

COLUMBIA GORGE COMMUNITY COLLEGE

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

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YEAR ENDED JUNE 30, 2024**

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INTRODUCTORY SECTION

**COLUMBIA GORGE COMMUNITY COLLEGE
PRINCIPAL OFFICIALS AND ADMINISTRATION
JUNE 30, 2024**

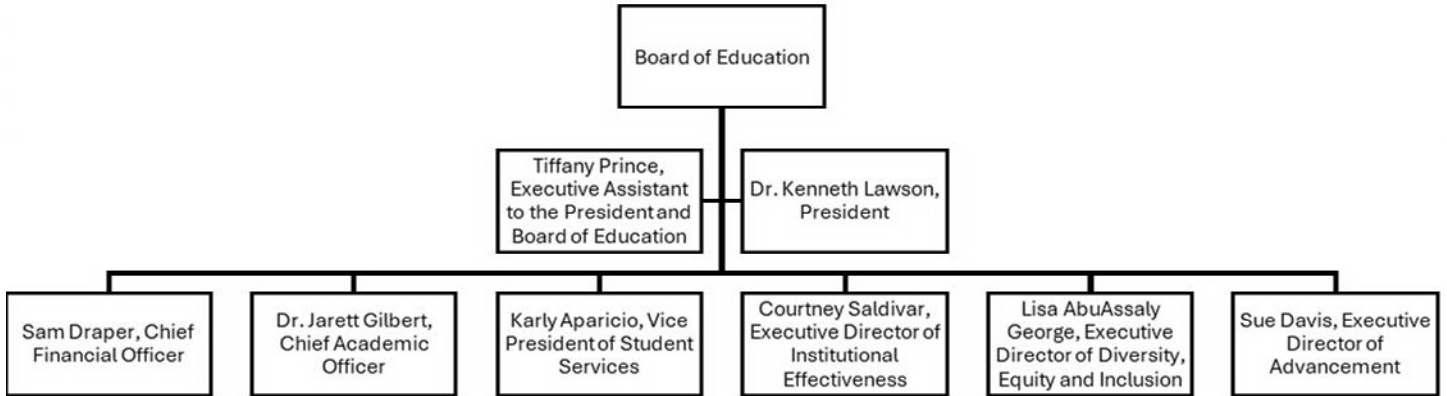
PRINCIPAL OFFICIALS

Position #	Name	County	Term Ending
1	Nathanael Stice Board Member	Wasco	June 30, 2029
2	Darcy Long Board Member	Wasco	June 30, 2029
3	Time Arbogast Board Member	Hood River	June 30, 2027
4	Laura De La Torre Board Member	Hood River	June 30, 2027
5	Kim Morgan Board Member	Wasco	June 30, 2029
6	OraLee Branch Board Member	Hood River	June 30, 2027
7	Lucille Begay Board Member	Wasco	June 30, 2029

ADMINISTRATION

Dr. Kenneth Lawson, President
Sam Draper, Chief Financial Officer
Dr. Jarett Gilbert, Chief Academic Officer
Karly Aparicio, Vice President of Student Services
Courtney Saldivar, Executive Director of Institutional Effectiveness
Lisa AbuAssaly George, Executive Director of Diversity, Equity and Inclusion
Sue Davis, Executive Director of Advancement
Tiffany Prince, Executive Assistant to the President and Board of Education

**COLUMBIA GORGE COMMUNITY COLLEGE
ORGANIZATION CHART
JUNE 30, 2024**



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Education
Columbia Gorge Community College
The Dalles, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Columbia Gorge Community College (the College), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Columbia Gorge Community College as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Columbia Gorge Community College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Columbia Gorge Community College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of total OPEB liability, schedule of net OPEB asset – RHIA, schedule of College's contributions – RHIA, schedule of the College's proportionate share of the net pension liability – OPERS, and schedule of the College contributions – OPERS on be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Columbia Gorge Community College's basic financial statements. The budgetary information, schedules of revenues, expenditures, and changes in fund balance – budget and actual, and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information referred to above, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

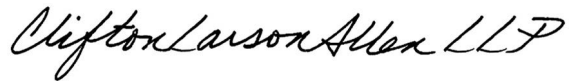
Management is responsible for the other information included in the annual report. The other information comprises the listing of principal officials and administration and the organization chart but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025, on our consideration of Columbia Gorge Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Columbia Gorge Community College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Columbia Gorge Community College's internal control over financial reporting and compliance.

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated September 30, 2025, on our consideration of Columbia Gorge Community College's compliance with certain provisions of laws, regulations, contracts, and grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Minimum Standards for Audits of Oregon Municipal Corporations* in considering Columbia Gorge Community College's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Bellevue, Washington
September 30, 2025



Jean Bushong, CPA
Principal
CPA License #98624
Oregon Municipal License #1662

**COLUMBIA GORGE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

This section of Columbia Gorge Community College's (the College) annual financial report presents a comparative analysis of the financial activities of the College for the fiscal years ended June 30, 2023 and 2024.

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

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

This discussion and analysis is an introduction to the College's basic financial statements, which is comprised of College-wide financial statements prepared in accordance with the accrual basis of accounting and notes to the basic financial statements. This report also includes required and other supplementary information in addition to the basic financial statements.

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

The College has presented its basic financial statements in accordance with the Codification of Governmental Accounting and Financial Reporting Standards (the Codification) Section Co5: Colleges and Universities of the Governmental Accounting Standards Board (GASB).

The College uses an economic resources measurement focus and the accrual basis of accounting. All capital assets, the related accumulated depreciation, and deferred outflows of resources are to be reported in the statement of net position. All outstanding obligations, as well as deferred inflows of resources will reduce net position. Depreciation will be recognized in the statement of revenues, expenses, and changes in net position. All revenues will be recognized in the year in which they are earned. Likewise, expenses will be reported in the year the liability is incurred regardless of when the amount is actually paid. Interest on debt will be accrued on June 30 and recorded as an expense in the statement of revenues, expenses, and changes in net position.

Section Co5 of the Codification applies to public colleges and universities. It stipulates the display and disclosure requirements of the basic financial statements. The financial information is to be presented for the College as a whole, rather than a series of fund types. The display and disclosure requirements are similar to those used by commercial organizations.

**COLUMBIA GORGE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The basic financial statements are comprised of:

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

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

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

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

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

Financial Highlights

Financial highlights for the College for fiscal year ended June 30, 2024, are described below.

- The College's financial position at June 30, 2024 consists of assets of \$49,674,031, deferred outflows of resources of \$2,986,098, liabilities of \$24,070,183, deferred inflows of resources of \$1,230,293, and net position of \$27,359,653, an increase of \$3,343,917, 13.9% from the prior year.
- Total assets increased in 2024 by \$182,503 or 0.37%, primarily due to an increase in current assets (cash and receivables) of \$455,880, increases in the net value of right-to-use assets by \$547,607, and offset by decreases in the value of lease receivables by \$207,378 and net capital assets (primarily as a result of depreciation) by \$651,671.

**COLUMBIA GORGE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

	2024	2023	Increase (Decrease)	Change %
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 7,170,865	\$ 5,132,967	\$ 2,037,898	0.4 %
Other Assets	2,423,385	3,766,537	(1,343,152)	(35.7)
Total Current Assets	9,594,250	8,899,504	694,746	7.8
NONCURRENT ASSETS				
Net OPEB Asset	105,969	67,904	38,065	56.1
Lease Receivable	141,960	588,204	(446,244)	(75.9)
Right-of-Use Assets, Net	646,643	99,036	547,607	552.9
Capital Assets, Net	39,185,209	39,836,880	(651,671)	(1.6)
Total Noncurrent Assets	40,079,781	40,592,024	(512,243)	(1.3)
Total Assets	49,674,031	49,491,528	182,503	0.4
DEFERRED OUTFLOWS OF RESOURCES				
Pension, OPEB, and Refunding	2,986,098	3,297,207	(311,109)	(9.4)
LIABILITIES				
Current Liabilities	6,466,309	6,802,268	(335,959)	(4.9)
Noncurrent Liabilities	17,603,874	18,968,862	(1,364,988)	(7.2)
Total Liabilities	24,070,183	25,771,130	(1,700,947)	(6.6)
DEFERRED INFLOW OF RESOURCES				
Pension, OPEB, and Leases	1,230,293	3,001,869	(1,771,576)	(59.0)
NET POSITION				
Net Investment in Capital Assets	29,806,233	28,174,456	1,631,777	5.8
Restricted for:				
Capital Projects	-	189,839	(189,839)	(100.0)
Unrestricted	(2,446,580)	(4,348,559)	1,901,979	(43.7)
Total Net Position	<u>\$ 27,359,653</u>	<u>\$ 24,015,736</u>	<u>\$ 3,343,917</u>	0.1 %

**COLUMBIA GORGE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Current Assets

Current assets of \$9,594,250 were sufficient to cover current liabilities of \$6,466,309. This represents a current ratio of 1.48 as compared to 1.31 in the prior year. Cash and cash equivalents increased by \$2,037,898 to \$7,170,865 as compared to \$5,132,967 in the prior year primarily due to higher collections on receivables.

