY BONDS:

Insurance and fidelity bonds in force at June 30, 2004, are set forth in Schedule of Insurance. We are not competent by training to state whether the insurance policies covering college-owned property in force at June 30, 2004, are adequate. During the examination, nothing came to our attention that caused us to believe the College was not in compliance with statutory requirements. As part of our examination, we acquired a schedule of insurance at June 30, 2004 and reviewed copies of current insurance and fidelity bond policies.

7. LEAST COST POLICY FOR PUBLIC IMPROVEMENTS:

We have reviewed the College's compliance with ORS 279 regarding public contracts and purchasing. Our review disclosed no other conditions which are considered to be matters of noncompliance.

8. PROGRAMS FUNDED FROM OUTSIDE SOURCES AND FINANCIAL REPORTING REQUIREMENTS:

In connection with our examination of the financial statements, we reviewed and tested the College's procedures and records related to programs funded by other governmental agencies, including financial reporting requirements thereof. Based on our testing, we are generally satisfied with the accounting for programs funded from outside sources and the reporting thereof.

Appendix C

Book Entry Only System

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SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

[3/04]

Appendix D

Form of Continuing Disclosure Certificate

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate"), dated May __, 2005, is executed and delivered by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District") in connection with the sale and issuance of the District's General Obligation Bonds, Series 2005 (the "Bonds") in the aggregate principal amount of $__________. The Bonds are authorized pursuant to a resolution adopted by the Board of Directors of the District on April 12, 2005 (the "Resolution"). Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Resolution. The District covenants as follows:

Section 1. Purpose of Certificate. This Certificate is being executed and delivered by the District for the benefit of registered and beneficial holders of the Bonds and to assist the Underwriter in complying with SEC Rule 15c2-12 (17 CFR Pt. 240, § 240.15c2-12) (the "Rule").

Section 2. District's Representation Regarding Outstanding Municipal Securities. The District, as the "obligated person" for purposes of the Rule, hereby agrees to provide or cause to be provided at least annually to, unless provided as described in the paragraph below, each nationally recognized municipal securities information repository for purposes of the Rule (the "NRMSIRs") and to the state information depository, if any, located in the State of Oregon (the "SID"), the financial information regarding the District of the type set forth in tables in the final official statement dated _______ __, 2005 (the "Official Statement") under the following sections:

BONDED INDEBTEDNESS

REVENUE SOURCES

- Property Taxes
- Taxable Property Values
- Representative Levy Rate
- Major Taxpayers

FINANCIAL FACTORS

- General Fund Statement of Revenues, Expenditures and Changes in Fund Balances
- General Fund Adopted Budget

A listing of the NRMSIRs can be found at www.sec.gov/info/municipal/nrmsir.htm.

Any filing under this Certificate may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at http://www.disclosureusa.org unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

The annual financial information described above will be available no later than 270 days after the end of the preceding fiscal year, beginning with the District's fiscal year ending June 30, 2005. Such information will include audited financial statements prepared in accordance with generally accepted accounting principles as established by the Government Accounting Standards Board as in effect from time to time; provided, however, that if audited financial statements are not available within 270 days after the end of the preceding fiscal year, unaudited financial statements will be provided with audited financial statements to follow when available.

Certain items of annual financial information may be provided by way of cross-reference to other documents previously provided to each NRMSIR and to the SID, if any, or filed with the U.S. Securities and Exchange Commission. If the cross-referenced document is a final official statement within the meaning of the Rule, it shall be available from the Municipal Securities Rulemaking Board (the "MSRB").

Section 3. Material Events. The District agrees to provide or cause to be provided, in a timely manner, (i) to each nationally recognized municipal securities information repository (the "NRMSIRs") or to the Municipal Securities Rulemaking Board (the "MSRB"), and (ii) to the SID, if any, notice of the occurrence of any of the following events with respect to the Bonds, if material:

a. principal and interest payment delinquencies;

b. non-payment related defaults;

c. unscheduled draws on debt service reserves reflecting financial difficulties;

d. unscheduled draws on credit enhancements reflecting financial difficulties;

e. substitution of credit or liquidity providers, or their failure to perform;

f. adverse tax opinions or events affecting the tax-exempt status of the Bonds;

g. modifications to rights of holders of the Bonds;

h. bond calls;

i. defeasances;

j. release, substitution, or sale of property securing repayment of the Bonds; and

k. rating changes.

The District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the District, such other event is material with respect to the Bonds, but the District does not undertake any commitment to provide such notice of any event except those events listed above.

Section 4. Failure to File Annual Financial Information. The District agrees to provide or cause to be provided, in a timely manner, (i) to each NRMSIR or to the MSRB and (ii) to the SID, if any, notice of a failure by the District to provide the annual financial information described in Section 2 above on or prior to the time set forth in Section 2.

Section 5. Dissemination Agent. The District may, from time to time, engage or appoint an agent to assist the District in disseminating information hereunder (the "Dissemination Agent"). The District may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 6. Termination of Obligations. Pursuant to paragraph (b)(5)(iii) of the Rule, the District's obligations hereunder shall terminate if and when the District no longer remains an obligated person with respect to the Bonds, which shall occur upon either redemption in full of the Bonds, or legal defeasance of the Bonds. In addition, and notwithstanding the provisions of Section 8 below, the District may rescind its obligations under this Certificate, in whole or in part, if (i) the District obtains an opinion of nationally recognized bond counsel that those portions of the Rule that required the execution and delivery of this Certificate are invalid, have been repealed, or otherwise do not apply to the Bonds, and (ii) the District notifies and provides to each NRMSIR or the MSRB and to the SID, if any, a copy of such legal opinion.

Section 7. Enforceability and Remedies. The District agrees that this Certificate is intended to be for the benefit of the registered and beneficial holders of the Bonds and shall be enforceable by or on behalf of such holders; provided that, the right of Bondholders to challenge the adequacy of the information furnished hereunder shall be limited to an action by or on behalf of Bondholders representing twenty-five percent (25%) of the aggregate outstanding principal amount of Bonds. Any failure by the District to comply with the provisions of this undertaking shall not be an Event of Default under the Resolution. This Certificate confers no rights on any person or entity other than the District, registered and beneficial holders of the Bonds, and any Dissemination Agent.

Section 8. Amendment. Notwithstanding any other provision of this Certificate, the District may amend this Certificate under the following conditions:

(a) The amendment may only be made in accordance with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person or type of business conducted;

(b) This undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of holders of the Bonds, as determined either by parties unaffiliated with the District (such as bond counsel), or by approving vote of holders of the Bonds pursuant to the terms of the Resolution at the time of the amendment.

Section 9. Choice of Law. This Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Dated this ____ day of _______, 2005.

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON

By: ____
Authorized Representative

OFFICIAL STATEMENT DATED MAY 12, 2005

$18,500,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Bonds, Series 2005

DATED: Date of Delivery **DUE: June 15, as shown on the inside cover**

MOODY'S RATINGS—"A2," underlying; "Aa3," credit enhanced; and "Aaa," insured. (See "Ratings," "Oregon School Bond Guaranty" and "Financial Guaranty Insurance" herein).

NOT BANK QUALIFIED—The Columbia Gorge Community College District in Hood River and Wasco Counties, Oregon (the "College" or "College District") has not designated the General Obligation Bonds, Series 2005 (the "Bonds") as "qualified tax-exempt obligations" for banks, thrift institutions and other financial institutions.

BOOK-ENTRY ONLY SYSTEM— The Bonds will be issued in fully registered form under a book-entry only system and will be registered in the name of Cede & Co., as bond owner and nominee for The Depository Trust Company ("DTC"). DTC will act as initial securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form, in the denomination of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased.

PRINCIPAL AND INTEREST PAYMENTS—Interest on the Bonds will be paid on December 15, 2005 and semiannually thereafter on June 15 and December 15 of each year to the maturity or earlier redemption of the Bonds. Principal of and interest on the Bonds will be payable to the persons in whose names such Bonds are registered (the "Beneficial Owner"), at the address appearing upon the registration books on the last business day of the month preceding a payment date. The principal of and interest on the Bonds will be payable by the College's Paying Agent, currently U.S. Bank National Association, to DTC which, in turn, will remit such principal and interest to the DTC participants for subsequent disbursement to the Beneficial Owners of the Bonds.

PURPOSE—The Bonds are being issued to finance the costs of capital construction and improvements for health science training and classroom facilities, renovate existing facilities, demolish unusable buildings, purchase land and pay the costs of issuance of the Bonds.

MATURITY SCHEDULE—

SHOWN ON INSIDE COVER.

REDEMPTION—The Bonds are subject to redemption prior to their stated maturities as further described herein.

SECURITY—The Bonds are general obligations of the College and the full faith, credit and resources of the College are pledged for the punctual payment of the principal of and interest on the Bonds. The College has covenanted and is obligated by law to levy annually *ad valorem* taxes without limitation as to rate or amount on all taxable property in the College District sufficient to pay the principal of and interest on the Bonds. Such taxes are not subject to the limitations of Article XI, Sections 11 and 11b of the Oregon Constitution. The Bonds do not constitute a debt or indebtedness of Hood River County, Wasco County, the State of Oregon, or any political subdivision thereof other than the College.

Payment of the principal of and interest on the Bonds when due is guaranteed by the full faith and credit of the
State of Oregon
under the provisions of the Oregon School Bond Guaranty Act. See "Oregon School Bond Guaranty" within.

Payment of the principal of and interest on the Bonds when due will be insured by a financial guaranty insurance policy to be issued by MBIA Insurance Corporation simultaneously with the delivery of the Bonds.

MBIA

TAX EXEMPTION—*In the opinion of Mersereau & Shannon, LLP, Bond Counsel ("Bond Counsel"), under existing law and assuming compliance by the College with certain tax covenants described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of determining the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel to the College, interest on the Bonds is exempt from present personal income tax imposed by the State of Oregon.*

DELIVERY—The Bonds are offered for sale to the original purchaser subject to the final approving legal opinion of Bond Counsel. It is expected that the Bonds will be available for delivery to the Paying Agent for Fast Automated Securities Transfer on behalf of DTC, on or about May 25, 2005 (the "Date of Delivery").

This cover and inside cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

SEATTLE-NORTHWEST
SECURITIES CORPORATION

$18,500,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Bonds, Series 2005

DATED: Date of Delivery **DUE:** June 15, as shown below

MATURITY SCHEDULE—

Due June 15	Amounts	Interest Rates	Yields	CUSIP 197659	Due June 15	Amounts	Interest Rates	Yields	CUSIP 197659
2006	$ 235,000	3.000%	2.75%	BG9	2016	$ 250,000	5.000%	3.90% (1)	BS3
2007	350,000	3.250	2.93	BH7	2016	625,000	4.000	3.90 (1)	CC7
2008	395,000	3.250	3.06	BJ3					
2009	475,000	3.500	3.15	BK0	2017	1,000,000	5.000	3.96 (1)	BT1
2010	525,000	3.500	3.27	BL8	2018	1,040,000	5.000	4.01 (1)	BU8
2011	565,000	3.500	3.40	BM6	2019	1,130,000	5.000	4.05 (1)	BV6
2012	625,000	3.750	3.51	BN4					
2013	680,000	3.750	3.63	BP9	2020	1,000,000	5.000	4.10 (1)	BW4
					2020	255,000	4.500	4.10 (1)	CD5
2014	225,000	4.625	3.73	BQ7					
2014	515,000	4.000	3.73	CA1	2021	1,330,000	5.000	4.16 (1)	BX2
					2022	1,440,000	5.000	4.21 (1)	BY0
2015	810,000	4.000	3.82	BR5	2023	1,555,000	5.000	4.26 (1)	BZ7
$3,475,000 4.25% Term Bond due June 15, 2025 @ 4.41%; CUSIP No. 197659CB9									

(1) Priced to the call date

Columbia Gorge Community College District
400 East Scenic Drive
The Dalles, Oregon 97058-3434
(541) 296-6182

Board of Education

Mike Schend	Chairman
Dr. Ernie Keller	Vice Chairman
Charleen Cobb	Board Member
Dave Fenwick	Board Member
Christie Reed	Board Member
M.D. VanValkenburgh	Board Member
Dr. James R. Willcox	Board Member

College Administrators

Dr. Frank K. Toda	President
Saundra L. Buchanan	Chief Financial Officer
Dr. Susan Wolff	Dean of Instruction
Karen Carter	Dean of Student Services
Robert Cole	Executive Director of Resource Development
Dennis Whitehouse	Facilities Director
Bill Bohn	Information Technologies Director

Bond Counsel

Mersereau & Shannon, LLP
Portland, Oregon
(503) 226-6400

Paying Agent

U.S. Bank National Association
Portland, Oregon
(503) 275-5708

This Official Statement does not constitute an offer to sell the Bonds in any jurisdiction in which or to a person to whom it is unlawful to make such an offer. No dealer, salesperson or other person has been authorized by the College or Seattle-Northwest Securities Corporation (the "Underwriter") to give any information or to make any representations, other than those contained herein, in connection with the offering of the Bonds and, if given or made, such information or representations must not be relied upon. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create an implication that there has been no change in the affairs of the College since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

In connection with this offering, the Underwriter may over allot or effect transactions that stabilize or maintain the market price of the bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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OFFICIAL STATEMENT

Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon

$18,500,000
General Obligation Bonds, Series 2005

Columbia Gorge Community College District in Hood River and Wasco Counties, Oregon (the "College" or the "College District"), a community college district duly organized and existing under and by virtue of the laws of the State of Oregon (the "State") furnishes this Official Statement in connection with the offering of $18,500,000 aggregate principal amount of General Obligation Bonds, Series 2005 (the "Bonds"), dated the Date of Delivery.

This Official Statement, which includes the cover page and appendices, provides information concerning the College and the Bonds.

The District

The College is an independent municipal corporation under the Oregon Revised Statutes.

The College was originally organized as an "Area Education District," as described in Chapter 341 of the Oregon Statues relating to Community Colleges. In 1977, Wasco Area Education Service District was formed. Later that year, the College's name was changed to Treaty Oak Education Service District. In 1989, a vote of the people of Wasco County allowed the Board of Education to drop the "Service District" designation and the College became Treaty Oak Community College. The name changed again in November of 1989 to Columbia Gorge Community College. On November 6, 2001, voters in Wasco County and Hood River County approved the annexation of a portion of Hood River County to join the Columbia Gorge Community College District.

Description of the Bonds

Principal Amount, Date, Interest Rates and Maturities

The Bonds will be issued in the aggregate principal amount posted on the cover of this Official Statement and will be dated and bear interest from the Date of Delivery. The Bonds will mature on the dates and in the principal amounts and will bear interest, payable semiannually, until the maturity or earlier redemption of the Bonds as set forth on the cover of this Official Statement. Interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Redemption Provisions

Optional Redemption. The Bonds maturing in years 2006 through 2015, inclusive, are not subject to redemption prior to maturity. The Bonds maturing on and after June 15, 2016 are subject to redemption by lot at the option of the College, in whole or in part on any date, on and after June 15, 2015 at the price of par, plus accrued interest, if any, to the date of redemption.

For as long as the Bonds are in book-entry only form, if fewer than all of the Bonds of a maturity are called for redemption, the selection of Bonds within a maturity to be redeemed shall be made by The Depository Trust Company, New York, New York ("DTC") in accordance with its operational procedures then in effect. See Appendix C attached hereto. If the Bonds are no longer held in book-entry only form, then the College's registrar and paying agent, currently U.S. Bank National Association (the "Paying Agent"), would select Bonds for redemption by lot.

Mandatory Redemption. If not previously redeemed as described above, the Term Bond due on June 15, 2025 will be called for redemption (in such manner as the Bond Registrar and DTC will determine) at a price of par, plus accrued interest on the date of redemption, on June 15 in the years and amounts as follows:

2025 Term Bond

Due June 15	Amounts
2024	$ 1,680,000
2025	1,795,000 (1)
	$3,475,000

(1) Final maturity.

Notice of Redemption (Book-Entry). So long as the Bonds are in book-entry only form, the Paying Agent shall notify DTC of an early redemption not less than 30 days prior to the date fixed for redemption, and shall provide such information as required by a letter of representation submitted to DTC in connection with the issuance of the Bonds.

Notice of Redemption (No Book-Entry). During any period in which the Bonds are not in book-entry only form, unless waived by any Owner of the Bonds to be redeemed, official notice of any redemption of Bonds shall be given by the Paying Agent on behalf of the College by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption, to the Owners of the Bonds to be redeemed at the address shown on the bond register or at such other address as is furnished in writing by such Owner to the Paying Agent.

Paying Agent and Registration Features

Paying Agent. The principal of and interest on the Bonds will be payable by the Paying Agent to DTC, which, in turn, is obligated to remit such principal and interest to its participants ("DTC Participants") for subsequent disbursement to the persons in whose names such Bonds are registered (the "Beneficial Owners") of the Bonds, as further described in Appendix C attached hereto. Interest on the Bonds shall be credited to the Beneficial Owners by the DTC participants.

Book-Entry System. The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co. as Bond Owner and as nominee for DTC. DTC will act as securities depository for the Bonds. Individual purchases and sales of the Bonds may be made in book-entry form only in minimum denominations of $5,000 within a single maturity and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds. See Appendix C attached hereto for additional information.

Procedure in the Event of Revisions of Book-Entry Transfer System. If DTC resigns as the securities depository and the College is unable to retain a qualified successor to DTC, or the College has determined that it is in the best interest of the College not to continue the book-entry system of transfer or that interests of the Beneficial Owners of the Bonds might be adversely affected if the book-entry system of transfer is continued, the College will execute, authenticate and deliver at no cost to the Beneficial Owners of the Bonds or their nominees, Bonds in fully registered form, in the denomination of $5,000 or any integral multiple thereof within a maturity. Thereafter, the principal of the Bonds will be payable upon due presentment and surrender thereof at the principal office of the Bond Registrar; interest on the Bonds will be delivered to the persons in whose names such Bonds are registered, at the address appearing upon the registration books on the last business day of the month preceding an interest payment date, and the Bonds will be transferable as provided in the Resolution (defined below).

Authorization for Issuance

The College is authorized pursuant to the Constitution and Statutes of the State of Oregon, specifically Oregon Revised Statutes ("ORS") 341.675 through 341.702; 287.014 through 287.020; and 287.029 (collectively, the "Act"), to issue general obligation bonds to finance capital construction and improvements. This general obligation bond is issued pursuant to the Act and a resolution (the "Resolution") adopted by the College's Board of Education (the "Board") on April 12, 2005.

The measure for authorizing up to $18,500,000 of general obligation bonds was on the November 2, 2005 ballot in the College District and was approved by a favorable vote of the College's residents. Final election results were as follows:

Voter Tally

	Number of Votes	Percentage
Yes	12,069	59%
No	8,255	41%

Source: Columbia Gorge Community College Election Declaration Resolution, December 7, 2004.

Article XI, Section 11 of the Oregon Constitution ("Article XI, Section 11"), requires that for new or additional ad valorem property taxes approval must be by not less than 50 percent of *voters voting* in a general election in an even-numbered year. Fifty-nine percent of voters in the College District approved the bond measure on November 2, 2004, meeting the constitutional requirement.

The ballot measure for the Bonds states that the Bonds will mature over a period not to exceed 21 years.

Purpose and Use of Proceeds

Purpose

The proceeds from the sale of the Bonds will be used to finance capital construction and improvements for health science training and classroom facilities, renovate existing facilities, demolish unusable buildings, purchase land and pay the costs of issuance of the Bonds (the "Project").

The Project includes:

- Constructing a new nurse training and health sciences building;
- Adding classrooms and labs, upgrading the library and modernizing instructional technology for college transfer, basic skills and workforce training programs;
- Renovating leaking roofs and making other improvements to address environmental, fire and safety concerns and to prolong building life;
- Restoring existing campus buildings and grounds to a safe and sound condition;
- Removing condemned and unusable buildings;
- Purchasing property in Hood River County for classrooms and labs to provide job training, college transfer, and adult basic education programs, as well as expanding opportunities for high school students; and
- Paying the costs of issuance of the Bonds.

Sources and Uses of Funds

The proceeds of the Bonds are estimated to be applied as follows:

Estimated Sources and Uses of Funds

Sources of Funds		
Par Amount of Bonds	$	18,500,000
Net Original Issue Premium		643,565
Total Sources of Funds	$	19,143,565
Uses of Funds		
Project Requirements	$	18,959,817
Underwriting and Costs of Issuance		183,748
Total Uses of Funds	$	19,143,565

Security for the Bonds

General

The Bonds are general obligations of the College and the full faith, credit and resources of the College are pledged for the punctual payment of the principal of and the interest on the Bonds. The Bonds are secured by ad valorem taxes to be levied against all taxable property within the College District without limitation as to rate or amount under Article XI, Sections 11 and 11b of the Oregon Constitution ("Article XI, Sections 11 and 11b") (see "Revenue Sources" herein). More specifically, for the purpose of paying the principal of and interest on the Bonds as the same will become due, the College will levy on all taxable property located within the College District, in addition to all other taxes, direct annual taxes sufficient in amount to provide for the payment of principal of and interest on the Bonds. The taxes, when collected, are required to be applied solely for the purpose of payment of principal and interest on the Bonds and for no other purpose until the Bonds will have been fully paid, satisfied and discharged.

The College may, subject to applicable laws, apply other funds available to make payments with respect to the Bonds and thereby reduce the amount of future tax levies for such purpose.

The Bonds do not constitute a debt or indebtedness of Hood River County, Wasco County, the State, or any political subdivision thereof other than the College.

Oregon School Bond Guaranty

Guaranty Provisions. Article XI-K of the Constitution of the State of Oregon (the "State") allows the State to guarantee the general obligation bonded indebtedness of school districts, education service districts, and community college districts (generally "school district" or "school districts") in order to secure lower interest costs on general obligation bonds of such districts. Payment of the principal of and interest on the Bonds when due is guaranteed by the full faith and credit of the State under the provisions of the Oregon School Bond Guaranty Act – Oregon Revised Statutes (ORS) 328.321 to 328.356 (the "Act"). As provided for in Section 328.326(1)(a) of the Act:

> The State Treasurer may, by issuing a certificate of qualification to a school district, pledge the full faith and credit and taxing power of the state to guarantee full and timely payment of the principal of, either at the stated maturity or by advancement of maturity pursuant to a mandatory sinking fund payment, and interest on school bonds as such payments shall become due, except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund

payment, the payments guaranteed shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration.

The Act further provides that (i) the guaranty of the State does not extend to the payment of any redemption premium due on any bonds guaranteed under the Guaranty Act and (ii) any bond guaranteed by the State under the Act that is refunded no longer has the benefit of the guaranty from and after the date on which that bond is considered to be paid.

Guaranty Procedures. In accordance with the Act, the business administrator of each school district with outstanding, unpaid bonds shall transfer moneys sufficient for the scheduled debt service payment to its paying agent at least 15 days before any principal or interest payment date for the bonds. The paying agent may, if instructed to do so by the business administrator, invest the moneys for the benefit of the school district until the payment date. A business administrator who is unable to transfer the scheduled debt service payment to the paying agent 15 days before the payment date shall immediately notify the paying agent and the State Treasurer. Such notification shall be made to the Oregon State Treasury, Debt Management Division, as prescribed in Oregon Administrative Rule 170-063-0000. The Act further provides that if sufficient funds are not transferred to the paying agent as required above, the paying agent shall notify the State Treasurer of that failure at least 10 days before the scheduled debt service payment. Again, such notification shall be made to the Oregon State Treasury, Debt Management Division, as prescribed in Oregon Administrative Rule 170-063-0000.

If sufficient moneys to pay the scheduled debt service payment have not been transferred to the paying agent, the State Treasurer shall, on or before the scheduled payment date, transfer sufficient moneys to the paying agent to make the scheduled debt service payment. If sufficient moneys of the State are not on hand and available at the time the State is required to make a debt service payment under its guaranty on behalf of the school district, the State Treasurer may singly or in combination:

- Obtain from the Common School Fund or from any other State funds that qualify to make a loan under ORS 293.205 to 293.225, a loan sufficient to make the required payment;
- Borrow money, if economical and convenient, as authorized by ORS 288.165;
- Issue State general obligation bonds as provided for in Article XI-K of the Constitution and the process for which is defined in the Act; and,
- With the approval of the Legislative Assembly, or the Emergency Board if emergency funds are lawfully available for making the required payment in the interim between sessions of the Legislative Assembly, pay moneys from the General Fund or any other funds lawfully available for the purpose or from emergency funds amounts sufficient to make the required payment.

Any payment of scheduled debt service payments by the State Treasurer on behalf of a school district (i) discharges the obligation of the issuing school district to its bondholders for the payment, and (ii) transfers the rights represented by the general obligation of the school district from the bondholders to the State. If one or more payments are made by the State Treasurer as provided for in the Act, the State Treasurer shall pursue recovery from the school district of all moneys necessary to reimburse the State. In seeking recovery, the State Treasurer may (i) intercept any payments from the General Fund, the State School Fund, the income of the Common School Fund and any other source of operating moneys provided by the State to the school district that issued the bonds that would otherwise be paid to the school district by the State, and (ii) apply any intercepted payments to reimburse the State for payments made pursuant to the State's guaranty until all obligations of the school district to the State arising from those payments, including any interest and penalties, are paid in full. The State has no obligation to the school district or to any person or entity to replace any moneys intercepted under the Act. Additionally, in accordance with the Act, if the State Treasurer determines that it is necessary the State Treasurer shall pursue any legal action, including but not limited to mandamus, against the school district or school district board to compel the school district to (i) levy and provide property tax revenues to pay debt service on its bonds and other obligations when due, and (ii) meet its repayment obligations to the State. The Attorney General shall assist the State Treasurer in pursuing such rights of recovery under the Act.

At all times, the school district shall continue to be responsible for the payment of all debt service payments on its bonds. A school district that issued bonds for which the State makes all or part of a debt service payment shall be responsible for reimbursing all moneys drawn or paid by the State Treasurer on its behalf. In addition the school district shall pay interest to the State on all moneys paid by the State from the date the moneys were drawn to the date they are repaid at a rate to be determined by the State Treasurer, in the State Treasurer's discretion, to be sufficient to cover the costs of funds to the State plus the costs of administration of the guaranty obligation and of collection of reimbursement.

Guaranty Limit. Under Article XI-K of the State Constitution, the amount of debt that the State may incur in honoring its guaranty of school bonds may not exceed, at any one time, one-half of one percent of the true cash value (TCV) of all taxable property in the State. The State's TCV certified by the Oregon Department of Revenue as of January 1, 2003 is $305,371,097,660. Accordingly, the amount of debt that the State may incur under the program is approximately $1,526,855,488. The amount of State debt allowed will change as the State's TCV changes.

As of April 15, 2005 the State had guaranteed the following (not including this bond issue or those issues guaranteed between the date identified above and the date of this issue) under the Guaranty Act:

Number of school districts with Certificates of Qualification:	48
Number of bonds guaranteed under the Guaranty Program:	140
Aggregate total principal amount outstanding of bonds guaranteed at	$ 1,770,163,188

Guaranty Contact Person. As of the date of this Official Statement, requests for information regarding the Guaranty Program may be directed to:

Randall Edwards, Oregon State Treasurer
Oregon School Bond Guaranty Program
Oregon State Treasury
Debt Management Division
350 Winter Street NE, Suite 100
Salem, OR 97301-3896
Phone (503) 378-4930 – Fax (503) 378-2870

State of Oregon – Financial and Operating Information. The most recent Comprehensive Annual Financial Report (the "CAFR") of the State, and its most recent Official Statement for its general obligation debt, are currently on file with the Nationally Recognized Municipal Securities Information Repositories ("NRMSIRs"). The financial and operating information with respect to the State contained in the CAFR, and such Official Statement, are hereby included by reference in this Official Statement. Additionally, the CAFR and the most recent Official Statement for its general obligation debt are available upon request from the State's contact person as indicated under ***Guaranty Contact Person*** above.

As of the date of this Official Statement, the outstanding general obligation bonds of the State are rated "A" by Fitch, "Aa3" by Moody's Investors Service, and "AA-" by Standard & Poor's Ratings Group.

State of Oregon – Continuing Disclosure. The State has executed a Master Disclosure Certificate (the "Certificate") for the benefit of registered and beneficial holders of bonds guaranteed under the Guaranty Program and to assist Underwriters of such bonds in complying with paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12) (the "Rule"). The State, in accordance with the Certificate, will provide annually copies of its most recent CAFR of the State to the NRMSIRs and to the state information depository, if any, located in the State of Oregon (the "SID"). In addition, the State will provide the NRMSIRs, or the Municipal Securities Rulemaking Board, with any material event notices pertaining to the State of Oregon required under the Rule and pursuant to the Certificate.

Financial Guaranty Insurance

The MBIA Insurance Corporation Insurance Policy. The following information has been furnished by MBIA Insurance Corporation ("MBIA") for use in this Official Statement. Reference is made to Appendix E for a specimen of MBIA's policy.

The MBIA Policy unconditionally and irrevocably guarantees the full and complete payment required to be made by or on behalf of the Company to the Paying Agent or its successor of an amount equal to (i) the principal of (either at the stated maturity or by an advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Bonds as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed by the MBIA Policy shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration, unless MBIA elects in its sole discretion, to pay in whole or in part any principal due by reason of such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any Owner of the Bonds pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Owner within the meaning of any applicable bankruptcy law (a "Preference").

MBIA's policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Bonds. MBIA's policy does not, under any circumstance, insure against loss relating to: (i) optional or mandatory redemptions (other than mandatory sinking fund redemptions); (ii) any payments to be made on an accelerated basis; (iii) payments of the purchase price of Bonds upon tender by an owner thereof; or (iv) any Preference relating to (i) through (iii) above. MBIA's policy also does not insure against nonpayment of principal of or interest on the Bonds resulting from the insolvency, negligence or any other act or omission of the Paying Agent or any other paying agent for the Bonds.

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by MBIA from the Paying Agent or any owner of an Obligation the payment of an insured amount for which is then due, that such required payment has not been made, MBIA on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment of any such insured amounts which are then due. Upon presentment and surrender of such Bonds or presentment of such other proof of ownership of the Bonds, together with any appropriate instruments of assignment to evidence the assignment of the insured amounts due on the Bonds as are paid by MBIA, and appropriate instruments to effect the appointment of MBIA as agent for such owners of the Bonds in any legal proceeding related to payment of insured amounts on the Bonds, such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust National Association shall disburse to such owners or the Paying Agent payment of the insured amounts due on such Bonds, less any amount held by the Paying Agent for the payment of such insured amounts and legally available therefor.

MBIA. MBIA Insurance Corporation ("MBIA") is the principal operating subsidiary of MBIA Inc., a New York Stock Exchange listed company (the "Company"). The Company is not obligated to pay the debts of or claims against MBIA. MBIA is domiciled in the State of New York and licensed to do business in and subject to regulation under the laws of all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands of the United States and the Territory of Guam. MBIA has three branches, one in the Republic of France, one in the Republic of Singapore and one in the Kingdom of Spain. New York has laws prescribing minimum capital requirements, limiting classes and concentrations of investments and requiring the approval of policy rates and forms. State laws also regulate the amount of both the aggregate and individual risks that may be insured, the payment of dividends by MBIA, changes in control and transactions among affiliates. Additionally, MBIA is required to maintain contingency reserves on its liabilities in certain amounts and for certain periods of time.

MBIA does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the policy and MBIA set forth under the heading "Financial Guaranty Insurance". Additionally, MBIA makes no representation regarding the Bonds or the advisability of investing in the Bonds.

The Financial Guarantee Insurance Policies are not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

MBIA Information The following document filed by the Company with the Securities and Exchange Commission (the "SEC") is incorporated herein by reference:

(1) The Company's Annual Report on Form 10-K for the year ended December 31, 2004.

Any documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act of 1934, as amended, after the date of the Company's most recent Quarterly Report on form 10-Q, and prior to the termination of the offering of the Bonds offered hereby shall be deemed to be incorporated by reference in this Official Statement and to be a part hereof. Any statement contained in a document incorporated or deemed to be incorporated by reference herein, or contained in this Official Statement, shall be deemed to be modified or superseded for purposes of this Official Statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement.

The Company files annual, quarterly and special reports, information statements and other information with the SEC under File No. 1-9583. Copies of the SEC filings (including (1) the Company's Annual Report on Form 10-K for the year ended December 31, 2004, and (2) the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2004, June 30, 2004 and September 30, 2004) are available (i) over the Internet at the SEC's web site at http://www.sec.gov; (ii) at the SEC's public reference room in Washington D.C.; (iii) over the Internet at the Company's web site at http://www.mbia.com; and (iv) at no cost, upon request to MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504. The telephone number of MBIA is (914) 273-4545.

As of December 31, 2003, MBIA had admitted assets of $9.9 billion (audited), total liabilities of $6.2 billion (audited), and total capital and surplus of $3.7 billion (audited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. As of December 31, 2004 MBIA had admitted assets of $10.3 billion (unaudited), total liabilities of $6.9 billion (unaudited), and total capital and surplus of $3.3 billion (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

Financial Strength Ratings of MBIA

Moody's Investors Service, Inc. rates the financial strength of MBIA "Aaa."

Standard & Poor's, a division of The McGraw-Hill Companies, Inc. rates the financial strength of MBIA "AAA."

Fitch Ratings rates the financial strength of MBIA "AAA."

Each rating of MBIA should be evaluated independently. The ratings reflect the respective rating agency's current assessment of the creditworthiness of MBIA and its ability to pay claims on its policies of insurance. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency.

The above ratings are not recommendations to buy, sell or hold the Bonds, and such ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the Bonds. MBIA does not guaranty the market price of the Bonds nor does it guaranty that the ratings on the Bonds will not be revised or withdrawn.

Ratings

As noted on the cover page of this Official Statement, the College has received an underlying rating for the Bonds from Moody's Investors Service of "A2". Moody's Investors Service has assigned its credit enhanced rating to the Bonds of "Aa3" based upon the College's participation in the Oregon School Bond Guaranty program, and its "Aaa" insured rating based on the College's purchase of the policy issued by MBIA described above. The ratings reflect only the views of the rating agency and an explanation of the significance of the ratings may be obtained from the rating agency. There is no assurance that the ratings will be retained for any given period of time or that the ratings will not be revised downward or withdrawn entirely by the rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of the ratings will be likely to have an adverse effect on the market price of the Bonds.

Bonded Indebtedness

Obligation to Pay

Debt incurred by a community college district becomes the obligation of such community college district to pay. In the case that a community college district no longer has students and no longer provides educational services, it is still required to levy and collect property taxes, up to its permanent rate (see "Revenue Sources – Property Taxes" herein) to pay its debt obligations.

College District Debt Liability

The Bonds are secured by general ad valorem taxes to be levied against all taxable property within the College District without limitation as to rate or amount. See "Security for the Bonds" herein.