Noncurrent Assets

The College's noncurrent assets decreased by \$512,243 to \$40,079,781 due primarily to depreciation of assets and reduction of lease receivables. Detailed changes to capital assets are shown in Note 5 of the Notes to Financial Statements.

Deferred Outflows of Resources

The total deferred outflows of resources decreased by \$311,109 to \$2,986,098 from 2023, a decrease of 9.4%, primarily due to the amortization of certain items related to the pension and other post-employment benefits (OPEB) liabilities, as well as the amortization of the deferred charge on refunding.

Current Liabilities

The College's current liabilities consist primarily of various payables for operations, accrued payroll, taxes, unearned revenue, and the current portion of bonds and notes payable. Current liabilities decreased by \$335,959 to \$6,466,309. This was primarily due to payment and a decrease in the Port of the Dalles Notes Payable balance.

Noncurrent Liabilities

Noncurrent liabilities consist of bonds and notes payable less the current portions of specific obligations, the pre-SLGRP pooled liability, compensated absences, and the net pension and total OPEB liabilities. Noncurrent liabilities decreased by \$1,364,988 to \$17,603,874 due primarily to a change in pension and OPEB liabilities, as well as regular debt service on the bonds.

Deferred inflows of resources have decreased by \$1,771,576 from \$3,001,869 to \$1,230,293. This is mainly due to changes in pension- and OPEB-related deferrals.

Net Position

Total net position increased by \$3,343,917 to \$27,359,653, an increase of 13.9% from the prior year. Within net position, the net investment in capital assets is \$29,806,233, an increase of \$1,631,777 as compared to the prior year due to the reduction of capital related debt. The deficit in unrestricted net position decreased by \$1,901,979 to (\$2,446,580).

**COLUMBIA GORGE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Revenues, expenses, and changes in net position for the years ended June 30, 2024 and 2023:

	2024	2023	Increase (Decrease)	Change %
OPERATING REVENUES	\$ 9,066,344	\$ 10,338,380	\$ (1,272,036)	(12.3)%
OPERATING EXPENSES	19,109,597	18,070,896	1,038,701	5.7
OPERATING LOSS	(10,043,253)	(7,732,516)	(2,310,737)	29.9
NONOPERATING REVENUES, NET	13,387,170	11,646,338	1,740,832	14.9
CHANGES IN NET POSITION	3,343,917	3,913,822	(569,905)	(14.6)
Net Position - Beginning of Year	24,015,736	20,101,914	3,913,822	19.5
NET POSITION - END OF YEAR	<u>\$ 27,359,653</u>	<u>\$ 24,015,736</u>	<u>\$ 3,343,917</u>	0.1 %

Operating Revenues

The sources of operating revenue for the College are tuition and fees, federal, state, and local grants, bookstore sales, and other operating revenue. Tuition and fees, which include amounts paid for educational purposes, increased by \$359,962 or 16.8% to \$2,503,005, which represents 27.6% of operating revenue. Operating revenue from federal grants decreased by 21.3% from \$4,714,102 to \$3,708,377, which represents 40.9% of operating revenue. This is due to the reclassification of specific federal revenue streams being reported in non-operating revenue in the current year. Operating revenue from state and local grants decreased \$869,656 or 28.8% from \$3,021,935 to \$2,152,279, which represents 28.8% of operating revenue. Operating revenues decreased by 12.3% as compared to 2023 primarily due to Federal grants being reported in nonoperating revenue in the current year. This decrease was offset by an increase in tuition and fees and other operating revenue.

Operating Expenses

Operating expenses increased by 5.7% to \$19,109,597 for the 2024 fiscal year. Instruction expenses are the largest percentage of operating expenses at 32.2% of the total. Academic support expenses represent 8.2% of total operating expenses. Institutional support expenses, student services expenses and scholarship expenses represent 18.6%, 8.3% and 12.5% of total operating expenses, respectively. The primary driver for the changes for all categories relate to salaries and benefits that increased by \$1,322,101 during the year.

Nonoperating Revenues (net)

Net nonoperating revenues increased by \$1,740,832 to \$13,387,170, an increase of 14.9% as compared to 2023, primarily due to reclassing certain federal grants to non-operating revenue in the current year. Regular funding from the State Appropriation increased by \$907,973 this year from \$6,014,759 to \$6,922,732.

**COLUMBIA GORGE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Capital Assets and Debt Administration Capital Assets

The College's investment in capital assets as of June 30, 2024, amounts to \$39,831,852 net of accumulated depreciation and amortization. Capital assets include land, buildings, and improvements, and furniture, equipment, and machinery. Capital assets also includes right-to-use assets such as leases and subscription-based information technology arrangements (SBITAs). Additional information on the College's capital assets can be found in Note 5 of this report.

Debt Administration

As of June 30, 2024, the College had total debt outstanding of \$11,064,001, including \$6,835,000 series 2019 full faith and credit outstanding general obligation bonds and \$462,416 bond premium; the \$1,735,000 series 2012 outstanding general obligation refunding bonds and \$86,585 bond premium; the \$1,485,000 in outstanding pension obligation bond series 2003; and the \$460,000 in the outstanding full faith and credit financing agreement for the purchase of the Hood River property. Decreases to the total debt outstanding of \$3,094,811 were from current year payments and amortization of bond premium. All debt service payments were made on time.

Additional information on the College's bonds payable can be found in Note 9 of this report.

Debt related to leases and subscription-based information technology agreements (SBITA) increased from prior year from \$99,036 to \$570,228 as a result of changes in the associated right-of-use assets. Additional information for lease and SBITA activity can be found in Notes 7 and 8 of this report.

Economic Factors and Next Year's Operations

The College's strategic plan has three (3) focus areas:

- Ensuring equitable access to education.
- Advancing equitable student learning and educational outcomes.
- Fostering economic growth, inclusive prosperity, and a thriving community.

The College budget for 2025-26 represents a quantitative expression of the mission of the College, providing for the highest quality of education and/or training possible while maintaining costs at a reasonable level. The primary assumptions for the budget include:

- Stable revenues: tuition is not proposed to be raised and enrollment level is expected to be steady.
- State support from the Community College Support Fund (CCSF) is expected to remain flat.
- Personnel costs are expected to rise due to the competitive nature of recruiting and retaining human talent.
- Increasing cost of PERS and healthcare benefits.
- General inflation price increases, specifically in the areas of utilities, insurance, audit services, and liability costs.

In the 2025-26 budget, you will find alignment with our college mission "to ensure equitable access, advance student learning and success, and foster inclusive prosperity." Investments that address gaps in institutional capacity have been prioritized as well to ensure that we can deliver high-quality services and sustain a vibrant learning environment for our diverse students.

**COLUMBIA GORGE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

Subsequent Events

In November 2024, the College Board of Education received voter approval to issue a \$13 million general obligation bond. In April 2025, the College issued General Obligations Bonds, Series 2025A (College Facility Improvements) and General Obligation Bonds, Series 2025 (Federally Taxable Refunding) in the estimated par amounts of \$6.03 million and \$6.97 million, respectively. The bonds received a rating of Aa3 from Moody's Ratings (Moody's).

Requests for Information

This financial report is designed to provide a general overview of the College's finances. Questions concerning any of the information in this report or requests for additional financial information should be addressed to:

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

COLUMBIA GORGE COMMUNITY COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government	Component Unit
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 7,170,865	\$ 141,073
Investments	-	3,072,181
Receivables, Net of Allowance for Doubtful Accounts of \$919,213	2,138,205	-
Current Portion of Lease Receivable	238,866	
Inventories and Other Current Assets	46,314	-
Total Current Assets	<u>9,594,250</u>	<u>3,213,254</u>
Noncurrent Assets:		
Net OPEB Asset	105,969	-
Lease Receivable	141,960	-
Right-of-Use Assets, Net of Accumulated Amortization	646,643	-
Capital Assets Not Being Depreciated	2,950,954	-
Depreciable Capital Assets, Net of Accumulated Depreciation	36,234,255	-
Total Noncurrent Assets	<u>40,079,781</u>	<u>-</u>
Total Assets	<u><u>\$ 49,674,031</u></u>	<u><u>\$ 3,213,254</u></u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	\$ 123,610	\$ -
Deferred Amounts Related to OPEB	240,201	-
Deferred Amounts Related to Pension	2,622,287	-
Total Deferred Outflows of Resources	<u><u>\$ 2,986,098</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

COLUMBIA GORGE COMMUNITY COLLEGE
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2024

	Primary Government	Component Unit
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 1,040,087	\$ -
Accrued Payroll and Taxes	348,178	-
Unearned Revenue	2,241,117	-
Interest Payable	74,000	-
Current Portion of Other Postemployment Benefits	85,651	
Current Portion of Leases and SBITAs	226,276	
Current Portion of Bonds and Notes Payable	2,451,000	-
Total Current Liabilities	<u>6,466,309</u>	<u>-</u>
Noncurrent Liabilities:		
Compensated Absences Liability	389,827	-
Pre-SLGRP Pooled Liability	205,103	-
Total OPEB Liability	181,593	-
Net Pension Liability	7,870,398	-
Lease Liability	250,335	-
SBITA Liability	93,617	
Bonds and Notes Payable	8,613,001	-
Total Noncurrent Liabilities	<u>17,603,874</u>	<u>-</u>
Total Liabilities	<u>\$ 24,070,183</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES		
Lease Related Deferrals	\$ 138,408	\$ -
Pension Related Deferrals	916,895	-
OPEB Related Deferrals	174,990	-
Total Deferred Inflows of Resources	<u>\$ 1,230,293</u>	<u>\$ -</u>
NET POSITION		
Net Investment in Capital Assets	\$ 29,806,233	\$ -
Restricted for:		
Foundation Activities	-	1,960,299
Unrestricted	(2,446,580)	1,252,955
Total Net Position	<u>\$ 27,359,653</u>	<u>\$ 3,213,254</u>

See accompanying Notes to Financial Statements.