Prior to the annexation of real property in Hood River County to the College District, the College District issued its General Obligation Refunding Bonds, Series 1998 (the "Series 1998 Bonds"), to refund its General Obligation Bonds, Series 1993, which were approved only by the voters in Wasco County. The principal of and interest on the Series 1998 Bonds are payable solely from ad valorem taxes levied on the taxable property within the boundaries of the Wasco County portion of the College District and are not payable from any tax levy on taxable property within the boundaries of the Hood River County portion of the College District..

Debt Limitation

General Obligation Bonds. ORS 341.675 establishes a parameter of general obligation bonded indebtedness for community college districts. Community colleges may, subject to approval by voters within the community college district, issue bonds for college buildings, property acquisition and improvements, refunding outstanding debt and costs associated with bond issuance. Community colleges may issue up to an aggregate amount up to 1.5 percent of all the real market value ("Real Market Value") of all taxable properties within the district as reflected in the last certified assessment roll per ORS 308.207. **The Bonds are general obligation bonds, subject to the limitations of ORS 341.675.**

The following table shows the general obligation debt capacity of the College.

Real Market Value used to compute rate (Fiscal Year 2005)(1)	$	3,710,075,564
General Obligation Debt Capacity:		
1.5% of Real Market Value	$	55,651,133
Less: Outstanding Debt subject to limit		(23,760,000)(2)
Remaining Legal General Obligation Debt Capacity	$	31,891,133
Percent of Capacity Issued		42.69%

(1) Fiscal years are from July 1 through June 30 (the "Fiscal Year"). *Source: Hood River County and Wasco County Assessors' Offices.*

(2) Represents voter-approved, unlimited tax general obligations of the College. Payment of principal and interest on the College's Series 1998 Bonds are the obligation of property owners in the College District's portion of Wasco County only. Payment of principal and interest on this Bond issue is the obligation of property owners throughout the College District. See "College District Debt Liability" herein. *Source: Audited Financial Report for the Year Ended June 30, 2004 and this Bond issue.*

Pension Bonds. ORS 238.694 authorizes community colleges to incur limited tax indebtedness for payment of pension liabilities without limitation as to principal amount. The College issued pension bonds in 2003 (see "Outstanding Long-Term Debt" herein); however, the Bonds are not pension bonds.

Other Limited-Tax Debt. Except as noted below, the State Constitution and statutes do not limit the amount of limited-tax debt payable from the general fund of community college districts. Such limited-tax debt includes full faith and credit obligations, certificates of participation and certain capital leases. Collection of property taxes to pay principal and interest on such limited-tax debt is subject to the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution. The College has a loan outstanding with the State of Oregon that is limited-tax debt; however, the Bonds are not limited-tax debt.

Notes. ORS 288.165 provides that the College may borrow money by entering into a credit agreement, or issuing notes, warrants, short-term promissory notes, commercial paper or other obligations ("notes"). The College does not have any notes outstanding at this time and the Bonds are not notes.

Outstanding Long-Term Debt

General Obligation Bonds and Full Faith and Credit Obligations.

General Obligation Bonds	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding
Series 1998 Bonds(1)	11/01/98	06/01/13	$ 5,985,000	$ 5,260,000
Series 2005 Bonds (this issue)	05/25/05	06/15/25	18,500,000	18,500,000
Total General Obligation Bonds				$ 23,760,000
Full Faith and Credit Obligations				
Oregon Small Scale Energy Loan	11/08/94	09/15/09	$ 263,000	$ 121,806

(1) Payment of principal and interest on the Series 1998 Bonds are the obligation of property owners in the College District's portion of Wasco County only. See "College District Debt Liability" herein.

Source: Audited Financial Report for the Year Ended June 30, 2004 and this Bond issue.

General Obligation Bonds
Projected Debt Service Requirements

Fiscal Year	Series 1998 Bonds(1) Principal	Series 1998 Bonds(1) Interest	Series 2005 Bonds Principal	Series 2005 Bonds Interest	Total Debt Service
2005	$ 455,000	$ 214,785	$ 0	$ 0	$ 669,785
2006	485,000	197,723	235,000	865,338	1,783,060
2007	515,000	178,808	350,000	812,744	1,856,551
2008	535,000	158,465	395,000	801,369	1,889,834
2009	570,000	137,065	475,000	788,531	1,970,596
2010	615,000	114,265	525,000	771,906	2,026,171
2011	650,000	89,050	565,000	753,531	2,057,581
2012	695,000	62,075	625,000	733,756	2,115,831
2013	740,000	32,190	680,000	710,319	2,162,509
2014	0	0	740,000	684,819	1,424,819
2015	0	0	810,000	653,813	1,463,813
2016	0	0	875,000	621,413	1,496,413
2017	0	0	1,000,000	583,913	1,583,913
2018	0	0	1,040,000	533,913	1,573,913
2019	0	0	1,130,000	481,913	1,611,913
2020	0	0	1,255,000	425,413	1,680,413
2021	0	0	1,330,000	363,938	1,693,938
2022	0	0	1,440,000	297,438	1,737,438
2023	0	0	1,555,000	225,438	1,780,438
2024	0	0	1,680,000	147,688	1,827,688
2025	0	0	1,795,000	76,288	1,871,288
	$ 5,260,000	$ 1,184,425	$ 18,500,000	$ 11,333,475	$ 36,277,900

(1) Payment of principal and interest on the College's Series 1998 Bonds are the obligation of property owners in the College District's portion of Wasco County only. See "College District Debt Liability" herein.

Source: Audited Financial Report for the Year Ended June 30, 2004 and this Bond issue.

Pension Bonds. The College issued limited tax pension bonds in April 2003 (the "Pension Bonds"). Net proceeds of the Pension Bonds were deposited into a lump sum payment account at PERS for the benefit of the College. This Pension Bond was issued as part of a larger pool of pension obligations. The College's Pension Bonds refinance a portion of the Unfunded Actuarial Liability allocated to the College in the Oregon Public Employees Retirement System (see "Pension System" herein). The Pension Bonds were issued in the principal amount of $3,570,327.10. Such lump sum payment reduced the College's current payroll contribution rates (see "Pension System" herein), and, if returns on the account exceed the cost of the borrowing, will result in a net benefit to the College. Payment of debt service on the Pension Bond is primarily from the College's General Fund, the same Fund from which the College would have made pension plan contributions for the unfunded actuarial liability.

Pension Bonds

Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding
04/23/03	06/30/28	$ 3,570,327.10	$ 3,570,327.10

Source: Audited Financial Report for the Year Ended June 30, 2004.

Summary of Overlapping Debt
(As of March 28, 2005)

Overlapping District	Real Market Value	Percent Overlap	Overlapping Debt: Gross Bonded Debt (1)	Overlapping Debt: Net Direct Debt (2)
Port of The Dalles	$ 1,220,849,505	100.0000%	$ 465,000	$ 465,000
Mid Columbia Fire and Rescue	1,084,314,998	100.0000%	3,065,000	3,065,000
The Dalles School District No. 12	812,574,274	100.0000%	16,305,000	16,305,000
City of Hood River	558,869,344	100.0000%	155,000	0
Ice Fountain Water District	509,065,632	100.0000%	3,265,000	2,690,000
Chenowith School District No. 9	376,050,604	100.0000%	1,570,000	1,570,000
Dufur School District No. 29	155,686,027	100.0000%	740,000	740,000
Odell Sanitary District	115,600,208	100.0000%	25,000	25,000
City of Maupin	35,890,328	100.0000%	146,614	146,614
City of Dufur	26,164,951	100.0000%	138,230	138,230
City of Mosier	25,337,733	100.0000%	55,438	0
City of Shaniko	3,413,645	100.0000%	1,146	1,146
Wasco County	1,626,398,659	99.5293%	3,219,773	3,219,773
Hood River Valley Parks & Recreation District	1,613,140,881	97.7402%	1,808,194	1,808,194
Hood River County	1,682,666,786	93.7017%	2,544,001	2,544,001
Hood River County School District	1,682,666,786	93.7017%	14,369,156	14,369,156
Northern Oregon Regional Corrections	3,813,393,018	83.7949%	9,640,603	1,508,308
Sherman County School District	239,069,212	10.1600%	234	234
Jefferson County School District No. 509J	816,219,061	1.8298%	443,361	443,361
Total			$ 57,956,750	$ 49,039,017

(1) Gross Bonded Debt includes all bonds backed by a general obligation pledge including self-supporting general obligation bonds and limited tax debt.
(2) Net Direct Debt includes all unlimited tax-supported bonds. Self-supporting bonds are excluded.

Source: Debt Management Division, Oregon State Treasury.

Net Direct and Overlapping Debt

The following tables present information regarding the College's tax-supported debt, including the Bonds ("direct debt"), and the estimated portion of the debt of overlapping taxing districts allocated to the College District's property owners.

Fiscal Year 2005:

Real Market Value (1)	$ 3,710,075,564
Assessed Value (2)	$ 2,533,215,083
Estimated Population	43,236

Debt Information		
Net Direct Debt (includes this issue)(3)	$	23,760,000
Estimated Net Overlapping Debt (as detailed further herein) (3)		49,039,017
Total Net Direct and Overlapping Debt(3)	$	72,799,017
Bonded Debt Ratios		
Net Direct Debt to Real Market Value		0.64%
Net Direct and Net Overlapping Debt to Real Market Value		1.96%
Per Capita Real Market Value	$	85,810
Per Capita Net Direct Debt	$	550
Per Capita Total Net Direct and Net Overlapping Debt	$	1,684

(1) Value is the Real Market Value of taxable property, including special assessed properties such as farms, within the College District. The value is commonly referred to as the "Measure 5 value" by county assessors.
(2) The value is the net assessed value of taxable property in the College District, which is the value used to compute tax rates.
(3) Net Direct and Net Overlapping Debt includes all voter-approved, tax-supported bonds, including the Series 1998 Bonds and this Bond issue. Self-supporting bonds and limited tax obligations, such as full faith and credit obligations and capital leases, are excluded. Payment of principal and interest on the Series 1998 Bonds are the obligation of property owners in Wasco County. Payment of principal and interest on this Bond issue is the obligation of property owners throughout the College District. See "College District Debt Liability" herein.

Short-Term Borrowing

The College does not currently have any notes outstanding, nor does it plan to issue any notes in calendar year 2005.

Debt Payment Record

The College has promptly met principal and interest payments on outstanding bonds and other indebtedness in the past ten years when due. Additionally, no refunding bonds have been issued for the purpose of preventing an impending default.

Future Financings

Other than the Bonds, the College has no authorized but unissued bonds outstanding, nor does it anticipate issuing additional long-term debt within calendar year 2005.

Revenue Sources

Community College District Funding

Community colleges derive revenue from three primary sources: State aid, *ad valorem* property taxes, and tuition and fees. State funding, property taxes and tuition revenues support programs for: (i) professional and technical education programs, (ii) lower division transfer classes, similar to those offered in the first two years at a four-year university, (iii) training for displaced workers, as well as skill enhancement for employed workers, (iv) training tailored for businesses, and (v) adult literacy, including General Education Development course work. Professional technical programs are supported by federal Carl Perkins funding.

The following table summarizes revenue sources for the College:

Columbia Gorge Community College District
General Fund Historic and Budgeted Revenue Sources

Revenues	2005[1]	2004[2]	2003[3]	2002	2001	2000
State sources	$ 2,752,069 [4]	$ 3,820,734 [5]	$ 2,012,339 [5]	$ 2,260,978	$ 2,004,737	$ 1,887,634
Federal sources	120,250	120,250	96,575	67,750	65,250	56,250
Ad valorem taxes and local sources	648,557	612,104	617,856	310,121	301,641	290,323
Tuition and fees	1,635,224	1,527,854	1,303,152	1,087,426	935,718	737,094
Other sources	427,606	67,686	67,407	61,439	132,058	132,066
Total Revenues	$ 5,583,706	$ 6,148,628	$ 4,097,329	$ 3,787,714	$ 3,439,404	$ 3,103,367

(1) Budgeted.
(2) The College implemented GASB-34 and 35.
(3) The State is scheduled to defer the last quarter's payment of State revenues to the College in Fiscal Year 2005.
(4) The College received $3,779,401 in Fiscal Year 2004 for State Community College Support, of which $622,797 was a fourth-quarter payment for Fiscal Year 2003 that was deferred by the State until Fiscal Year 2004. The College made budget cuts in Fiscal Year 2003 and raised tuition to compensate for the deferral of State revenues.

Source: Audited Financial Reports, and Fiscal Year 2005 Adopted Budget.

State of Oregon Community College Funding

The largest portion of revenue for community college districts is derived from the State based on a funding formula. The Legislative Assembly, which meets on a biennial basis, is responsible for determining the amount of education funding. The 2005 Legislative Assembly opened January 10, 2005. The State Board of Education establishes the allocation formula, which is subject to change. The current formula allocates revenues to community college districts based on the full-time equivalent ("FTE") student for each community college district.

Current State Funding Formula. Community College Support Funds ("CCSF") are distributed through a funding formula set forth in Oregon Administrative Rules 589-002-0100. The Oregon Department of Community Colleges and Workforce Development ("CCWD") administers the CCSF. The current formula allocates revenues to community college districts based on the FTE student for each community college district, as described below:

(1) The formula starts with the aggregate CCSF appropriated by the Legislative Assembly for community college districts in a given biennium (i.e., the amount allocated for each Fiscal Year of the biennium) and then subtracts the cost of certain line-item investments, such as service to students outside of districts, newly annexed areas, or other items directed by the Legislative Assembly, to be distributed outside the formula (the net amount is referred to as "State Formula Resources").

(2) State Formula Resources are distributed to individual community college districts based on a specific dollar amount for each FTE student. Five-hundred and ten clock hours of coursework equals one student deemed to be enrolled on a FTE basis.

(3) The base payment for each college is subject to adjustments according to the size of the college, providing colleges with lower average enrollment with higher base payment adjustments. Each community college district is to receive a base payment of $600 for each FTE up to and including 1,100 FTEs for Fiscal Year 2004-05, and $300 per FTE for unrealized enrollments between actual enrollment numbers and 1,100 FTE.

(4) After the base payment, each district will receive from State funds an amount necessary to bring it to an equalization percentage target of the prior year's highest property tax revenue per FTE received by any district. For 2004-05, the equalization percentage target is 55 percent. An allocation of State dollars will be made to a district, if necessary, to bring every district up to 55 percent of the prior years' highest property tax revenue per FTE received by any district. Districts with property tax revenues above 55 percent of the of the prior year's highest property tax revenue per FTE received by any district, will receive no state funds under this equalization component.

(5) The remaining Formula Resources are divided by total FTE. This amount is then multiplied by the individual community college district's FTE to project its share of Formula Resources. As of July 1, 2004 colleges retain 100 percent of their property taxes. Individual colleges impose property taxes directly (see "Revenue Sources" herein).

(6) Hold Harmless: For 2004-05 only, districts for which the above distribution results in a decrease in State funding from the amount received in 2003-04, will receive State funding equivalent to what they received in 2003-04 by way of a proportional reduction in the increase received by the other districts.

Appropriations. The Governor released his budget recommendation for the 2005-07 biennium in December 2004. The Governor has recommended a 1.6 percent reduction from the 2003-05 Legislatively-approved budget, which may result in increased tuition, reduced academic and other programs. The reduction is a result of a decline in State revenues due to the economic slowdown experienced in recent years. During meetings with community college representatives, the Governor stated that an error was made in his recommended budget. The Legislative Fiscal Office estimates that the budget for community colleges could increase by as much as $20 million, which would mean an additional $300,000 annual during the 2005-07 biennium for the College.

The budget includes bonding authority to support $94.1 million in capital construction projects at Rogue Community College, Oregon Coast Community College, **Columbia Gorge Community College**, Clatsop Community College, Tillamook Bay Community College and Klamath Community College. Half of this appropriation will be paid with Article XI-G bonds for which the State is required to pay debt service with its general fund revenues; local community colleges will provide the constitutionally-required 50 percent match. According to the recommended budget, sale of Article XI-G bonds will be delayed until the end of the biennium to defer debt service payments until the 2007-09 biennium.

A summary of the recommended budget and historic appropriations for CCWD follows:

Governor's 2005-07 Recommended Budget
Oregon Department of Community Colleges and Workforce Development

Source	2001-03 Actuals	2003-05 Legislatively Approved	2005-07 Governor's Recommendation	Percent Growth (Decline) from 2003-05
General Fund	$382,129,816	$416,420,326	$393,642,264	-5.5%
Lottery Funds	0	49,000	0	-100.0
Other Funds	13,908,964	13,152,259	13,557,139	3.1
Federal Funds	146,092,209	123,383,620	127,459,844	3.3
Federal Funds (Nonlimited)	0	2,339,105	12,000,000	413.0
Total Funds	**$542,130,989**	**$555,344,310**	**$546,659,247**	**-1.6%**

Source: http://egov.oregon.gov/DAS/BAM/docs/Publications/GRB0507/B-Education.pdf, January 7, 2005.

The Oregon Department of Administrative Services released its March 2005 forecast, which indicates that the State will have approximately $200 million more revenue to balance the 2005-2007 biennium budget than was forecast in December 2004. Distribution of revenues is currently under discussion by the 2005 Legislative Assembly and there is no certainty of the outcome.

Impact on the College. In the 2003-05 biennium, the College received $5,316,584 in formula appropriation, as well as an additional $1,170,000 in State appropriation for services in the then-newly-annexed Hood River County service area, for a total of $6,486,584. The College expects to receive $7,576,575 of such appropriation in the 2005-07 biennium, according to the Department of Community Colleges and Workforce Development.

Property Taxes

Most local governments, school districts, education service districts and community college districts ("local governments") were granted permanent authority to levy property taxes for operations in the future at a maximum rate (the "operating tax rate limit"). All community college districts have this authority. Local governments that have never levied property taxes may request that the voters approve a new operating tax limit.

Local governments with operating tax rates may not increase the amount provided on a permanent basis; rather they may only request that voters approve limited term levies for operations or capital expenditures ("local option levies") and general obligation bond levies. All property tax levies that exceed the operating tax rate limit require voter approval at a general election in an even numbered year, or at another election at which a majority of registered voters cast ballots.

Local option levies that fund operating expenses are limited to five years, and local option levies that are dedicated to capital expenditures are limited to ten years. Local governments (including community colleges and school districts, but excluding education service districts) are authorized to ask voters for limited term levies outside the limits of Article XI, Section 11, but subject to the limits of Article XI, Section 11b, assuming the levy is approved by voters. Local option taxes for community colleges may not, pursuant to ORS 280.057, exceed the amount of reduction in ad valorem property taxes caused by the implementation of tax limitations set forth in Article XI, Section 11 (see "Valuation of Property – Assessment" herein).

The College does not currently have a local option levy and has no plans at this time to seek voter approval of a local option levy.

Levies to pay general obligation bonds are limited by the principal amount of the bonds which is stated in the ballot that approves the bonds. Community college districts' ability to issue general obligation bonds is subject to State debt capacity limits.

Local governments impose property taxes by certifying their levies to the county assessor of the county in which the local government is located. Property taxes ordinarily can only be levied once each Fiscal Year, which is July 1 through June 30. The local government ordinarily must notify the county assessor of its levies by July 15.

Valuation of Property – Assessment. Property taxes are imposed on the assessed value of property. The assessed value of each parcel cannot exceed its fair market value, and ordinarily is less than its fair market value. The assessed value of property was initially established as a result of the enactment of a constitutional amendment. That amendment (now Article XI, Section 11 of the Oregon Constitution and often called "Measure 50") assigned each property a value that was in most cases less than its fair market value in Fiscal Year 1997-1998, and limited increases in that assessed value to three percent per year, unless the property is improved, rezoned, subdivided, or ceases to qualify for exemption. When property is newly constructed or reassessed because it is improved, rezoned, subdivided, or ceases to qualify for exemption, it is assigned an assessed value that is comparable to the assessed value of similar property.

Property subject to taxation includes all privately owned real property (land, buildings and improvements) and personal property (machinery, office furniture and equipment) for non-residential taxpayers. There is no property tax on household furnishings (exempt since 1913), personal belongings, automobiles (exempt since 1920), crops, orchards, business inventories or intangible property such as stocks, bonds or bank accounts, except for centrally assessed utilities, for which intangible personal property is subject to taxation. Forestland is subject to special assessment that provides a reduction in property tax that would be paid if based on the real market value. Property used for charitable, religious, fraternal and governmental purposes is exempt and reductions in assessments may be granted (upon application) for veterans' homesteads, farm and forest land, open space and historic buildings. The assessment roll, a listing of all taxable property, is prepared as of January 1 of each year.

Certain properties, such as utilities, are valued on the unitary valuation approach. Under the unitary valuation approach, the taxpaying entity's operating system is defined and a value is assigned for the operating unit using the market value approach (cost, market value and income appraisals). Values are then allocated to the entities' operations in Oregon, and then to each county the entity operates in and finally to site locations.

Tax Rate Limitation – Real Market Value. Article XI, Section 11b of the State Constitution separates property taxes into two categories: one to fund the public school system (kindergarten through grade twelve school districts, education service districts and community college districts) and one to fund government operations other than the public school system. Public school system taxes are limited to $5 per $1,000 of the Real Market Value of property. In Fiscal Year 2005, there was $34,030.69 of compression in the College District due to the tax rate limitation. This compression is taken into account in the SSF Distribution Formula. Other government operations taxes are limited to $10 per $1,000 of the Real Market Value of property. "Real Market Value" is the minimum amount in cash which could reasonably be expected by an informed seller acting without compulsion, from an informed buyer acting without compulsion, in an "arms-length" transaction during the period for which the property is taxed. Taxes imposed to pay the principal and interest on the following bonded indebtedness are not subject to the foregoing limitations: (1) bonded indebtedness authorized by a specific provision of the State Constitution; and (2) general obligation bonded indebtedness incurred for capital construction or improvements approved by the electors of the issuer and bonds issued to refund such bonds. **The Bonds constitute "Exempt Bonded Indebtedness" and the collection of property taxes and use for payment of debt service on the Bonds is not subject to tax rate limits.**

Property Tax Collections. Each county assessor is required to deliver the tax roll to the county tax collector in sufficient time to mail tax statements on or before October 25 each year. All tax levy revenues collected by a county for all taxing units within the county are required to be placed in an unsegregated pool, and each taxing unit shares in the pool in the same proportion as its levy bears to the total of all taxes levied by all taxing units within the county. As a result, the tax collection record of each taxing unit is a *pro-rata* share of the total tax collection record of all taxing units within the county combined.

Under the partial payment schedule, taxes are payable in three equal installments on the 15th of November, February and May of the same Fiscal Year. The method of giving notice of taxes due, the county treasurer's account for the money collected, the division of the taxes among the various taxing districts, notices of delinquency, and collection procedures are all specified by detailed statutes. The lien for property taxes is prior to all other liens or encumbrances of any kind on real or personal property subject to taxation. By law, a county may not commence foreclosure of a tax lien on real property until three years have passed since the first delinquency.

A Senior Citizen Property Tax Deferral Program (1963) allows certain homeowners to defer taxes until death or sale of the home. A similar program is offered for Disability Tax Deferral (2001), which does not have an age limitation.

The following tables represent historic tax information for the College District.

Taxable Property Values

Real Market Value(1)

Fiscal Year	Hood River County(2)	Wasco County	Total College District
2005	$2,022,863,452	$1,687,212,112	$3,710,075,564
2004	1,762,795,225	1,601,824,315	3,364,619,540
2003	1,662,168,666	1,569,696,159	3,231,864,825
2002	--	1,594,023,487	1,594,023,487
2001	--	1,549,059,824	1,549,059,824
2000	--	1,418,777,873	1,418,777,873

Assessed Value(3)

Fiscal Year	Hood River County(2)	Wasco County	Total College District
2005	$1,208,437,497	$1,324,777,586	$2,533,215,083
2004	1,127,532,199	1,279,534,406	2,407,066,605
2003	1,079,874,193	1,262,969,923	2,342,844,116
2002	--	1,223,976,187	1,223,976,187
2001	--	1,175,083,776	1,175,083,776
2000	--	1,111,349,270	1,111,349,270

Taxable Property Values – Total College District

Fiscal Year	Real Market Value(1)	Assessed Value Used to Calculate Tax Rates(3)	AV as a % of RMV
2005	$ 3,710,075,564	$ 2,533,215,083	68.3%
2004	3,364,619,540	2,407,066,605	71.5%
2003	3,231,864,825	2,342,844,116	72.5%
2002	1,594,023,487	1,223,976,187	76.8%
2001	1,549,059,824	1,175,083,776	75.9%
2000	1,418,777,873	1,111,349,270	78.3%

(1) Value represents the Real Market Value of taxable properties, including special assessed properties such as farms. This value is also commonly referred to as the "Measure 5 value" by county assessors.
(2) Hood River County was annexed by the College District beginning in Fiscal Year 2003.
(3) Assessed Value used to compute levy rates is the total Assessed Value of property in the College District, excluding urban renewal and any other offsets.

Source: Hood River and Wasco Counties' Departments of Assessment and Taxation.

The following tables present the Fiscal Year 2005 tax rates for the College District and other taxing jurisdictions within Wasco County that overlap the College District. The permanent rate for taxing jurisdictions is calculated by dividing the tax levy by the assessed value (see "Valuation of Property – Assessment" herein). The billing rate shown below is the permanent rate or a lower rate determined in conjunction with the taxing jurisdiction.

Fiscal Year 2005 Representative Levy Rate
(Rates Per $1,000 of Assessed Value)

General Government	Billing Rate	Bond Rate	Consolidated Rate
Wasco County	$ 4.2513	$ 0.3245	$ 4.5758
NORCOR	0.0000	0.4199	0.4199
Port of The Dalles	0.2007	0.5088	0.7095
Parks and Library District	0.6799	0.0000	0.6799
Regional Fire and Protection District	2.1004	0.2918	2.3922
City of The Dalles	3.0155	0.0000	3.0155
Total General Government	10.2478	1.5450	11.7928
Education			
Northern Wasco County SD No. 21	5.4894	2.1491	7.6385
Columbia Gorge Community College	0.2703	0.5114	0.7817
Region 9 Education Service District	0.4678	0.0000	0.4678
Total Education	6.2275	2.6605	8.8880
Total Tax Rate	$ 16.4753	$ 4.2055	$ 20.6808

NOTE: County assessors report levy rates by tax code. Levy rates apply to taxable "assessed" property value. Tax rate limitations are based on "real market" value and are only reported in total dollar amount of compression, if any, for each taxing jurisdiction (see "Tax Rate limitation – Real Market Value" herein).

Source: Wasco County Department of Assessment and Taxation, Tax Code 12.11.

Tax Collection Record(1)

	Hood River County		Wasco County	
Fiscal Year	Year of Levy(2)	As of 06/30/04(3)	Year of Levy(2)	As of 06/30/04(3)
2004	97.31%	97.31%	93.42%	93.42%
2003	96.82	98.76	93.26	95.31
2002	95.98	98.95	95.30	98.45
2001	96.35	99.70	95.37	99.69
2000	96.48	99.92	95.57	99.97
1999	95.96	99.96	95.70	99.99

(1) Percentage of total tax levy collection in Wasco County. Pre-payment discounts are considered to be collected when outstanding taxes are calculated. The tax rates are before offsets.
(2) The percentage of taxes collected in the "year of the levy" represents taxes collected in a single levy year, beginning July 1 and ending June 30.
(3) The percentage of taxes shown in the column represents taxes collected cumulatively from July 1 of a given levy year through June 30, 2004.

Source: Hood River and Wasco Counties' Departments of Assessment and Taxation.

Columbia Gorge Community College District
Major Taxpayers
(As of Fiscal Year 2005)

Taxpayer	Business/Service	Tax	Assessed Value	Percent of Value
Union Pacific Railroad Co	Railway	$ 332,178	$ 22,106,684	0.87%
Pacificorp (PP&L)	Utility	317,805	27,822,000	1.10%
United Telephone Northwest	Utility	291,142	16,759,600	0.66%
Northwest Aluminum Co	Aluminum Manufacturing	284,145	18,524,929	0.73%
Gas Transmission NW Corp	Utility	282,124	25,376,815	1.00%
Diamond Fruit Growers Inc	Agriculture	267,867	23,331,009	0.92%
Northern Wasco PUD	Utility	264,558	15,422,631	0.61%
BNSF Railway Co.	Railway	236,540	19,176,600	0.76%
United Telphone Northwest	Telecommunications	225,066	17,211,161	0.68%
Northwest Aluminum Specialties	Aluminum Manufacturing	210,941	13,884,534	0.55%
Subtotal - ten of District's largest taxpayers			199,615,963	7.88%
All other District's taxpayers			2,333,599,120	92.12%
Total District			$ 2,533,215,083	100.00%

Source: Hood River and Wasco Counties' Departments of Assessment and Taxation.

Strategic Investments Program

The Strategic Investments Program ("SIP") was authorized by the Legislature in 1993 to provide tax incentives for capital intensive investments by firms in Oregon's key industries, particularly in the high technology and metals industries. SIP recipients receive a tax break on the assessed value of new construction over $100 million for 15 years. The $100 million cap on assessed value increases by six percent per year. SIP recipients pay an annual Community Service Fee which is equal to one-fourth of the value of the tax break and which is allocated to local governments. Allocation is determined by negotiation of the local governments. The Community Service Fee is not considered a property tax and thus is outside of the Constitutional property tax rate limitations. There are no SIP recipients in Hood River County or Wasco County at this time.

Tuition and Fees

Community colleges prescribe and collect tuition as authorized in ORS 341.290(7). There are no statutory or Oregon Administrative Rule limitations on tuition charged by community colleges. The amount and rates associated with tuition for community colleges vary.

The College increased its tuition rate $5 increase per credit hour to $54 per credit hour (a 10.2 percent increase over the prior tuition rate) in Fiscal Year 2004 and another $5 per credit hour to $59 per credit hour in Fiscal Year 2005. The service rate remained unchanged at $8 per credit hour.

Historical and Projected Tuition

Fiscal Year	Annual Tuition (3)
2007(2)	$2,925
2006(2)	2,790
2005(1)	2,655
2004	2,430
2003	2,175
2002	1,890
2001	1,800
2000	1,710

(1) Projected. No assurance can be given that this projection will be achieved and actual results may differ materially from this projection.
(2) Projected. Assumes a minimum tuition increase of $3 per credit hour over the preceding year for in-state students.
(3) Annual tuition for an in-state student based on 15 credit hours per term for three terms (Fall, Winter and Spring). No assurance can be given that these projections will be achieved and actual results may differ materially from these projections.

Source: Columbia Gorge Community College March 31, 2005.

Tuition rates for students vary, depending on whether the student is a resident within the community college district, out-of-district or out-of-state. Current tuition rates statewide are presented in the following table:

Oregon Community Colleges
Tuition Rates Per Term
Fiscal Year 2005

	College	In-District		Out-of-District		Out-of-State	
		Per Credit Hour	Full Time(1)	Per Credit Hour	Full Time(1)	Per Credit Hour	Full Time(1)
1.	Blue Mountain	$54	$815	$54	$815	$ 109	$1,629
2.	Central Oregon	55	825	75	1,125	155	2,325
3.	Chemeketa	56	840	56	840	192	2,880
4.	Clackamas	54	810	54	810	184	2,760
5.	Clatsop	54	810	54	810	108	1,620
6.	**Columbia Gorge**	**59**	**885**	**59**	**885**	**59**	**885**
7.	Klamath	60	900	60	900	138	2,070
8.	Lane	65	968	65	968	221	3,315
9.	Linn-Benton	52	780	52	780	153	2,295
10.	Mt. Hood	63	945	63	945	209	3,135
11.	Oregon Coast	60	900	60	900	172	2,580
12.	Portland	62	930	62	930	190	2,850
13.	Rogue	59	885	59	885	71	1,065
14.	Southwestern	56	840	56	840	56	840
15.	Tillamook Bay	55	825	55	825	75	1,125
16.	Treasure Valley	62	930	62	930	72	1,080
17.	Umpqua	54	810	54	810	154	2,310
	Average of all Community Colleges	**$58**	**$865**	**$59**	**$882**	**$136**	**$2,045**

(1) 15 Credit Hours.

Source: Oregon Department of Community Colleges and Workforce Development, January 2005.

The College District

Oregon Community Colleges

Community college districts are municipal corporations established pursuant to Oregon Revised Statutes Chapter 341. There is currently no mechanism in the Oregon Revised Statutes or State Constitution for an Oregon community college district to dissolve.

Community Colleges are educational institutions offering broad, comprehensive programs in academic as well as professional technical subjects. They provide two-year programs for some and serve to provide as transitional training for those who continue college work elsewhere. Community colleges also provide professional technical training to allow attainment of new skills as demands for old skills and old occupations are supplanted by new technologies.

Community colleges are governed by boards of education whose members are elected on a district-wide basis for staggered four-year terms of office. The Board has the oversight, responsibility and control over all activities related to the community college. A Board-appointed budget committee works in conjunction with the Board in each college's budget process.

The community colleges are subject to supervision by the State. The State Board of Education, a group of seven people appointed by the governor, is responsible for coordinating the community college program of the State and has general supervisory responsibilities for that program. The State Board of Education prepares estimates and makes the request for legislative appropriations for a reasonable and consistent basis of support and establishes standards for the distribution of that support. The administrative functions of the State Board of Education are handled through the CCWD, whose executive head is the Commissioner for Community College Services appointed under ORS 326.

General Description

The College was originally organized as an "Area Education District," as described in Chapter 341 of the Oregon Statues relating to Community Colleges. In 1977, Wasco Area Education Service District was formed. Later that year, the College's name was changed to Treaty Oak Education Service District. In 1989, a vote of the people of Wasco County allowed the Board of Education to drop the "Service District" designation and the College became Treaty Oak Community College. The name changed again in November of 1989 to Columbia Gorge Community College. On November 6, 2001, voters in Wasco County and Hood River County approved the annexation of a portion of Hood River County to join the Columbia Gorge Community College District.

The College includes all of Hood River County except for the City of Cascade Locks (94 percent of Hood River County's property value is in the College District) and all of Wasco County with the exception of the Warm Springs Reservation (99.5 percent of Wasco County's property value is in the College District). Population for the College is currently estimated to be 43,236.

The College offers a full range of courses, including collegiate transfer, vocational, adult basic, community education, degree completion and special certificate programs. Course offering are limited only by physical facilities. The College obtains accreditation through its contractual affiliation with Portland Community College. The long range plan anticipates that the College becomes a candidate for independent accreditation.

Board of Education

The College is governed by a seven-member Board of Education whose members are elected on a College-wide basis for staggered four-year terms of office. The Board of Education has the oversight, responsibility and control over all activities related to the College. A Board-appointed Budget Committee works in conjunction with the Board of Education in governing the College. The present directors of the Board, their occupations and the expiration of their respective terms of office follow.

Board of Education

Name	Position	Occupation	Service Began	Term Expires
Mike Schend	Chair	Director, Hood River Community Education	2003	June 30, 2007
Dr. Ernie Keller	Vice Chair	Small Business Owner	2001	June 30, 2005
Dave Fenwick	Director	Chief Executive Officer, vLetter Inc.	2003	June 30, 2007
Christie Reed	Director	Farm Owner	2003	June 30, 2007
Dr. James R. Willcox	Director	Orthodontist	1977	June 30, 2005
M.D. Van Valkenburgh	Director	Attorney	2001	June 30, 2005
Charleen Cobb	Director	Retired School Teacher	2001	June 30, 2005

Key Administrative Officials

The administrative and management staff of the College includes a President, Chief Financial Officer, Deans and Directors. The Board appoints a President to administer the activities of the College.

Dr. Frank Toda, President. Dr. Toda was hired July 1, 2001 as President of Columbia Gorge Community College. He earned his Bachelor's and Master's degrees in business administration from the University of Portland, his Master's in systems management from University of Southern California, and his Ph.D. in education, emphasizing business management, also from U.S.C. Dr. Toda led a distinguished career in the Air Force including assignments as director of training, Chief Financial Officer and program manager for the Department of Defense. Dr. Toda has served seven consecutive terms on the Baldrige Board of Examiners, a review board for the Malcolm Baldrige National Quality Award. In addition, he is a Certified Quality Manager (CQM), a Certified Professional Contracts Manager (CPCM) and a certified Acquisition Professional, Level III, Contracting through the National Contract Management Association.

Saundra Buchanan, Chief Financial Officer. Ms. Buchanan serves as the Chief Financial Officer and was hired on June 1, 1993. Prior to joining the College, Ms. Buchanan was the Manager of Administration and Finance with the Casey Eye Institute of the Oregon Health and Sciences University. She received her M.B.A. from Arizona State University and B.S. Marketing from Arkansas State University. She is certified by the Oregon Association of School Business Officials as a Certified Business Administrator.

Dr. Susan Wolff, Dean of Instruction. Dr. Wolff has served as the Dean of Instruction since August 1, 2004. Prior to joining the College, Dr. Wolff has served as the Acting and Co-Director of the Oregon Professional Development System and Project Coordinator for the School of Education, Oregon State University, Associate Dean of Instruction for Clark College, and Associate Dean of Extended Learning and Director of the Benton Center for Linn-Benton Community College. She consults as the Director of Wolff Designs, Educational and Facilities Research, Planning, and Consulting. Dr. Wolff received her ED.D. from Oregon State University M.Ed. from Oregon State University and B.S. from Montana State University. Two facility-design projects that Dr. Wolff created have received major national and international design and planning awards.

Karen Carter, Dean of Student Services. Ms. Carter serves as the Dean of Student Services and has worked at the College since 1979. Prior to joining the College, she was a Non-Destructive Test Engineer for the Pratt & Whitney Aircraft Company. Ms. Carter received her M.S. Counseling from Portland State University, M.S. Engineering Physics from Rensselaer Polytechnic Institute and B.S. Physics from San Diego State University.

Robert Cole, Executive Director for Resource Development. Mr. Cole serves as the Executive Director for Resource Development. Mr. Cole has worked at the College since May 9, 1985 and is responsible for the Small Business Development Center, Workforce Training, Community Education, Human Resources, the CGCC Foundation, and Wasco County Economic Development. Prior to joining the College, Mr. Cole owned and operated his own retail and wholesale business from 1975 to 1985. Mr. Cole served five years in the U.S. Air Force. He is bilingual, able to provide business counseling in Spanish and English. Mr. Cole has a B.A. in Business Administration from Seattle Pacific University and a MBA from the University of Portland. Certificates include: Trade Specialist Training from Thunderbird the American Graduate School of International Management and Specialist Training from the National Council for Resource Development. He is an active member of the Society for Human Resource Management.

Dennis Whitehouse, Facilities Director. Mr. Whitehouse was hired December 1, 1995 as the College's Facilities Director. Mr. Whitehouse retired from the U.S. Coast Guard as a Department Head of Naval Engineering with extensive facilities management experience. Mr. Whitehouse has over 30 years of project management experience with numerous certifications and served as a contrating officer's technical representative.

Bill Bohn, Information Technologies Director. Mr. Bohn was hired August 15, 1995 as the College's Information Technologies Director. Mr. Bohn previously worked as the Manager of Information Systems for Central Admixture Pharmacy Services, Owner of San Diego Micro Technologies, Sound Technician for San Diego State University and is co-owner of Sage's Café, Hood River, Oregon. He earned his A.S. Computer Science from Grossmont College and is a Certified Novell Engineer for intraNetWare, NetWare 5 & NetWare 6, and has over twenty years of information technology experience.

Administrative offices of the College are located at 400 East Scenic Drive, The Dalles, Oregon 97058-3434. The telephone number is (541) 296-6182.

Labor Relations

The College has a total of 59 full-time and 123 part-time employees. The College has two collective bargaining agreements with Local 4754, United Employees of Columbia Gorge Community College, AFT, AFL-CIO. The College enters into written bargaining agreements with each of the bargaining entities. Agreements contain provisions on such matters as salaries; vacation; sick leave; medical and dental insurance; working conditions; and grievance procedures. The College has an established Labor-Management Committee which meets regularly. The bargaining units which represent College employees and the number of employees represented by each are:

Bargaining Units

Bargaining Unit	No. of Employees	Terms	Contract Expires
American Federation of Teachers Local 4754 United Employees of Columbia Gorge Community College AFT, AFL-CIO			
Faculty employees	83	3 yrs	June 30, 2007
Classified	34	3 yrs	June 30, 2006

Enrollment

The first classes were offered in September 1977 and housed in local school district facilities. Enrollment in the first school year was 1,649 (108 FTE) and has steadily grown to approximately 5,348 (980 FTE) today. Associate degree courses were first offered in 1979–80 by contract with Portland Community College, and this relationship is still in force. In Fiscal Year 1989, a contracted out-of-district program was extended to Hood River County and a portion of the County was annexed into the College District effective July 1, 2002.

Columbia Gorge Community College District
Historic and Projected FTE Enrollment and Headcount

Fiscal Year Ended June 30	FTE Enrollment Total FTE	Yearly Change	Headcount Total Headcount	Yearly Change
2006(1)	1000.00	2.00%	5,457	2.00%
2005(1)	980.00	0.14%	5,348	0.13%
2004	978.66	(7.20%)	5,341	(9.33%)
2003	1054.53	3.83%	5,891	(1.47%)
2002	1015.64	6.35%	5,979	(11.36%)
2001	955.03	--	6,745	--

(1) Preliminary, subject to change. No assurance can be given that these projections will be achieved and actual results may differ materially from these projections.

Source: Columbia Gorge Community College District.

Financial Factors

Financial Reporting

New Accounting Standards. In June 1999, the Government Accounting Standards Board ("GASB") released Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" ("GASB-34"). GASB-34 established a new reporting format for governmental financial statements. GASB-34 requires a comprehensive one-line look at the entity as a whole, along with recognition of depreciation on capital assets. In November 1999, GASB issued Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities" ("GASB-35"). The College was required to adopt these two new standards for the fiscal year ending June 30, 2004.

Overview of the Financial Statements. The College's basic financial statements are comprised of entity-wide financial statements. The entity-wide financial statements for beginning in Fiscal Year 2004 are designed to give a broad overview of the College's finances and differ significantly in both the format and the accounting principles used in prior years. The financial statements presented in prior years focused on the accountability of funds, while the statements as of Fiscal Year 2004 focus on the financial condition of the College, the results of operations and cashflows of the College as a whole.

Fund Reporting Prior to Fiscal Year 2004. Prior to implementation of GASB-34 and GASB-35, the financial statements of the College were reported by funds. A fund is a grouping of related accounts that is used to maintain control over the resources that have been segregated for specific activities or objectives.

> *Governmental Funds* focused on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The General Fund is a governmental fund.
>
> *Proprietry Funds* included enterprise funds to report business-type activities. Internal service funds accumulated and allocated costs internally among the College's various functions.
>
> *Fiduciary Funds* were used to account for resources held for the benefit of parties outside the College. Resources of these funds were not available to support the College's programs.

Independent Audit Requirement

Each Oregon municipal corporation must obtain an audit and examination of its funds and account groups at least once each year pursuant to the Oregon Municipal Audit Law, Oregon Revised Statutes 297.405 to 297.555. Municipalities having annual expenditures of less than $500,000, with the exception of counties and school districts, are exempt from this requirement. All Oregon counties and school districts, regardless of amount of annual expenditures, must obtain an audit annually. The required audit may be performed by the State

Division of Audits or by independent public accountants certified by the State as capable of auditing municipal corporations.

The College's audit for the fiscal years that ended on June 30, 2000 through 2004 were performed by Byers, Neumayer & Bradford, P.C., CPAs, The Dalles, Oregon (the "Auditor"). The audit report for the year ended June 30, 2004 indicates the financial statements fairly present the College's financial position in all material respects and the results of its operations in conformity with accounting principles generally accepted in the United States of America. The Auditor was not requested to review this Official Statement and has not completed any additional auditing review procedures subsequent to the issuance of its report on the 2004 Fiscal Year.

The audited financial statements of the College as of June 30, 2004, are attached hereto as Appendix B, are incorporated by reference to this Official Statement and are filed with the four nationally recognized municipal securities information repositories ("NRMSIR"). Financial statements may be ordered by accessing the NRMSIR website, located at: http://www.sec.gov/info/municipal/nrmsir.htm.

The College's Statement of Net Assets and Statement of Revenues, Expenses; Changes in Net Assets; and Statement of Cash Flows for the Fiscal Year 2004 follows.

Statement of Net Assets

(Fiscal Year 2004)

Assets	2004
Current and other assets[(1)]	$ 4,022,093
Net capital assets	6,444,531
Total Assets	10,466,624
Liabilities	
Current liabilities[(2)]	1,102,809
Long-term debt, non-current portion[(3)]	8,334,569
Total Liabilities	9,437,378
Net Assets	
Invested in capital assets, net of related debt	1,064,843
Restricted	142,761
Unrestricted	(178,358)
Total Net Assets	**$ 1,029,246**

NOTE: The Net Assets presents information on all the College's assets and liabilities with the difference between the two reported as net assets. The Statement of Activities presents information showing how the College's net assets changed during a given Fiscal Year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Revenues and expenses are reported in this statement for some items that will result in cash flows in future periods, such as uncollected taxes and earned, but unused, vacation leave.

(1) Current assets of $4 million were sufficient to cover current liabilities of $1.1 million. Receivables consist of property taxes, student accounts and grants and contracts.

(2) Current liabilities consist primarily of payroll, various payables for operations and the current portion of long-term debt.

(3) Non-current liabilities consist of long-term debt from the Oregon Small Scale Energy Loan, Series 1998 Bonds and the Pension Bonds.

Source: Audited Financial Statements.

Statement of Revenues, Expenses and Changes in Net Assets

(Fiscal Year 2004)

		2004
Total operating revenues(1)	$	2,152,231
Total operating expenses		6,273,824
Operating Loss		(4,121,593)
Non-operating revenues, net(2)		5,938,570
Total increase in net assets		1,816,977
Net assets -- beginning of year, as restated		(787,731)
Net assets -- end of year	**$**	**1,029,246**

NOTE: The Net Assets presents information on all the College's assets and liabilities with the difference between the two reported as net assets. The Statement of Activities presents information showing how the College's net assets changed during a given Fiscal Year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Revenues and expenses are reported in this statement for some items that will result in cash flows in future periods, such as uncollected taxes and earned, but unused, vacation leave.

(1) Includes tuition and fees, bookstore sales and other operating revenues. Tuition and fees totaled $1,707,306. FTE enrollment declined by 7 percent in Fiscal Year 2004. Factors contributing to the decrease include a 10.2 percent increase in the tuition rate (a $5 increase per credit hour to $54 per credit hour; the service rate remained unchanged at $8 per credit hour), the graduation of local dislocated workers and limitations on State reimbursement for certain adult education courses, which resulted in reduced offerings. Bookstore sales totaled $377,423 and other operating revenue totaled $67,502.

(2) Annual State reimbursements and property taxes, while budgeted for operations, are considered non-operating revenue under GAAP. The College received $3,779,401 for State Community College Support, of which $622,797 was a fourth-quarter payment for Fiscal Year 2003 that was deferred by the State until Fiscal Year 2004 and $585,000 was a separate appropriation for services to the recently annexed portion of Hood River County. Property taxes totaled $1,261,932, which includes $623,121 for the Series 1998 Bonds. State and local grants and contracts totaled $126,547, lease income totaled $197,129, other non-operating income totaled $443,527, and interest income totaled $44,669.

Source: Audited Financial Statements.

A five-year summary of the College's General Fund Statement of Revenues, Expenditures and Changes in Fund Balance follows.

General Fund Statement of Revenues, Expenditures and Changes in Fund Balance

(Fiscal Years)

Revenues	2004 (1)(2)	2003	2002	2001	2000
State sources	$ 3,820,734 (3)	$ 2,012,339 (3)	$ 2,260,978	$ 2,004,737	$ 1,887,634
Federal sources	120,250	96,575	67,750	65,250	56,250
Local sources	612,104	617,856	310,121	301,641	290,323
Tuition and fees	1,527,854	1,303,152	1,087,426	935,718	737,094
Other sources	67,686	67,407	61,439	132,058	132,066
Total Revenues	6,148,628	4,097,329	3,787,714	3,439,404	3,103,367
Expenditures					
Instruction	1,935,418	1,676,190	1,492,637	1,209,624	1,170,511
Instructional support	543,159	426,971	458,310	464,388	439,055
Student services	391,599	377,406	328,291	296,976	250,329
College support	1,024,654	881,034	841,357	780,704	817,258
Student financial aid	71,128	67,753	80,807	86,732	83,256
Campus operation and maintenance	683,633	679,259	642,332	558,032	430,509
Debt Service	26,976	0	0	0	0
Total Expenditures	4,676,566	4,108,613	3,843,734	3,396,456	3,190,918
Excess of revenues over (under) expenditures	1,472,062	(11,284)	(56,020)	42,948	(87,551)
Other Financing Sources (Uses)					
Operating transfers in	230,197	225,160	299,716	177,917	157,859
Operating transfers out	(281,132)	(285,811)	(141,931)	(56,905)	(11,720)
Total Other Financing Sources (Uses)	(50,935)	(60,651)	157,785	121,012	146,139
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	1,421,127	(71,935)	101,765	163,960	58,588
Beginning fund balance	1,569,604	1,565,092	1,463,326	1,299,366	1,240,776
Ending fund balance	$ 2,990,731	$ 1,493,157	$ 1,565,091	$ 1,463,326	$ 1,299,364

(1) Fiscal Year 2004 data is provided on the budget-basis of accounting. Prior years are provided on a GAAP-basis.
(2) The College implemented GASB-34 and 35.
(3) The College received $3,779,401 in Fiscal Year 2004 for State Community College Support, of which $622,797 was a fourth-quarter payment for Fiscal Year 2003 that was deferred by the State until Fiscal Year 2004. The College made budget cuts in Fiscal Year 2003 and raised tuition to compensate for the deferral of State revenues.

NOTE: The College estimates that as of June 30, 2005, total revenues, expenditures and ending fund balance in its General Fund will be $5.4 million, $6.7 million and $1.6 million, respectively. No assurance can be given that the future results will be achieved and actual results may differ materially from these estimates.

Source: Audited Financial Statements.

Budgetary Process

The College prepares an annual budget in accordance with the Oregon Local Budget Law. ORS Chapter 294 establishes standard procedures for all budget functions for all Oregon local governments. Under the applicable provisions, there must be public participation in the budget process and the adopted budget must be balanced.

The College's administrative staff evaluates the budget requests of the various departments of the College to determine the funding levels of the operating programs. The budget is presented to the public through public hearings held by a budget committee consisting of Board members and lay members. After giving due consideration to the input received from the citizens, the Board of Directors adopts the budget, authorizes the levying of taxes and sets appropriations. The budget must be adopted not later than June 30 of each Fiscal Year.

The State is scheduled to defer the last quarter's payment of State revenues to the College in Fiscal Year 2005 and is expected to continue the practice of deferring the last payment of the biennium for the next biennium for budget purposes. The annual budget accounts for the timing of expected State payment deferrals.

The budget may be amended during the applicable Fiscal Year through the adoption of a supplemental budget. Supplemental budgets may be adopted by the Board pursuant to ORS 294.480.

General Fund Adopted Budget

(Fiscal Year 2005)

Revenues		2005
State sources	$	2,752,069
Federal sources		120,250
Local sources		648,557
Tuition and fees		1,635,224
Other sources		427,606
Total Revenues		**5,583,706**
Net working capital carryover		2,600,951
Total Resources	**$**	**8,184,657**
Expenditures		
Instruction	$	2,270,743
Instructional support		676,861
Student services		507,121
College support		1,572,378
Student financial aid		90,966
Campus operation and maintenance		671,585
Contingency		950,000
Transfers		575,565
Debt service		26,976
Unappropriated ending fund balance		842,462
Total Budget Requirements	**$**	**8,184,657**

Source: Columbia Gorge Community College District Adopted Budget 2004-2005.

Investments

ORS 294.035 authorizes Oregon municipalities to invest in obligations, ranging from U.S. Treasury obligations and Agency securities to municipal obligations, bankers' acceptances, commercial paper, certificates of deposit, corporate debt and guaranteed investment contracts, all subject to certain size and maturity limitations. No municipality may have investments with maturities in excess of 18 months without adopting a written investment policy which has been reviewed and approved by the Oregon Short Term Fund Board. The College's Board does not have a separate investment policy.

Municipalities are also authorized to invest approximately $37 million (adjusted for inflation) in the Local Government Investment Pool of the Oregon Short-Term Fund, which is managed by the State Treasurer's office. Such investments are managed in accordance with the "prudent person rule" and administrative regulations of the State Treasurer which may change from time to time. Eligible investments presently include all of those listed above, as well as repurchase agreements and reverse repurchase agreements. Currently, the State's investment portfolios are not leveraged and do not contain any derivative products.

Pension System

Under Oregon law, all State agency and school district employees must participate in the statutorily prescribed retirement system, known as the Oregon Public Employees Retirement System or "PERS". The system provides retirement, death and disability benefits. As of June 30, 2004, the retirement system covered approximately 209,435 active and non-active State, school and local government members and 98,686 retired members. The Public Employees Retirement Board (the "PERS Board") administers the system. The assets of the system are held by the Public Employees Retirement Fund. The fund is a statutorily created trust fund that is used to pay the obligations of the system.

Several different retirement benefit structures apply to PERS members depending on their date of hire. Employees hired before January 1, 1996, are known as "Tier 1" participants. The retirement benefits applicable to Tier 1 employees were based primarily on a defined benefit model. In 1995, the Oregon Legislative Assembly revised the retirement benefits structure for what are known as "Tier 2" participants. The Tier 2 program is also a defined benefit plan but with lower expected costs to employers than under the Tier 1 plan. The Tier 2 plan applies to employees hired on or after January 1, 1996. Beginning January 1, 2004, the Legislative Assembly enacted the Oregon Public Service Retirement Plan ("OPSRP") that consists of separate defined benefit pension program ("PP") and defined contribution individual account program ("IAP"). Employer contributions fund the PP for employees hired on or after August 29, 2003. Employee contributions to the previous benefit package (the "prior plan") were discontinued after December 31, 2003. Members of the prior plan will continue to accrue pension benefits under that plan unless they have a break in service in excess of six months, at which time any additional pension benefits will accrue under ORPSRP. Contributions from employees participating in both the prior plan and the PP fund individual retirement accounts under the IAP. Employees in the PP are entitled to a defined benefit based on years of service, final average salary and a formula of 1.5 percent for general service employees and 1.8 percent for police and firefighters. This benefit is augmented with payments from the IAP.

Unfunded Actuarial Liability. An employer's unfunded actuarial liability ("UAL") is the excess of the actuarially determined present value of the employer's benefit obligations to employees over the existing actuarially determined assets available to pay those benefits. According to the December 31, 2003 actuarial valuation, the unfunded actuarial liability for the system is $6.2 billion without regard to lump sum payments made for the accounts of particular employers, and $1.7 billion after taking into account those lump sum payments.

Contribution Rates. Members are required to contribute 6 percent of their annual covered salary, which may be paid by the employer, to PERS.

System employers are required to remit contributions to the retirement system based on rates calculated by the PERS Board. The College's contribution to PERS for the years ending December 31, 2001, 2002, and 2003 were $179,381, $211,796, and $89,706, respectively, according to the College's audited financial statements.

Contribution rates are set at the amounts estimated by the PERS Board as necessary to pay the retirement and other pension obligations owed to employees when they retire, die or become disabled. The employer contribution rates are set using the entry age actuarial cost method. Contribution rates based on the December 31, 2001 and 2003 valuations follow. Contribution rates based on the December 31, 2001 valuation were adjusted by certain legislative changes in 2003. Such contribution rates are in effect through June 30, 2005. Contribution rates based on the December 31, 2003 valuation take effect July 1, 2005. The PERS Board announced on February 18, 2005 that implementation of rate increases would be staggered over two valuation periods, beginning July 1, 2005 and July 1, 2007, respectively.

The current contribution rate through June 30, 2005 for the community college district is 19.57 percent. Community college districts' contribution rates will be 15.73 percent as of July 1, 2005 and 21.22 percent as of July 1, 2007. The rates quoted do not take into account any lump sum payments made by jurisdictions.

Pension Fund Contribution Rates
(Do not include UAL Lump-sum Payments)

	December 31 Valuation		2003 Valuation Implementation Dates	
	2001(1)	2003(2)	July 1, 2005	July 1, 2007
System Average	**10.64%**	**18.89%**		
School Districts	11.11%	21.09%	16.97%	22.84%
Judges	18.72%	26.18%	23.38%	27.38%
State, Local Government Rate Pool (SLGRP):				
State Agencies	11.31%	20.56%	8.69	14.13
Community College Districts	**10.24%**	**19.57%**	**15.73**	**21.22**
Local Governments	Varies	Varies		

(1) Rates include the affects of legislation in 2003.
(2) The PERS Board announced its intention of implementing the new rates in steps, beginning on July 1, 2005.
Source: Oregon Public Employees Retirement System.

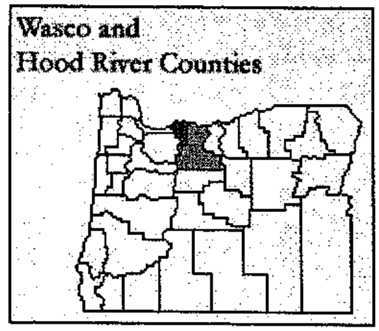
The College issued Pension Bonds to make a lump-sum payment to PERS in April 2003 to finance a portion of its estimated UAL. Such payment reduced the College's contribution rate from the community college's 19.57 percent to 5.02 percent based on the December 31, 2003 actuarial valuation, although debt service payments are also due on the Pension Bonds.

Legislation which was approved by the 2003 Legislative Assembly made significant reductions in rate increases. Many of these legislative changes were challenged in legal proceedings filed in the Oregon Supreme Court and in federal court by a number of unions and individual employees. A federal district court judge has held the 2003 legislative changes to PERS (the "2003 PERS Legislation") do not violate the federal constitution. The plaintiffs have appealed that decision to the Ninth Circuit Court of Appeals. On March 8, 2005, the Oregon Supreme Court released its opinion in the litigation (the "PERS Decision") and declared that certain portions of the 2003 PERS Legislation violate the Oregon Constitution and affirmed the validity of others.

The College is not able to estimate the effect of the PERS Decision on PERS, the UAL of the System, or future contributions that the College may be required to make to PERS until PERS produces a new actuarial valuation for participating employers. At its meeting on March 29, 2005, PERS indicated that it will wait for a decision on another pending Oregon Supreme Court case to produce a new actuarial valuation.

Demographic Information

The College is contiguous with Hood River County and Wasco County except for the Confederated Tribes of the Warm Springs Indian Reservation which is outside of the College District boundaries and excludes the City of Cascade Locks in Hood River County. Located in north-central Oregon, the College borders the Columbia River to the north.



Income. Historic personal income and per capita income levels for the Counties and the State are shown below:

Historic Income Levels

	Hood River County		Wasco County		State of Oregon	
Year	Total Personal Income ($ millions)	Per Capita Income	Total Personal Income ($ millions)	Per Capita Income	Total Personal Income ($ millions)	Per Capita Income
2003	N/A	N/A	N/A	N/A	$ 102,538.32	$ 28,806
2002	$ 498.6	$ 24,151	$ 566.1	$ 24,088	100,480.91	28,533
2001	462.1	22,509	577.7	24,304	98,026.05	28,222
2000	451.6	22,056	574.7	24,120	94,853.50	27,660
1999	438.9	21,730	541.4	22,877	89,127.83	26,261

Source: U.S. Department of Commerce, Bureau of Economic Analysis. Dated March 2005.

Building Permits. Residential building permits are an indicator of growth within a region. The number and valuation of new single-family and multi-family residential building permits in the College's primary counties are listed below:

Residential Building Permits

Wasco County

	New Single Family Units		New Multi Family Units		Total
Year	Number	Valuation	Number	Valuation	Valuation
2003	17	$ 2,779,601	0	$ 0	$ 2,779,601
2002	23	3,631,306	0	0	3,631,306
2001	27	4,142,114	0	0	4,142,144
2000	27	3,911,739	4	353,268	4,265,007
1999	33	4,540,479	0	0	4,540,479

Hood River County

	New Single Family Units		New Multi Family Units		Total
Year	Number	Valuation	Number	Valuation	Valuation
2003	156	$ 22,717,401	10	$ 971,480	$ 23,688,881
2002	143	19,671,686	0	0	19,671,686
2001	109	12,924,685	17	1,851,208	14,775,893
2000	88	12,625,311	21	2,512,056	15,137,367
1999	99	14,444,605	12	1,040,850	15,485,455

NOTE: Portland State University ceased collecting and reporting building permit data as of January 1, 2004.
Source: Oregon Building Permit Report, Center for Population Research and Census, Portland State University.

Agriculture. The number of acres harvested and gross farm sales in the Counties are as follows:

Harvested Acreage and Gross Farm Sales

	Harvested Acreage			Wasco County		Hood River County		Total College District
Year	Wasco County	Hood River County	Total College District	Crop Sales ($000)	Animal Products Sales ($000)	Crop Sales ($000)	Animal Products Sales ($000)	Total Gross Farm Sales
2004	90,065	16,696	106,761	$50,246	$0	$64,730	$1,200	$116,176
2003	99,804	14,827	114,631	41,005	0	53,367	1,126	95,498
2002	95,735	15,670	111,405	32,565	9,108	53,438	1,352	96,463
2001	95,102	15,457	110,559	33,725	9,561	56,028	1,021	100,335
2000	99,073	16,647	115,720	42,126	10,019	50,133	1,021	103,299

Source: Oregon State University Extension Service, "Oregon County and State Agricultural Estimates," Special Report 790, also available on the Extension's web site http://ludwig.arec.orst.edu/oain. Data as of April 2005.

Transportation. The College is located along Interstate Highway 84, the major east-west highway beginning in Portland and following the Columbia River. U.S. Highway 197 runs north-south through the College District. Commercial air service is available at Portland International Airport.

Employment. The College District's major employers include the following:

Major Employers in Wasco and Hood River Counties

Company	Product	Location	Employees
Mid-Columbia Medical Center	Health Care	The Dalles	789
Providence Hood River Memorial Hospital	Health Care	Hood River	350
Sprint	Communications	Hood River	313
Hood River County School District	Education	Hood River	255
Luhr Jensen & Sons Inc	Manufacturing	Hood River	250
Northwest Aluminum Co	Aluminum	The Dalles	120
US Army Corp of Engineers	Power	The Dalles	200
Wal-Mart	Retail	Hood River	174
Oregon Cherry Growers	Fruit Processing	The Dalles	150
Hood River Inn	Tourism	Hood River	145

Source: Mid Columbia Economic Development District, May 4, 2005.

Hood River and Wasco Counties
Consolidated Labor Force Summary
(by place of residence)(1)

	2004	2003	2002	2004 Change from 2003	2004 Change from 2002
Civilian Labor Force	25,054	24,696	24,432	358	622
Unemployment	2,087	2,509	2,374	-422	-287
Percent of Labor Force	8.3%	10.2%	9.7%	xxx	xxx
Total Employment	22,967	22,187	22,058	780	909

Non-Agricultural Wage & Salary Employment
(by place of employment)(2)

	2004	2003	2002	2004 Change from 2003	2004 Change from 2002
TOTAL NONFARM PAYROLL EMPLOYMENT	17,820	17,320	17,480	500	340
TOTAL PRIVATE	14,200	13,620	13,650	580	550
Natural resources, mining and construction	720	700	700	20	20
Manufacturing	1,820	1,660	1,750	160	70
Trade, transportation, and utilities	3,710	3,610	3,530	100	180
Information	210	230	240	-20	-30
Financial activities	610	580	580	30	30
Professional and business services	960	1,000	1,000	-40	-40
Educational and health services	2,870	2,660	2,560	210	310
Leisure and hospitality	2,740	2,690	2,750	50	-10
Other services	560	540	540	20	20
GOVERNMENT	3,620	3,700	3,830	-80	-210

(1) Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting.
(2) 2004, 2003 and 2002 Nonfarm payroll data are based on the North American Industry Classification System. The data are by place of work. Persons working multiple jobs are counted more than once.
Source: State of Oregon Employment Department, 2004, 2003 and 2002 statistics are as of April 2005.

Legislative Referrals

Referrals are proposed laws that originate from the Legislature to be voted on by the people. In Oregon, both houses of the Legislature must vote to refer a statute or constitutional amendment for a popular vote. Such referrals cannot be vetoed by the governor.

The Initiative Process

The Oregon Constitution, Article IV, Section 1, reserves to the people of the state the initiative and referendum power pursuant to which measures designed to amend the Oregon Constitution or enact legislation, can be placed on the statewide general election ballot for consideration by the voters. "Referendum" generally means measures that have been passed by the legislature and then referred to the electors by a legislative body, such as the State Legislative Assembly or the governing body of a district, county or other political subdivision, or by petition prior to its effective date. "Initiative" generally means a new measure placed before the voters as a result of a petition circulated by one or more private citizens.

Any person may file a proposed initiative with the Oregon Secretary of State's office. The Oregon Attorney General is required by law to draft a proposed ballot title for the initiative. Public comment on the draft ballot title is then solicited by the Secretary of State. After considering any public comments submitted, the Attorney General will either certify the draft ballot title or revise the draft ballot title. Any elector that submitted written comments who is dissatisfied with the ballot title certified by the Attorney General may petition the Oregon Supreme Court seeking a revision of the certified ballot title.

Once the ballot title has been certified and the Secretary of State has authorized the petitioners, the proponents of the initiative may start gathering the initiative petition signatures necessary to place the proposed initiative on the ballot. To be placed on a general election ballot, the proponents of a proposed initiative must submit to the Secretary of State initiative petitions signed by the number of qualified voters equal to a specified percentage of the total number of votes cast for all candidates for governor at the gubernatorial election at which a Governor was elected for a term of four years next preceding the filing of the petition with the Secretary of State. For the November 2006 election, the requirements are eight percent (75,630 signatures) for a constitutional measure and six percent (100,840 signatures) for a statutory initiative. Any elector may sign an initiative petition for any measure on which the elector is entitled to vote.

The initiative petition must be filed with the Secretary of State not less than four months prior to the general election at which the proposed measure is to be voted upon. As a practical matter, proponents of an initiative have approximately two years in which to gather the necessary number of signatures. State law permits persons circulating initiative petitions to pay money to persons obtaining signatures for the petition. If the person obtaining signatures is being paid, the signature sheet must contain a notice of such payment.

Historical Initiative Petitions

Over the past decade Oregon has witnessed increasing activity in the number of initiative petitions that have qualified for the statewide general election. According to the Elections Division of the Oregon Secretary of State, the number of initiative petitions that have qualified for the ballot and the number that have been approved in the general elections since 1988 are as follows:

Historic Initiative Petitions

Number of Year of General Election	Number of Initiatives that Qualified	Initiatives that were Approved
2004	6	2
2002	7	3
2000	18	8
1998	10	6
1996	16	4
1994	16	9
1992	7	0
1990	8	3
1988	5	3

NOTE: The Secretary of State posts a listing of initiatives on its web site: www.sos.state.or.us.
Source: Elections Division, Oregon Secretary of State, 2004 INITIATIVE LOG Elections Division

Tax Exemption

The Internal Revenue Code of 1986, as amended (the "Code") imposes certain requirements that must be met subsequent to the execution and delivery of the Bonds in order for interest on the Bonds to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the issue date of the Bonds. These requirements include limitations on the use of proceeds of the Bonds, limitations on the investment of proceeds of the Bonds prior to expenditure and a requirement that excess arbitrage earned on the investment of proceeds of the Bonds be rebated on a periodic basis to the United States under certain circumstances. The College has covenanted in the transaction documents that they will comply with these requirements (the "Tax Covenants.")

In the opinion of Bond Counsel, under existing law and assuming compliance by the College with certain tax covenants described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of determining the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from present personal income tax imposed by the State of Oregon.

However, Bond Counsel notes that interest on the Bonds owned by corporations will be taken into account for purposes of determining the alternative minimum tax imposed on 75 percent of the excess of a corporation's adjusted current earnings over its alternative minimum taxable income (determined without regard to this adjustment and the alternative tax net operating loss).

Bond Counsel expresses no opinion on any other federal, state or local tax consequences arising with respect to ownership of the Bonds. Bond Counsel has not undertaken to advise in the future whether any events after the date of execution and delivery of the Bonds may affect the tax status of the Bonds.

Although Bond Counsel has rendered an opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, property and casualty insurance companies, certain S corporations, recipients of Social Security and Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. Prospective purchasers of the Bonds should consult their tax advisors with respect to all such possible collateral consequences and as to the treatment of interest on the Bonds under the tax laws of any state other than Oregon.

Original Issue Premium. Bond Counsel is of the opinion that the difference between the principal amount of the Bonds maturing on June 15 in the years 2006 through 2023, inclusive, (together the "Premium Bonds") and the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Premium Bonds were sold constitutes original issue premium. Such premium may not be deducted from Federal gross income by a holder of a Premium Bond. The amount of such premium must be amortized actuarially on a constant interest rate basis over the term of such Premium Bond, and the federal tax basis of such Premium Bond will be decreased over its term by the amount of such amortized premium. As a result of the tax cost reduction requirements of the Code relating to amortization of bond premium, under certain circumstances an owner of a Premium Bond may realize a taxable gain upon disposition of such Premium Bond even though they are sold or redeemed for an amount equal to such owner's original cost of acquiring such Premium Bond.