COLUMBIA GORGE COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024

	Primary Government	Component Unit
OPERATING REVENUES		
Tuition and Fees, Net of \$580,525 Scholarship Allowance	\$ 2,503,005	\$ -
Grants and Contracts:		
Federal	3,708,377	-
State and Local	2,152,279	-
Auxiliary Enterprises	281,680	-
Other	421,003	-
Donations	-	289,360
Total Operating Revenues	<u>9,066,344</u>	<u>289,360</u>
OPERATING EXPENSES		
Instruction	6,161,945	-
Academic Support	1,575,841	-
Student Services	1,588,670	-
Public Services	1,321,412	-
Institutional Support	3,563,491	-
Scholarships	2,389,191	-
Plant Operations	300,532	-
Auxiliary Enterprises	760,809	-
Depreciation and amortization	1,447,706	-
Foundation Operating Expense	-	347,423
Total Operating Expenses	<u>19,109,597</u>	<u>347,423</u>
OPERATING LOSS	(10,043,253)	(58,063)
NONOPERATING REVENUES (EXPENSES)		
State Community College Support	6,922,732	-
Property Taxes	3,296,437	-
Federal Grants	1,938,258	
Grants - Other	408,340	-
Interest and Net Investment Income	429,012	246,031
Lease Income	448,542	-
Interest Expense	(687,395)	-
Other Nonoperating Revenue	631,244	-
Total Nonoperating Revenues	<u>13,387,170</u>	<u>246,031</u>
CHANGES IN NET POSITION	3,343,917	187,968
Net Position - Beginning of Year	<u>24,015,736</u>	<u>3,025,286</u>
NET POSITION - END OF YEAR	<u><u>\$ 27,359,653</u></u>	<u><u>\$ 3,213,254</u></u>

See accompanying Notes to Financial Statements.

**COLUMBIA GORGE COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

	Primary Government
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees Collected	\$ 2,486,735
Grants Collected	6,706,743
Auxiliary Enterprise Charges Collected	281,680
Other Operating Revenue	421,003
Payments to Employees	(10,829,606)
Payments to Suppliers	(4,071,358)
Payments for Financial Aid and Scholarships	(2,389,191)
Direct Loans	694,147
Direct Loans to students	(694,147)
Net Cash Used by Operating Activities	<u>(7,393,994)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Support	6,922,732
Property Taxes	3,367,691
Grants	2,338,068
Other Nonoperating Revenue	636,281
Principal Paid on Noncapital Debt	(578,787)
Interest Paid on Noncapital Debt	(102,720)
Net Cash Provided by Noncapital Financing Activities	<u>12,583,265</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Collection of Leases Receivable	210,506
Purchase of Capital Assets	(607,609)
Principal Paid on Leases and SBITAs	(269,878)
Principal Paid on Capital Debt	(2,476,079)
Interest Paid on Capital Debt	(437,325)
Net Cash Used by Capital and Related Financing Activities	<u>(3,580,385)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	429,012
Net Cash Provided by Investing Activities	<u>429,012</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,037,898
Cash and Cash Equivalents - Beginning of Year	<u>5,132,967</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 7,170,865</u></u>

See accompanying Notes to Financial Statements.

**COLUMBIA GORGE COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	<u>Primary Government</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (10,043,253)
Adjustments to Reconcile Operating Loss to Net	
Cash Used by Operating Activities:	
Depreciation and Amortization	1,447,706
(Increase) Decrease in Assets:	
Receivables (Net)	1,625,790
Inventories	(15,465)
DO - Pensions	(8,296)
OPEB Asset	(38,065)
DO - OPEB	97,411
Increase (Decrease) in Liabilities:	
Accounts Payable	436,252
Payroll Liabilities	(123,935)
Unearned Revenues	(795,973)
Other Current Liabilities	35,930
Pension Liability	1,525,210
DI - Pensions	(1,462,145)
OPEB Liability	(211,144)
DI - OPEB	135,983
Net Cash Used by Operating Activities	<u><u>\$ (7,393,994)</u></u>
NONCASH TRANSACTIONS	
Capital Assets Acquired by Incurring Lease and SBITA Obligations	<u><u>\$ 528,196</u></u>
Amortization of Debt Premium/Loss	<u><u>\$ 109,701</u></u>

See accompanying Notes to Financial Statements.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 PRINCIPAL BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Columbia Gorge Community College (the College), is organized under the general laws of the state of Oregon and, as such, is a public institution under the general supervision by the Higher Education Coordinating Commission.

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

On July 17, 2013, the Northwest Commission on Colleges and Universities approved the College's request for independent accreditation, following a journey that began in 2006 upon direction of the College's board. The College had been accredited since its establishment in 1977 through a contract with Portland Community College (PCC). The College's quest for independent accreditation enjoyed the full support and encouragement of PCC, which had been responsible for program review and other key functions. Graduates also received diplomas from PCC instead of the College. The College achieved formal candidacy for independent accreditation in 2008, which in itself allowed the institution to compete for federal grants and award financial aid. Independent accreditation confers other major benefits, including greater flexibility in developing new instructional programs, additional access to resources, and most importantly, improved service to students. Independent accreditation is a milestone, not a destination. The distinction brings with it the requirement for continual evaluation and improvement, using specific measures to determine how the institution is meeting its mission of "Building dreams and transforming lives by providing lifelong educational opportunities that strengthen our community." That process will never end.

In evaluating how to define the College for financial reporting purposes, management has considered all potential component units. The accompanying financial statements present the College and its component unit entity for which the College is considered to be financially accountable.

Discretely Presented Component Unit

Component units are legally separate organizations for which the College is financially accountable. Component units may also include organizations that are fiscally dependent on the College, in that the College approves their budget, the issuance of their debt, or the levying of their taxes. In addition, component units are other legally separate organizations for which the College is not financially accountable but the nature and significance of the organization's relationship with the College is such that exclusion would cause the College's financial statements to be misleading or incomplete.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 PRINCIPAL BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Discretely Presented Component Unit (Continued)

For financial reporting purposes, the component unit described below has a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards (the Codification) Section 2100: Defining the Financial Reporting Entity and thus are included in the financial statements of the College. The component unit, although a legally separate tax-exempt entity, is, reported in the financial statements using the discrete presentation method as the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the College; the College is entitled to, or has the ability to otherwise access a majority of the economic resources received or held by the separate organization; and the economic resources received from or held by an individual organizations are significant to the College.

As defined by accounting principles generally accepted in the United States of America (U.S. GAAP), the College includes one discretely presented component unit in its financial statements: the Columbia Gorge Community College Foundation (hereinafter referred to as the Foundation). The Foundation is a nonprofit, nongovernmental organization, whose purpose is to provide support for scholarships and programs for the College. The Foundation's audit was performed in conjunction with the College's audit for the fiscal year ended June 30, 2024.

Basis of Presentation

The basic financial statements of the College have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as prescribed by the GASB Section Co5: *Colleges and Universities*. The College follows the "business-type activities" reporting requirements of GASB that provides a comprehensive one-column look at the College's financial activities. The most significant accounting policies are described below.

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 intracollege transactions have been eliminated.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 PRINCIPAL BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Cash and Cash Equivalents

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The Oregon Local Government Investment Pool (LGIP) is administered by the Oregon State Treasury. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board, which is not registered with the U.S. Securities and Exchange Commission as an investment company and is not rated. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP.

The College maintains depository insurance under Federal depository insurance funds and state and financial institution collateral pools for its cash deposits and investments, except the LGIP which is exempt from statutes requiring such insurance.

For purposes of the statement of cash flows, cash and cash equivalents include all cash and investments held by the College, since it has the general characteristics of a demand deposit (i.e., deposits of additional cash may be made at any time and cash may be withdrawn at any time without prior notice or penalty).

Receivables

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

Property taxes are levied and become a lien on all taxable property on July 1. Taxes are payable on November 15, February 15, and May 15. 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.

Lease receivables are recorded by the College as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 PRINCIPAL BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Inventories

Inventories held for resale, primarily books and supplies, are valued at the lower of cost (first-in/first-out method) or market and are charged to expense as sold or used. Inventories of supplies are reported at cost.

Capital Assets

Capital assets include land and land improvements, building and building improvements, furniture, equipment, and machinery, and construction in progress. The College's capitalization threshold is \$5,000 for furniture, equipment, and machinery and \$50,000 for buildings and building improvements, land and land improvements, and a useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition 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	20 to 50 Years
Furniture, Equipment, and Machinery	5 to 20 Years
Software	3 to 5 Years
Land Improvements	10 to 25 Years

Right-of-Use Assets

Right-of-use (ROU) lease assets are recognized at the lease commencement date and represent the College's right to use an underlying asset for the term specified in the contract. ROU leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. ROU leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The College applies a capitalization threshold of \$5,000 or more for ROU assets. The amortization period varies from three to five years.