Original Issue Discount. We are of the opinion that the difference between the principal amount of the Term Bond maturing on June 15, 2025 (the "Discount Bond") and the initial offering price to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of such Discount Bond of the same maturity was sold constitutes original issue discount that is excluded from gross income for federal income tax purposes to the same extent as interest on the Discount Bond. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Bond and the basis of such Discount Bond acquired at such initial offering price by an initial purchaser of each Discount Bond will be increased by the amount of such accrued discount.

Financial Institutions. The Code denies banks, thrift institutions and other financial institutions a deduction for 100 percent of their interest expense allocable to tax exempt obligations, such as the Bonds, acquired after August 7, 1986.

Continuing Disclosure

The Securities and Exchange Commission has published amendments to Rule 15c2-12 (the "Rule") that require at least annual disclosure of current financial information and timely disclosure of certain events with respect to the Bonds, if material. Pursuant to the Rule, the College has agreed to provide to each nationally recognized municipal securities information repository and to the appropriate state information depository, if any, audited financial information of the College and certain financial information or operating data. In addition, the College has agreed to provide to the Municipal Securities Rulemaking Board and to any state information repository, notice of certain events, pursuant to the requirements of Section (b)(5)(i) of the Rule.

The College's annual disclosure filing for Fiscal Year 2004 was made on April 14, 2005, two weeks after the deadline. Otherwise, the College has not failed to comply in the past five years with any prior undertaking under the Rule. A copy of the College's Continuing Disclosure Certificate is attached hereto as Appendix D.

Legal and Underwriting

Approval of Counsel

Legal matters incident to the authorization, issuance and sale of Bonds by the College are subject to the approving legal opinion of Bond Counsel, substantially in the form attached hereto as Appendix A. Bond Counsel has reviewed this document only to confirm that the portions of it describing the Bonds and the authority to issue them conform to the Bonds and the applicable laws under which they are issued

Litigation

There is no litigation pending questioning the validity of the Bonds nor the power and authority of the College to issue the Bonds. There is no litigation pending which would materially affect the finances of the College or affect the College's ability to meet debt service requirements on the Bonds.

Underwriting

The Bonds are being purchased by Seattle-Northwest Securities Corporation, the Underwriter. The purchase contract provides that the Underwriter will purchase all of the Bonds, if any are purchased, at a price of 102.9446 percent of the par value of the Bonds, plus accrued interest. The Bonds will be reoffered at an average price of 103.4787 percent of the par value of the Bonds. After the initial public offering, the public offering prices may be varied from time to time.

Concluding Statement

The information set forth herein has been obtained from the College and other sources that are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, warranty or guarantee by the Underwriter. So far as any statement herein includes matters of opinion, or estimates of future expenses and income, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

The information contained herein should not be construed as representing all conditions affecting the College or the Bonds. Additional information may be obtained from the College. The statements relating to the Resolution are in summarized form, and in all respects are subject to and qualified in their entirety by express reference to the provisions of such document in its complete form.

The agreements of the College are set forth in such documents, and the information assembled herein is not to be construed as a contract with Owners of the Bonds. Information with respect to the College set forth in this Official Statement has been supplied by the College, and the Underwriter has relied on the College with respect to the accuracy and sufficiency of such information.

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Appendix A

Form of Bond Counsel Opinion

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MERSEREAU & SHANNON, LLP

PETER R. MERSEREAU
JAMES P. SHANNON, LLM
THOMAS W. MCPHERSON
BARRETT C. MERSEREAU

TELEPHONE 503-226-6400
FACSIMILE 503-226-0383

LAWYERS

FOUNDED IN 1885
SMITH & TEAL

1600 UMPQUA BANK PLAZA
ONE S.W. COLUMBIA STREET
PORTLAND, OREGON 97258

ROBERT J. SULLIVAN, P.C. *
JOHN W. OSBURN, P.C.
OF COUNSEL

*LICENSED IN OREGON & WASHINGTON

May 25, 2005

Columbia Gorge Community College District
400 East Scenic Drive
The Dalles, Oregon 97058

Re: Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon General Obligation Bonds, Series 2005 - $18,500,000

We have acted as bond counsel in connection with the issuance by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District") of $18,500,000 General Obligation Bonds, Series 2005 dated May 25, 2005 (the "Bonds"). The Bonds are issued pursuant to the authority granted by a majority of the legal voters of the District voting at the November 2, 2004 election, the applicable provisions of Oregon Revised Statutes Sections 341.675 to 341.702 and a resolution of the District adopted by the Board of Directors on April 12, 2005 (the "Resolution").

We have examined the law and a duly certified transcript of proceedings of the November 2, 2004 election of the District relating to the issuance and sale of the Bonds and such other documents as we deem necessary to render this opinion.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Bonds, and we express no opinion related thereto.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Bonds have been legally authorized and issued under and pursuant to the Constitution and Statutes of the State of Oregon and the Resolution.

2. The Bonds and the Resolution have been properly authorized, executed and delivered by the District and constitute valid binding obligations of the District enforceable in accordance with their terms.

3. The Bonds are a valid, legally binding full faith and credit general obligation of the District payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable property within the geographical boundaries of the District. The District is required by law to include in its annual tax levy the principal and interest maturing on the Bonds to the extent that sufficient funds are not provided from other sources.

4. Assuming compliance with applicable requirement of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds, including any original issue discount properly allocable to the owner of the Bonds, is excluded from gross income for federal income tax purposes and is not an item of tax preference for

purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. Any original issue premium properly allocable to the owner of the Bonds may not be deducted from federal gross income, but must be amortized actuarially on a constant interest rate basis over the term of such Bond, and the federal tax basis of such Bond will be decreased over its term by the amount of such amortized premium. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

5. The Bonds are not a "private activity bond" within the meaning of Section 141 of the Code.

6. The interest on the Bonds, including any original issue discount properly allocable to the owner of the Bonds, is exempt from present State of Oregon personal income taxes.

Except as stated herein, we express no opinion regarding other federal, state or local tax consequences arising with respect to ownership of the Bonds or other matters not expressly included in items 1-6 above. The owner of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral tax consequences and each owner is advised to consult with its own tax advisor regarding such consequences.

It is to be understood that the rights of the Registered Owner of the Bonds and the enforceability thereof are subject to (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, (ii) the application of equitable principles and to the exercise of judicial discretion in appropriate cases, (iii) common law and statutes affecting the enforceability of contractual obligations generally, and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the District.

Our opinions are limited to matters of current Oregon law and applicable federal law, and we assume no responsibility for the applicability or effect of laws of other jurisdictions.

Respectfully submitted,

MERSEREAU & SHANNON, LLP

James P. Shannon

Appendix B

Financial Statements

The College's Auditor has not performed any further review of the College's general purpose financial statements since the date of the audit contained herein.

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BYERS, NEUMAYER & BRADFORD, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

305 East Fifth Street • The Dalles, Oregon 97058

(541) 296-2000 • (541) 296-5636 Fax
www.bnbcpas.com

Ben G. Neumayer
Gary F. Bradford

John W. Byers
Carolyn Rohde
Nathan Reagan
Carol Friend

INDEPENDENT AUDITORS' REPORT

Board of Education
Columbia Gorge Community College
The Dalles, Oregon 97058

We have audited the accompanying basic financial statements of Columbia Gorge Community College, as of June 30, 2004, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of Columbia Gorge Community College management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Columbia Gorge Community College, as of June 30, 2004, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the College implemented a new financial reporting model, as required by the provision of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis – for Public Colleges and Universities*, as of and for the year ended June 30, 2004.

Management's discussion and analysis and budgetary comparison information on pages 9 through 17 and 38 through 89, are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Byers Neumayer & Bradford, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

March 4, 2005

Board of Education
Columbia Gorge Community College

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Columbia Gorge Community College's (the College) Financial Report presents an analysis of the financial activities of the College for the fiscal year ended June 30, 2004. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with them. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. This discussion is designed to focus on current activities, resulting changes and current known facts.

New Accounting Standards

In June 1999, the Governmental Accounting Standards Board (GASB) released Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" which established a new reporting format for governmental financial statements. Statement No 34 requires a comprehensive one-column look at the entity as a whole, along with recognition of depreciation on capital assets. In November 1999, GASB issued Statement No. 35 "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities". The College was required to adopt these standards for the fiscal year ended June 30, 2004. Since this is a transition year for the new format, only one year of information is presented in the audited financial statements and this Management's Discussion and Analysis. Next year, the College will provide a comparison of prior year activities.

Overview of the Financial Statements

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

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

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

- The *Statement of Revenues, Expenses and Changes in Net Assets* presents the revenues earned and the expenses incurred during the year. All changes in net assets are reported under accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs, regardless of the timing when the cash is received or disbursed. Thus, revenues and expenses are reported in this statement for some items

that will result in cash flows in future fiscal periods. The utilization of long-lived assets is reflected in the financial statements as depreciation, which amortizes the cost of the capital asset over the expected useful life. Revenues and expenses are reported as either operating or non-operating, with operating revenues primarily coming from tuition and fees. State appropriations and property taxes are classified as non-operating revenues. Because of the College's dependency on state aid and property tax revenue, this statement presents an operating loss, although overall net assets remain positive.

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

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

Financial and Enrollment Highlights

During one of five special legislative sessions in calendar 2002, in an attempt to balance the State budget, the legislature passed Senate Bill 1022 to cancel the portion of the appropriation that it had intended to pay to the seventeen Oregon community colleges in the last quarter of fiscal year 2002-2003. This is equivalent to one quarter of the state resources for all community colleges. The total amounts to $56 million and it represents $622,797 for Columbia Gorge Community College. The state reappropriated the canceled amount in fiscal year 2003-2004. The amount was paid on July 15, 2003. According to GAAP, we recognize the $622,797 of state revenue in 2003-2004.

The College's financial position, as a whole, improved during the fiscal year ended June 30, 2004 as evidenced by:

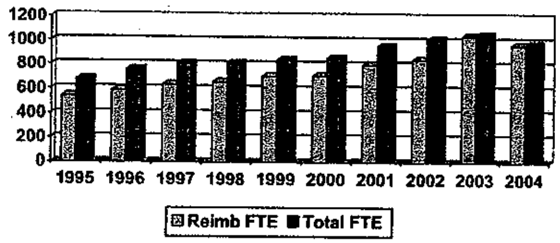
- Cash and cash equivalents increased by $1,573,448 during the year to a total of $3,329,666 at the close of the fiscal year.

- Net assets may serve over time as a useful indicator of the College's financial position. This report shows an increase in total net assets from ($787,731) in fiscal year 2003 to $1,029,246 in fiscal year 2004.

One of the College's largest net assets, $1,064,843, reflects the amount invested in capital assets, (e.g. land, buildings, machinery and equipment), less any related outstanding debt used to acquire those assets. 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. The majority of the debts used to acquire the capital assets will be paid off over the next nine years with funding from the general obligation bond property tax levy.

Although full-time equivalent enrollment declined by 7% in fiscal year 2003-2004, plans are underway to expand daytime educational facilities in the recently annexed portion of Hood River County. Factors contributing to the decrease in enrollment include a 10.2 percent increase in the tuition rate, the graduation of local dislocated workers and limitations on State reimbursement for certain adult education courses which resulted in reduced offerings. The following chart shows reimbursable and total full-time equivalent enrollment levels for the past ten years.

Reimbursable and Total Full-time Equivalent Enrollment



Analysis of the Statement of Net Assets
As of June 30, 2004

The Statement of Net Assets includes all assets and liabilities of the College using the accrual basis of accounting, which is similar to the accounting presentation used by most private colleges. Net assets, the difference between assets and liabilities, are one measure of the financial condition of the College.

Statement of Net Assets	**2004**
Assets	
Current assets	$4,022,093
Capital assets, net of depreciation	6,444,531
Total assets	10,466,624
Liabilities	
Current liabilities	1,102,809
Long-term debt, non-current portion	8,334,569
Total liabilities	9,437,378
Net Assets	
Invested in capital assets, net of related debt	1,064,843
Restricted	142,761
Unrestricted	(178,358)
Total Net Assets	$1,029,246

At June 30, 2004, the College's assets were approximately $10.5 million. The College's current assets of $4 million were sufficient to cover current liabilities of $1.1 million. This represents a current ratio of 3.65. Receivables consist of property taxes, student accounts, and grants and contracts. The College's investment in capital assets is $6.4 million, net of accumulated depreciation.

The College's current liabilities consist primarily of payroll, various payables for operations and the current portion of long-term debt. Noncurrent liabilities consist of long term debt from the small scale energy loan incurred in 1994, general obligation refunding bonds series 1998, and the pension bonds series 2003.

Within net assets, the "invested in capital assets" amount is $1,064,843. In future years, the College's capital assets will continue to grow as a result of the November 2004 voter approval to issue general obligation bonds up to $18.5 million for capital expansion and improvement projects on The Dalles campus and for establishing permanent facilities in Hood River County.

Analysis of the Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2004

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

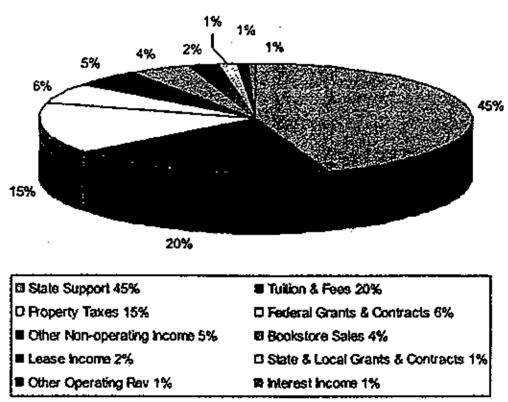
Statement of Revenues, Expenses and Changes in Net Assets	**2004**
Total operating revenues	$2,152,231
Total operating expenses	6,273,824
Operating loss	(4,121,593)
Non-operating revenues, net	5,938,570
Total increase in net assets	1,816,977
Net assets - Beginning of year, as restated	(787,731)
Net assets - end of year	$1,029,246

Revenues:

The sources of operating revenue for the College are tuition and fees, bookstore sales and other operating revenue. Tuition and fees include all amounts paid for educational purposes and totaled $1,707,306. The tuition rate increased in fiscal year 2004 by $5 per credit hour to $54 per credit hour. The service fee rate remained unchanged at $8 per credit hour. Bookstore sales totaled $377,423. Other operating revenue totaled $67,502.

The largest non-operating revenue source is the State of Oregon from appropriations to the Community College Support Fund. The College received $3,779,401 for State Community College Support this fiscal year. Of the $3,779,401 received from the State, $622,797 was a fourth quarter payment that related to the prior year and was deferred by the State and $585,000 was a separate appropriation for services to the recently annexed portion of Hood River County. Property taxes totaled $1,261,932 of non-operating revenue. Of the $1,261,932 in property taxes received, $623,121 is attributed to the general obligation bond levy. Non-operating revenue from federal grants and contracts totaled $512,451. Non-operating revenue from state and local grants and contracts totaled $126,547. Lease income totaled $197,129. Other non-operating income totaled $443,527. Interest income totaled $44,669. The following graph shows the allocation of revenues for the College:

Operating and Non-Operating Revenues

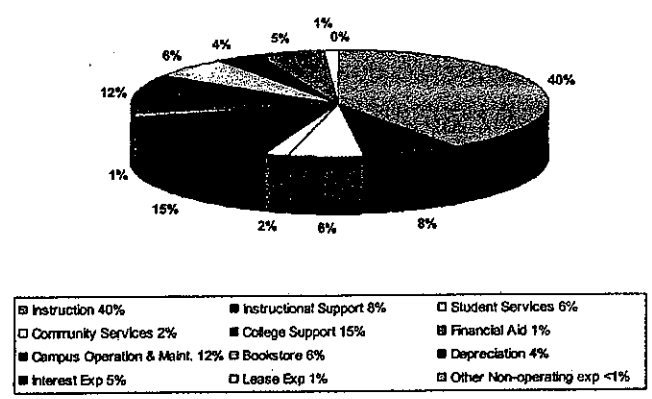


Expenses:

Operating expenses total $6,273,824. Instructional expenses represent the largest percentage of total expenses at $2,703,346 or 40 percent of total expenses. Instructional support expenses total $511,683 or 8 percent of total expenses. College support expenses total $1,015,660 or 15 percent of total expenses. Campus operation and maintenance expenses total $784,951 or 12 percent of total expenses. Bookstore expenses total $406,839 or 6 percent of total expenses. Student services expenses total $390,933 or 6 percent of total expenses. Depreciation totals $245,006 or 4 percent of total expenses. Community services total $144,280 or 2 percent of total expenses. Financial aid expenses total $71,128 or 1 percent of total expenses.

The most significant non-operating expense was interest on debt of $361,558, which represents 5 percent of total expenses. Lease expenses total $62,750 or 1 percent of total expenses. Other non-operating expenses total $2,780 or 0.04 percent of total expenses. The following chart shows the allocation of expenses for the College by functional classification:

Operating & Non-Operating Expenses



Analysis of the Statement of Cash Flows
For the Year Ended June 30, 2004

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

Statement of Cash Flows	**2004**
Cash Provided (Used) By:	
Operating Activities	($3,762,437)
Non-capital Financing Activities	6,094,975
Capital Financing Activities	(803,759)
Investing Activities	44,669
Net Increase in Cash	1,573,448
Cash - Beginning of year	1,756,218
Cash - End of year	$3,329,666

The major sources of funds included in operating activities include tuition and fees of $1,782,647, bookstore sales of $407,274 and other operating revenue of $67,502. Major operating uses were payments to employees and suppliers, as well as for student financial aid, totaling $6,019,860.

State appropriations and property taxes are the primary sources of non-capital financing. The new accounting standards require that we reflect these sources of revenue as non-operating even though the College's budget depends on these revenues to continue the current level of operations. Cash received from property taxes totaled $1,236,788. Cash from grants and contracts totaled $688,211. Major non-capital financing uses include interest paid on pension bonds of $122,822, payments for pension bonds of $59,015 and cash paid for lease expenses of $62,750.

The uses of cash from capital financing activities include the purchase of capital assets of $126,248, principal paid on long-term debt of $438,775 and interest paid on long-term debt of $238,736.

Interest on investments provided $44,669 in sources of funds for fiscal year 2004.

Budget

Columbia Gorge Community College adopts an annual budget at the fund level, which is under the modified accrual basis of accounting for governmental and fiduciary funds and on an accrual basis of accounting for proprietary funds. The College Board adopts budget modifications and makes contingency transfers as needed for unanticipated expenditures in accordance with Oregon Local Budget Law. For more information, please refer to the budgetary statements as Supplementary Information in the Financial Section of this report.

Capital Assets and Debt Administration

Capital Assets

The College's investment in capital assets as of June 30, 2004, amounts to $6,444,531, net of accumulated depreciation. Investment in capital assets includes land, building, improvements, machinery and equipment, library collections and infrastructure.

Additional information on the College's capital assets can be found in Note 9 of this report.

Long-Term Obligations

At the end of the current fiscal year, the College had total debt outstanding of $8,891,000. Of this amount, $5,260,000 is the outstanding general obligation refunding bond series 1998; $3,511,312 is the outstanding pension obligation bond series 2003; and $119,688 is the outstanding State of Oregon Small Scale Energy Loan.

The College issued no new debt and made all scheduled payments to reduce total debt by $497,790.

State statutes limit the amount of general obligation debt the College may issue to 1.5 percent of Real Market Value of properties within the College district. The current legal debt limit is $48,558,446, which is significantly higher than the College's outstanding debt. The College's outstanding general obligation bond debt is 10.8 percent of the legal debt limit. Additional information on the College's long-term debt can be found in Notes 10, 11 and 12 of this report.

Economic Factors and Next Year's Budget

Declining state revenues and the necessity to replace funds with increased tuition and fees continues to be a major challenge for the College. This issue impacts the College's mission to provide access to higher education for all in the community it serves.

The legislature passed several bills to create a new state retirement system. This will impact the College's unfunded actuarial liability (UAL). Even with the new retirement system in place, the legislative bills are anticipated to be in the court system due to challenges filed by public employee groups. The new Oregon Public Service Retirement Plan (OPSRP), a partial defined contribution plan and a partial defined benefits plan, went into effect on August 29, 2003. The impact of all of the changes is uncertain at this time.

The College proactively managed its financial position and adopted budgetary principles and practices that addressed cost reductions and revenue enhancement. The development of the fiscal year 2004-2005 budget adheres to the principles of maintaining access to educational programs, support for a diverse student population, and balancing budget requirements with revenue increases. The College budget continues the commitment to provide programs to meet and respond to changing community needs. The College budget anticipates the State's planned deferral of the fourth quarter payment to 2005-2006. The College budget includes new federal grant funding sources to support the nursing and health occupations programs. The College budget includes funding to support the College general obligation bond authorization measure in the November 2004 election. The College budget provides increased contingency funds to account for uncertainties in the level of State funding, the fiscal impact of the faculty collective bargaining negotiations, the effect of tuition rate increases on enrollment, the declining enrollment due to graduation of dislocated workers, and the cost of establishing temporary educational facilities in Hood River County. On June 8, 2004, the College adopted a balanced budget that includes a $5 per credit hour tuition increase. The College is required by the Oregon Local Budget Law to present and adopt a balanced budget each year. This will be an ongoing challenge for the College over the next few years until the state budget situation improves.

Requests for Information

This financial report is designed to provide a general overview of Columbia Gorge Community College's finances. Questions concerning any of the information provided 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 ASSETS

JUNE 30, 2004
(all amounts are in dollars)

ASSETS:	
Current Assets:	
Short-Term Investments	3,368,063
Prepaid Expenditures	28,568
Receivables:	
Taxes	144,481
Accounts, net	152,886
Grants and Contracts	181,279
Publisher's and Vendor's Credits	21,047
Inventory-Textbooks and Supplies	125,768
Total Current Assets	4,022,093
Noncurrent Assets:	
Capital Assets, net (Note 9)	6,444,531
Total Noncurrent Assets	6,444,531
TOTAL ASSETS	10,466,624
LIABILITIES:	
Current Liabilities:	
Cash in Bank - Net deficit	38,396
Accounts Payable	110,547
Accrued Payroll and Withholdings	204,749
Compensated Absences Payable	39,344
Due to Fiduciary Funds	1,926
Security Deposit	1,500
Deferred Revenue:	
Tuition and Fees	145,002
Grants and Contracts	4,913
Current Portion of Long-Term Debt (Notes 10 & 11)	556,431
Total Current Liabilities	1,102,809
Noncurrent Liabilities:	
Small Scale Energy Loan Payable	119,688
General Obligation Bonds Payable	5,260,000
Pension Bonds Payable	3,511,312
Less: Current Portion of Long-Term Debt	(556,431)
Total Noncurrent Liabilities	8,334,569
TOTAL LIABILITIES	9,437,378
NET ASSETS	
Invested in capital assets, net of related debt	1,064,843
Restricted for:	
Debt Service	131,830
Capital Projects	10,931
Unrestricted	(178,358)
TOTAL NET ASSETS	1,029,246

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

OPERATING REVENUES	
Student Tuition and Fees	1,707,306
Bookstore Sales	377,423
Other Operating Revenue	67,502
Total Operating Revenues	2,152,231
OPERATING EXPENSES	
Instruction	2,703,346
Instructional Support	511,683
Student Services	390,933
Community Services	144,280
College Support	1,015,660
Financial Aid	71,128
Campus Operation and Maintenance	784,951
Bookstore	406,839
Depreciation	245,006
Total Operating Expenses	6,273,824
Operating Income (Loss)	(4,121,593)
NONOPERATING REVENUES (EXPENSES)	
Federal Grants and Contracts	512,451
State and Local Grants and Contracts	126,547
State Community College Support	3,779,401
Property Taxes	1,261,932
Interest Income	44,669
Lease Income	197,129
Other Nonoperating Income	443,527
Interest Expense	(361,558)
Lease Expenses	(62,750)
Other Nonoperating Expenses	(2,780)
Total Nonoperating Revenues (Expenses)	5,938,570
Increase (Decrease) in Net Assets	1,816,977
NET ASSETS	
Net Assets - beginning of year, as restated	(787,731)
Net Assets - end of year	1,029,246

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Tuition and Fees	1,782,647	
Cash Received from Bookstore Sales	407,274	
Other Operating Revenue	67,502	
Cash Paid for Operating Expenses	(6,019,860)	
Net Cash Provided (Used) by Operating Activities		(3,762,437)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Received from Grants and Contracts	688,211	
Cash Received from Property Taxes	1,236,788	
Cash Received from State FTE Reimbursement	3,779,401	
Cash Received from Leases	195,260	
Other Nonoperating Income	443,527	
Cash Paid for Lease Expenses	(62,750)	
Payments for Pension Bonds	(59,015)	
Interest Paid on Pension Bonds	(122,822)	
Other Nonoperating Expenses	(3,625)	
Net Cash Provided (Used) by Noncapital Financing Activities		6,094,975
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of Capital Assets	(126,248)	
Principal Paid on Long-Term Debt	(438,775)	
Interest Paid on Long-Term Debt	(238,736)	
Net Cash Provided (Used) by Capital Financing Activities		(803,759)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	44,669	
Net Cash Provided (Used) by Investing Activities		44,669
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		1,573,448
CASH AND CASH EQUIVALENTS- BEGINNING OF YEAR		1,756,218
CASH AND CASH EQUIVALENTS - END OF YEAR		3,329,666

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

RECONCILIATION OF OPERATING LOSS TO CASH USED BY OPERATING ACTIVITIES		
Operating Loss		(4,121,593)
Adjustments to Reconcile:		
Depreciation	245,006	
(Increase) Decrease in Prepaid Expenditures	(19,317)	
(Increase) Decrease in Accounts Receivable	133,336	
(Increase) Decrease in Vendor's Credits	34,526	
(Increase) Decrease in Inventory	14,617	
Increase (Decrease) in Accounts Payable	(66,767)	
Increase (Decrease) in Accrued Payroll and Withholdings	84,583	
Increase (Decrease) in Accrued Compensated Absences	(4,158)	
Increase (Decrease) in Deferred Tuition and Fees	(62,670)	
Total Adjustments		359,156
Net Cash Used by Operating Activities		(3,762,437)

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF FIDUCIARY NET ASSETS

JUNE 30, 2004
(all amounts are in dollars)

	Hospitality	Student Council	Phi Theta Kappa	Environmental
ASSETS				
Due From General Fund	280	570	599	477
TOTAL ASSETS	280	570	599	477
LIABILITIES				
Current Liabilities				
Accounts Payable	34	-	32	-
TOTAL LIABILITIES	34	-	32	-
NET ASSETS	246	570	568	477

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2004
(all amounts are in dollars)

	Hospitality	Student Council	Phi Theta Kappa	Environmental
ADDITIONS				
Contributions	220	-	-	-
Fund Raising	-	55	1,735	-
Membership Dues	-	-	1,950	-
TOTAL ADDITIONS	220	55	3,685	-
DEDUCTIONS				
Materials and Services	123	375	3,588	-
TOTAL DEDUCTIONS	123	375	3,588	-
CHANGE IN NET ASSETS	98	(320)	97	-
NET ASSETS, BEGINNING OF YEAR	149	890	471	477
NET ASSETS, END OF YEAR	246	570	568	477

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2004

1. SIGNIFICANT ACCOUNTING POLICIES:

The College was originally organized as an "Area Education District," as described in Chapter 341 of the Oregon Statues relating to Community Colleges. In 1977, Wasco Area Education Service District was formed. Later that year, the College's name was changed to Treaty Oak Education Service District. In 1989, a vote of the people of Wasco County allowed the Board of Education to drop the "Service District" designation and the College became Treaty Oak Community College. The name changed again in November of 1989 to Columbia Gorge Community College. On November 6, 2001, voters in Wasco County and Hood River County approved the annexation of a portion of Hood River County to join the Columbia Gorge Community College District. 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. As described in ORS 341.437, 341.440 and 341.445, the College may provide its courses through contracts with community college districts, other school districts, the Department of Higher Education or accredited private educational institutions. The College contracts with Portland Community College to provide courses and programs.

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

A. REPORTING ENTITY:

In evaluating how to define the College, for financial reporting purposes, management has considered all potential component units. The criteria for including potential component units within the College's reporting entity, as set forth in GASB No. 14, "The Financial Reporting Entity," is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to, or impose a financial burden on, the primary government.

Based upon the application of the above criteria, the potential component unit, Columbia Gorge Community College Foundation, has been excluded from the College's reporting entity. The Foundation is a separate not-for-profit corporation. The Board of Education is elected independently of any College Board of Trustee's appointments. Each Board is responsible for approving its own budget and accounting and finance-related activities.

1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

B. BASIS OF PRESENTATION:

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis – for Public Colleges and Universities*, issued in June and November 1999. The financial statement presentation required by GASB No. 34 and No. 35 provide a comprehensive entity-wide perspective of the College's financial activities. The entity-wide perspective replaces the fund-group perspective previously required. The College now 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. Fiduciary activities are reported separately.

C. 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-agency transactions have been eliminated.

Non-exchange transactions, in which the College receives value without directly giving equal value in return, includes property taxes, federal, state, and local grants, State appropriations, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. 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.

The College's basic financial statements have applied all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued after November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements.

1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

D. USE OF ESTIMATES:
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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.

E. 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 State of Oregon Treasurer's Local Government Investment Pool (LGIP) and short-term investments with original maturities of three moths or less from the date of acquisition. The LGIP is stated at cost, which approximates fair value. Fair value of the investments in the LGIP is the same as the value of the pool shares.

F. 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, 2004 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.

G. RECEIVABLES:
All accounts, student accounts, grants and property taxes receivable are shown net of an allowance for uncollectible accounts.

Property taxes are levied and become a lien on all taxable property as July 1. Taxes are payable on November 15, February 15 and May 15. Discounts are allowed of the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. Property taxes receivable are recognized as revenue when levied.

Student accounts receivables are recorded as tuition is assessed.

Non-reimbursed expenses from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenses are incurred. Grant funds received prior to the occurrence of qualifying expenses are recorded as deferred revenue.

1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

H. INVENTORIES:
An inventory control is maintained on textbooks and supplies purchased for resale to students and, therefore, the inventory at June 30, 2004, has been recorded as an asset of the Bookstore Fund. Also, inventory controls are maintained by the College on expendable office and instructional supplies. This inventory of supplies is recorded as an asset in the General Fund. The inventories are shown at cost.

I. PREPAID ITEMS:
Payments made to vendors for services that will benefit periods beyond June 30, 2004, are recorded as prepaid items.

J. CAPITAL ASSETS:
Capital assets include land and land improvements; building and building improvements; furniture, equipment and machinery; works of art and historical treasures; infrastructure (which include utility systems); library collections; leasehold improvements; and construction in progress. The College's capitalization threshold is $5,000, except for buildings and building improvements, infrastructure assets, land and land improvements and leasehold improvements, which have a capitalization amount of $50,000. Such assets are recorded at historical cost or estimated historical cost if purchase or constructed. Library collections are capitalized regardless of 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.

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

Building and building improvements	45-60 years
Furniture, equipment and machinery	5-20 years
Infrastructure	25-100 years
Land improvements	10-25 years
Leasehold improvements	10-12 years
Library collection	10 years

K. 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 as a liability 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.

1. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:

L. DEFERRED REVENUE:
Tuition revenue for summer term is collected in part in the month of June; however, the revenue and expenditures of summer term are reflected in the budget for the following fiscal year. Due to this timing difference, a liability account, "Deferred Revenue" has been established to record summer term tuition to be recognized as revenue in the month of July.

M. LONG-TERM DEBT:
Bond premiums and discounts, as well as issuance costs, when applicable are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

N. OPERATING REVENUES AND EXPENSES:
Operating revenues and expense are distinguished from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the College's ongoing operations. The principle 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 the faculty, administration and support expenses, bookstore items, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

O. NET ASSETS:
GASB Statements No. 34 reports equity as "Net Assets" rather than "Fund Balance". Net assets are classified according to external donor restrictions or availability of assets for satisfaction of College obligations. Net assets are classified in the following components:

Invested in capital assets, net of related debt – This component of net assets 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, expendable – This component of net assets consists of 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.

Restricted, nonexpendable – This component of net assets consists of 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 pf producing present and future income, which may either be expended or added to principal. The College does not have any nonexpendable restricted net assets.

Unrestricted – This component of net assets 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.

P. BUDGET AND BUDGETARY ACCOUNTING:
The budget is prepared on the modified accrual method of accounting for each fiscal year July 1 to June 30. The budget process includes a series of notices and publications culminating with the budget hearing. After the public hearing has been held, the Board enacts the resolutions to adopt the budget, make appropriations and declare the ad valorem tax levy for all funds except Trust and Agency Funds.

The Appropriations Resolution contains amounts for instruction, instructional support, student services, college support, student financial aid, plant operation and maintenance, interagency/fund transactions and an operating contingency for each fund. This is the 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 overexpenditure.

Budget amounts shown in the combined financial statements 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.

Q. RESTATEMENT:
As of and for the year ended June 30, 2004, the College implemented the following Governmental Accounting Standards Board pronouncements:

- No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments
- No. 35 – Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities
- No. 36 – Recipient Reporting for Certain Shared Nonexchange Revenues – An Amendment of GASB No. 33
- No. 37 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus
- No. 38 – Certain Financial Statement Note Disclosures
- No. 39 – Determining Whether Certain Organizations Are Component Units

As a result of implementing these pronouncements, the following restatements to the June 30, 2003 equity balances were made to determine July 1, 2003 beginning net assets:

Fund Balance – June 30, 2003	$ 1,930,320
Deferred Property Tax Revenues	107,450
Capital Assets, net of accumulated depreciation	6,563,289
Long-Term Debt	(9,388,790)
Net Assets – July 1, 2003	$ (787,731)

2. CASH AND INVESTMENTS:

The College has one checking account and VISA deposit account that is used by the General Fund. Receipts and disbursements for all funds go through the checking account.

Deposits for the College were with various banks and the State of Oregon Local Government Investment Pool. Schedule of Cash Balances and Collateral Security sets forth the carrying amounts, bank balances and collateral security for the College's deposits at each financial institution as of June 30, 2004. Oregon Revised Statutes require the depository institution to maintain on deposit with a collateral pool manager, securities having a value not less than 25 percent of the outstanding certificates of participation issued by the pool manager.

State statutes authorize the College to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the State Treasurer's Investment Pool, among others.

Investments of the College are valued at cost. The College invests entirely in the State of Oregon Local Government Investment Pool. Generally Accepted Accounting Principles require investments in external investment pools to be stated at fair value. However, the difference between cost and fair value for the College's investments as of June 30, 2004, was determined to be immaterial.

The College's deposits and investments are categorized to give an indication of the level of risk assumed by the College at year end. Category 1 includes deposits and investments that are insured or registered or for which the securities are held by the College or its agent in the College's name. Category 2 includes uninsured and unregistered deposits and investments for which the securities are held by the counter-party's trust department or agent in the College's name. Category 3 includes uninsured and unregistered deposits and investments for which the securities are held by the counter-party, or by its trust department or agent but not in the College's name.

	CATEGORY 1	CATEGORY 2	CATEGORY 3	CARRYING AMOUNT	MARKET VALUE
Cash in Banks:					
Checking Accounts	$ (52,494)	$ -	$ -	$ (52,494)	$ (52,494)
Local Government Investment Pool				3,368,063	3,368,063
Cash with County Treasurer				13,597	13,597
Petty Cash				500	500
TOTAL DEPOSITS AND INVESTMENTS				$ 3,329,667	$ 3,329,667

3. PROPERTY TAX REVENUES AND RECEIVABLES:

Property taxes are levied on July 1 pursuant to Oregon Revised Statute 310.030. Taxes are payable in full on November 15 or are payable in installments the last of which is due on May 15 of the year following the year in which imposed. Taxes become delinquent on personal property when any installment is not paid by its due date. Taxes become delinquent on real property if not paid by May 15. On January 1 and July 1 tax liens attach to personal and real property respectively to secure payment of all taxes, penalties and interest ultimately imposed. Personal property is subject to summary seizure and the responsible taxpayer is subject to warrant service 30 days after delinquency date. Foreclosure proceedings begin on real property after three years from the date taxes become delinquent.

3. PROPERTY TAX REVENUES AND RECEIVABLES - CONTINUED:

Property taxes are collected by the Wasco and Hood River County Tax Collectors and credited monthly to the College's account. Funds are distributed to the College on request, and excess funds are invested for the College by the County Treasurer. Property taxes are recognized as revenue in the year levied. The budgetary basis financial statements reflect property taxes as revenue when collected by the Wasco and Hood River County Tax Collector and are available to the College to pay current period expenditures. Taxes collected within 60 days of the year end are considered available to pay current period expenditures.

Property taxes receivable at year end have been reported on the balance sheet. No allowance has been made for uncollectible taxes since past history has shown losses to be minimal.

4. COLLEGE PAYROLL:

The College's administrative, office, clerical and advising staff are employees of the College. This payroll function is handled by the College's accounting staff.

By amendment of contract with Portland Community College, instructional staff became legally employees of Columbia Gorge Community College on 7-1-90. Their payroll is serviced by College's accounting staff; all decisions concerning hiring, firing and assignments are made by College administration. PCC reviews teacher certification and credentials for compliance with accrediting standards. The College is billed for this service.

5. DEFINED BENEFIT PENSION PLAN:

Columbia Gorge Community College contributes to the Oregon Public Employees Retirement Fund (OPERF), a cost-sharing multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System (PERS). PERS provides retirement and disability benefits, post-employment health care benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238. ORS Chapter 238.620 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. That report may be obtained by writing to PERS, PO Box 23700, Tigard, OR 97281-3700 or by calling 1-503-598-7377.

The 72nd Oregon Legislature created the Oregon Public Service Retirement Plan (OPSRP). Public employees hired on or after August 29, 2003 become part of OPSRP, unless membership was previously established in PERS. OPSRP is a hybrid (defined contribution/defined benefit) pension plan with two components: the Pension Program (defined benefit) and the Individual Account Program (defined contribution).

Members of PERS are required to contribute 6.0% of their salary covered under the plan. Beginning January 1, 2004, PERS member contributions will go into the Individual Account Program portion of OPSRP. OPSRP members also contribute 6.0% of their salary covered under the plan. The College is required by ORS 238.225 to contribute at an actuarially determined rate. The current contribution rate for PERS members is 0.64% and for OPSRP members is 8.04% of salary covered under the plan. Starting May 2003, the PERS employer rate decreased as a result of the issuance of the pension bonds. The bonds were issued to pay the unfunded actuarial liability. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. The College's contributions to PERS for the years ending December 31, 2001, 2002 and 2003 were $179,381, $211,796, and $89,706, respectively, equal to the required contributions for each year.

6. LEASES:
The college has entered into the following lease/contract agreements:

OFFICE SPACE:

LESSEE: Greater Oregon Behavioral Health, Inc.
LEASE TERM: July 1, 1997, to June 30, 2004.
RENT: $2,110.40 per month.
TERMINATION: Upon 60-day prior written notice by either party.

LESSEE: Department of Environmental Quality.
LEASE TERM: November 1, 1995, to April 14, 2004, with an option to extend for two terms of one year each with 90 day prior written notice to lessor.
RENTAL: $3,661.65 per month, starting June 2004 - $3,814.60.
TERMINATION: Upon 180-day prior written notice.

LESSEE: Oregon State University Extension Service.
LEASE TERM: July 1, 1997 to June 30, 2004.
RENT: $1,200 per month.
TERMINATION: Upon 60-day prior written notice by either party.

LESSEE: Haystack Broadcasting.
LEASE TERM: January 31, 1998, five-year term.
RENT: $75 per month.
TERMINATION: Upon 30-day prior written notice by either party.

LESSEE: Oregon Economic Development Department.
LEASE TERM: July 1, 1999, to June 30, 2004.
RENT: $246 per month.
TERMINATION: Upon 30- to 90-day prior written notice by either party.

LESSEE: Region 9 E.S.D.
LEASE TERM: July 1, 2000, to June 30, 2005.
RENT: $3,523.69 per month.
TERMINATION: Upon 90-day prior written notice by either party.

LESSEE: Ft. Dalles Railroaders.
LEASE TERM: Month-to-month.
RENT: $123 per month.

LESSEE: VoiceStream/T-Mobile.
LEASE TERM: December 1, 2003 – December 1, 2004
RENT: $11,695.68 annual
TERMINATION: Upon 30-day prior written notice.

LESSEE: Oregon Employment Department.
LEASE TERM: December 1, 1996, continuous.
RENT: $150 per month.
TERMINATION: Upon 60-day prior written notice.

LESSEE: Gorge NetWorks.
LEASE TERM: September 15, 1999 to June 30, 2004.
RENT: $200 per month, starting April 2004 - $250 per month.
TERMINATION: Upon 60-day prior written notice.

6. LEASES - CONTINUED:

LESSEE: Oregon Services to Children and Families.
LEASE TERM: November 1, 2000 to October 31, 2004.
RENT: $993 per month, starting November 2003 - $1,018.50 per month.
TERMINATION: Upon 30-day prior written notice.

INSTRUCTIONAL MASTER CONTRACT:

CONTRACTOR: Portland Community College.
CONTRACT TERM: June 25, 1990, to run continuously.
CONTRACT PRICE: Negotiated annually. (F.Y. 2003-04 $133,499).
TERMINATION: One fiscal year notice by either party. Ninety days written notice upon breach of contract.

7. COMMITMENTS AND CONTINGENT LIABILITIES:
There were no known contingent liabilities at June 30, 2004.

8. INTERFUND LOANS:
All cash for the College is maintained in the general fund. Therefore cash receipts in excess of cash expenditures for other governmental funds is in effect a short-term loan to the general fund. At June 30, 2004, the net loans from the general fund totaled $178,326. The detail is as follows:

		Amount
Due from General Fund		
Special Revenue Funds:		
MCCOG Contracts	$	6,344
Insurance Fund		5,638
Corps of Engineers		14,872
Customized Training		1,470
Skill Center Contracts		9,712
SBDC Program Income		25,460
Non-Reimbursable Community Education		7,849
Residential Leases		10,571
Building 2 Leases		15,949
Elderhostel		15,305
Nursing Program		9,280
Fundamentals of Caregiving		7,123
Hood River Lions Trust Grant		60
Hood River Technology		17,534
Debt Service Funds:		
Pension Bonds		130,480
Capital Projects Funds:		
Capital Projects		10,846

8. INTERFUND LOANS - CONTINUED:

Fiduciary Funds:		
Student Council		570
Hospitality		280
Phi Theta Kappa		599
Environmental Club		477
Total Due from General Fund	$	290,418
Due to General Fund		
Special Revenue Funds:		
Hood River C.O.D. Services	$	255
Oregon Child Care Resource and Referral		60
Oregon Child Care Division		16,235
Outreach Tutoring Grant		2,063
Accountability Grant		5,061
Food Services		471
Workforce Committee Services		10,943
Perkins Grants		18,667
Wasco County Inter-Govt. Agreement		2,256
Facilities Assessment Project		5,532
Program Improvement Grant		4,394
English Language Civics Grant		16,575
Cultural Diversity		9,769
DHS Integrated Child Care		4,173
Debt Service Funds:		
Wasco County G.O. Bonds		5,143
Proprietary Funds:		
Bookstore		10,497
Total Due to General Fund	$	112,092

9. CAPITAL ASSETS:
The following table presents the changes in the various capital asset categories:

	LAND	BUILDINGS	EQUIPMENT & FURNISHINGS	LIBRARY COLLECTIONS	TOTAL
BALANCE - JULY 1, 2003	210,000	7,505,666	967,596	728,751	9,412,012
ADDITIONS	-	-	100,571	25,676	126,247
DELETIONS	-	(42,762)	(828,053)	(189,419)	(1,060,234)
ADJUSTED BALANCE	210,000	7,462,904	240,114	565,008	8,478,025
Less: Accumulated depreciation	-	(1,524,888)	(78,023)	(430,584)	(2,033,495)
BALANCE - JUNE 30, 2004	210,000	5,938,016	162,091	134,424	6,444,530

10. GENERAL OBLIGATION BOND ISSUES:

In June 1993, the voters approved the issuance of $7,872,156 in general obligation bonds, the proceeds of which were utilized for the purchase, construction, renovation, and remodeling of the facilities at the college campus.

On November 1, 1998, the College advance refunded the 1993 general obligation bonds. The College issued $5,985,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt account group. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by $261,961 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of $205,000.

A statement of future requirements is set forth in Schedule of Future Wasco County G.O. Bond Statements.

11. PENSION BOND ISSUES:

In April 2003, the College issued Limited Tax Pension Bonds, Series 2003 in the amount of $3,570,327.10. This bond was issued for the purpose of financing all or any portion of the College's pension liability to the Oregon Public Employees Retirement System. The College has covenanted to pay this bond from its available general funds. Available general funds include (1) all the College's ad valorem property tax revenues received from levies under its permanent rate limit, and (2) all other unrestricted taxes, fees, charges, revenues, including tuition charges, and receipts of the College which Oregon law allows or will allow to be spent to make the bond payments.

A statement of future requirements is set forth in Schedule of Future Pension Bond Requirements.

12. CHANGES IN GENERAL LONG-TERM DEBT:

The following is a summary of long-term debt transactions of the College for the year ended June 30, 2004.

	Interest Rates	Balance July 1, 2003	Issued/ Additions	Payments/ Refunded	Balance June 30, 2004
Small Scale Energy Loan	6.2%	$ 138,463	$ -	$ 18,775	$ 119,688
Series 1998 G.O. Refunding Bonds	3.1% to 4.35%	5,680,000	-	420,000	5,260,000
Series 2003 Pension Bonds	1.4% to 6.25%	3,570,327	-	59,015	3,511,312
Totals		$ 9,388,790	$ -	$ 497,790	$ 8,891,000

13. SUBSEQUENT EVENT:

The issuance of $18,500,000 general obligation bonds was approved by District voters of Hood River and Wasco Counties at a general election on November 2, 2004. Voters authorized issuance of $18,500,000 of general obligation bonds with a maturity not to exceed 21 years to provide funds for construction, renovation, and infrastructure improvements on The Dalles campus, and for acquisition and development of a site for classroom and lab facilities in Hood River County.

OTHER REQUIRED REPORTS

COLUMBIA GORGE COMMUNITY COLLEGE

INDEPENDENT AUDITORS' COMMENTS REQUIRED BY MINIMUM STANDARDS

FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS

FOR THE YEAR ENDED JUNE 30, 2004

1. ACCOUNTING RECORDS:

We found the records of the College to be generally well maintained and adequate for audit purposes.

2. INVESTMENTS:

We have reviewed the College's compliance with ORS 294.035 regarding the investment of surplus public funds. Our review disclosed no conditions which we considered to be matters of noncompliance.

3. COLLATERAL SECURITY:

Collateral security pledged by depositories is set forth in Schedule of Cash Balances and Collateral Security. Sufficient collateral was maintained throughout the 2003-04 fiscal year to comply with legal requirements.

4. INDEBTEDNESS:

Long-term debt consists of general obligation bonds, energy loan, and the pension bonds. There is no short-term debt other than current operating expenses shown on the balance sheet as accounts payable, accrued payroll and payroll tax liabilities, and compensated absences payable. Our review disclosed no conditions which we considered to be matters of noncompliance.

5. BUDGET:

The College has complied with the legal requirements relating to the preparation, adoption and execution of the annual budget for the fiscal year ended June 30, 2004, and with the legal requirements relating to the preparation and adoption of the budget for the 2004-2005 fiscal year.

6. INSURANCE AND FIDELITY BONDS:

Insurance and fidelity bonds in force at June 30, 2004, are set forth in Schedule of Insurance. We are not competent by training to state whether the insurance policies covering college-owned property in force at June 30, 2004, are adequate. During the examination, nothing came to our attention that caused us to believe the College was not in compliance with statutory requirements. As part of our examination, we acquired a schedule of insurance at June 30, 2004 and reviewed copies of current insurance and fidelity bond policies.

7. LEAST COST POLICY FOR PUBLIC IMPROVEMENTS:

We have reviewed the College's compliance with ORS 279 regarding public contracts and purchasing. Our review disclosed no other conditions which are considered to be matters of noncompliance.

8. PROGRAMS FUNDED FROM OUTSIDE SOURCES AND FINANCIAL REPORTING REQUIREMENTS:

In connection with our examination of the financial statements, we reviewed and tested the College's procedures and records related to programs funded by other governmental agencies, including financial reporting requirements thereof. Based on our testing, we are generally satisfied with the accounting for programs funded from outside sources and the reporting thereof.

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Appendix C

Book Entry Only System

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SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[**6.** Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[**9.** A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Appendix D

Form of Continuing Disclosure Certificate

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate"), dated May 25, 2005, is executed and delivered by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District") in connection with the sale and issuance of the District's General Obligation Bonds, Series 2005 (the "Bonds") in the aggregate principal amount of $18,500,000. The Bonds are authorized pursuant to a resolution adopted by the Board of Directors of the District on April 12, 2005 (the "Resolution"). Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Resolution. The District covenants as follows:

Section 1. Purpose of Certificate. This Certificate is being executed and delivered by the District for the benefit of registered and beneficial holders of the Bonds and to assist the Underwriter in complying with SEC Rule 15c2-12 (17 CFR Pt. 240, § 240.15c2-12) (the "Rule").

Section 2. District's Representation Regarding Outstanding Municipal Securities. The District, as the "obligated person" for purposes of the Rule, hereby agrees to provide or cause to be provided at least annually to, unless provided as described in the paragraph below, each nationally recognized municipal securities information repository for purposes of the Rule (the "NRMSIRs") and to the state information depository, if any, located in the State of Oregon (the "SID"), the financial information regarding the District of the type set forth in tables in the final official statement dated May 11, 2005 (the "Official Statement") under the following sections:

BONDED INDEBTEDNESS

REVENUE SOURCES

- Property Taxes
- Taxable Property Values
- Fiscal Year 2005 Representative Levy Rate
- Major Taxpayers

FINANCIAL FACTORS

- General Fund Statement of Revenues, Expenditures and Changes in Fund Balances
- General Fund Adopted Budget

A listing of the NRMSIRs can be found at www.sec.gov/info/municipal/nrmsir.htm.

Any filing under this Certificate may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at http://www.disclosureusa.org unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

The annual financial information described above will be available no later than 270 days after the end of the preceding fiscal year, beginning with the District's fiscal year ending June 30, 2005. Such information will include audited financial statements prepared in accordance with generally accepted accounting principles as established by the Government Accounting Standards Board as in effect from time to time; provided, however, that if audited financial statements are not available within 270 days after the end of the preceding fiscal year, unaudited financial statements will be provided with audited financial statements to follow when available.

Certain items of annual financial information may be provided by way of cross-reference to other documents previously provided to each NRMSIR and to the SID, if any, or filed with the U.S. Securities and Exchange Commission. If the cross-referenced document is a final official statement within the meaning of the Rule, it shall be available from the Municipal Securities Rulemaking Board (the "MSRB").

Section 3. Material Events. The District agrees to provide or cause to be provided, in a timely manner, (i) to each nationally recognized municipal securities information repository (the "NRMSIRs") or to the Municipal Securities Rulemaking Board (the "MSRB"), and (ii) to the SID, if any, notice of the occurrence of any of the following events with respect to the Bonds, if material:

a. principal and interest payment delinquencies;

b. non-payment related defaults;

c. unscheduled draws on debt service reserves reflecting financial difficulties;

d. unscheduled draws on credit enhancements reflecting financial difficulties;

e. substitution of credit or liquidity providers, or their failure to perform;

f. adverse tax opinions or events affecting the tax-exempt status of the Bonds;

g. modifications to rights of holders of the Bonds;

h. bond calls;

i. defeasances;

j. release, substitution, or sale of property securing repayment of the Bonds; and

k. rating changes.

The District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the District, such other event is material with respect to the Bonds, but the District does not undertake any commitment to provide such notice of any event except those events listed above.

Section 4. Failure to File Annual Financial Information. The District agrees to provide or cause to be provided, in a timely manner, (i) to each NRMSIR or to the MSRB and (ii) to the SID, if any, notice of a failure by the District to provide the annual financial information described in Section 2 above on or prior to the time set forth in Section 2.

Section 5. Dissemination Agent. The District may, from time to time, engage or appoint an agent to assist the District in disseminating information hereunder (the "Dissemination Agent"). The District may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 6. Termination of Obligations. Pursuant to paragraph (b)(5)(iii) of the Rule, the District's obligations hereunder shall terminate if and when the District no longer remains an obligated person with respect to the Bonds, which shall occur upon either redemption in full of the Bonds, or legal defeasance of the Bonds. In addition, and notwithstanding the provisions of Section 8 below, the District may rescind its obligations under this Certificate, in whole or in part, if (i) the District obtains an opinion of nationally recognized bond counsel that those portions of the Rule that required the execution and delivery of this Certificate are invalid, have been repealed, or otherwise do not apply to the Bonds, and (ii) the District notifies and provides to each NRMSIR or the MSRB and to the SID, if any, a copy of such legal opinion.

Section 7. Enforceability and Remedies. The District agrees that this Certificate is intended to be for the benefit of the registered and beneficial holders of the Bonds and shall be enforceable by or on behalf of such holders; provided that, the right of Bondholders to challenge the adequacy of the information furnished hereunder shall be limited to an action by or on behalf of Bondholders representing twenty-five percent (25%) of the aggregate outstanding principal amount of Bonds. Any failure by the District to comply with the provisions of this undertaking shall not be an Event of Default under the Resolution. This Certificate confers no rights on any person or entity other than the District, registered and beneficial holders of the Bonds, and any Dissemination Agent.

Section 8. Amendment. Notwithstanding any other provision of this Certificate, the District may amend this Certificate under the following conditions:

(a) The amendment may only be made in accordance with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person or type of business conducted;

(b) This undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of holders of the Bonds, as determined either by parties unaffiliated with the District (such as bond counsel), or by approving vote of holders of the Bonds pursuant to the terms of the Resolution at the time of the amendment.

Section 9. Choice of Law. This Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Dated this 25th day of May, 2005.

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON

By: ______________________________

Authorized Representative

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Appendix E

Specimen Municipal Bond Insurance Policy

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FINANCIAL GUARANTY INSURANCE POLICY

MBIA Insurance Corporation
Armonk, New York 10504

Policy No. [NUMBER]

MBIA Insurance Corporation (the "Insurer"), in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to [PAYING AGENT/TRUSTEE] or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

[PAR]
[LEGAL NAME OF ISSUE]

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust National Association shall disburse to such owners, or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

IN WITNESS WHEREOF, the Insurer has caused this policy to be executed in facsimile on its behalf by its duly authorized officers, this [DAY] day of [MONTH, YEAR].

MBIA Insurance Corporation

SPECIMEN

President

Assistant Secretary

MBIA

CERTIFICATE OF MBIA INSURANCE CORPORATION

I, Stephanie Taylor Ciavarello, Assistant Secretary of MBIA Insurance Corporation, do hereby certify that the information concerning MBIA Insurance Corporation and its policies as set forth in the Official Statement, dated May 12, 2005 under the caption "Financial Guaranty Insurance", regarding $18,500,000 Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, General Obligation Bonds, Series 2005, is accurate.

IN WITNESS WHEREOF, I hereunto set my hand and deliver this Certificate on this 25th day of May, 2005.

Stephanie T. Ciavarello

Assistant Secretary

RANDALL EDWARDS
STATE TREASURER

LINDA M. HAGLUND
DEPUTY STATE TREASURER

DEBT MANAGEMENT DIVISION
LAURA LOCKWOOD-MCCALL
DIRECTOR
350 WINTER STREET NE, SUITE 100
SALEM, OREGON 97301-3896
(503) 378-4930
FAX (503) 378-2870
www.ost.state.or.us/divisions/DMD

OREGON STATE TREASURY

May 3, 2005

MERSEREAU & SHANNON
Attn: Pearl Petredis
1600 Benjamin Franklin Plaza
Portland, OR 97258

RE: Proposed Negotiated Sale, Columbia Gorge Community College (Wasco and Hood River Counties) $18,500,000 General Obligation Bonds, Series 2005.

This is to confirm that the Columbia Gorge Community College in Wasco and Hood River Counties has complied with the provisions of Oregon Revised Statutes 287.040 and Oregon Administrative Rule 170-061-0000 in connection with the above-referenced competitive offering.

In accordance with OAR 170-061-0000 (6), please send a completed MDAC Form 2 and final official statement (preferable electronic), if available, for the above referenced sale within five business days of the bond marketing date to:

Oregon State Treasury
Debt Management Division
350 Winter St. NE, Suite 100
Salem, Oregon 97301-3896
Email: dmd@ost.state.or.us

Sincerely,

Laura Lockwood-McCall

Laura Lockwood-McCall, Director
Director, Debt Management Division

LLM:df

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RANDALL EDWARDS
STATE TREASURER

DEBT MANAGEMENT DIVISION
LAURA LOCKWOOD-McCALL
DIRECTOR
350 WINTER STREET NE, SUITE 100
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OREGON STATE TREASURY

OREGON SCHOOL BOND GUARANTY PROGRAM

LETTER OF CONFIRMATION

May 16, 2005

Ms. Saundra Buchanan, Chief Financial Officer
Columbia Gorge Community College District
400 East Scenic Drive
The Dalles, OR 97058-3434

RE: $18,500,000, Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, General Obligation Bonds, Series 2005.

Dear Ms. Buchanan:

This letter is to confirm that Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District") has a valid Certificate of Qualification issued in accordance with the Oregon School Bond Guaranty Act, Oregon Revised Statutes (ORS) 328.321 to 328.356 (the "Act"), and has complied with the provisions of Oregon Administrative Rule 170-063-0000 (the "Rule"), Section (5) in connection with the issuance of the above-referenced bonds (the "Bonds"). The Bonds, therefore, will be guaranteed under the provisions of the Oregon School Bond Guaranty Act if the Bonds reference the guaranty on their face and are closed within fifteen calendar days after the date of this letter.

Please note that under the Act, you will continue to be responsible for the payment of all debt service payments on the District's Bonds. Additionally, you must make payment to your paying agent at least fifteen days prior to the scheduled debt service payment dates. If such payment does not occur, you must notify the Oregon State Treasury as provided for in both the Act and the Rule. You will also continue to be responsible for all disclosures under federal securities laws. In addition, please note that the guaranty does not apply to any accelerations or redemption premiums, and ceases on refunding of the qualified Bonds referenced above.

The State has executed a continuing disclosure undertaking (the "Master Disclosure Certificate") for the benefit of registered and beneficial holders of bonds guaranteed under the Oregon School Bond Guaranty and to assist underwriters of such bonds in complying with the SEC's Rule 15c2-12. The State of Oregon (the "State") has filed its Comprehensive Annual Financial Reports ("CAFR") with the nationally recognized municipal securities information repositories ("NRMSIRs") annually within 270 days following the end of the prior fiscal year since 1997, as required in its Master Disclosure Certificate, and will continue to provide annual copies of its CAFR to the NRMSIRs throughout the life of the District's Bonds. The State will also file any material event notices on a timely basis with the Municipal Securities Rulemaking Board and the State Information Repository, if any, as required by the Master Disclosure Certificate.

Sincerely,

Laura Lockwood-McCall

Laura Lockwood-McCall
Director, Debt Management Division

CC/email: Javier Fernandez, Seattle-Northwest Securities Corporation
James Shannon, Mersereau & Shannon LLP
Pearl Petredis, Mersereau & Shannon LLP

RANDALL EDWARDS
STATE TREASURER

DEBT MANAGEMENT DIVISION
LAURA LOCKWOOD-McCALL
DIRECTOR
350 WINTER STREET NE, SUITE 100
SALEM, OREGON 97301-3896
(503) 378-4930
FAX (503) 378-2870
www.ost.state.or.us/divisions/DMD

OREGON STATE TREASURY

OREGON SCHOOL BOND GUARANTY PROGRAM

CERTIFICATE OF QUALIFICATION

April 13, 2005

Ms. Sandra Buchanan, Chief Financial Officer
Columbia Gorge Community College District
400 East Scenic Drive
The Dalles, OR 97058-3434

Dear Ms. Buchanan:

In accordance with your request dated March 30, 2005, and pursuant to the Oregon School Bond Guaranty Act (ORS 328.321 to 328.356) and Oregon Administrative Rules 170-063-0000 (the "Rule"), we have reviewed your request for qualification under the Oregon School Bond Guaranty Act (the "Act") and determined that you are qualified to participate in the Oregon School Bond Guaranty Program (the "Program"). The period of qualification is for one year from the date of this certificate. Any qualified bonds [under the Act] issued by you under this certificate may be guaranteed by the State of Oregon in accordance with the provisions of the Act and the Rule, as currently in effect and as later amended. This Certificate of Qualification is not a binding commitment by the State Treasurer to guaranty any bond issue. The decision on whether to guaranty a specific bond issue will be made by the State Treasurer contingent upon compliance with section (5) and all other sections of the Rule for each bond issue. Those sections require you to file additional information with the Oregon State Treasury before bonds are issued. After an approved filing, the Oregon State Treasury will issue a letter confirming that the State's guaranty is in effect for a specific series of bonds. For the State's guaranty to apply to your bonds, the bonds must be closed within fifteen days after the confirming letter is issued.

Please note that under the Act, you will continue to be responsible for the payment of all debt service payments on your bonds. Additionally, you must make payment to your Qualified Paying Agent, as defined in the Rule, at least fifteen days prior to the scheduled debt service payment dates. If such payment does not occur, you must notify the Oregon State Treasury as provided for in both the Act and the Rule. You will also continue to be responsible for all disclosures under federal securities laws. In addition, please note that the guaranty does not apply to any accelerations or redemption premiums, and ceases on refunding of the qualified bonds guaranteed under the Program.

For your convenience, we have enclosed a copy of the Act and the Rule for your careful review prior to issuance of bonds under the Program. You will also find a copy of language to be used in all preliminary official statements, official statements, or other offering documents referencing the State's guaranty.

If you have any questions about your responsibilities in connection with the program, or any other concerns, please contact the Debt Management Division at (503) 378-4930.

Sincerely,

Linda M. Haglund
Deputy State Treasurer

LLM:lah

CERTIFICATE OF DETERMINATION

Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Bonds
Series 2005

$18,500,000

The undersigned, Saundra Buchanan, Chief Financial Officer of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District") and an Authorized Representative as such term is defined in a Resolution of the District adopted on April 12, 2005 (the "Resolution"), and acting pursuant to Sections 1 and 17 of the Resolution, hereby determines and establishes certain terms and other matters relating to the District's General Obligation Bonds, Series 2005 (the "Bonds") as set forth herein. All terms used in this Certificate and not otherwise defined herein shall have the meaning assigned to such term in the Resolution.

Section 1. TITLE OF BONDS

The Bonds shall be issued in a single series and designated as "Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon General Obligation Bonds, Series 2005" in the aggregate principal amount of $18,500,000.

Section 2. SALE OF BONDS

The Bonds shall be sold to Seattle-Northwest Securities Corporation for the purchase price of $19,044,750.45, which includes an underwriter's discount of $98,815.00 and a net original issue premium of $643,565.45.

Section 3. DATED DATE, MATURITY DATES, INTEREST PAYMENT DATES AND INTEREST RATES

The Bonds shall be dated May 25, 2005 and shall mature on the dates and in the amounts and bear interest at the rates per annum set forth on the table below. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds shall be due and payable on December 15, 2005 and semi-annually thereafter on June 15 and December 15, of each year.

Due Date	Principal Amount	Interest Rate	CUSIP No. 197659
06/15/2006	$ 235,000.00	3.000%	BG9
06/15/2007	350,000.00	3.250%	BH7
06/15/2008	395,000.00	3.250%	BJ3
06/15/2009	475,000.00	3.500%	BK0
06/15/2010	525,000.00	3.500%	BL8
06/15/2011	565,000.00	3.500%	BM6
06/15/2012	625,000.00	3.750%	BN4
06/15/2013	680,000.00	3.750%	BP9
06/15/2014	225,000.00	4.625%	BQ7
06/15/2014	515,000.00	4.000%	CA1
06/15/2015	810,000.00	4.000%	BR5
06/15/2016	250,000.00	5.000%	BS3
06/15/2016	625,000.00	4.000%	CC7
06/15/2017	1,000,000.00	5.000%	BT1
06/15/2018	1,040,000.00	5.000%	BU8
06/15/2019	1,130,000.00	5.000%	BV6
06/15/2020	1,000,000.00	5.000%	BW4
06/15/2020	255,000.00	4.500%	CD5
06/15/2021	1,330,000.00	5.000%	BX2
06/15/2022	1,440,000.00	5.000%	BY0
06/15/2023	1,555,000.00	5.000%	BZ7
06/15/2025	3,475,000.00	4.250%	CB9

Section 4. OPTIONAL REDEMPTION

The Bonds maturing in years 2006 through 2015, inclusive, are not subject to redemption prior to maturity. The Bonds maturing on and after June 15, 2016, are subject to redemption at the option of the District, in whole or in part on any date on and after June 15, 2015, at a price of par plus accrued interest, if any, to the date of redemption.

Section 5. MANDATORY REDEMPTION

Unless previously called under the provisions for optional redemption, the Term Bond maturing on June 15, 2025 is subject to mandatory redemption by lot by the Fiscal Agent on June 15 of the following years in the following principal amounts, at a price of par plus accrued interest to the date of redemption.

2025 Term Bond

Year	Amount	
2024	$1,680,000	
2025	1,795,000	Final Maturity
	$3,475,000	

Dated this 11th day of May, 2005.

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTY, OREGON

By Saundra Buchanan
Saundra Buchanan
Chief Financial Officer

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate"), dated May 25, 2005, is executed and delivered by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District") in connection with the sale and issuance of the District's General Obligation Bonds, Series 2005 (the "Bonds") in the aggregate principal amount of $18,500,000. The Bonds are authorized pursuant to a resolution adopted by the Board of Directors of the District on April 12, 2005 (the "Resolution"). Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Resolution. The District covenants as follows:

Section 1. Purpose of Certificate. This Certificate is being executed and delivered by the District for the benefit of registered and beneficial holders of the Bonds and to assist the Underwriter in complying with SEC Rule 15c2-12 (17 CFR Pt. 240, § 240.15c2-12) (the "Rule").

Section 2. District's Representation Regarding Outstanding Municipal Securities. The District, as the "obligated person" for purposes of the Rule, hereby agrees to provide or cause to be provided at least annually to, unless provided as described in the paragraph below, each nationally recognized municipal securities information repository for purposes of the Rule (the "NRMSIRs") and to the state information depository, if any, located in the State of Oregon (the "SID"), the financial information regarding the District of the type set forth in tables in the final official statement dated May 12, 2005 (the "Official Statement") under the following sections:

BONDED INDEBTEDNESS

REVENUE SOURCES

- Property Taxes
- Taxable Property Values
- Fiscal Year 2005 Representative Levy Rate
- Major Taxpayers

FINANCIAL FACTORS

- General Fund Statement of Revenues, Expenditures and Changes in Fund Balances
- General Fund Adopted Budget

A listing of the NRMSIRs can be found at www.sec.gov/info/municipal/nrmsir.htm.

Any filing under this Certificate may be made solely by transmitting such filing to the Texas Municipal Advisory Council (the "MAC") as provided at http://www.disclosureusa.org unless the United States Securities and Exchange Commission has withdrawn the interpretive advice in its letter to the MAC dated September 7, 2004.

The annual financial information described above will be available no later than 270 days after the end of the preceding fiscal year, beginning with the District's fiscal year ending June 30, 2005. Such information will include audited financial statements prepared in accordance with generally accepted accounting principles as established by the Government Accounting Standards Board as in effect from time to time; provided, however, that if audited financial statements are not available within 270 days after the end of the preceding fiscal year, unaudited financial statements will be provided with audited financial statements to follow when available.

Certain items of annual financial information may be provided by way of cross-reference to other documents previously provided to each NRMSIR and to the SID, if any, or filed with the U.S. Securities and Exchange Commission. If the cross-referenced document is a final official statement within the meaning of the Rule, it shall be available from the Municipal Securities Rulemaking Board (the "MSRB").

Section 3. Material Events. The District agrees to provide or cause to be provided, in a timely manner, (i) to each nationally recognized municipal securities information repository (the "NRMSIRs") or to the Municipal Securities Rulemaking Board (the "MSRB"), and (ii) to the SID, if any, notice of the occurrence of any of the following events with respect to the Bonds, if material:

a. principal and interest payment delinquencies;

b. non-payment related defaults;

c. unscheduled draws on debt service reserves reflecting financial difficulties;

d. unscheduled draws on credit enhancements reflecting financial difficulties;

e. substitution of credit or liquidity providers, or their failure to perform;

f. adverse tax opinions or events affecting the tax-exempt status of the Bonds;

g. modifications to rights of holders of the Bonds;

h. bond calls;

i. defeasances;

j. release, substitution, or sale of property securing repayment of the Bonds; and

k. rating changes.

The District may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the District, such other event is material with respect to the Bonds, but the District does not undertake any commitment to provide such notice of any event except those events listed above.

Section 4. Failure to File Annual Financial Information. The District agrees to provide or cause to be provided, in a timely manner, (i) to each NRMSIR or to the MSRB and (ii) to the SID, if any, notice of a failure by the District to provide the annual financial information described in Section 2 above on or prior to the time set forth in Section 2.