ROU Subscription-Based Information Technology Arrangements (SBITAs) are recognized at the subscription commencement date and represent the College's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 PRINCIPAL BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Accrued Wages and Payroll Costs

Contracts for faculty begin in September and end in mid-June (10-month employees). All other employee agreements begin July 1 for the ensuing fiscal year and end June 30. All salaries are paid over 12 months. The salary amounts due for payment in July and August for the 10-month employees are included in accrued liabilities.

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignation and retirements that occur prior to year-end that have not yet been paid within the fund from which the employees who have accumulated the leave are paid.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an expense until then. The College reports deferred outflows of resources for deferred charges on refunding of debt, OPEB related items, and pension related items. The deferred charges on refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The College reports deferred inflows of resources for OPEB and pension related items. In addition, the College reports deferred inflows related to leases where the College is the lessor and is reported in the statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on the straight-line basis over the term of the lease.

Unearned Revenue

Unearned revenues include amounts received for tuition and fees and grants and contracts in which cash has been received, but revenues will be earned in subsequent fiscal year(s).

**COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 1 PRINCIPAL BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Pre-State and Local Government Rate Pool (SLGRP) Pooled Liability

The pre-SLGRP pooled liability is an actuarially determined liability recorded in the Statement of Net Position based on the College's entry into the state of Oregon Public Employees Retirement System (OPERS) State and Local Government Rate Pool. This pre-SLGRP pooled transition liability is reduced each year by contributions to OPERS and increased for interest charged by OPERS.

Net Pension Liability

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

Other Postemployment Benefit Obligation

The College reports their proportionate share of the net PERS Retiree Health Insurance Account (RHIA) OPEB asset and the total Early Retirement Plan OPEB liability along with the associated deferred outflows of resources and deferred inflows of resources. See Note 11 Other Postemployment Benefits (OPEB) for a detailed description of each plan and the proportionate share methodology for each.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 PRINCIPAL BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Other Postemployment Benefit Obligation (Continued)

Single Employer Retire Health Insurance Premium Account (RHIPA): This OPEB plan utilizes employee census data and benefits provided by the College for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense. Benefit payments (including refunds of employee contributions) are financed on a pay-as-you-go basis.

Lease and SBITA Liability

Lease and SBITA liabilities represent the College's obligation to make lease payments arising from the lease and SBITA agreements. These liabilities are recognized at the commencement date of the agreement based on the present value of future payments expected to be made during the agreement term. The present value of the payments is discounted based on a borrowing rate determined by the College.

Bonds Payable

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

Net Position

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

- **Net investment in capital assets.** This component of net position consists of capital assets and right-to-use assets, net of accumulated depreciation, amortization and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted.** This component of net position consists of constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Restrictions may also result from endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income, which may either be expended or added to principal. Restricted net position for the component unit relates to restricted endowments they hold.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 PRINCIPAL BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Net Position (Continued)

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

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

Classification of Revenues and Expenses

Classification of Revenues

The College has classified its revenues as either operating or nonoperating. Certain significant revenue streams relied upon for operation are classified as nonoperating as defined by GASB. Classifications are as follows:

- **Operating revenues.** Operating revenues include activities that have the characteristics of exchange transactions such as student tuition and fees, net of scholarship discounts and allowances, federal, state, and local grants and contracts.
- **Nonoperating revenues.** Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as state apportionments, Pell grants, property taxes, investment income, gifts and contributions, and other revenue sources defined in the GASB Codification.

Classification of Expenses

Nearly all of the College's expenses are from exchange transactions and are classified as either operating or nonoperating according to the following criteria:

- **Operating expenses.** Operating expenses are necessary costs to provide the services of the College and include employee salaries and benefits, supplies, operating expenses, and student financial aid.
- **Nonoperating expenses.** Nonoperating expenses include interest expense and other expenses not directly related to the services of the College.

Federal Financial Assistance Programs

The College participates in federally funded programs, including primarily Pell Grants, Supplemental Educational Opportunity Grants, Federal Work-Study, and Direct Loans. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed costs may constitute a liability of the applicable funds. Such amounts, if any, cannot be determined at this time and, accordingly, no liability is reflected in the financial statements.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 PRINCIPAL BUSINESS ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Scholarship Allowances

Certain aid such as loans and funds provided to students as awarded by others is accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the basic financial statements such as operating expenses, or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Tuition and fees are shown net of scholarship allowances of \$580,525 for the year ended June 30, 2024.

Use of Estimates

The preparation of the basic statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates and those differences could be material.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by the Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles, except the property taxes received after year-end are not considered budgetary resources in the funds, depreciation on capital assets is not an expenditure of the funds, amortization of long-term assets is not an expenditure of the funds, inventory is not capitalized in the funds, and principal on debt services is an expenditure of the funds.

The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are generally published in spring with a public hearing being held approximately two weeks later. The Board of Education may amend the budget prior to adoption. However, budgeted expenditures for each fund may not be increased by more than 10% without re-publication.

The budget is then adopted, appropriations are made, and the tax levy declared no later than June 30.

The General Fund expenditures are appropriated at the following levels: Academic Support, Contingency, Debt Service, Financial Aid, Institutional Support, Instruction, Plant Operation and Maintenance, and Student Services. For all other funds, expenditure is appropriated at the following levels: Capital Outlay, Contingencies, Debt Service, Materials and Services, and Personnel Services.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Expenditure cannot legally exceed the above appropriation levels. Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need which exists which was not determined at the time the budget was adopted.

The following funds had excess expenditures over appropriations for the fiscal year-end:

	<u>Amount</u>
General Fund:	
Transfer to Other Funds	\$ (29,537)
Grant Fund:	
Transfer to Other Funds	(385,543)
Enterprise Fund:	
Personnel Services	(17,122)
Materials and Services	(174,810)
College Book Store Enterprise Fund:	
Personnel Services	(1,438)
Materials and Services	(92,239)
Student Support Fund:	
Materials and Supplies	(19,921)
Student Scholarship Fund:	
Materials and Supplies	(269,685)

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS

The College's cash and cash equivalents are comprised of the following at June 30, 2024:

Primary Government:	
Cash and Cash Equivalents:	
Cash on Hand	\$ 3,820
Deposits With Financial Institutions	321,974
Oregon Local Government Investment Pool	6,842,527
Cash With PERS Obligation Bond Paying Agent	2,544
Total Cash and Cash Equivalents	<u>\$ 7,170,865</u>

Deposits with Financial Institutions

On June 30, 2024, the College held a \$321,974 book balance in demand deposits with a bank balance of \$535,584. Insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Where balances exceed the Federal Deposit Insurance Corporation (FDIC) amount of \$250,000, the balances are covered by collateral held in a multiple financial institution collateral pool (ORS 295.015) administered by the Oregon State Treasury in the Public Funds Collateralization Program (PFCP).

**COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Investments

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

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The Oregon Short-Term Fund does not receive credit quality ratings from nationally recognized statistical rating organizations. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2024. The LGIP seeks to exchange shares at \$1.00 per share; and investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although LGIP seeks to maintain the value of share investments of \$1.00 per share, it is possible to lose money by investing in the pool. The College intends to measure these investments at book value, as the LGIP's fair value approximates its amortized cost basis. At June 30, 2024, the College held deposits of \$6,842,527 in the LGIP.

Interest Rate Risk

ORS require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the Oregon Short Term Fund Board (OSTFB). The College does not have an interest rate risk policy. With all College investments held with Oregon LGIP as of June 30, 2024, the College is in compliance with these ORS statutes.

Credit Risk

ORS limit the types of investments the College may have to limit exposure to credit risk. The College does not have a credit risk policy. With all College investments held with Oregon LGIP as of June 30, 2024, the College is in compliance with these ORS statutes.

**COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 CASH, CASH EQUIVALENTS, AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk on deposits is the risk that in the event of a bank failure, the College's deposits may not be returned. In order to minimize this risk, state statutes require banks holding public funds to be members of the Public Funds Collateralization Program (PFCP), a multiple financial institution collateral pool created and administered by the Office of the State Treasurer. To qualify, participating banks must pledge collateral against any public fund deposit in excess of deposit insurance. The amount of collateral is set by the PFCP between 10% and 110% of each bank's public fund deposits. The required pledge percentage is based in part on an individual bank's net worth and level of capitalization.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the government will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The College does not have an investment policy for custodial credit risk. As of June 30, 2024, all of the College deposits are insured or collateralized or covered under the Oregon collateral program as mentioned above, and therefore, are not subject to custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College does not have an investment policy for concentration of credit risk. As of June 30, 2024, all College investments were held with Oregon LGIP.

NOTE 4 RECEIVABLES

Receivables as of June 30, 2024, consist of the following:

Grants and Other Agencies	\$ 1,747,508
Student	1,172,015
Property Taxes	137,895
Subtotal	<u>3,057,418</u>
Allowance for Doubtful Accounts	<u>(919,213)</u>
Total	<u><u>\$ 2,138,205</u></u>

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 CAPITAL ASSETS, NET

The following are the changes in capital assets for the fiscal year ended June 30, 2024:

	Beginning Balance	Additions	Transfers/ Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 2,310,510	\$ -	\$ -	\$ 2,310,510
Construction in Progress	53,920	586,524	-	640,444
Total Capital Assets Not Being Depreciated	2,364,430	586,524	-	2,950,954
Capital Assets Being Depreciated:				
Buildings and Improvements	50,383,167	29,121	-	50,412,288
Furniture, Equipment, and Machinery	2,515,374	315,073	(6,500)	2,823,947
ROU - Lease Assets:				
Buildings	110,983	132,592	-	243,575
Equipment	221,614	253,296	(211,424)	263,486
ROU - Subscription Assets	621,167	142,308	(221,260)	542,215
Subtotal	53,852,305	872,390	(439,184)	54,285,511
Less: Accumulated Depreciation and Amortization for:				
Buildings and Improvements	(14,035,026)	(1,099,917)	-	(15,134,943)
Furniture, Equipment, and Machinery	(1,768,224)	(100,276)	1,463	(1,867,037)
ROU - Lease Assets:				
Buildings	(65,897)	(45,145)	-	(111,042)
Equipment	(167,665)	(18,924)	163,418	(23,171)
ROU - Subscription Assets	(244,008)	(183,444)	159,032	(268,420)
Subtotal	(16,280,820)	(1,447,706)	323,913	(17,404,613)
Total Capital Assets Being Depreciated and Amortized, Net	37,571,485	(575,316)	(115,271)	36,880,898
Total Capital Assets, Net	\$ 39,935,915	\$ 11,208	\$ (115,271)	\$ 39,831,852

NOTE 6 PRE-STATE AND LOCAL GOVERNMENT RATE POOL (SLGRP) LIABILITY

This pre-SLGRP liability amount is the difference between the total unfunded actuarial liability (UAL) and the UAL attributable to the SLGRP for the employers that have joined the rate pool. The liability that existed prior to the College joining the rate pool is the sole responsibility of the College and is separate from the pooled PERS pension liability amount. On June 30, 2024, the College reported a liability of \$205,103 for its proportionate share of the pre-SLGRP liability.

**COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 7 LEASES

Leases as Lessor

The College has accrued a receivable for 10 tenant leases. The remaining receivable for these leases was \$380,826 for the year ended June 30, 2024. Deferred inflows related to these leases were \$138,408 as of June 30, 2024. Receipts of \$445,414 were recognized during the fiscal year. Final receipt is expected in the fiscal year 2027.

Leases as Lessee

In January 2014, the College entered into an agreement to lease 13,087 square feet of exclusive space and 27,279 square feet of shared space with the state of Oregon acting by and through the Oregon Military Department to lease space in the new National Guard Readiness Center built on the property described in leases as lessor. There are no payment terms related to this lease. The initial term of the lease expires February 1, 2058, with an option to renew for an additional 50 years which is consistent with the ground lease discussed above under Leases as Lessor. This lease was not recorded within the financial statements, as it does not qualify under GASB 87, Leases, given it is not an exchange transaction.

In March 2018 and March 2024, the College entered into multiple lease agreements for copier equipment. The College is required to make principal and interest payments through March 2028. The lease liability was valued using discount rates of 1.79% and 3.5%, respectively, based on the Risk-Free Treasury Rate.

In November 2021, the College entered into a lease agreement for an airplane hangar. The College is required to make principal and interest payments through June 2027. The lease liability was valued using a discount of 1.83% based on the Risk-Free Treasury Rate.

In May 2021, the College entered into a lease agreement for postage equipment. The College is required to make principal and interest payments through May 2026. The lease liability was valued using discount rates discount of 1.79% based on the Risk-Free Treasury Rate.

Leases roll forward as of June 30, 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Lease Liability	\$ 99,036	\$347,095	\$ (101,682)	\$ 344,449	\$ 94,114

The College has leased buildings and other equipment under noncancelable operating leases. The future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 94,114	\$ 8,917
2026	97,491	6,353
2027	99,833	3,715
2028	53,011	1,408
Total	<u>\$ 344,449</u>	<u>\$ 20,393</u>

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The College entered into contracts with vendors that provide IT software for various terms under long-term, noncancelable contracts with discount rates ranging from 3.85% to 4.40%. The contracts expire at various dates through 2028.

SBITA roll forward as of June 30, 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
SBITA Liability	\$ -	\$393,975	\$ (168,196)	\$ 225,779	\$ 132,162

The future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 132,162	\$ 5,596
2026	28,042	2,934
2027	31,124	1,710
2028	34,451	353
Total	<u>\$ 225,779</u>	<u>\$ 10,593</u>

NOTE 9 LONG-TERM DEBT

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable:					
General Obligation Refunding					
Bonds, Series 2012:					
Principal	\$ 3,365,000	\$ -	\$ (1,630,000)	\$ 1,735,000	\$ 1,735,000
Bond Premium	173,168	-	(86,583)	86,585	-
Pension Obligation Bonds					
Series 2003 Original Issue	2,063,787	-	(578,787)	1,485,000	375,000
Full Faith and Credit Obligations					
Series, 2019:					
Principal	7,055,000	-	(220,000)	6,835,000	230,000
Bond Premium	485,534	-	(23,118)	462,416	-
Full Faith and Credit Obligations					
Series 2013 Original Issue	568,000	-	(108,000)	460,000	111,000
Total Bonds Payable	13,710,489	-	(2,646,488)	11,064,001	2,451,000
Port of the Dallas Note	448,323	-	(448,323)	-	-
Compensated Absences	353,897	415,038	(379,108)	389,827	-
Total	<u>\$ 14,512,709</u>	<u>\$ 415,038</u>	<u>\$ (3,473,919)</u>	<u>\$ 11,453,828</u>	<u>\$ 2,451,000</u>

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 LONG-TERM DEBT (CONTINUED)

Future maturities of principal and interest of bonds payable are as follows:

Year Ending June 30,	General Obligation Refunding Bonds, Series 2012		Pension Obligation Bonds, Series 2003		FFC Obligations, Series 2019	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,735,000	\$ 59,200	\$ 375,000	\$ 83,759	\$ 230,000	\$ 273,400
2026	-	-	420,000	62,496	240,000	264,200
2027	-	-	465,000	38,460	250,000	254,600
2028	-	-	225,000	12,600	260,000	244,600
2029	-	-	-	-	270,000	234,200
2030-2034	-	-	-	-	1,510,000	1,000,800
2035-2039	-	-	-	-	1,835,000	673,600
2040-2044	-	-	-	-	2,240,000	275,800
2045-2049	-	-	-	-	-	-
Total	<u>\$ 1,735,000</u>	<u>\$ 59,200</u>	<u>\$ 1,485,000</u>	<u>\$ 197,315</u>	<u>\$ 6,835,000</u>	<u>\$ 3,221,200</u>

Year Ending June 30,	FFC Obligations, Series 2013		Total	
	Principal	Interest	Principal	Interest
2025	\$ 111,000	\$ 12,733	\$ 2,451,000	\$ 429,092
2026	114,000	9,680	774,000	336,376
2027	117,000	6,545	832,000	299,605
2028	118,000	3,327	603,000	260,527
2029	-	-	270,000	234,200
2030-2034	-	-	1,510,000	1,000,800
2035-2039	-	-	1,835,000	673,600
2040-2044	-	-	2,240,000	275,800
2045-2049	-	-	-	-
Total	<u>\$ 460,000</u>	<u>\$ 32,285</u>	<u>\$ 10,515,000</u>	<u>\$ 3,510,000</u>

General Obligation Bond Issue

On March 15, 2012, the College issued \$13,790,000 between 1.4% and 6.25% interest rate in General Obligation Bonds, Series 2012, to partially defease and refund series 2005 general obligation bonds approved by the College voters in Hood River and Wasco Counties. Payments are due on December 15 and January 15 each year with a maturity date of June 15, 2025.

Pension Obligation Bond Issue

On April 23, 2003, the College participated with six community colleges in a pooled issuance of limited tax pension obligation bonds to finance the College's estimated Oregon Public Employees Retirement System (PERS) unfunded actuarial liability. The College issued \$3,570,327 in debt as part of a pooled issuance of \$153,582,300. The \$3,570,327 of debt includes \$1,750,327 Series 2003A deferred interest bonds and \$1,820,000 Series 2003 current interest bonds. Interest on the deferred interest bonds is accreted semiannually at yields ranging from 1.40% to 6.25%. Interest on the current coupon bonds is payable semiannually at rates ranging from 5.60% to 5.68%. Except for the payment of its pension bond payments and additional charges when due, each community college has no obligation or liability to any other participating college's pension bonds or liability to PERS.

**COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 LONG-TERM DEBT (CONTINUED)

Pension Obligation Bond Issue (Continued)

Bond proceeds were paid to the Oregon Public Employees Retirement System. An intercept agreement with the State of Oregon was required as a condition of issuance; therefore, a portion of the Community College Support Fund support is withheld on August 15, October 15, and January 15 to repay debt. Funds are accumulated and invested by a trust officer and annual principal payments are made each June 30, and interest payments are made each June 30 and December 30, beginning December 2003 and ending June 2028. Interest rates range from 1.40% to 6.25% in accordance with the terms stated at issuance. The College anticipates the total cost of financing the College's unfunded actuarial liability in this manner will result in significant savings to the College when compared to paying for such costs as additional contribution rates to PERS.