Section 5. Dissemination Agent. The District may, from time to time, engage or appoint an agent to assist the District in disseminating information hereunder (the "Dissemination Agent"). The District may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 6. Termination of Obligations. Pursuant to paragraph (b)(5)(iii) of the Rule, the District's obligations hereunder shall terminate if and when the District no longer remains an obligated person with respect to the Bonds, which shall occur upon either redemption in full of the Bonds, or legal defeasance of the Bonds. In addition, and notwithstanding the provisions of Section 8 below, the District may rescind its obligations under this Certificate, in whole or in part, if (i) the District obtains an opinion of nationally recognized bond counsel that those portions of the Rule that required the execution and delivery of this Certificate are invalid, have been repealed, or otherwise do not apply to the Bonds, and (ii) the District notifies and provides to each NRMSIR or the MSRB and to the SID, if any, a copy of such legal opinion.

Section 7. Enforceability and Remedies. The District agrees that this Certificate is intended to be for the benefit of the registered and beneficial holders of the Bonds and shall be enforceable by or on behalf of such holders; provided that, the right of Bondholders to challenge the adequacy of the information furnished hereunder shall be limited to an action by or on behalf of Bondholders representing twenty-five percent (25%) of the aggregate outstanding principal amount of Bonds. Any failure by the District to comply with the provisions of this undertaking shall not be an Event of Default under the Resolution. This Certificate confers no rights on any person or entity other than the District, registered and beneficial holders of the Bonds, and any Dissemination Agent.

Section 8. Amendment. Notwithstanding any other provision of this Certificate, the District may amend this Certificate under the following conditions:

(a) The amendment may only be made in accordance with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person or type of business conducted;

(b) This undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of holders of the Bonds, as determined either by parties unaffiliated with the District (such as bond counsel), or by approving vote of holders of the Bonds pursuant to the terms of the Resolution at the time of the amendment.

Section 9. Choice of Law. This Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Dated this 25th day of May, 2005.

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON

By: Saundra Buchanan
Authorized Representative

MASTER DISCLOSURE CERTIFICATE

This Master Disclosure Certificate (the "Certificate"), dated June 17, 1999, is executed and delivered by the State of Oregon, acting by and through its State Treasurer (the "State") in connection with implementation of the Oregon School Bond Guaranty Act (the "Act") by which the timely payment of principal and interest on certain general obligation bonds (the "Guaranteed Bonds") issued from time to time by Oregon school districts is guaranteed by the State pursuant to the provisions of the Act (the "Oregon School Bond Guaranty Program").

Section 1. Purpose of Certificate. This Certificate is being executed and delivered by the State for the benefit of registered and beneficial holders of Guaranteed Bonds and to assist Underwriters of such Guaranteed Bonds in complying with paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12) (the "Rule").

Section 2. Comprehensive Annual Financial Report. The State hereby agrees to provide or cause to be provided at least annually to each nationally recognized municipal securities information repository for purposes of the Rule (the "NRMSIRs") and to the state information depository, if any, located in the State of Oregon (the "SID"), the Comprehensive Annual Financial Report (the "CAFR") of the State for the prior fiscal year. The CAFR will be available no later than 270 days after the end of the State's fiscal year (presently June 30), beginning with the fiscal year ended June 30, 1999. The CAFR will include audited financial statements of the State prepared in accordance with generally accepted accounting principles as established by the Government Accounting Standards Board as in effect from time to time; provided, however, that if the CAFR is not available within 270 days after the end of the preceding fiscal year, unaudited financial statements will be provided with audited financial statements to follow when available. The CAFR may be provided by way of cross-reference to other documents previously provided to each NRMSIR and to the SID, if any, or filed with the U.S. Securities and Exchange Commission. If the cross-referenced document is a final official statement within the meaning of the Rule, it shall be available from the Municipal Securities Rulemaking Board (the "MSRB").

Section 3. Material Events. Subject to limitations of Section 8 below, the State agrees to provide or cause to be provided, in a timely manner, (i) to each NRMSIR or to the MSRB, and (ii) to the SID, if any, notice of the occurrence of any of the following events but only with respect to its guaranty of any Guaranteed Bonds, if material:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

(d) unscheduled draws on credit enhancements reflecting financial difficulties;

(e) substitution of credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions or events affecting the tax-exempt status of the Guaranteed Bonds;

(g) modifications to rights of holders of the Guaranteed Bonds;

(h) bond calls;

(i) defeasances;

(j) release, substitution, or sale of property securing repayment of the Guaranteed Bonds; and

(k) rating changes.

Notice of events listed in (h) and (i) above need not be given any earlier than notice of the underlying event, if any, is required to be given to registered or beneficial owners of affected Guaranteed Bonds. The State may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the State, such other event is material with respect to the Guaranteed Bonds, but the State does not undertake any commitment to provide such notice of any event except those events listed above.

Section 4. Failure to File CAFR. The State agrees to provide or cause to be provided, in a timely manner, (i) to each NRMSIR or to the MSRB and (ii) to the SID, if any, notice of a failure by the State to provide the CAFR on or prior to the time set forth in Section 2.

Section 5. Dissemination Agent. The State may, from time to time, engage or appoint an agent to assist the State in disseminating information hereunder (the "Dissemination Agent"). The State may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 6. Termination of Obligations. Pursuant to paragraph (b)(5)(iii) of the Rule, the State's obligation to provide annual financial information and notice of material events, as set forth above, shall terminate if and when the State no longer remains an obligated person with respect to the Guaranteed Bonds which shall occur upon either redemption in full of the Guaranteed Bonds, or legal defeasance of the Guaranteed Bonds. In addition, and notwithstanding the provisions of Section 9 below, the State may rescind its obligations under this Master Disclosure Certificate, in whole or in part, if those portions of the Rule that required the execution and delivery of this Master Disclosure Certificate are repealed or are declared invalid by a court of competent jurisdiction.

Section 7. Enforceability and Remedies. The State agrees that this Master Disclosure Certificate is intended to be for the benefit of registered and beneficial holders of the Guaranteed Bonds and shall be enforceable by or on behalf of any such holder; provided that, the right of any holder to challenge the adequacy of the information furnished hereunder shall be limited to an action by or on behalf of holders representing at least twenty-five percent (25%) of the aggregate outstanding principal amount of Guaranteed Bonds. Any failure by the State to comply with the provisions of this undertaking shall not be a default under the Act or under the documents pursuant to which any Guaranteed Bonds are issued. This Master Disclosure Certificate confers no rights on any person or entity other than the State, holders of the Guaranteed Bonds, and any Dissemination Agent.

Section 8. Limitation on Scope of Undertaking. Notwithstanding anything expressed or implied to the contrary herein, the State makes no undertaking to provide financial information, operating data or material events disclosure on behalf of or with respect to Oregon school districts participating in the Oregon School Bond Guaranty Program. Any such information will be provided according to the terms of separate continuing disclosure undertakings executed and delivered by such school districts. The State is not responsible for the adequacy, accuracy or timeliness of such information, and any failure by a school district to comply with its undertaking shall not constitute a breach by the State under this Master Disclosure Certificate. The State shall provide only the CAFR and material events disclosure relating to the State's guaranty of Guaranteed Bonds.

Section 9. Amendment. Notwithstanding any other provision of this Master Disclosure Certificate, the State may amend this Master Disclosure Certificate without the consent of holders of the Guaranteed Bonds under the following conditions:

(a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person or type of business conducted;

(b) This Master Disclosure Certificate, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interest of holders of the Guaranteed Bonds, as determined either by parties unaffiliated with the State (such as nationally recognized bond counsel), or by approving vote of holders representing at least sixty percent (60%) of the aggregate outstanding principal amount of the Guaranteed Bonds.

The State shall provide to the NRMSIRs or the MSRB and to the SID, if any, notice of any amendment which changes the accounting principles followed by the State in preparation of its annual financial information. The initial annual financial information after the amendment shall explain, in narrative form, the reasons for the amendment and the effect of the change in the type of operating data or financial information being provided.

Section 10. Choice of Law. This Master Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Master Disclosure Certificate addresses matters of federal securities laws, including the Rule, this Master Disclosure Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

STATE OF OREGON

By: Gary Bruebaker
~~State Treasurer~~ or Deputy State Treasurer

Date: June 17, 1999

GENERAL CERTIFICATE

Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Bonds
Series 2005

$18,500,000

On behalf of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District"), I, Saundra Buchanan, Chief Financial Officer for the District, certify on behalf of the District with respect to the issuance of the District's General Obligation Bonds, Series 2005, (the "Bonds") as follows:

1. The representations, warranties and covenants of the District contained in the Purchase Agreement dated May 11, 2005 between the District and Seattle-Northwest Securities Corporation (the "Purchase Agreement") and in a Resolution adopted by the District on April 12, 2005 (the "Resolution") are true and correct in all material respects on and as of the date of Closing and with the same effect as if made on the date of Closing.

2. No event affecting the District has occurred since the date of the Final Official Statement which should be disclosed in the Final Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements therein not misleading, and the Final Official Statement (except for information relating to DTC, the book-entry system, the State Guaranty, the Insurer, and the Fiscal Agent) does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

3. In issuing the Bonds, the District has complied with any applicable limitation on bonded indebtedness.

4. The proceeds from the sale of the Bonds shall be used solely as set forth in the Resolution.

7. The District has complied with applicable provisions of any applicable budget law with respect to the issuance of the Bonds.

DATED as of this 25th day of May, 2005.

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON

By Saundra Buchanan
Saundra Buchanan
Chief Financial Officer

SIGNATURE AND NON-LITIGATION CERTIFICATE

Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Bonds
Series 2005

$18,500,000

I, Saundra Buchanan certify that:

1. I am the Chief Financial Officer of the Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District");

2. Michael Schend is the Chair of the Board of Directors of the District;

3. Frank K. Toda is the President/District Clerk of the District;

4. The facsimile signatures of the Chair and the President/District Clerk appear on the District's General Obligation Bonds, Series 2005, which are dated May 25, 2005 and are in the aggregate principal amount of $18,500,000 (the "Bonds").

5. No litigation or other proceedings are pending or, to the knowledge of the District, after inquiry with local counsel, threatened in any court in any way (a) affecting the position or title of the authorized officer of the District, or (b) seeking to restrain or to enjoin the authorization, issuance, sale or delivery of, or security for, any of the Bonds, or (c) contesting or affecting the validity or enforceability of the Bonds, the Resolution adopted by the District on April 12, 2005 (the "Resolution"), the Purchase Agreement dated May 11, 2005 between the District and Seattle-Northwest Securities Corporation (the "Purchase Agreement"), or (d) contesting the completeness or accuracy of the Preliminary Official Statement or the Final Official Statement, or (e) contesting the powers of the District or its authority with respect to the Bonds, the Resolution, or the Purchase Agreement, the agreement with the Fiscal Agent, the Undertaking and the Blanket Issuer Letter of Representations or (f) materially affecting the finances of the District.

DATED this 25th day of May, 2005.

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON

By Saundra Buchanan
Saundra Buchanan
Chief Financial Officer

SPECIMEN

UNITED STATES OF AMERICA
STATE OF OREGON

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT

HOOD RIVER AND WASCO COUNTIES, OREGON

GENERAL OBLIGATION BOND

SERIES 2005

NUMBER: R-1 *****$235,000.00*****

DATED: *May 25, 2005* **RATE OF INTEREST:** *3.00% Per Annum* **MATURITY DATE:** *June 15, 2006* **CUSIP NO.:** *197659 BG9*

REGISTERED OWNER: *Cede & Co.*

PRINCIPAL AMOUNT: ******TWO HUNDRED THIRTY-FIVE THOUSAND****** **DOLLARS**

Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District"), for value received, acknowledges itself indebted and hereby promises to pay to the registered owner, or registered assigns, on the maturity date, the principal amount and to pay interest thereon from the date of this Bond, or from the most recent interest payment date to which the interest has been paid, at the rate of interest per annum set forth above on the 15th day of June and the 15th day of December of each year commencing December 15, 2005 until the principal amount is paid either at maturity or upon prior redemption.

The principal of this Bond is payable in lawful money of the United States of America upon presentation at the corporate trust office of U.S. Bank National Association, Portland, Oregon, as Paying Agent and Bond Registrar. Payment of each installment of interest shall be made to the registered owner hereof whose name appears on the registration books of the District maintained by the Paying Agent as of the close of business on the last business day of the month immediately preceding any interest payment date; *provided that*, whenever this Bond is subject to a book-entry system of registration, payments of principal and interest on this Bond shall be made to the nominee of The Depository Trust Company for distribution to the Beneficial Owners hereof. Interest payments shall be paid by the check or draft of the Paying Agent mailed by the Paying Agent on the interest payment date to the registered owner at the address as it appears on the registration books. The Bond Registrar shall not be required to (1) transfer or exchange any Bond after the close of business on the last business day of the month preceding the interest payment date, or (2) transfer or exchange any Bond called or being called for redemption.

REFERENCE IS HEREBY MADE TO THE ADDITIONAL PROVISIONS OF THIS BOND AS SET FORTH ON THE REVERSE SIDE HEREOF, AND SUCH ADDITIONAL PROVISIONS SHALL HAVE THE SAME EFFECT AS IF FULLY SET FORTH HEREIN.

PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS WHEN DUE IS GUARANTEED BY THE FULL FAITH AND CREDIT OF THE STATE OF OREGON UNDER THE PROVISIONS OF THE OREGON SCHOOL BOND GUARANTY ACT, ORS CHAPTER 614.

Date of Authentication: May 25, 2005

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Resolution and is one of the General Obligation Bonds, Series 2005, of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon.

U.S. BANK NATIONAL ASSOCIATION
as Paying Agent and Bond Registrar

SPECIMEN

By____________________
Authorized Officer

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in the form and manner required by the Constitution and Statutes of the State of Oregon and that this Bond, together with all other indebtedness of the District, does not exceed any limitation prescribed by law.

The full faith and credit of the District is hereby pledged for the payment of the principal of and interest on this Bond as the same respectively become due and payable. The District covenants to levy annually, without limitation as to rate or amount, a direct ad valorem tax upon all taxable property within the District sufficient to pay the Bonds when due. The Bonds are valid and legally binding obligations of the District and are authorized and issued by virtue of a majority of the legal voters of the District voting at an election on November 2, 2004 and pursuant to the laws of the State of Oregon and a Resolution adopted by the District on April 12, 2005 (the "Resolution").

In consideration of the purchase and acceptance of the Bonds, the provisions of the Resolution and this Bond shall be deemed to be and shall constitute a contract between the District and the Owners of the Bonds. The covenants and agreements to be performed by or on behalf of the District shall be for the equal benefit, protection and security of the Owners of any and all Bonds, all of which shall be of equal rank without preference, priority, or distinction among the Bonds.

This Bond shall not be valid or become obligatory until the Certificate of Authentication hereon shall have been signed by the Bond Registrar.

IN WITNESS WHEREOF, the Board of Directors of the District has caused this Bond to be executed by the facsimile signature of its President and attested by the facsimile signature of its Secretary, all as of the 25th day of May, 2005.

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON

CHAIR

SPECIMEN

Attest:

PRESIDENT/DISTRICT CLERK

ADDITIONAL PROVISIONS

The Bonds maturing in the years 2006 through 2015, inclusive, are not subject to optional redemption prior to maturity. The Bonds maturing on and after June 15, 2016 are subject to optional redemption at the option of the District, in whole or in part on any date, on and after June 15, 2015, at a price of par plus accrued interest, if any, to the date of redemption. For as long as the Bonds are in book-entry only form, if fewer than all of the Bonds of a maturity are called for redemption, the selection of Bonds within a maturity to be redeemed shall be made by The Depository Trust Company, New York, New York ("DTC") in accordance with its operational procedures then in effect.

Unless previously called under the provisions for optional redemption, the Term Bond maturing on June 15, 2025 is subject to mandatory redemption by lot by the Paying Agent on June 15 of the following years in the following principal amounts, at a price of par plus accrued interest to the date of redemption.

Year	Amount	
2024	$ 1,680,000.00	
2025	1,795,000.00	Final Maturity
	$3,475,000.00	

This Bond is transferable by the registered owner hereof in person or by the owner's attorney duly authorized in writing at the corporate trust office of the Bond Registrar in Portland, Oregon, but only in the manner and subject to the limitations provided in the authorizing Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee.

The Bonds are issued in fully registered form and in the denomination of $5,000 each or any integral multiple thereof. This Bond may be exchanged at the corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the Resolution.

The District and the Bond Registrar may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the principal hereof and interest due hereon and for all other purposes and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

LEGAL OPINION

I, Dr. Frank K. Toda, President/District Clerk for Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon certify that the following is a true copy of the signed original legal opinion of Messrs. Mersereau & Shannon, LLP, Attorneys, Portland, Oregon. The opinion was dated and issued as of the date of delivery of and payment for the Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, General Obligation Bonds, Series 2005.

Dr. Frank K. Toda
President/District Clerk

Columbia Gorge Community College District
400 East Scenic Drive
The Dalles, Oregon 97058

RE: Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon General Obligation Bonds, Series 2005 - $18,500,000

We have acted as bond counsel in connection with the issuance by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District") of $18,500,000 General Obligation Bonds, Series 2005 dated May 25, 2005 (the "Bonds"). The Bonds are issued pursuant to the authority granted by a majority of the legal voters of the District voting at the November 2, 2004 election, the applicable provisions of Oregon Revised Statutes Sections 328.205 to 328.300 and a Resolution of the District adopted by the Board of Directors on April 12, 2005 (the "Resolution").

We have examined the law and a duly certified transcript of proceedings of the November 2, 2004 election of the District relating to the issuance and sale of the Bonds and such other documents as we deem necessary to render this opinion.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of any offering material relating to the Bonds, and we express no opinion related thereto.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Bonds have been legally authorized and issued under and pursuant to the Constitution and Statutes of the State of Oregon and the Resolution.

2. The Bonds and the Resolution have been properly authorized, executed and delivered by the District and constitute valid binding obligations of the District enforceable in accordance with their terms.

3. The Bonds are a valid, legally binding full faith and credit general obligation of the District payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable property within the geographical boundaries of the District. The District is required by law to include in its annual tax levy the principal and interest maturing on the Bonds to the extent that sufficient funds are not provided from other sources.

4. Assuming compliance with applicable requirement of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds, including any original issue discount properly allocable to the owner of the Bonds, is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. Any original issue premium properly allocable to the owner of the Bonds may not be deducted from federal gross income, but must be amortized actuarially on a constant interest rate basis over the term of such Bond, and the federal tax basis of such Bond will be decreased over its term by the amount of such amortized premium. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

5. The Bonds are not a "private activity bond" within the meaning of Section 141 of the Code.

6. The interest on the Bonds, including any original issue discount properly allocable to the owner of the Bonds, is exempt from present State of Oregon personal income taxes.

Except as stated herein, we express no opinion regarding other federal, state or local tax consequences arising with respect to ownership of the Bonds or other matters not expressly included in items 1-6 above. The owner of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral tax consequences and each owner is advised to consult with its own tax advisor regarding such consequences.

It is to be understood that the rights of the Registered Owner of the Bonds and the enforceability thereof are subject to (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, (ii) the application of equitable principles and to the exercise of judicial discretion in appropriate cases, (iii) common law and statutes affecting the enforceability of contractual obligations generally, and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the District.

Our opinions are limited to matters of current Oregon law and applicable federal law, and we assume no responsibility for the applicability or effect of laws of other jurisdictions.

Respectfully submitted,
MERSEREAU & SHANNON, LLP
Attorneys

STATEMENT OF INSURANCE

MBIA Insurance Corporation (The "Insurer") has issued a policy containing the following provisions, such policy being on file at U.S. Bank National Association, Portland, Oregon.

The Insurer, in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to U.S. Bank National Association or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration, unless the Insurer elects in its sole discretion, to pay in whole or in part any principal due by reason of such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

$18,500,000
COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON
GENERAL OBLIGATION BONDS, SERIES 2005

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust National Association shall disburse to such owners or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

MBIA INSURANCE CORPORATION

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto ____________________

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE

____

(Name and Address of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

____________________ as attorney to transfer the within Bond on the Bond Register kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________

Signature Guaranteed:

____
(Commercial bank, trust company or member of a national stock exchange)

____
(Authorized Officer)

NOTE: The signature(s) on this assignment must correspond with the name(s) as written on the face of the within-registered Bond in every particular, without alteration or enlargement or any change whatsoever.

E

Blanket Issuer Letter of Representations

[To be Completed by Issuer]

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
WASCO COUNTY, OREGON

[Name of Issuer]

November 2, 1998
[Date]

Attention: Underwriting Department — Eligibility
The Depository Trust Company
55 Water Street; 50th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
WASCO COUNTY, OREGON
(Issuer)

By: Saundra Buchanan
(Authorized Officer's Signature)
Saundra Buchanan
Business Manager
Columbia Gorge Community College
400 East Scenic Drive
The Dalles, Oregon 97058
Telephone: (541) 298-3105

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: Roly Bondar

SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $200 million, one certificate will be issued with respect to each $200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

[6. Redemption notices shall be sent to Cede & Co. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records.]

10. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Issuer or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

Moody's Investors Service

99 Church Street
New York, NY

May 25, 2005

MBIA Insurance Corporation
113 King Street
Armonk, NY 10504

To Whom It May Concern:

Moody's Investors Service has assigned the rating of Aaa (MBIA Insurance Corporation Insured - Policy No. **46276**) to the **$18,500,000.00, Columbia Gorge Community College District Hood River and Wasco Counties, Oregon General Obligation Bonds, Series 2005**, dated May 25, 2005 which sold through negotiation on May 11, 2005. The rating is based upon an insurance policy provided by MBIA Insurance Corporation.

Should you have any questions regarding the above, please do not hesitate to contact the assigned analyst, Margaret Kessler at (212) 553-7884.

Sincerely yours,

Margaret Kessler

Margaret L. Kessler
Vice President/Senior Analyst

MLK / DC

Moody's Investors Service

One Front Street, Suite 1900
San Francisco, CA 94111

Tel: 415.274.1700

May 23, 2005

Ms. Saundra Buchanan
Chief Financial Officer
Columbia Gorge Community College District
400 East Scenic Drive
The Dallas, OR 97058-3434

Dear Ms. Buchanan:

We wish to inform you that on May 20, 2005, Moody's Rating Committee reviewed and assigned a rating of <u>A2</u> and an enhanced rating of <u>Aa3</u> (based on the Oregon School Bond Guarantee Program) to Columbia Gorge Community College District, OR's General Obligation Bonds, Series 2005.

In order for us to maintain the currency of our ratings, we request that you provide ongoing disclosure, including annual financial and statistical information.

Moody's will monitor this rating and reserves the right, at its sole discretion, to revise or withdraw this rating at any time in the future.

The rating, as well as any revisions or withdrawals thereof, will be publicly disseminated by Moody's through normal print and electronic media and in response to verbal requests to Moody's ratings desk.

Should you have any questions regarding the above, please do not hesitate to contact me or the analyst assigned to this transaction, Jolene Yee, at 415-274-1720.

Sincerely,

Kenneth B. Kurtz

Kenneth B. Kurtz
Managing Director

KBK: JY/lm

cc: Ms. Carol Samuels
Vice President
Seattle Northwest Securities Corporation
1000 SW Broadway, Ste. 1800
Portland, OR 97205

NWSC

MOODY'S ASSIGNS ENHANCED Aa3 RATING (BASED ON THE OREGON SCHOOL BOND GUARANTEE PROGRAM) TO THE COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT, OR, G.O. BONDS, SERIES 2005

APPROXIMATELY $18.5 MILLION IN DEBT AFFECTED

Columbia Gorge Community College District, OR
Higher Education
Oregon

NEW YORK, May 20, 2005 -- Moody's Investors Service has assigned an enhanced Aa3 rating to the Columbia Gorge Community College District, Oregon, General Obligation Bonds, Series 2005 in the approximate amount of $18.5 million. The Aa3 rating with a stable outlook is based upon the assumption that the bonds will qualify for and be backed by the Oregon School Bond Guaranty program. Under this program, the state pledges its full faith and credit to guarantee debt service payments by transfer from the state's general fund to the paying agent in the event of a shortfall. Key aspects of the program include third party notification of any unpaid debt service and favorable state oversight. For a more detailed opinion of the program, see Moody's Municipal Credit Research Report dated March 10, 2003.

ANALYSTS:
Jolene K. Yee, Analyst, Public Finance Group, Moody's Investors Service
Patrick Ford, Backup Analyst, Public Finance Group, Moody's Investors Service
Matthew Jones, Senior Credit Officer, Public Finance Group, Moody's Investors Service

CONTACTS:
Journalists: (212) 553-0376
Research Clients: (212) 553-1653

even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The credit ratings and financial reporting analysis observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling. MOODY'S hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MOODY'S have, prior to assignment of any rating, agreed to pay to MOODY'S for appraisal and rating services rendered by it fees ranging from $1,500 to $2,300,000. Moody's Corporation (MCO) and its wholly-owned credit rating agency subsidiary, Moody's Investors Service (MIS), also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually on Moody's website at www.moodys.com under the heading "Shareholder Relations - Corporate Governance - Director and Shareholder Affiliation Policy."

RESOLUTION

A RESOLUTION OF THE COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT, HOOD RIVER AND WASCO COUNTIES, OREGON AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF NOT TO EXCEED $18,500,000 GENERAL OBLIGATION BONDS; DESIGNATING AN AUTHORIZED REPRESENTATIVE, BOND COUNSEL AND UNDERWRITER; AUTHORIZING APPOINTMENT OF A PAYING AGENT, BOND REGISTRAR AND EXPERT ADVISOR; AND AUTHORIZING EXECUTION OF A PURCHASE AGREEMENT.

WHEREAS, the Board of Directors of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District") submitted to the voters of the District at an election on November 2, 2004 Measure 33-43 which sought the authorization to contract a general obligation bonded indebtedness in an amount not to exceed $18,500,000 to expand and improve the District's facilities (the "Projects"); and

WHEREAS, a majority of the voters of the District voting on Measure 33-43 approved of the issuance of the general obligation bonded indebtedness; and

WHEREAS, the District now desires to proceed with the issuance of the authorized general obligation bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT, HOOD RIVER AND WASCO COUNTIES, OREGON THAT:

Section 1. Issuance of Bonds. The Board of Directors of the District authorizes the issuance and private negotiated sale of general obligation bonds in a principal amount not to exceed $18,500,000 (the "Bonds"). The Bonds shall be issued as negotiable general obligation bonds of the District for a term not to exceed 21 years from date of issuance and shall bear interest at a true effective rate not to exceed five and one-half percent (5.5%) per annum. The Bonds shall be sold at not less than ninety-eight (98%) of par value, disregarding any original issue discount. The District authorizes the President/District Clerk or the Chief Financial Officer (the "Authorized Representative"), to determine and designate the principal amount, dated date, interest rates, maturity dates, optional redemption dates and premiums, if any, principal serial maturities, term bond maturity or maturities, with or without premium, denominations, interest payment dates, underwriter's discount, to participate in the Oregon School Bond Guaranty Program or obtain bond insurance or some other form of guaranty or security for the payment of the Bonds, to obtain one or more ratings for the Bonds and such other provisions as are deemed necessary and desirable for the sale and issuance of the Bonds. The Bonds may be issued in one or more series as determined by the Authorized Representative.

Section 2. Title and Execution of the Bonds. The Bonds shall be entitled "Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, General Obligation Bonds, Series 2005", or such other name approved by the Authorized Representative, and shall bear the manual or facsimile signature of the President of the District and the manual or facsimile signature of the Secretary. The Bonds shall be initially issued in book-entry form as a single, typewritten bond for each maturity and issued in the registered name of the nominee of The Depository Trust Company, New York, New York. The Bonds will be issued without certificates being made available to the bondholders.

Section 3. Book-Entry-Only System. Ownership of the Bonds shall be recorded through entries on the books of banks and broker-dealer participants and correspondents that are related to entries on The Depository Trust Company book-entry-only system. The Bonds shall be initially issued in the form of a separate single fully registered type-written bond for each maturity of the Bonds (the "Global Certificates"). Each Global Certificate shall be registered in the name of Cede & Co. as nominee (the "Nominee") of The Depository Trust Company (the "Depository") as the "Registered Owner", and such Global Certificates shall be lodged with the Depository until redemption or maturity of the Series 2005 Bond issue. The Paying Agent shall remit payment for the maturing principal and interest on the Bonds to the Registered Owner for distribution by the Nominee for the benefit of the bondholder (the "Beneficial Owner" or "Record Owner") by recorded entry on the books of the Depository participants and correspondents. While the Bonds are in book-entry-only form, the Bonds will be available in denominations of $5,000 or any integral multiple thereof.

The Authorized Representative shall file with the Depository a Letter of Representations to induce the Depository to accept the Bonds as eligible for deposit at the Depository. The underwriter for the Series 2005 Bond issue is authorized to provide the Depository with the Preliminary Official Statement, together with the completed Depository's underwriting questionnaire.

The execution and delivery of the Letter of Representation and the providing to the Depository of the Preliminary Official Statement and the underwriting questionnaire shall not in any way impose upon the District any obligation whatsoever with respect to persons having interests in the Bonds other than the Registered Owners of the Bonds as shown on the registration books maintained by the Paying Agent and Bond Registrar. The Paying Agent and Bond Registrar, in writing, shall accept the book-entry-only system and shall agree to take all action necessary to at all times comply with the Depository's operational arrangements for the book-entry-only system. The Authorized Representative may take all other action to qualify the Bonds for the Depository's book-entry-only system.

In the event the Depository determines not to continue to act as securities depository for the Bonds, or the District determines that the Depository shall no longer so act, then the District will discontinue the book-entry-only system with the Depository. If the District fails to identify another qualified securities depository to replace the Depository, the Bonds shall no longer be a book-entry-only issue but shall be registered in the registration books maintained by the Paying Agent and Bond Registrar in the name of the Registered Owner as appearing on the registration books of the Paying Agent and Bond Registrar and thereafter in the name or names of the owners of the Bonds transferring or exchanging Bonds in accordance with the provisions of Section 8 herein.

With respect to Bonds registered in the registration books maintained by the Paying Agent and Bond Registrar in the name of the Nominee of the Depository, the District, and the Paying Agent and Bond Registrar shall have no responsibility or obligation to any participant or correspondent of the Depository or to any Beneficial Owner on behalf of which such participants or correspondents act as agent for the Registered Owner with respect to:

(i) the accuracy of the records of the Depository, the Nominee or any participant or correspondent with respect to any ownership interest in the Bonds,

(ii) the delivery to any participant or correspondent or any other person, other than a Registered Owner as shown in the registration books maintained by the Paying Agent and Bond Registrar, of any notice with respect to the Bonds, including any notice of redemption,

(iii) the selection by the Depository of the beneficial interest in Bonds to be redeemed in the event the District redeems the Bonds in part, or

(iv) the payment to any participant, correspondent or any other person other than the Registered Owner of the Bonds as shown in the registration books maintained by the Paying Agent and Bond Registrar, of any amount with respect to principal or interest on the Bonds. Notwithstanding the book-entry-only system, the District may treat and consider the Registered Owner in whose name each Bond is registered in the registration books maintained by the Paying Agent and Bond Registrar as the Registered Owner and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, or for the purpose of giving notices of redemption and other matters with respect to such Bond, or for the purpose of registering transfers with respect to such Bond, or for all other purposes whatsoever. The District shall pay or cause to be paid all principal of and interest on the Bonds only to or upon the order of the Registered Owner, as shown in the registration books maintained by the Paying Agent and Bond Registrar, or their representative attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligation with respect to payment thereof to the extent of the sum or sums so paid.

Upon delivery by the Depository to the District and to the Registered Owner of a Bond of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee then the word "Nominee" in this Resolution shall refer to such new nominee of the Depository, and upon receipt of such notice, the District shall promptly deliver a copy thereof to the Paying Agent and Bond Registrar.

Section 4. Sale of Bonds. The Bonds may be sold by private negotiated sale. The Authorized Representative shall determine the requirements for the sale of the Bonds, subject to the provisions of this Resolution, that provides the most advantageous terms to the District and negotiate and execute a purchase agreement setting forth the terms of the sale of the Bonds.

Section 5. Payment of Bonds. The principal of the Bonds shall be payable upon presentation of the Bonds at maturity at the designated corporate trust office of the appointed Paying Agent. Payment of each installment of interest due each year shall be made by check or draft of the Paying Agent mailed on each interest payment date to the registered owner thereof whose name and address appears on the registration books of the District maintained by the Paying Agent as of the record date determined by the Authorized Representative.

Section 6. Form of Bonds. The Bonds shall be issued substantially in the form approved by the Authorized Representative and Bond Counsel.

Section 7. Appointment of Paying Agent and Registrar. The Authorized Representative is authorized to designate a Paying Agent and Registrar of the Bonds, or the District may serve as its own Paying Agent and Registrar. The Authorized Representative is authorized to negotiate and execute on behalf of the District a Paying Agent and Registrar Agreement. This Agreement shall provide for compliance with Oregon Administrative Rule 170-61-010. In addition, the District requests and authorizes the Paying Agent and Registrar to execute the Certificate of Authentication as of the date of delivery of the Bonds.

Section 8. Tax Levy and Pledge. The full faith and credit of the District is pledged to the owners of the Bonds for the payment of the principal and interest on the Bonds when due. The District shall levy annually, as provided by law, a direct ad valorem tax upon all of the taxable property within the District in sufficient amount, without limitation, to pay the principal of and interest on the Bonds promptly as they become due and payable. The District covenants with the owners of the Bonds to pledge such ad valorem taxes in sufficient amount to pay the principal of and interest on the Bonds as they respectively become due and payable. Pursuant to ORS 310.145, the District hereby classifies the tax levy described in this section to be taxes imposed to pay the principal and interest on exempt bonded indebtedness and such taxes are not subject to the limits of sections 11 or 11b, Article XI of the Oregon Constitution.

Section 9. Contract with Registered Owners of Bonds. In consideration of the purchase and acceptance of the Bonds, the provisions of this Resolution and the Bonds shall be deemed to be and shall constitute a contract between the District and the Registered Owners of the Bonds. The covenants and agreements to be performed by or on behalf of the District shall be for the equal benefit, protection and security of the Registered Owners of any and all Bonds, all of which shall be of equal rank without preference, priority, or distinction among the Bonds, except as expressly provided pursuant to this Resolution.

Section 10. Tax Covenant. The proceeds of the Bonds shall be used and invested in such manner that the Bonds shall not become "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations. The District covenants that, within its lawful powers, it will not do, and will refrain from doing, anything in the issuance of the Bonds and in the investment and expenditure of the proceeds thereof which would result in the interest on the Bonds becoming taxable for federal income tax purposes.