Full Faith and Credit Financing Agreements

In 2019, the College issued \$7,475,000 full faith and credit obligation bonds at 4% interest that matures in 2044 to satisfy the state funding match for the Skills Center and Resident Housing capital project.

In 2013, the College Board approved obtaining a Full Faith and Credit Financing agreement in the amount of \$1,500,000 at 2.75% interest with payments starting in 2018 and ending in 2028. The purpose of the loan was to acquire and improve a property adjacent to the current Hood River campus for a possible future campus.

Port of the Dalles Promissory Note

In 2019, the College Board approve entering into a \$1,500,000 intergovernmental loan agreement with the Port of the Dalles. In support of the Skills Center and Resident Hall capital project, the Port of the Dalles authorized a financial package to the College for a loan of up to \$1,500,000 at 4.01% annual interest to be paid in full, with interest, no later than three years from the March 29, 2019, loan signature date. The College had drawn \$1,500,000 against the loan in the prior year. The note and repayment schedule were updated on June 30, 2021, with the final payment made on June 30, 2024.

NOTE 10 PENSION PLANS

Plan Description

The College contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the College's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing, multiemployer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program and the Individual Account Program.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 PENSION PLANS (CONTINUED)

Plan Description (Continued)

The Pension Program is the defined benefit portion of the plan which applies to qualifying College Employees hired after August 29, 2003. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. The Individual Account Program (IAP) is defined contribution portion of the plan. Beginning January 1, 2004, all PERS member contributions go into the IAP. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account. Starting July 1, 2020, Senate Bill 1049 required IAP member contributions to be redirected to the Defined Benefit fund. If the member earns more than \$2,500 a month, 0.75% for OPSRP members and 2.5% for Tier One and Tier Two members' salaries that were previously contributed to the member's IAP began funding the new Employee Pension Stability Accounts to help fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account.

Both PERS plans provide retirement and disability benefits, postemployment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, Chapter 238A, and Internal Revenue Code (IRC) Section 401 (a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board as a governing body of PERS. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at: <http://www.oregon.gov/pers/pages/index.aspx>. If the link is expired, please contact Oregon PERS for this information.

Summary of Significant Accounting Policies

Employers participating in the plan are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*.

The requirements of this Statement incorporate provisions intended to reflect the effects of transactions and events related to pensions in the measurement of employer liabilities for pensions and recognition of pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.

Basis of Accounting

Contributions for employers are recognized on the accrual basis of accounting. Employer contributions to PERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements. These are amounts normally included in the employer statements cut off as of the fifth of the following month.

Proportionate Share Allocation Methodology

The basis for the employer's proportion is actuarially determined by comparing the employer's projected long-term contribution effort to the plan with the total projected long-term contribution effort of all employers. The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

**COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 PENSION PLANS (CONTINUED)

Changes Subsequent to Measurement Date

The PERS Board reviews the discount rate in odd-numbered years as part of the Board's adoption of actuarial methods and assumptions. The rate is then adopted in an administrative rule at the time the Board sets the new rate. The College is not aware of any changes to benefit terms subsequent to the June 30, 2023 measurement date.

Pension Plan Liability

The components of the plan's collective net pension liability as of the measurement date of June 30, 2023 are as follows (dollars in millions):

Total Pension Liability	\$ 102,218
Plan Fiduciary Net Position	<u>83,488</u>
Employers' Net Pension Liability	<u><u>\$ 18,730</u></u>

Benefits Provided

Tier One/Tier Two PERS Pension (Chapter 238). The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0% for police and fire employees, and 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if it results in a greater benefit.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary will be limited for all members beginning in 2020. The limit will be equal to \$232,976 in 2024 and will be indexed with inflation every year.

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

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 PENSION PLANS (CONTINUED)

Benefits Provided (Continued)

Death Benefits

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

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

Disability Benefits

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

Benefit Changes After Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the fair market value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA is 2.0% of the annual benefit.

OPSRP Pension Program (OPSRP DB)

The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

Pension Benefits

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 PENSION PLANS (CONTINUED)

General Service

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

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020. The limit will be equal to \$232,976 in 2024 and will be indexed with inflation in later years.

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

Death Benefits

Upon the death of a nonretired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50% of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

Disability Benefits

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

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit, and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP.

OPSRP Individual Account Program (IAP)

Pension Benefits

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

**COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 PENSION PLANS (CONTINUED)

Pension Benefits (Continued)

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

Death Benefits

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

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2021, actuarial valuation. The rates based on percentage of payroll first became effective July 1, 2023. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments, and their rates have been reduced. Employer contributions for the year ended June 30, 2024, were \$1,087,899, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2024, were 17.96% for Tier One/Tier Two General Service Members and 14.77% for OPSRP Pension Program General Service Members.

Pension Expense, Net Pension Liability, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

For the year ended June 30, 2024, the College recognized a net pension liability of \$7,870,398 for its proportionate share of the PERS net pension liability. The net pension liability was determined by an actuarial valuation as of December 31, 2021. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities actuarially determined. PERS has established side accounts for employers that made lump sum payments to the plan in excess of their actuarially required contributions. Since different contribution rates are assessed to employers based on the value of the side accounts, the side account values were reflected separately in the proportionate share calculation. On June 30, 2024 and 2023, the College's proportion were 0.04201874% and 0.04143930%, respectively.

**COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 PENSION PLANS (CONTINUED)

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For fiscal year ended June 30, 2024, deferred items include:

- Difference between expected and actual experience
- Changes in assumptions
- Net difference between projected and actual pension plan investment earnings
- Changes in employer proportion since the prior measurement date
- Difference between employer contributions and proportionate share of contributions
- Contributions subsequent to the measurement period

Differences between expected and actual experience, changes in assumption, and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are as follows:

- Measurement period ended June 30, 2023 - 5.4 years
- Measurement period ended June 30, 2022 - 5.5 years
- Measurement period ended June 30, 2021 - 5.4 years
- Measurement period ended June 30, 2020 - 5.3 years
- Measurement period ended June 30, 2019 - 5.2 years

The difference between projected and actual pension plan investment earnings attributable to each measurement period is amortized over a closed five-year period.

One year of amortization is recognized in the College's total pension expense for fiscal year 2024.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 PENSION PLANS (CONTINUED)

Deferred Items (Continued)

Pension expense for the year ended June 30, 2024 was \$1,082,957. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 384,887	\$ 31,207
Changes in Assumptions	699,160	5,213
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	141,463	-
Changes in Proportionate Share	308,888	139,399
Differences Between Employer Contributions and Proportionate Share of System Contributions	-	741,076
Contributions Subsequent to the Measurement Date	1,087,889	-
Total	<u>\$ 2,622,287</u>	<u>\$ 916,895</u>

The \$1,087,889 reported as deferred outflows of resources related to pensions resulting from college contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (offset) in future periods as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (35,955)
2026	(349,672)
2027	726,358
2028	254,870
2029	21,902
Total	<u>\$ 617,503</u>

Actuarial Assumptions

The employer contribution rates effective July 1, 2022 through June 30, 2024, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. Senate Bill 1049 was signed into law in June 2019 and requires a one-time re-amortization of Tier1/Tier 2 UAL over a closed 22-year period at the December 31, 2019, rate setting actuarial valuation, which will set actuarially determined contribution rates for the 2025-2027 biennium.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for the normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarially accrued liabilities, which are being amortized over a fixed period with new unfunded actuarially accrued liabilities being amortized over 16 years from the valuation in which they are first recognized.

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study Report	2020, Published July 20, 2021
Inflation Rate	2.40%
Investment Rate of Return	6.90%
Discount Rate	6.90%
Projected Salary Increase	3.40%
Cost-of-Living Adjustment (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision, blend based on service.
Mortality	<i>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree</i> , sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <i>Active members: Pub-2010 Employee, sex distinct</i> , generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <i>Disabled retirees: Pub-2010 Disable Retiree, sex distinct</i> , generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study, which reviewed experience for the four-year period ended on December 31, 2020.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 PENSION PLANS (CONTINUED)

Assumed Asset Allocation

<u>Asset Class/Strategy</u>	<u>Low Range</u>	<u>High Range</u>	<u>Target Range</u>
Debt Securities	20.0 %	30.0 %	25.0 %
Public Equity	22.5	32.5	27.5
Private Equity	17.5	27.5	20.0
Real Estate	9.0	16.5	12.5
Real Assets	2.5	10.0	7.5
Diversifying Strategies	2.5	10.0	7.5
Opportunity Portfolio	-	5.0	-
Total			<u>100.0 %</u>

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments for the Defined Benefit Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.9%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 PENSION PLANS (CONTINUED)

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (Continued)

The College's proportionate share of the collective net pension liability (asset) of the plan is as follows:

	1% Decrease (5.9%)	Discount Rate (6.9%)	1% Increase (7.9%)
Proportionate Share of the Net Pension Liability (Asset)	\$ 13,000,416	\$ 7,870,398	\$ 3,577,117

Depletion Date Projection

GASB Statement No. 68 (GASB 68) generally requires that a blended discount rate be used to measure the total pension liability (the actuarial accrued liability calculated using the individual entry age normal cost method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- Oregon PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

**COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 10 PENSION PLANS (CONTINUED)

Depletion Date Projection (Continued)

Detailed information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources and fiduciary net position can be found in the separately issued ACFR for the plan which is available as noted above. Both the PERS and OPSRP plans are administered by the Oregon Public Employees Retirement Board (OPERB), which issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Portland, Oregon 97281-3700, by calling 1-888-320-7377, or by accessing the PERS web site at: <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Transition Liability

The College reports a separate liability to the plan with a balance of \$205,103 at June 30, 2024. The liability represents the College's allocated share of the pre-SLGRP pooled liability. The College is being assessed an employer contribution rate of 1.42% of covered payroll for payment of this transition liability, included in the total net employer contribution rate.