Section 11. Appointment of Expert Advisor. The Authorized Representative is authorized to appoint an Expert Advisor to the District for the issuance of the Bonds.

Section 12. Appointment of Underwriter. Seattle-Northwest Securities Corporation is appointed as underwriter for the issuance of the Bonds.

Section 13. Appointment of Bond Counsel. The law firm of Mersereau & Shannon, LLP of Portland, Oregon is appointed as Bond Counsel for the issuance of the Bonds.

Section 14. Confirmation of Election. Pursuant to ORS 255.295, the Board has reviewed the abstract of votes related to Measure 33-43 prepared by the county clerk and hereby affirms the results of the election and declares that a majority of the voters of the District voting on Measure 33-43 approved of the issuance of the general obligation bonded indebtedness.

Section 15. Designation as Qualified Tax-Exempt Obligations. The Authorized Representative is hereby authorized to designate the Bonds for purposes of paragraph (3) of Section 265(b) of the Code as "qualified tax-exempt obligations" so long as the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations, the interest on which is excludable under Section 103(a) of the Code from gross income for federal income tax purposes (excluding, however, private activity bonds other than qualified 501(c)(3) bonds) including the Bonds, have been or shall be issued by the District, including all subordinate entities of the District, if any, during the current calendar year in which the Bonds, or a portion thereof, are issued.

Section 16. Preliminary and Final Official Statement. The District shall cause the underwriter to prepare a preliminary official statement for the Bonds which shall be available for distribution to prospective investors. Such preliminary official statement will be deemed final pursuant to Rule 15c2-12 of the Securities and Exchange Commission. In addition, an official statement shall be prepared by the underwriter and ready for delivery to the purchasers of the Bonds no later than the seventh (7th) business day after the sale of the Bonds. After determining that the final official statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained in the official statement not misleading in the light of the circumstances under which they are made, the Authorized Representative is authorized to certify the accuracy of the official statement on behalf of the District.

Section 17. Closing of the Sale and Delivery of the Bonds. The Authorized Representative is authorized to negotiate and execute a bond purchase agreement for and on behalf of the District and to execute such additional documents, including a tax certificate, and any and all other things or acts necessary for the sale and delivery of the Bonds as herein authorized. Such acts of the Authorized Representative are for and on behalf of and are authorized by the Board of Directors of the District.

Section 18. Continuing Disclosure. The District covenants and agrees that it will comply with and carry out all of the provisions of a Continuing Disclosure Agreement to be negotiated with the underwriter. Failure by the District to comply with the Continuing Disclosure Agreement will not constitute an event of default; however, any owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section.

ADOPTED by the Board of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, this 12th day of April, 2005.

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON

[signature]
Chair, Board of Directors

ATTEST:

By Stephanie Meagher
Secretary

COLUMBIA GORGE COMMUNITY COLLEGE

400 EAST SCENIC DRIVE
THE DALLES, OREGON 97058
(541) 296-6182 • FAX (541) 298-3104

MINUTES
BOARD OF EDUCATION MEETING
Tuesday, April 12, 2005
7:00 P.M.

ATTENDANCE:

Mike Schend
Dave Fenwick
Dr. James Willcox
Dr. Ernie Keller
M.D. Van Valkenburgh
Charleen Cobb
Christie Reed
Dr. Frank Toda
Saundra Buchanan
Karen Carter
Dennis Whitehouse
Bill Bohn
Stephanie Meagher
Rick Eggers
Richard Higgins
Tom Horman

CALL TO ORDER:

Mike Schend called the meeting to order at 7:06 p.m.

1.0 APPROVAL OF MINUTES

The minutes of the March 8, 2005 board meeting were approved with changes.

2.0 BUSINESS ITEMS

2.1

MOTION #1 - APPROVED
Dr. Ernie Keller moved **to approve, adopt and appropriate budget adjustments to special fund 56-00-00, Nursing Program Fund, to decrease estimated resources by $330,648, by decreasing the personal services appropriation by $307,665, by decreasing the materials and services appropriations by $22,983, as listed above, for the period July 1, 2004 – June 30, 2005.** Charleen Cobb seconded. Motion passed unanimously.

2.2 MOTION #2 – APPROVED
Charleen Cobb moved **to approve, adopt and appropriate budget adjustments to special fund 70-00-00, Department of Labor Nursing Grant Fund, a special purpose grant, to decrease the first year grant revenue by $672,014, by decreasing the personal services appropriation by $619,906, by decreasing the materials and services appropriation by**

$19,776 and by decreasing the capital expenditure appropriation by $32,332, as listed above, for the period July 1, 2004 – June 30, 2005. M.D. Van Valkenburgh seconded. Motion passed unanimously.

2.3 MOTION #3 – APPROVED

Dr. Ernie Keller moved **to approve, adopt and appropriate budget adjustments to special fund 70-00-00, Department of Education Nurse Training Grant Fund, a special purpose grant, to reflect the grant budget categories, by decreasing the personal services appropriation by $2,404, by increasing the materials and services appropriation by $32,464, and by decreasing the capital expenditure appropriation by $31,129, as listed above, for the period July 1, 2004 – June 30, 2005.** Dave Fenwick seconded. Motion passed unanimously.

2.4 MOTION #4 – APPROVED

Charleen Cobb moved **to approve, adopt and appropriate budget adjustments to the General Fund to reduce budget appropriations in the total amount of $200,000; to decrease the Health and Safety Adult Ed Cost Center by $11,106; to decrease the Health Technologies Cost Center by $27,836; to decrease the Emergency Medical Tech Program Cost Center by $7,971; to decrease the Instructional Administration Cost Center by $6,650; to increase the Facilities Services Cost Center for a portion of the Facilities Supervisor position of $8,225; to increase the contingency appropriation by $159,479; and to decrease the transfer appropriation by $314,141, as listed above, for the period July 1, 2004 – June 30, 2005.** Dr. Ernie Keller seconded. Motion passed unanimously.

2.5 MOTION #5 – APPROVED

M.D. Van Valkenburgh moved **to adopt the resolution authorizing issuance and negotiated sale of the bonds, designating an authorized representative, bond counsel and underwriter; authorizing appointment of a paying agent, bond registrar and expert advisor; and authorizing execution of a purchase agreement.** Dave Fenwick seconded. Motion passed unanimously.

2.6 MOTION #6 – APPROVED

Dr. James Willcox moved **to approve moving forward on the purchase of a new phone system, with a cap of $110,000.** Dr. Ernie Keller seconded. Motion passed unanimously.

2.7 MOTION #7 – APPROVED
Dr. Ernie Keller moved **to approve the motion as listed.** Charleen Cobb seconded. Motion passed unanimously.

Whereas, Columbia Gorge Community College waives all irregularities and informalities concerning the bid documents submitted by SPL Integrated Solutions;

AND

Whereas, Columbia Gorge Community College Board of Education finds that a competitive bidding process did take place;

AND

Therefore, Columbia Gorge Community College Board of Education accepts the bid from SPL Integrated Solutions as being the low bid and directs the staff to sign contracts with SPL Integrated Solutions to provide for the AV Equipment Purchase and Installation on the fourth floor of building 1.

2.8 MOTION #8 – APPROVED
M.D. Van Valkenburgh **moved to approve the following motions as listed below.** Christie Reed seconded.

The Columbia Gorge Community College Board of Education declares the attached item as surplus property and authorizes the Facilities Services Director to dispose of the property as is.

The Columbia Gorge Community College Board of Education agrees to the donation of the above fan to Andy Nichols for use in his glass blowing studio at no cost to the college.

3.0 REPORT ITEMS

3.1 Institutional Effectiveness Indicators
Karen Carter presented the board with this year's Institutional Effectiveness Indicators report and gave a brief review.

3.2 Accreditation Update
Karen Carter advised the board of the upcoming accreditation review and handed out information on the A-6 criteria which will be used to review CGCC.

3.3 Hood River Land Partnering Concept
Richard Higgins gave a PowerPoint presentation on a partnering concept with several entities in Hood River and Rick Eggers of Hood River County School District updated the board on the school

district's plans and what they have done so far.

3.4 Capitol Construction Update
Dennis is firming up the timelines now that we have a timeline for selling the bonds. He hopes to bring this to the board in May.

3.5 Master Plan Update
Dennis gave the board an update on the submission of the Master Plan. They are working with the city on this project.

3.6 Critical Dates
Dr. Toda reviewed upcoming critical dates with the board.

3.7 Financial Report/List of Bills
Saundra Buchanan presented the March financial report and list of bills to the board. Saundra also advised the board that the 03-04 audit has now been completed and she will have bound copies soon. She also shared a letter from the IRS advising that the college was cleared on their recent audit of the 1993 bond issue.

4.0 EXECUTIVE SESSION

The board moved into Executive Session at 9:21 p.m.
The board moved out of Executive Session at 9:40 p.m.

The board asked Dennis Whitehouse to provide a list of available properties in Hood River at the next board meeting. They also directed the college staff to pursue two courses of action: 1) keep in touch with the HR School District regarding any parcels of land they are using while keeping the partners aware of our time restraints and 2) to pursue a smaller, single parcel of land for our own use.

5.0 ADJOURNMENT

Mike Schend adjourned the meeting at 9:42 p.m.

Stephanie Meagher

As recorded by Stephanie Meagher, Assistant to the Board

NOTICE OF ADOPTION OF RESOLUTION

Pursuant to Oregon Revised Statutes 305.583(8) and (9), notice is hereby given that on April 12, 2005, Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District") adopted a resolution (a) classifying the tax levy to be imposed to pay the principal of, premium, if any, and interest on the District's proposed General Obligation Bonds, Series 2005 in the aggregate principal amount of $16,500,000 as not being subject to the limits of section 11 or 11b, Article XI of the Oregon Constitution, and (b) specifying the authorized uses of the proceeds of the General Obligation Bonds, Series 2005. Any individual may contact the Chief Financial Officer of the District at 400 East Scenic Drive, The Dalles, Oregon, telephone (541) 298-3105, to obtain a copy of the resolution. Judicial review of the classification of the taxes or the specification of authorized uses may be sought within 60 days of the date of the resolution.

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON

Affidavit of Publication

STATE OF OREGON, }
County of Wasco } ss.

I, Shirley Ringlbauer,
being first duly sworn, depose and say that I am the principal clerk of the publisher of The Dalles Chronicle, a newspaper of general circulation, as defined by sections ORS 193.010 and 193.020; Oregon Compiled laws, annotated; printed and published at The Dalles, in the aforesaid county and state, that the legal notice a printed copy of which is hereto annexed, was published in the entire issue of said newspaper for 1 successive and consecutive weeks issues in the following issues: April 15, 2005

Subscribed and sworn to before me this 13th day of May, 2005.

Virginia Delco
Notary Public for Oregon.

OFFICIAL SEAL
VIRGINIA DELCO
NOTARY PUBLIC-OREGON
COMMISSION NO. 362436
MY COMMISSION EXPIRES OCTOBER 27, 2006

CERTIFICATE OF OUTSTANDING GENERAL OBLIGATION BONDED INDEBTEDNESS

Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Bonds
Series 2005

$18,500,000

I, Saundra Buchanan, Chief Financial Officer of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District"), hereby certify that the total balance of all outstanding general obligation bonded indebtedness of the District is as follows:

General Obligation Bonds	*Outstanding Balance*
Series 1998	$ 5,260,000.00
Series 2005 (this issue)	18,500,000.00
Total Outstanding General Obligation Bonded Indebtedness	$23,760,000.00

Except as stated herein, the District has no other outstanding general obligation bonded indebtedness at this time.

DATED this 25th day of May, 2005.

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON

By Saundra Buchanan
Saundra Buchanan
Chief Financial Officer

ASSESSOR'S CERTIFICATE

STATE OF OREGON)
) ss.
COUNTY OF HOOD RIVER)

I, Sandra Berry, the duly appointed/elected and qualified County Assessor of Hood River County, Oregon, do hereby certify that, as shown by the books and records of my office, the real market value of all property within the boundaries of Columbia Gorge Community College District, Hood River County, Oregon, for tax purposes for the tax year 2004-2005, is the sum of $ 2,146,930,435.

In testimony thereof, I have hereunto set my hand and caused the seal of my office to be hereto affixed this 9th day of May, 2005.

Sandra Berry

Sandra Berry
Hood River County Assessor

ASSESSOR'S CERTIFICATE

STATE OF OREGON)
) ss.
COUNTY OF WASCO)

I, Tim Lynn, the duly appointed/elected and qualified County Assessor of Wasco County, Oregon, do hereby certify that, as shown by the books and records of my office, the real market value of all property within the boundaries of Columbia Gorge Community College District, Wasco County, Oregon, for tax purposes for the tax year 2004-2005, is the sum of $1,958,079,348.

In testimony thereof, I have hereunto set my hand and caused the seal of my office to be hereto affixed this 12th day of May, 2005.

Tim R Lynn by Donna J Mollet Chief Deputy
Tim Lynn
Wasco County Assessor

CERTIFICATE OF PROCEEDINGS

Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Bonds
Series 2005

$18,500,000

I, Saundra Buchanan, certify as follows:

1. I am the Chief Financial Officer of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District");

2. The following listed documents, which are contained in the Transcript of Proceedings of the District's General Obligation Bonds, Series 2005 are true and correct copies of the original documents which are on file in the official records of the District:

   a. Resolution dated August 10, 2004 calling a special election for November 2, 2004;

   b. Minutes of Meeting of August 10, 2004;

   c. Resolution dated April 12, 2005 authorizing the issuance and sale of the General Obligation Bonds, Series 2005; and

   d. Minutes of Meeting of April 12, 2005.

3. The meetings referred to in Paragraph 2 above were duly convened and held in all respects in accordance with law and, to the extent required by law, due and proper notice of such meetings was given; a legal quorum was present throughout the meetings, and a legally sufficient number of members of the Board of Directors of the District, voted in the proper manner and for the adoption of such Resolutions, and all other requirements and proceedings under law incident to the proper adoption or passage of such Resolutions have been duly fulfilled, carried out, and otherwise observed.

DATED this 25th day of May, 2005.

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON

By Saundra Buchanan
Saundra Buchanan
Chief Financial Officer

MUNICIPAL DEBT ADVISORY COMMISSION
Phone: (503) 378-4930 Fax: (503) 378-2870
E-Mail: DMD@OST.STATE.OR.US

Form 1 ☑ **(Filed separately for each series at least 10 days prior to Bond Marketing Date)**
Form 2 ☐ **(Filed separately for each series within 5 days after the Bond Marketing Date)**

Initial Notification ☑ **Update** ☐

Date Filed: 05/02/2005 **County:** Wasco and Hood River
District/Issuer Name: Columbia Gorge Community College District
Address: 400 East Scenic Drive
City, State, Zip: The Dalles, Oregon 97058-34
Phone: (541) 298-3105 **Email:** sbuchanan@cgcc.cc.or.us

Bond Type: Unlimited Tax GO (Non-Self Supporting)

Sale Type: Negotiated **Primary Repayment Source:** Property Taxes

Ratings: ☐ Yes ☐ No **Moody's:**
Underlying Ratings: ☐ Yes ☐ No **Standard & Poor's:**
Applied for?: ☑ Yes ☐ No **Fitch:**

Credit Enhanced: ☐ Yes ☐ No
Firm: **Enhancement Type 1:**
Enhancement Type 2:

Advance Refunding: ☐ Yes ☑ No **Refunded Issue(s):**
Current Refunding: ☐ Yes ☑ No **Refunded Issue(s):**
Advance/Current Refunding Present Value Saving: $

Par Amount: $ 18,500,000 **Series:** 2005 **(only 1 series per form)**

Purpose: Education

Project (*please describe*): Capital construction and improvements for health science training and classroom facilities, renovate existing facilities, demolish unusable buildings and land purchase.

Issue Dated Date: 05/25/2005
Bond Marketing Date: 05/11/2005
Closing Date: 05/25/2005
1st Optional Call Date:
Final Maturity Date: 06/15/2025

Financial Advisor:
Pricing Advisor: Regional Financial Advisors
Bond Counsel: Mersereau & Shannon, LLP
Underwriter: Seattle-Northwest Sec. **/Purchaser:**
Underwriter's Counsel:
Paying Agent: U.S. Bank National Association
Trustee:
Borrower:

Federally Taxable? ☐ Yes ☑ No
Zero Coupon Bond? ☐ Yes ☑ No
Bank Qualified? ☐ Yes ☑ No
Subject to AMT? ☐ Yes ☑ No

Average Life:
 # Bids Received:
TIC: **% (Calculated as if awarding in a Competitive Sale)**

Net OID/OIP: $
Gross Underwriter Spread: $
Bond Insurance: $
Enhancement Fee: $ (e.g.OSBG, Letter of Credit, etc.)
Other Issuance Costs: $ (e.g. BC, FA, U/W, Counsel, etc.)
Total Issuance Costs: $

Form Prepared By: Javier Fernandez *Firm:* Seattle-Northwest *Phone:* (503) 275-8309 *Email:* jfernandez@snwsc.com

For Treasury Use Only:
Final OS Receipt Date:
(Link OS to Debt System)
Debt System Entry Date:
Schedule:

MUNICIPAL DEBT ADVISORY COMMISSION
Phone: (503) 378-4930 Fax: (503) 378-2870
E-Mail: DMD@OST.STATE.OR.US

Form 1 ☐ **(Filed separately for each series at least 10 days prior to Bond Marketing Date)**
Form 2 ☑ **(Filed separately for each series within 5 days after the Bond Marketing Date)**

Initial Notification ☑ **Update** ☐

Date Filed: 05/11/2005 **County:** Wasco and Hood River
District/Issuer Name: Columbia Gorge Community College District
Address: 400 East Scenic Drive
City, State, Zip: The Dalles, Oregon 97058-34
Phone: (541) 298-3105 **Email:** sbuchanan@cgcc.cc.or.us

Bond Type: Unlimited Tax GO (Non-Self Supporting)

Sale Type: Negotiated **Primary Repayment Source:** Property Taxes

Ratings: ☑ Yes ☐ No **Moody's:** Aaa/Aa3/A2
Underlying Ratings: ☐ Yes ☐ No **Standard & Poor's:**
Applied for?: ☐ Yes ☐ No **Fitch:**

Credit Enhanced: ☐ Yes ☐ No
Firm: MBIA **Enhancement Type 1:** State Guarantee
Enhancement Type 2: Insurance

Advance Refunding: ☐ Yes ☑ No **Refunded Issue(s):**
Current Refunding: ☐ Yes ☑ No **Refunded Issue(s):**
Advance/Current Refunding Present Value Saving: $

Par Amount: $ 18,500,000 **Series:** 2005 **(only 1 series per form)**

Purpose: Education

Project (*please describe*): Capital construction and improvements for health science training and classroom facilities, renovate existing facilities, demolish unusable buildings and land purchase.

Issue Dated Date: 05/25/2005
Bond Marketing Date: 05/11/2005
Closing Date: 05/25/2005
1st Optional Call Date: 06/15/2015
Final Maturity Date: 06/15/2025

Financial Advisor:
Pricing Advisor: Regional Financial Advisors
Bond Counsel: Mersereau & Shannon, LLP
Underwriter: Seattle-Northwest Sec. **/Purchaser:** Seattle-Northwest
Underwriter's Counsel:
Paying Agent: U.S. Bank National Association
Trustee:
Borrower:

Federally Taxable? ☐ Yes ☑ No
Zero Coupon Bond? ☐ Yes ☑ No
Bank Qualified? ☐ Yes ☑ No
Subject to AMT? ☐ Yes ☑ No

Average Life: 13.351
 # Bids Received:
TIC: 4.296407 **% (Calculated as if awarding in a Competitive Sale)**

Net OID/OIP: $643,565.45
Gross Underwriter Spread: $98,815.00
Bond Insurance: $ 43,300.00
Enhancement Fee: $ 3,083.35 (e.g.OSBG, Letter of Credit, etc.)
Other Issuance Costs: $ 38,550.00 (e.g. BC, FA, U/W, Counsel, etc.)
Total Issuance Costs: $ 183,748.35

Form Prepared By: Javier Fernandez *Firm:* Seattle-Northwest *Phone:* (503) 275-8309 *Email:* jfernandez@snwsc.com

For Treasury Use Only:
Final OS Receipt Date:
(Link OS to Debt System)
Debt System Entry Date:
Schedule:

SEATTLE-NORTHWEST
SECURITIES CORPORATION

1000 Southwest Broadway
Suite 1800
Portland, Oregon 97205
(503) 275-8300

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
WASCO AND HOOD RIVER COUNTIES, OREGON
GENERAL OBLIGATION BONDS, SERIES 2005
Final Maturity Schedule

Due June 15	Amounts	Interest Rates	Yields	CUSIP 197659	Due June 15	Amounts	Interest Rates	Yields	CUSIP 197659
2006	$ 235,000	3.000%	2.75%	BG9	2016	$ 250,000	5.000%	3.90% (1)	BS3
2007	350,000	3.250	2.93	BH7	2016	625,000	4.000	3.90 (1)	CC7
2008	395,000	3.250	3.06	BJ3					
2009	475,000	3.500	3.15	BK0	2017	1,000,000	5.000	3.96 (1)	BT1
2010	525,000	3.500	3.27	BL8	2018	1,040,000	5.000	4.01 (1)	BU8
2011	565,000	3.500	3.40	BM6	2019	1,130,000	5.000	4.05 (1)	BV6
2012	625,000	3.750	3.51	BN4					
2013	680,000	3.750	3.63	BP9	2020	1,000,000	5.000	4.10 (1)	BW4
					2020	255,000	4.500	4.10 (1)	CD5
2014	225,000	4.625	3.73	BQ7					
2014	515,000	4.000	3.73	CA1	2021	1,330,000	5.000	4.16 (1)	BX2
					2022	1,440,000	5.000	4.21 (1)	BY0
2015	810,000	4.000	3.82	BR5	2023	1,555,000	5.000	4.26 (1)	BZ7

$3,475,000 4.25% Term Bond due June 15, 2025 @ 4.41%; CUSIP No. 197659CB9

(1) Priced to the Call date.

BOND DEBT SERVICE

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Dated Date	05/25/2005
Delivery Date	05/25/2005

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/25/2005	-	-	-	-	-
12/15/2005	-	-	455,440.97	455,440.97	-
06/15/2006	235,000	3.000%	409,896.88	644,896.88	1,100,337.85
12/15/2006	-	-	406,371.88	406,371.88	-
06/15/2007	350,000	3.250%	406,371.88	756,371.88	1,162,743.76
12/15/2007	-	-	400,684.38	400,684.38	-
06/15/2008	395,000	3.250%	400,684.38	795,684.38	1,196,368.76
12/15/2008	-	-	394,265.63	394,265.63	-
06/15/2009	475,000	3.500%	394,265.63	869,265.63	1,263,531.26
12/15/2009	-	-	385,953.13	385,953.13	-
06/15/2010	525,000	3.500%	385,953.13	910,953.13	1,296,906.26
12/15/2010	-	-	376,765.63	376,765.63	-
06/15/2011	565,000	3.500%	376,765.63	941,765.63	1,318,531.26
12/15/2011	-	-	366,878.13	366,878.13	-
06/15/2012	625,000	3.750%	366,878.13	991,878.13	1,358,756.26
12/15/2012	-	-	355,159.38	355,159.38	-
06/15/2013	680,000	3.750%	355,159.38	1,035,159.38	1,390,318.76
12/15/2013	-	-	342,409.38	342,409.38	-
06/15/2014	740,000	**	342,409.38	1,082,409.38	1,424,818.76
12/15/2014	-	-	326,906.25	326,906.25	-
06/15/2015	810,000	4.000%	326,906.25	1,136,906.25	1,463,812.50
12/15/2015	-	-	310,706.25	310,706.25	-
06/15/2016	875,000	**	310,706.25	1,185,706.25	1,496,412.50
12/15/2016	-	-	291,956.25	291,956.25	-
06/15/2017	1,000,000	5.000%	291,956.25	1,291,956.25	1,583,912.50
12/15/2017	-	-	266,956.25	266,956.25	-
06/15/2018	1,040,000	5.000%	266,956.25	1,306,956.25	1,573,912.50
12/15/2018	-	-	240,956.25	240,956.25	-
06/15/2019	1,130,000	5.000%	240,956.25	1,370,956.25	1,611,912.50
12/15/2019	-	-	212,706.25	212,706.25	-
06/15/2020	1,255,000	**	212,706.25	1,467,706.25	1,680,412.50
12/15/2020	-	-	181,968.75	181,968.75	-
06/15/2021	1,330,000	5.000%	181,968.75	1,511,968.75	1,693,937.50
12/15/2021	-	-	148,718.75	148,718.75	-
06/15/2022	1,440,000	5.000%	148,718.75	1,588,718.75	1,737,437.50
12/15/2022	-	-	112,718.75	112,718.75	-
06/15/2023	1,555,000	5.000%	112,718.75	1,667,718.75	1,780,437.50
12/15/2023	-	-	73,843.75	73,843.75	-
06/15/2024	1,680,000	4.250%	73,843.75	1,753,843.75	1,827,687.50
12/15/2024	-	-	38,143.75	38,143.75	-
06/15/2025	1,795,000	4.250%	38,143.75	1,833,143.75	1,871,287.50
	18,500,000		11,333,475.43	29,833,475.43	29,833,475.43

SEATTLE-NORTHWEST
SECURITIES CORPORATION
The Region's Premier Investment Banking Firm Since 1970

1000 Southwest Broadway
Suite 1800
Portland, Oregon 97205
(503) 275-8300

COLUMBIA GORGE COMMUNITY COLLEGE
$18,500,000
GENERAL OBLIGATION BONDS
SERIES 2005

FINAL PRICING NUMBERS

MAY 11, 2005

BOND SUMMARY STATISTICS

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Dated Date	05/25/2005
Delivery Date	05/25/2005
Last Maturity	06/15/2025
Arbitrage Yield	4.116489%
True Interest Cost (TIC)	4.296407%
Net Interest Cost (NIC)	4.367944%
All-In TIC	4.317365%
Average Coupon	4.588493%
Average Life (years)	13.351
Duration of Issue (years)	9.880
Par Amount	18,500,000.00
Bond Proceeds	19,143,565.45
Total Interest	11,333,475.43
Net Interest	10,788,724.98
Total Debt Service	29,833,475.43
Maximum Annual Debt Service	1,871,287.50
Average Annual Debt Service	1,487,541.71

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial 2006-2013	3,850,000.00	100.904	3.593%	5.211
Serial 2014 A	225,000.00	106.822	4.625%	9.056
Serial 2014 B	515,000.00	102.056	4.000%	9.056
Serial 2015	810,000.00	101.489	4.000%	10.056
Serial 2016 A	250,000.00	109.075	5.000%	11.056
Serial 2016 B	625,000.00	100.823	4.000%	11.056
Serial 2017-2019	3,170,000.00	108.137	5.000%	13.097
Serial 2020 A	1,000,000.00	107.353	5.000%	15.056
Serial 2020 B	255,000.00	103.266	4.500%	15.056
Serial 2021-2023	4,325,000.00	106.398	5.000%	17.108
Term Bond	3,475,000.00	97.882	4.250%	19.572
	18,500,000.00			13.351

	TIC	All-In TIC	Arbitrage Yield
Par Value	18,500,000.00	18,500,000.00	18,500,000.00
+ Accrued Interest	-	-	-
+ Premium (Discount)	643,565.45	643,565.45	643,565.45
- Underwriter's Discount	-98,815.00	-98,815.00	
- Cost of Issuance Expense		-38,550.00	
- Other Amounts	-46,383.35	-46,383.35	-46,383.35
Target Value	18,998,367.10	18,959,817.10	19,097,182.10
Target Date	05/25/2005	05/25/2005	05/25/2005
Yield	4.296407%	4.317365%	4.116489%

BOND PRICING

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial 2006-2013:									
	06/15/2006	235,000	3.000%	2.750%	100.257	-	-	-	603.95
	06/15/2007	350,000	3.250%	2.930%	100.632	-	-	-	2,212.00
	06/15/2008	395,000	3.250%	3.060%	100.549	-	-	-	2,168.55
	06/15/2009	475,000	3.500%	3.150%	101.321	-	-	-	6,274.75
	06/15/2010	525,000	3.500%	3.270%	101.062	-	-	-	5,575.50
	06/15/2011	565,000	3.500%	3.400%	100.541	-	-	-	3,056.65
	06/15/2012	625,000	3.750%	3.510%	101.486	-	-	-	9,287.50
	06/15/2013	680,000	3.750%	3.630%	100.830	-	-	-	5,644.00
		3,850,000							34,822.90
Serial 2014 A:									
	06/15/2014	225,000	4.625%	3.730%	106.822	-	-	-	15,349.50
Serial 2014 B:									
	06/15/2014	515,000	4.000%	3.730%	102.056	-	-	-	10,588.40
Serial 2015:									
	06/15/2015	810,000	4.000%	3.820%	101.489	-	-	-	12,060.90
Serial 2016 A:									
	06/15/2016	250,000	5.000%	3.900%	109.075 C	3.977%	06/15/2015	100.000	22,687.50
Serial 2016 B:									
	06/15/2016	625,000	4.000%	3.900%	100.823 C	3.907%	06/15/2015	100.000	5,143.75
Serial 2017-2019:									
	06/15/2017	1,000,000	5.000%	3.960%	108.555 C	4.094%	06/15/2015	100.000	85,550.00
	06/15/2018	1,040,000	5.000%	4.010%	108.124 C	4.186%	06/15/2015	100.000	84,489.60
	06/15/2019	1,130,000	5.000%	4.050%	107.780 C	4.258%	06/15/2015	100.000	87,914.00
		3,170,000							257,953.60
Serial 2020 A:									
	06/15/2020	1,000,000	5.000%	4.100%	107.353 C	4.330%	06/15/2015	100.000	73,530.00
Serial 2020 B:									
	06/15/2020	255,000	4.500%	4.100%	103.266 C	4.205%	06/15/2015	100.000	8,328.30

BONDPRICING

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial 2021-2023:									
	06/15/2021	1,330,000	5.000%	4.160%	106.842 C	4.401%	06/15/2015	100.000	90,998.60
	06/15/2022	1,440,000	5.000%	4.210%	106.419 C	4.458%	06/15/2015	100.000	92,433.60
	06/15/2023	1,555,000	5.000%	4.260%	105.998 C	4.511%	06/15/2015	100.000	93,268.90
		4,325,000							276,701.10
Term Bond:									
	06/15/2024	1,680,000	4.250%	4.410%	97.882	-	-	-	-35,582.40
	06/15/2025	1,795,000	4.250%	4.410%	97.882	-	-	-	-38,018.10
		3,475,000							-73,600.50
		18,500,000							643,565.45

Dated Date	05/25/2005	
Delivery Date	05/25/2005	
First Coupon	12/15/2005	
Par Amount	18,500,000.00	
Premium	643,565.45	
Production	19,143,565.45	103.478732%
Underwriter's Discount	-98,815.00	-0.534135%
Purchase Price	19,044,750.45	102.944597%
Accrued Interest	-	
Net Proceeds	19,044,750.45	

BOND DEBT SERVICE

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Dated Date	05/25/2005
Delivery Date	05/25/2005

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/25/2005	-	-	-	-	-
12/15/2005	-	-	455,440.97	455,440.97	-
06/15/2006	235,000	3.000%	409,896.88	644,896.88	1,100,337.85
12/15/2006	-	-	406,371.88	406,371.88	-
06/15/2007	350,000	3.250%	406,371.88	756,371.88	1,162,743.76
12/15/2007	-	-	400,684.38	400,684.38	-
06/15/2008	395,000	3.250%	400,684.38	795,684.38	1,196,368.76
12/15/2008	-	-	394,265.63	394,265.63	-
06/15/2009	475,000	3.500%	394,265.63	869,265.63	1,263,531.26
12/15/2009	-	-	385,953.13	385,953.13	-
06/15/2010	525,000	3.500%	385,953.13	910,953.13	1,296,906.26
12/15/2010	-	-	376,765.63	376,765.63	-
06/15/2011	565,000	3.500%	376,765.63	941,765.63	1,318,531.26
12/15/2011	-	-	366,878.13	366,878.13	-
06/15/2012	625,000	3.750%	366,878.13	991,878.13	1,358,756.26
12/15/2012	-	-	355,159.38	355,159.38	-
06/15/2013	680,000	3.750%	355,159.38	1,035,159.38	1,390,318.76
12/15/2013	-	-	342,409.38	342,409.38	-
06/15/2014	740,000	**	342,409.38	1,082,409.38	1,424,818.76
12/15/2014	-	-	326,906.25	326,906.25	-
06/15/2015	810,000	4.000%	326,906.25	1,136,906.25	1,463,812.50
12/15/2015	-	-	310,706.25	310,706.25	-
06/15/2016	875,000	**	310,706.25	1,185,706.25	1,496,412.50
12/15/2016	-	-	291,956.25	291,956.25	-
06/15/2017	1,000,000	5.000%	291,956.25	1,291,956.25	1,583,912.50
12/15/2017	-	-	266,956.25	266,956.25	-
06/15/2018	1,040,000	5.000%	266,956.25	1,306,956.25	1,573,912.50
12/15/2018	-	-	240,956.25	240,956.25	-
06/15/2019	1,130,000	5.000%	240,956.25	1,370,956.25	1,611,912.50
12/15/2019	-	-	212,706.25	212,706.25	-
06/15/2020	1,255,000	**	212,706.25	1,467,706.25	1,680,412.50
12/15/2020	-	-	181,968.75	181,968.75	-
06/15/2021	1,330,000	5.000%	181,968.75	1,511,968.75	1,693,937.50
12/15/2021	-	-	148,718.75	148,718.75	-
06/15/2022	1,440,000	5.000%	148,718.75	1,588,718.75	1,737,437.50
12/15/2022	-	-	112,718.75	112,718.75	-
06/15/2023	1,555,000	5.000%	112,718.75	1,667,718.75	1,780,437.50
12/15/2023	-	-	73,843.75	73,843.75	-
06/15/2024	1,680,000	4.250%	73,843.75	1,753,843.75	1,827,687.50
12/15/2024	-	-	38,143.75	38,143.75	-
06/15/2025	1,795,000	4.250%	38,143.75	1,833,143.75	1,871,287.50
	18,500,000		11,333,475.43	29,833,475.43	29,833,475.43

SOURCES AND USES OF FUNDS

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Dated Date	05/25/2005
Delivery Date	05/25/2005

Sources:	
Bond Proceeds:	
Par Amount	18,500,000.00
Net Premium	643,565.45
	19,143,565.45

Uses:		
Project Fund Deposits:		
Project		18,959,817.10
Delivery Date Expenses:		
Cost of Issuance	38,550.00	
Underwriter's Discount	98,815.00	
Oregon School Bond Guaranty	3,083.35	
Bond Insurance MBIA @ 14.5 bps	43,300.00	
		183,748.35
		19,143,565.45