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Oregon Educators Benefit Board Plan

Plan Description and Administration

The College is a participating college in the Oregon Educators Benefit Board (OEBB) single employer defined benefit postemployment health care plan that provides postemployment health, dental, vision, and prescription coverage benefits to eligible employees and their eligible dependents. This plan is not a stand-alone plan, and therefore, does not issue its own financial statements.

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

Plan Membership

On June 30, 2024, the measurement date, Plan membership consisted of the following:

Eligible Employee or Spouse of Ineligible Employees or Beneficiaries Currently Receiving Benefit Payments	5
Active Employees	98
Total	<u>103</u>

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Oregon Educators Benefit Board Plan (Continued)

Benefits Provided

Under the Plan, retirees eligible for a direct College subsidy pay the same amount for coverage as an active employee with the same coverage. This amount is the difference between the composite monthly premium and the College's monthly contribution. The College pays for the excess, if any, of the tiered premium for selected coverages over the retiree's payment. College contributions towards health care continue until the retiree is eligible for Medicare or deceased, whichever is earlier. The College also pays the life insurance premium for eligible retirees until the retiree is eligible for Medicare.

The College is also subject to ORS 243.303, which requires that early retirees (those not covered by Medicare) be allowed to stay on the College's health plan on a self-pay basis. The statutory requirement under ORS 243.303 can result in an "implicit subsidy" (the difference between expected early retiree claim costs and the premium paid for the retiree) requiring additional cost and liability recognition under GASB Codification Section P52. The College participates in the Oregon Educators Benefit Board (OEBB), a statewide cost-sharing multiple- employer plan, as defined by GASB. In OEBB, the individual employer health plans are rated collectively, rather than individually by employer, and the same blended premium rate is charged to all active employees and non-Medicare-eligible retirees.

Contributions

For the year ended June 30, 2024, the College retirees paid 100% of their insurance premium costs.

OPEB Liabilities and OPEB Expense

On June 30, 2024, the College reported a total OPEB liability of \$267,244. A decrease of \$211,144 from the prior year. The total OPEB liability was measured as of June 30, 2023, and was determined using the entry age normal actuarial cost method. Deferred inflows/outflows of resources related to differences between actual and expected experience with regard to economic or demographic factors or changes in assumptions and other inputs should not be used. These items are recognized in OPEB expense immediately.

For the year ended June 30, 2024, the College recognized OPEB expense of \$80,125.

**COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Oregon Educators Benefit Board Plan (Continued)

Schedule of Deferred (Inflows) and Outflows of Recourses

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions or Inputs	\$ 20,463	\$ 71,211
Differences Between Expected and Actual Experience	131,414	82,776
Benefit Payments	85,500	-
Total	<u>\$ 237,377</u>	<u>\$ 153,987</u>

Of the amounts reported as deferred outflows of resources, \$85,500 are related to contributions subsequent to the measurement date and will be recognized as reduction of the total OPEB liability in the year ended June 30, 2025.

Other amounts reported as deferred inflows related to the Oregon's PERS cost-sharing plan will be recognized in OPEB expense as follows:

<u>Year Ending June 30.</u>	<u>Amount</u>
2025	\$ 23,261
2026	23,670
2027	3,359
2028	(7,172)
2029	(20,415)
Thereafter	(24,813)
Total	<u>\$ (2,110)</u>

Key Assumptions and Methods

The actuarial cost method used is the Entry Age Actuarial Cost Method.

Projected Benefit Payments are determined for each active employee and retiree. These Projected Benefit Payments are the net benefits estimated to be payable in all future years. The net benefits for a particular year are the difference between the total cost of benefits and the portion of the benefits paid for by the retirees in that year.

The Discount Rate is a single rate of return that is applied to the Projected Benefit Payments in order to calculate the Present Value of Benefits. Under GASB 75, for plans without assets, the discount rate is equal to a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Oregon Educators Benefit Board Plan (Continued)

Key Assumptions and Methods (Continued)

The Present Value of Benefits is then allocated over the service of each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay, as required under GASB 75. This level percent multiplied by expected pay is referred to as the Service Cost, and is that portion of the Present Value of Benefits attributable to an employee's service in a given year. The Service Cost equals \$-0- for retirees. For purposes of projecting benefits prior to the valuation date as required by the actuarial cost method, we assumed a health cost trend equal to the ultimate health cost trend rate.

The Total OPEB Liability is the portion of the Present Value of Benefits that is attributable to employee service prior to the valuation date. For retirees, the Total OPEB Liability equals the Present Value of Benefits.

The total OPEB liability in the June 30, 2023, valuation was determined using the following key assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.65%
Measurement Date	June 30, 2023
Salary Increases	3.4%
Inflation	2.4%
Withdrawal, Retirement, and Mortality Rates	December 31, 2022 Oregon PERS valuation
Election and Lapse Rates	35% of eligible employees 50% of male members 35% of female members will elect spouse coverage 5% annual lapse rate
Actuarial Cost Method	Entry age normal
Changes of Assumption	The College changed the discount rate from 3.54% in FY2023 (Measurement Year 2022) to 3.65%

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Oregon Educators Benefit Board Plan (Continued)

Change in Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions.

	Increase (Decrease) in Total OPEB Liability
Balance as of June 30, 2023	\$ 478,388
Changes for the Year:	
Service Cost	41,764
Interest on Total OPEB Liability	16,350
Changes in Economic and Demographic Assumptions	(96,346)
Changes in Assumptions or Other Inputs	(55,328)
Benefit Payments	(117,584)
Net Changes	(211,144)
Balance as of June 30, 2024	<u>\$ 267,244</u>

Sensitivity of the College's Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate

The following presents the College's total OPEB liability if it were calculated using a discount rate that is 1-percentage-point lower (2.4%) or 1-percentage-point higher (4.4%) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 277,997	\$ 267,244	\$ 256,919

Sensitivity of the College's Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the College's total OPEB liability if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (4%)	Healthcare Cost Trend Rate (5%)	1% Increase (6%)
Total OPEB Liability	\$ 247,825	\$ 267,244	\$ 289,839

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Retirement Health Insurance Account (RHIA)

Plan Description

The College contributes to an OPEB plan administered by the Oregon Public Employees Retirement System (PERS). The Retiree Health Insurance Account (RHIA) is a cost-sharing, multiemployer defined benefit plan established under Oregon Revised Statute 238.420. The plan provides a payment of up to \$60 toward the monthly cost of health insurance for eligible PERS members. To be eligible to receive the RHIA subsidy, the member must (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at Public Employees Retirement Plan (PERS) (Continued) the time the member died and the member retired before May 1, 1991. The Legislature has sole authority to amend the benefit provisions and employer obligations for the RHIA plan.

The RHIA plan is closed to employees hired on or after August 29, 2003, who had not established PERS membership prior to that date.

OPEB Plan Report

The PERS RHIA defined benefit OPEB plan is reported separately under Other Employee Benefit Trust Funds in the fiduciary funds combining statements and as part of the Pension and Other Employee Benefit Trust in the state's Annual Comprehensive Financial Report. PERS issues a separate, publicly available financial report that includes audited financial statements and required supplementary information. The report may be obtained by writing to the Public Employees Retirement System, Fiscal Services Division, PO Box 23700, Tigard, OR 97281-3700. The report may also be accessed online at: <https://www.oregon.gov/pers/pages/financials/actuarial-financial-information.aspx>.

Basis of Accounting

The financial statements for the PERS OPEB plans are prepared using the accrual basis of accounting. Contributions are recognized in the period in which the contributions are due. Benefits are recognized in the month they are earned and withdrawals are recognized in the month they are due and payable. Plan investments are reported at fair value.

Summary of Significant Accounting Policies

Employers participating in PERS are required to report OPEB information in their financial statements for fiscal periods beginning on or after June 15, 2017, in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The requirements of this Statement incorporate provisions intended to reflect the effects of transactions and events related to OPEB in the measurement of employer liabilities and recognition of OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB.

**COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Retirement Health Insurance Account (RHIA) (Continued)

Proportionate Share Allocation Methodology

The basis for the employer's proportion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers.