COST OF ISSUANCE

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Cost of Issuance	$/1000	Amount
Bond Counsel	0.97297	18,000.00
Moody's Rating Fee	0.57297	10,600.00
Paying Agent (Initial)	0.01351	250.00
Paying Agent (One-time)	0.36216	6,700.00
OS Printing & Mailing (Est.)	0.08108	1,500.00
Financial Advisor	0.08108	1,500.00
	2.08378	38,550.00

UNDERWRITER'S DISCOUNT

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Underwriter's Discount	$/1000	Amount
Average Takedown	3.75000	69,375.00
Management Fee	1.35135	25,000.00
Expenses	0.24000	4,440.00
	5.34135	98,815.00

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Date	Debt Service	Present Value to 05/25/2005 @ 4.1164886%
12/15/2005	455,440.97	445,246.88
06/15/2006	644,896.88	617,747.46
12/15/2006	406,371.88	381,413.66
06/15/2007	756,371.88	695,600.49
12/15/2007	400,684.38	361,059.54
06/15/2008	795,684.38	702,536.92
12/15/2008	394,265.63	341,090.13
06/15/2009	869,265.63	736,859.43
12/15/2009	385,953.13	320,566.85
06/15/2010	910,953.13	741,364.83
12/15/2010	376,765.63	300,440.96
06/15/2011	941,765.63	735,838.66
12/15/2011	366,878.13	280,875.26
06/15/2012	991,878.13	744,049.61
12/15/2012	355,159.38	261,047.04
06/15/2013	1,035,159.38	745,511.96
12/15/2013	342,409.38	241,626.72
06/15/2014	1,082,409.38	748,415.46
12/15/2014	326,906.25	221,475.83
06/15/2015	10,136,906.25	6,729,153.73
12/15/2015	86,343.75	56,161.39
06/15/2016	711,343.75	453,354.94
12/15/2016	73,843.75	46,113.12
06/15/2017	73,843.75	45,183.14
12/15/2017	73,843.75	44,271.91
06/15/2018	73,843.75	43,379.07
12/15/2018	73,843.75	42,504.23
06/15/2019	73,843.75	41,647.03
12/15/2019	73,843.75	40,807.12
06/15/2020	73,843.75	39,984.15
12/15/2020	73,843.75	39,177.77
06/15/2021	73,843.75	38,387.66
12/15/2021	73,843.75	37,613.48
06/15/2022	73,843.75	36,854.92
12/15/2022	73,843.75	36,111.65
06/15/2023	73,843.75	35,383.38
12/15/2023	73,843.75	34,669.79
06/15/2024	1,753,843.75	806,826.67
12/15/2024	38,143.75	17,193.51
06/15/2025	1,833,143.75	809,635.76
	27,506,600.43	19,097,182.10

Proceeds Summary

Delivery date	05/25/2005
Par Value	18,500,000.00
Premium (Discount)	643,565.45
Arbitrage expenses	-46,383.35

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Proceeds Summary

Target for yield calculation	19,097,182.10

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Call Date	Call Price	Net Present Value (NPV) to 05/25/2005 @ 4.1164886%
2016A	06/15/2016	06/15/2015	100.000	-4,657.24
SERIAL2	06/15/2017	06/15/2015	100.000	-13,428.95
SERIAL2	06/15/2018	06/15/2015	100.000	-9,483.71
SERIAL2	06/15/2019	06/15/2015	100.000	-6,417.21
2020A	06/15/2020	06/15/2015	100.000	-1,408.95
2020B	06/15/2020	06/15/2015	100.000	-348.93
SERIAL3	06/15/2021	06/15/2015	100.000	4,922.40
SERIAL3	06/15/2022	06/15/2015	100.000	11,420.71
SERIAL3	06/15/2023	06/15/2015	100.000	18,879.33

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Call Date	Call Price	Net Present Value (NPV) to 05/25/2005 @ 4.1164886%	Increase to NPV
2016A	06/15/2016	-	-	-3,235.05	1,422.19
SERIAL2	06/15/2017	-	-	-2,278.57	11,150.38
SERIAL2	06/15/2018	-	-	7,565.97	17,049.68
SERIAL2	06/15/2019	-	-	17,796.55	24,213.76
2020A	06/15/2020	-	-	24,852.34	26,261.29
2020B	06/15/2020	-	-	2,557.92	2,906.85
SERIAL3	06/15/2021	-	-	46,021.37	41,098.97
SERIAL3	06/15/2022	-	-	62,333.94	50,913.23
SERIAL3	06/15/2023	-	-	80,509.36	61,630.03

FORM 8038 STATISTICS

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

Dated Date 05/25/2005
Delivery Date 05/25/2005

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial 2006-2013:						
	06/15/2006	235,000.00	3.000%	100.257	235,603.95	235,000.00
	06/15/2007	350,000.00	3.250%	100.632	352,212.00	350,000.00
	06/15/2008	395,000.00	3.250%	100.549	397,168.55	395,000.00
	06/15/2009	475,000.00	3.500%	101.321	481,274.75	475,000.00
	06/15/2010	525,000.00	3.500%	101.062	530,575.50	525,000.00
	06/15/2011	565,000.00	3.500%	100.541	568,056.65	565,000.00
	06/15/2012	625,000.00	3.750%	101.486	634,287.50	625,000.00
	06/15/2013	680,000.00	3.750%	100.830	685,644.00	680,000.00
Serial 2014 A:						
	06/15/2014	225,000.00	4.625%	106.822	240,349.50	225,000.00
Serial 2014 B:						
	06/15/2014	515,000.00	4.000%	102.056	525,588.40	515,000.00
Serial 2015:						
	06/15/2015	810,000.00	4.000%	101.489	822,060.90	810,000.00
Serial 2016 A:						
	06/15/2016	250,000.00	5.000%	109.075	272,687.50	250,000.00
Serial 2016 B:						
	06/15/2016	625,000.00	4.000%	100.823	630,143.75	625,000.00
Serial 2017-2019:						
	06/15/2017	1,000,000.00	5.000%	108.555	1,085,550.00	1,000,000.00
	06/15/2018	1,040,000.00	5.000%	108.124	1,124,489.60	1,040,000.00
	06/15/2019	1,130,000.00	5.000%	107.780	1,217,914.00	1,130,000.00
Serial 2020 A:						
	06/15/2020	1,000,000.00	5.000%	107.353	1,073,530.00	1,000,000.00
Serial 2020 B:						
	06/15/2020	255,000.00	4.500%	103.266	263,328.30	255,000.00
Serial 2021-2023:						
	06/15/2021	1,330,000.00	5.000%	106.842	1,420,998.60	1,330,000.00
	06/15/2022	1,440,000.00	5.000%	106.419	1,532,433.60	1,440,000.00
	06/15/2023	1,555,000.00	5.000%	105.998	1,648,268.90	1,555,000.00
Term Bond:						
	06/15/2024	1,680,000.00	4.250%	97.882	1,644,417.60	1,680,000.00
	06/15/2025	1,795,000.00	4.250%	97.882	1,756,981.90	1,795,000.00
		18,500,000.00			19,143,565.45	18,500,000.00

FORM 8038 STATISTICS

Columbia Gorge Community College District
General Obligation Bonds, Series 2005
Final Pricing Numbers - May 11, 2005

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield	Net Interest Cost
Final Maturity	06/15/2025	4.250%	1,756,981.90	1,795,000.00	-	-	-
Entire Issue	-	-	19,143,565.45	18,500,000.00	13.3591	4.1165%	4.1800%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	137,365.00
Proceeds used for credit enhancement	46,383.35
Proceeds allocated to reasonably required reserve or replacement fund	0.00

Form **8038-G** (Rev. November 2000) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate Instructions.

Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ▶ ☐

1 Issuer's name: Columbia Gorge Community College District	2 Issuer's employer identification number: 93 : 0700843
3 Number and street (or P.O. box if mail is not delivered to street address): 400 East Scenic Drive	Room/suite: — 4 Report number: 3 01
5 City, town, or post office, state, and ZIP code: The Dalles, Oregon 97058-3434	6 Date of issue: May 25, 2005
7 Name of issue: General Obligation Bonds, Series 2005	8 CUSIP number: 197659 CB9
9 Name and title of officer or legal representative whom the IRS may call for more information: James P. Shannon, Bond Counsel	10 Telephone number of officer or legal representative: (503) 226-6400

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11	☑ Education	11	19,143,565
12	☐ Health and hospital	12	
13	☐ Transportation	13	
14	☐ Public safety	14	
15	☐ Environment (including sewage bonds)	15	
16	☐ Housing	16	
17	☐ Utilities	17	
18	☐ Other. Describe ▶	18	
19	If obligations are TANs or RANs, check box ▶ ☐ If obligations are BANs, check box ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	6/15/2025	$ 19,143,565	$ 18,500,000	13.3591 years	4.1165 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	-0-
23	Issue price of entire issue (enter amount from line 21, column (b))			23	19,143,565
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	137,365		
25	Proceeds used for credit enhancement	25	46,383		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	-0-		
27	Proceeds used to currently refund prior issues	27	-0-		
28	Proceeds used to advance refund prior issues	28	-0-		
29	Total (add lines 24 through 28)			29	183,748
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	18,959,817

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31	Enter the remaining weighted average maturity of the bonds to be currently refunded ▶	N/A years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ▶	N/A years
33	Enter the last date on which the refunded bonds will be called ▶	N/A
34	Enter the date(s) the refunded bonds were issued ▶	N/A

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	N/A
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	N/A
b	Enter the final maturity date of the guaranteed investment contract ▶ ----------		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	N/A
b	If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ ---------- and the date of the issue ▶ N/A		
38	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☐		
39	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐		
40	If the issuer has identified a hedge, check box ▶ ☐		

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Saundra Buchanan — Signature of issuer's authorized representative

5/25/05 — Date

Saundra Buchanan, Chief Financial Officer — Type or print name and title

SEATTLE-NORTHWEST
SECURITIES CORPORATION

1000 Southwest Broadway
Suite 1800
Portland, Oregon 97205
(503) 275-8300

Closing Memorandum – Includes Wire Confirmations as of May 25, 2005

Re: Columbia Gorge Community College
Hood River and Wasco Counties, Oregon
$18,500,000 General Obligation Bonds, Series 2005
Dated Date: May 25, 2005

From: Javier Fernandez, Assistant Vice President
Seattle-Northwest Securities Corporation

Date: May 13, 2005

Tax Identification Number

93-0700843

Closing

Closing will occur at 8:30 a.m., Wednesday, May 25, 2005 in the offices of Mersereau & Shannon, LLP, One S.W. Columbia Street, Suite 1600, in Portland, Oregon.

Calculation of Funds

The following is a summary of the sources of funds for the 2005 Obligations and how those funds are to be applied by the College.

Sources of Funds

Total source of funds for the transaction is **$19,143,565.45** calculated as follows:

Principal Amount	$	18,500,000.00
Plus: Net Original Issue Premium		643,565.45
Total Sources of Funds (as shown as "Production" in the Bond Pricing Report)	**$**	**19,143,565.45**

Seattle-Northwest Securities Corporation will pay a net purchase price of **$19,044,750.45** on May 25, 2005, calculated as follows:

Total sources of funds	$	19,143,565.45
Less: Underwriter's Discount		(98,815.00)
Net Purchase Price Paid by Seattle-Northwest	**$**	**19,044,750.45**

Application of Funds

The total of **$19,044,750.45** will be applied as follows:

Available for project	$	18,959,817.10
Estimated Costs of Issuance distributed to the College (see Exhibit A)		23,633.35
Total Funds distributed to the College	$	18,983,450.45
Distributed to Bond Counsel per College's request		18,000.00
Bond Insurance Premium (MBIA Insurance Corporation)		43,300.00
Total Distribution of Funds	**$**	**19,044,750.45**

Funds Transfers

Seattle-Northwest Securities Corporation will initiate the following wire transactions:

Proceeds to the College

Transfer Amount:	**$18,983,450.45** (Federal Funds; wire #1896)
To:	U.S. Bank, N.A.
ABA Number:	123000220
Account Name:	Columbia Gorge Community College
Account Number:	153695025442
Reference:	G.O. Bonds, Series 2005
Contact:	Cyndi Husebye at 503-401-7346; Wire Room (888) 799-4737, ext. 3; Brian confirmed receipt @ 6:59 a.m.

Proceeds to Bond Counsel

Transfer Amount:	**$18,000.00** (Federal Funds; wire #2024)
To:	Bank of America
ABA Number:	026 009 593
Account Name:	Mersereau & Shannon LLP
Account Number:	002109413151
Reference:	Columbia Gorge Community College
Contact:	Wire room (503) 275-1777

Proceeds to the Bond Insurer

Transfer Amount:	**$43,300.00** (Federal Funds; wire #2025)
To:	JP Morgan Chase Bank
ABA Number:	021 000 021
Account Name:	MBIA Insurance Corporation
Account Number:	910-2-721728
Insurance Policy:	46276
Reference:	Columbia Gorge Community College, G.O. Bonds, Series 2005
Attention:	Clifford Pritchard, (914) 765-3056; provided wire # @ 7:01 a.m.; Cliff is ready to release.

If you have questions, please call either of us at (503) 275-8300.

Attachment: Exhibit A

cc:

Dr. Frank K. Toda, Columbia Gorge Community College
Ms. Saundra Buchanan, Columbia Gorge Comm. College
Mr. James P. Shannon, Mersereau & Shannon, LLP
Ms. Pearl Petredis, Mersereau & Shannon, LLP
Ms. Cheryl K. Nelson, U.S. Bank, N.A.
Ms. Rebecca M. Chao, Regional Financial Advisors
Mr. Clifford Pritchard, MBIA Insurance Corporation
Ms. Susan Vucinich, Seattle-Northwest Securities Corp.
Ms. Laura Westphal, Seattle-Northwest Securities Corp.
Ms. Joan Roddy, Seattle-Northwest Securities Corp.
Ms. Dorothy Michak, Seattle-Northwest Securities Corp.
Ms. Cynthia Christensen, Seattle-Northwest Securities
Ms. Carol Samuels, Seattle-Northwest Securities Corp.

EXHIBIT A

Columbia Gorge Community College
Hood River and Wasco Counties, Oregon

General Obligation Bonds, Series 2005

Estimated issuance expenses to be paid by the College:

Description	Payee	Total
Rating Fees	Moody's Investors Service	$ 10,600.00
Paying Agent	U.S. Bank, National Association	6,950.00
State Bond Guaranty (1)	Oregon State Treasury, Debt Management Division	100.00
State Bond Guaranty (2)	Oregon State Treasury, Debt Management Division	2,983.35
Financial Advisor	Regional Financial Advisors	1,500.00
Official Statement Printing & Mailing reimbursement (3)	Seattle-Northwest Securities Corporation	1,500.00
Total Costs of Issuance to be billed to the College		23,633.35
Bond Counsel (4)	Mersereau & Shannon, LLP	18,000.00
Bond Insurance (4)	MBIA Insurance Corporation	43,300.00
Total Costs of Issuance		$ 84,933.35

(1) Previously paid by the College.
(2) The College is responsible for paying this amount to the Oregon Treasury within 10 days of closing. For additional information, contact:

Dawn Feldman
Oregon State Treasury
Debt Management Division
350 Winter Street NE, Suite 100
Salem, Oregon 97310
Ph: (503) 378-4930

(3) Estimate may vary from actual billing.
(4) Payment made from Bond Proceeds via wire transfer prior to Closing.

Board Resolution

RESOLUTION AUTHORIZING COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT TO SUBMIT MEASURE TO VOTERS AT THE NOVEMBER 2, 2004 ELECTION THAT AUTHORIZES THE COLLEGE TO ISSUE GENERAL OBLIGATION BONDS FOR CAMPUS IMPROVEMENTS AND CONSTRUCTION OF NEW INSTRUCTIONAL BUILDINGS AT THE DALLES CAMPUS AND IN HOOD RIVER COUNTY.

WHEREAS, the Board of Directors of Columbia Gorge Community College finds that it is necessary to construct new classroom buildings and renovate existing facilities in order to meet the demand for high quality job training, college transfer and adult basic education programs to residents of the district; and

WHEREAS, The Board has determined that the district cannot meet the continuing demand for skilled and trained nurses and other health care workers without expanding and improving its science and technology classrooms; and

WHEREAS, The Board has determined that it is imperative that condemned and unsafe buildings on The Dalles campus be removed to ensure the health and safety of students attending classes there; and

WHEREAS, the Board knows that the bond measure will protect the taxpayers' investment in the college by repairing and maintaining the existing buildings and making the campus safe; and

WHEREAS, the bond measure will enable the college to tap into available state and federal matching funds; and

WHEREAS, the Board recognizes that delay in issuing bonds will result in further deterioration of existing facilities and loss of educational services to residents of Hood River and Wasco Counties, and

WHEREAS, the Board has determined that low interest rates, combined with retiring bonded indebtedness from other taxing entities in Wasco County, make this year an excellent opportunity to invest in the college and to lessen the tax impact on property owners in the district;

THEREFORE, BE IT RESOLVED

That the Board of Directors submits to qualified voters of the District the question of contracting general obligation bonded indebtedness not to exceed $18.5 million. The bonds will mature in 21 years or less. The proceeds of the sale of the bonds will be used to construct a new health science and nurse training classroom building at The Dalles campus, build an educational center in Hood River County, improve technology and safety of existing campus buildings and grounds, remove condemned and unsafe buildings, equip, furnish and pay for related capital expenses and improve district facilities, pay for the cost of issuing the bonds and all other related costs.

The election shall be held at the regular General Election November 2, 2004.
BE IT FURTHER RESOLVED THAT

The Board approves the ballot title and explanatory statement attached to the resolution, and directs the President to deliver the appropriate measure notice and explanatory statement to the Elections Officer of Wasco County, Oregon no later than September 2, 2004.

ADOPTED by the Board of Directors of Columbia Gorge Community College on August 10, 2004.

CGCC Explanatory Statement (500 words)

Columbia Gorge Community College is the only LOCAL resource for job training, college transfer, adult basic education and advanced placement for high school students.

- Since 1977 Columbia Gorge Community College has provided pathways to better jobs and higher education for thousands of Gorge residents.
- Enrollment in CGCC has grown by 50 percent since 1994 when the main campus moved to its current location.
- In 2000, the college expanded its services to Hood River County residents. Many more adults and high school age students began enrolling in training and education programs as well as advanced placement courses.
- Residents who want to take college transfer classes can save money by attending CGCC for the first two years and then transferring to a four-year college. CGCC offers 20 different credit programs leading to associate of arts, associate of science degrees, associate of applied science degrees and one year certificates.
- Adults who have not completed high school can get the skills they need by taking college and job training courses through CGCC.

Columbia Gorge Community College offers job training for careers in nursing, electronic engineering technology and other fields that meet community needs.

- The College's four-year old nursing program has graduated highly skilled registered nurses who now work in our local hospitals and health care centers. The need for skilled health care workers and nurses is growing, and the college is working closely with area hospitals to keep our program strong.
- The Electronic Engineering Technology program grew out of a partnership with Intel, the US Army Corps of Engineers and Bonneville Power Administration.
- The Port of Hood River is a key partner in making the College's Hood River Center available to local residents.

The Columbia Gorge Community College Bond Measure will improve higher education and job training services to local Gorge residents.

- The bond will help pay for a larger, up-to-date nursing and health science training facility so that the college can educate more people to work in our local hospitals.
- The bond will fund much-needed technology, classroom and library improvements so that students train on modern equipment for good jobs in the community.
- In recent years, the main campus has been stretched to the limit. Older buildings on the campus have deteriorated to a point of being hazardous. The bond will make the main campus safe and bring existing buildings and grounds into a safer and better condition.
- The bond will provide funds to establish a facility in Hood River for higher education, adult basic education, job training and advanced placement courses for high school students.

Protect the community's investment in Columbia Gorge Community College.

NOTICE OF MEASURE ELECTION:
Columbia Gorge Community College District
Hood River County and Wasco County, Oregon

NOTICE IS HEREBY GIVEN that on November 2, 2004, an election will be held within the boundaries of the Columbia Gorge Community College District, Hood River County and Wasco County, Oregon. The following question will be submitted to the qualified voters thereof:

CAPTION: General Obligation Bonds for Classroom Buildings and Technology Improvements.

QUESTION: Shall the college be authorized to issue general obligation bonds for health science training and classroom facilities, not exceeding $18.5 million? If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of Sections 11 and 11b, Article XI of the Oregon Constitution.

SUMMARY: If approved, this measure will provide the college with funds to improve job training programs and expand higher educational offerings to area residents. Projects will include:

- Constructing a new nurse training and health sciences building;
- Adding classrooms and labs, upgrading the library and modernizing instructional technology for college transfer, basic skills and workforce training programs;
- Renovating leaking roofs and making other improvements to address environmental, fire and safety concerns and to prolong building life;
- Restoring existing campus buildings and grounds to a safe and sound condition;
- Removing condemned and unusable buildings;
- Purchasing property in Hood River County for classrooms and labs to provide job training, college transfer, and adult basic education programs, as well as expanding opportunities for high school students;

Bonds will not exceed $18.5 million, and will include bond issuance costs. The bonds may be issued in one or more series and will mature in 21 years or less from date of issuance.

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- Since 1977 Columbia Gorge Community College has provided pathways to better jobs and higher education for thousands of Gorge residents.
- Enrollment in CGCC has grown by 50 percent since 1994 when the main campus moved to its current location.
- In 2000, the college expanded its services to Hood River County residents. Many more adults and high school age students began enrolling in training and education programs as well as advanced placement courses.
- Residents who want to take college transfer classes can save money by attending CGCC for the first two years and then transferring to a four-year college. CGCC offers 20 different credit programs leading to associate of arts, associate of science degrees, associate of applied science degrees and one year certificates.
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- The College's four-year old nursing program has graduated highly skilled registered nurses who now work in our local hospitals and health care centers. The need for skilled health care workers and nurses is growing, and the college is working closely with area hospitals to keep our program strong.
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- The bond will provide funds to establish a facility in Hood River for higher education, adult basic education, job training and advanced placement courses for high school students.

Protect the community's investment in Columbia Gorge Community College.

COLUMBIA GORGE COMMUNITY COLLEGE

400 EAST SCENIC DRIVE
THE DALLES, OREGON 97058
(541) 296-6182 • FAX (541) 298-3104

MINUTES
BOARD OF EDUCATION MEETING
Tuesday, August 10, 2004
7:00 P.M.

ATTENDANCE:

Dave Fenwick	Saundra Buchanan	Stephanie Meagher
Charleen Cobb	Dennis Whitehouse	Dan Spatz
Dr. Frank Toda	Dr. Hyacinth Williams	
Mike Schend	Bob Cole	
Christie Reed	Karen Carter	
Dr. James Willcox	Dr. P.K. Swartz	
M.D. Van Valkenburgh	Bill Bohn	

CALL TO ORDER:

Mike Schend called the meeting to order at 7:03 p.m.

1.0 APPROVAL OF MINUTES

The minutes of the July 13, 2004 work session and board meeting were approved.

2.0 VISITORS

None

3.0 INTRODUCTIONS

3.1 New Personnel

Dr. Toda introduced the new Dean of Instruction, Dr. Susan J. Wolff. Dr. Wolff introduced two of her new instructional directors, Ms. Marilyn McGuire-Sessions, Director of Nursing and Health Occupations and Dr. Hyacinth Williams, Director of Math, Science, Business and Technology.

4.0 BUSINESS ITEMS

4.1 Technology Center Resolution

MOTION #1 - APPROVED

Dr. James Willcox **moved that the CGCC Board of Directors, in recognition of Congressman Greg Walden's contributions and support to the Columbia Gorge Community and to Columbia Gorge Community College, resolves that the new technology**

center being opened at the CGCC Hood River site shall be named, The Greg Walden Technology Center. Christie Reed seconded. Motion passed unanimously.

4.2 Bond Campaign

4.2.1 Ballot Title

Bob brought the board resolution, notice of measure election and explanatory statement to the board for their approval.

MOTION #2 – APPROVED

Christie Reed moved **to approve the ballot title and explanatory statement attached to the resolution, and directs the President to deliver the appropriate measure notice and explanatory statement to the Elections Officer of Wasco County, Oregon no later than September 2, 2004.** Charleen Cobb seconded. Motion was tabled for discussion after the executive session.

4.2.2 Campaign Strategies

Bob Cole advised of the activities that will be taking place for the bond, including letter writing campaign, yard signs, postcards, etc. The college was able to borrow 157 yard signs from OCCC to encourage a positive vote for the bond. Bob is also working on building the Yes Campaign although no fundraising can begin until the board approves the ballot title. The committee has started meeting to develop strategies and identify members. The informational campaign will work on the advice of the campaign manager.

Bob updated the board on the retention of Jan Coulton as the Campaign Manager. Jan has attended 2 meetings of the campaign committee and is working closely with Bob.

4.2.3 Board Involvement

Bob and Mike Schend discussed committees and areas where the board can be involved with the bond. Mike asked each board member to indicate in which area they would like to serve.

5.0 REPORT ITEMS

5.1 Instructional Update

Dr. Susan Wolff, Dean of Instruction, gave a brief instructional services update to the board. She shared some of her goals for her first year.

5.2 Hood River Center Update
Dennis Whitehouse, Director of Campus Services, updated the board on the progress of the Hood River Center. Dennis also advised the board of the change to the smoking areas at the college. The new smoking area will be in cards or the parking lot only.

5.3 Student Profile
Karen Carter, Dean of Students, presented the board with the 2003-2004 Student Profile.

5.4 Critical Dates
Dr. Toda reviewed upcoming critical dates and critical activities.

6.0 EXECUTIVE SESSION

The board moved into executive session at 8:30 p.m.
The board moved out of executive session at 9:19 p.m.

Dr. James Willcox moved **to adopt the bond resolution as previously presented**. M.D. Van Valkenburgh seconded. The motion passed unanimously.

7.0 ADJOURNMENT

Mike Schend adjourned the meeting at 9:20 p.m.

Stephanie Meagher

As recorded by Stephanie Meagher, Assistant to the Board

A RESOLUTION OF THE BOARD OF EDUCATION OF COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT, HOOD RIVER & WASCO COUNTIES, OREGON CANVASSING THE MEASURE ABSTRACTS, DETERMINING AND DECLARING THE RESULTS OF THE ELECTION

WHEREAS, the Board of Education of Columbia Gorge Community College District, Hood River & Wasco Counties, Oregon (the "District") submitted to the electors of the District at an election on November 2, 2004 a general obligation bond measure (the "Measure") in the principal amount not to exceed $18,500,000 to acquire land and make improvements to the facilities of the District, all as described in the ballot title for the Measure; and

WHEREAS, the Board of Education of Columbia Gorge Community College District has canvassed the abstracts of Measure 33-43 and determines the results of the election to be:

	Yes	% Yes	No	% No	Total	Total %
Wasco County	6,984	61%	4,404	39%	11,388	56%
Hood River County	5,085	57%	3,851	43%	8,936	44%
Total District	12,069	59%	8,255	41%	20,324	100%

WHEREAS, the Board of Education of Columbia Gorge Community College District has declared that the electors of the District voting on the Measure approved of the issuance of general obligation bonds in the principal amount not to exceed $18,500,000; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Education of the District approves the official abstracts of Hood River and Wasco Counties.

12-7-04

SEL 803
REV 8/00

33-43

NOTICE OF DISTRICT MEASURE ELECTION

ORS 250.035
ORS 250.041
ORS 255.145
ORS 255.345

FILED
WASCO COUNTY

2004 AUG 13 P 2:52

KAREN LEBRETON COATS
COUNTY CLERK

Columbia Gorge Community College
(Name of District)

Notice is hereby given that on November 2, 2004
(Date of Election)

A measure election will be held in Wasco and Hood River Counties, Oregon.
(Name of County or Counties)

The following shall be the ballot title of the measure to be submitted to the district's voters on this date:

CAPTION (10 Words)

General Obligation Bonds for Classroom Buildings and Technology Improvements.

QUESTION (20 Words)

Shall the district be authorized to issue general obligations bonds for health science training and classroom facilities, not exceeding $18.5 million? If the bonds are approved, they will be payable from taxes on property or roperty ownership that are not subject to the limits of Sections 11 and 11b, Article XI of the Oregon Constitution.

SUMMARY (175 Words)

If approved, this measure will provide Columbia Gorge Community College with funds to improve job training programs and expand higher educational offerings to area residents. Projects will include:

- Constructing a new nurse training and health sciences building;
- Adding classrooms and labs, upgrading the library and modernizing instructional technology for college transfer, basic skills and workforce training programs;
- Renovating leaking roofs and making other improvements to address environmental, fire and safety concerns and to prolong building life;
- Restoring existing campus buildings and grounds to a safe and sound condition;
- Removing condemned and unusable buildings;
- Purchasing property in Hood River County for classrooms and labs to provide job training, college transfer, and adult basic education programs, as well as expanding opportunities for high school students;

Bonds will not exceed $18.5 Million, and will include bond issuance costs. The bonds may be issued in one or more series and will mature in 21 years or less from date of issuance.

The following authorized district official hereby certifies the above ballot title is true and complete.

Signature of authorized district official (not required to be notarized)

August 12, 2004
Date signed

Dr. Frank Toda
Printed name of authorized district official

President
Title

I 1601 7¼" 38.18

NOTICE OF DISTRICT MEASURE ELECTION

Columbia Gorge Community College

Notice is hereby given that on November 2, 2004, a measure election will be held in Wasco and Hood River Counties, Oregon.

The following shall be the ballot title of the measure to be submitted to the district's voters on this date:

CAPTION: General obligation Bonds for Classroom, Buildings and Technology Improvements

QUESTION: Shall the district be authorized to issue general obligations bonds for health science training and classroom facilities, not exceeding $18.5 million? If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of Sections 11 and 11b, Article XI of the Oregon Constitution.

SUMMARY:

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The following authorized district official hereby certifies the above ballot title is true and complete.

Dr. Frank Toda, President, August 12, 2004

Aug. 24

#1601

Affidavit of Publication

E OF OREGON, {SS

ty of Wasco

ilia Fix, being first duly sworn, depose and say that I am the principal clerk publisher of The Dalles Chronicle, a newspaper of general circulation shed at Hood River, Oregon, in the aforesaid county and state; that I know my personal knowledge that the Measure Election a printed copy of which is annexed, was published in the entire issue of said newspaper for 1 time(s) following issues:

st 24, 2004

Cecilia Fix

ribed and sworn to before me this 31st day of August 2004

AL SEAL
A DELCO
BLIC-OREGON
N NO. 362436
S OCTOBER 27, 2006

Virginia Delco

Notary Public for Oregon

#1602 8" 4072

ffidavit of Publication

TE OF OREGON, { SS
nty of Wasco

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ust 24, 2004

Cecilia Fix

cribed and sworn to before me this 31st day of August 2004

Virginia Delco
Notary Public for Oregon

OFFICIAL SEAL
VIRGINIA DELCO
NOTARY PUBLIC-OREGON
COMMISSION NO. 362436
Y COMMISSION EXPIRES OCTOBER 27, 2006

NOTICE OF RECEIPT OF BALLOT TITLE

AUGUST 20, 2004

THE BALLOT MEASURE PRINTED BELOW WILL BE PRESENTED TO THE QUALIFIED VOTERS OF COLUMBIA GORGE COMMUNITY COLLEGE AT THE GENERAL ELECTION TO BE HELD ON NOVEMBER 2, 2004. THE ELECTION WILL BE CONDUCTED BY MAIL. ANY ELECTOR DISSATISFIED WITH THE BALLOT TITLE MAY PETITION THE WASCO COUNTY CIRCUIT COURT FOR REVIEW OF THE BALLOT TITLE BEFORE AUGUST 24, 2004. THE CHALLENGER MUST NOTIFY THE WASCO COUNTY ELECTIONS OFFICE.

CAPTION: General Obligation Bonds for Classroom, Buildings, and Technology Improvements.

QUESTION: Shall the district be authorized to issue general obligations bonds for health science training and classroom facilities, not exceeding $18.5 million? If the bonds are approved, they will be payable from taxes on property or property ownership that are not subject to the limits of Sections 11 and 11b, Article XI of the Oregon Constitution.

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KAREN R. LEBRETON COATS
WASCO COUNTY CLERK
Aug 24
#1602

37 GOV'T PAY REDUCE PROP VALUE
(Elect 1)

YES	7307	60.18%
NO	4191	34.52%
Total Votes Cast	12140	
Number Under Votes	614	5.05%
Number Over Votes	28	.23%

38 ABOLISHES SAIF
(Elect 1)

YES	4245	34.96%
NO	7127	58.70%
Total Votes Cast	12140	
Number Under Votes	749	6.16%
Number Over Votes	19	.15%

33-43 CGCC GEN OBLIGATION BONDS
(Elect 1)

YES	6984	58.20%
NO	4404	36.70%
Total Votes Cast	12000	
Number Under Votes	604	5.03%
Number Over Votes	8	. 6%

TOTAL BALLOTS CAST	12140
TOTAL TYPE 1 BALLOTS	12140

49 09:46:46 11/10/04 Grand Total - Off
49 09:47:26 11/10/04 Status Report - On

49 09:47:26 11/10/04 Print Button

SED Form
ɔ. 155

STATE OF OREGON

ABSTRACT OF VOTES FOR GENERAL, PRIMARY AND SPECIAL ELECTIONS

OFFICE OR MEASURE
Columbia Gorge
Community College
General Obligation Bond

Separate sheets for Democratic, Republican, Nonpartisan, other candidates.

Separate Sheets for 1. President Vice-President; 2. National committeeperson; 3. Delegates at Large; 4. Delegates - Districts; 5. U. S. Senator & Congressperson; 6. State Offices; 7. Judicial Offices; 8. State Senators; 9. State Represent; 10. Others

HOOD RIVER COUNTY
General Election
November 2, 2004

CANDIDATE OR MEASURE	NAME OR NUMBER OF PRECINCT 1	2	3	4	5	6	7	8	9	10	11	12	13	Total
yes	742	714	357	809	409	410	275	274	84	307	394		310	5085
no	379	459	183	533	398	297	298	216	73	307	353		355	3851
under votes	79	78	31	57	36	35	21	34	8	25	30		35	469
over votes	0	0	0	0	0	0	0	0	0	0	0		0	0
total votes cast	1200	1251	571	1399	843	742	594	524	165	639	777	0	700	9405

I certify the votes recorded on this abstract correctly summarizethe tally of votes cast at the election indicated.

Sandra E Berry
Sandra E Berry, Dir Records/Assessment/

DATE OF ABSTRACT
11/22/2004

Certified to be a true and correct copy of the ORIGINAL.
Dept. of Records & Assessment
by SB ; Deputy