OPEB Plan (Asset)/Liability

The components of the total collective PERS Net OPEB (Asset)/Liability for the OPEB plan as of the measurement date of June 30, 2023 is as follows:

<u>Net OPEB - RHIA (Asset) (in Millions)</u>	<u>Amount</u>
Total OPEB - RHIA Liability	\$ 360.4
Plan Fiduciary Net Position	726.6
Plan Net OPEB - RHIA (Asset)	<u><u>\$ (366.2)</u></u>

Changes Subsequent to Measurement Date

The PERS Board reviews the discount rate in odd-numbered years as part of the Board's adoption of actuarial methods and assumptions. The rate is then adopted in an administrative rule at the time the Board sets the new rate. The college is not aware of any changes to benefit terms subsequent to the June 30, 2023 measurement date.

Contributions

The OPEB plan administered by PERS is funded through actuarially determined employer contributions. For the fiscal year ended June 30, 2024, the College contributes 0.05% of PERS-covered payroll for Tier One and Tier Two plan members to fund the normal cost portion of RHIA benefits. The required employer contribution were \$151 for the year ended June 30, 2024. The actual contribution equaled the annual required contribution for the fiscal year. Employees are not required to contribute to the RHIA Program.

Net OPEB Asset/(Liability) and OPEB Expense

At June 30, 2024, the College reported an asset of \$105,969 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2023, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021. The College's proportion of the net OPEB asset was based on a projection of the College's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024 and 2023 the College's proportion was 0.02894026% and 0.01910983%, respectively.

For the year ended June 30, 2024, the College recorded total OPEB expense reduction of \$12,265 due to the change in the net RHIA OPEB asset and changes to deferred outflows and deferred inflows.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Retirement Health Insurance Account (RHIA) (Continued)

Deferred Outflow of Resources and Deferred Inflow of Resources

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For fiscal year ended June 30, 2024, deferred items include:

- Difference between expected and actual experience
- Difference due to changes in assumptions
- Changes in employer proportion since the prior measurement date
- Difference between employer contributions and proportionate share of contributions
- A difference between projected and actual earnings

Differences between expected and actual experience, changes in assumption, and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of the measurement period are as follows:

- Measurement period ended June 30, 2023 – 2.3 years
- Measurement period ended June 30, 2022 – 2.5 years
- Measurement period ended June 30, 2021 – 2.7 years

The net difference between projected and actual OPEB plan investment earnings attributable to each measurement period is amortized over a closed five-year period.

One year of amortization is recognized in the College's total OPEB expense for fiscal year 2024.

On June 30, 2024, the College reported deferred outflow of resources and deferred inflow of resources related to OPEB from the sources identified in the following table:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 2,660
Changes in Assumptions	-	1,143
Net Difference Between Projected and Actual Earnings on Investments	301	-
Changes in Proportionate Share	2,372	17,200
Contributions Subsequent to the Measurement Date	151	-
Total	<u>\$ 2,824</u>	<u>\$ 21,003</u>

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Retirement Health Insurance Account (RHIA) (Continued)

Deferred Outflow of Resources and Deferred Inflow of Resources (Continued)

Of the amount reported as deferred outflows of resources, \$151 is related to contributions subsequent to the measurement date and will be recognized as an increase of the net OPEB asset in the year ended June 30, 2025.

As of June 30, 2024, other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIA OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ (15,696)
2026	(7,955)
2027	3,916
2028	1,405
Total	<u>\$ (18,330)</u>

Actuarial Methods and Assumptions

The employer contribution rates effective July 1, 2022 through June 30, 2024, were set using the entry age normal actuarial cost method. This method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

The net OPEB liability in the December 31, 2021, actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study Report	2020, Published July 20, 2021
Inflation Rate	2.40%
Investment Rate of Return	6.90%
Discount Rate	6.90%
Projected Salary Increase	3.40%
Retiree Participation	Health retirees: 27.5%; Disabled retirees: 15%
Mortality	<i>Health retirees and beneficiaries: Pub-2010 Health Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</i> <i>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</i> <i>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</i>

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Retirement Health Insurance Account (RHIA) (Continued)

Actuarial Methods and Assumptions(Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four- year period ending on December 31, 2020.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Milliman's assumptions for each of the asset classes in which the plan was invested at that time was based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of turn for each major asset class, calculated using both arithmetic and geometric means, refer to the asset allocation disclosed in Note 10 or see PERS' audited financial statements at:

<https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Discount Rate

The discount rate used to measure the total OPEB asset was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB asset.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Retirement Health Insurance Account (RHIA) (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 6.90%, as well as what the College's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net OPEB Asset	\$ (96,326)	\$ (105,969)	\$ (114,243)

Sensitivity of the College's Proportionate Share of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the College's total OPEB liability if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB Asset	\$ (105,969)	\$ (105,969)	\$ (105,969)

OPEB Plan Fiduciary Net Position

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

NOTE 12 RISK MANAGEMENT

The College is exposed to various risks of loss related to torts, theft, damage, destruction of assets, errors and omissions, injuries to employees, and natural disasters. The College is insured for the physical damage to vehicles and carries insurance for all risks of loss, including general and auto liability, property insurance, crime coverage, equipment breakdown coverage, and workers' compensation. General liability insurance generally covers casualty losses with a loss limit of \$20 million per occurrence and a \$20 million aggregate loss limit. The College's property insurance and equipment breakdown total loss limit is approximately \$79,000,000 with a \$10,000 property deductible, except for mobile equipment, which has a deductible of \$1,000 or \$5,000 depending on motor size. Auto liability is \$15,000,000 liability with the \$100 comprehensive and \$500 collision deductible. Earthquake and flood coverage has a loss limit of \$20 million. Crime coverage has a loss limit of \$250,000. Workers' compensation insurance provides statutory coverage and \$1 million employer's liability coverage. There was no significant reduction in the College's insurance coverage during the year ended June 30, 2024. The College has one open insurance claim to the Readiness Center, and no insurance settlement exceeded coverage for the prior three years.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 13 COLUMBIA GORGE COMMUNITY COLLEGE FOUNDATION

Deposits with Financial Institutions

Cash and cash equivalents consist of cash held in checking and money market with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes. The Foundation maintains cash balances in financial institutions which are insured up to \$250,000. At times, amounts on deposit may exceed insured limits.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of revenues, expenses and changes in net position and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. The Foundation maintains investment balances with Securities Investor Protection Corporation (SIPC) brokerage firms which are insured up to \$500,000. At June 30, 2024, the Foundation had investment balances, including cash equivalents, held in brokerage firms in excess of SIPC.

Fair Value Hierarchy

Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities, that each Fund has the ability to access.

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks, and default rates) or other market-corroborated inputs).

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each investment's own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The categorization of a value determined for investments is based on the pricing transparency of the investments and is not necessarily an indication of the risks associated with investing in those securities. All foundation investments are considered level 1 as of June 30, 2024.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 COMMITMENTS AND CONTINGENCIES

The amounts of grant revenue reflected in the financial statements are subject to audit and adjustment by grantor agencies, principally the federal government. Any costs which are questioned or recommended to be disallowed claims may become a liability of the College.

Various claims are pending against the College from the normal course of operations. These are not expected to materially affect the financial position of the College.

NOTE 15 SUBSEQUENT EVENT

On April 9, 2025, Columbia Gorge Community College District issued General Obligation Bonds, Series 2025A and Series 2025B, with a combined par amount of approximately \$13 million. The issuance included \$6.03 million in tax-exempt bonds for college facility improvements and \$6.97 million in federally taxable refunding bonds to refund outstanding Full Faith and Credit obligations (Series 2019). The bonds were sold at a premium, which will be amortized over the life of the bonds. These bonds are secured by the district's full faith and credit and qualify for the Oregon School Bond Guaranty Program, receiving an enhanced rating of Aa1 from Moody's1.

In connection with the bond-funded projects, the College entered into a project/construction management services contract to oversee the planning and execution of capital improvements outlined in the Facilities Master Plan. The contracts total \$923,776.

REQUIRED SUPPLEMENTARY INFORMATION

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY - OEBB
LAST SEVEN YEARS***

Measurement Date	June 30,						
	2023	2022	2021	2020	2019	2018	2017
						2,019	2,018
Total OPEB Liability:							
Benefit Payments	\$ (117,584)	\$ (116,991)	\$ (37,839)	\$ (96,619)	\$ (18,277)	\$ (14,124)	\$ (35,268)
Service Cost	41,764	46,598	42,896	42,896	29,618	29,185	30,039
Interest on Total OPEB Liability	16,350	12,036	9,959	17,030	10,767	9,306	7,378
Change in Assumptions	(55,328)	-	-	19,021	8,222	(4,489)	(10,753)
Changes in Economic and Demographic Assumptions	(96,346)	(42,134)	89,977	-	203,587	-	-
Net Changes in OPEB Liability	(211,144)	(100,491)	104,993	(17,672)	233,917	19,878	(8,604)
Total OPEB Liability - Beginning	478,388	578,879	473,886	491,558	257,641	237,763	246,367
Total OPEB Liability - Ending	<u>\$ 267,244</u>	<u>\$ 478,388</u>	<u>\$ 578,879</u>	<u>\$ 473,886</u>	<u>\$ 491,558</u>	<u>\$ 257,641</u>	<u>\$ 237,763</u>
Covered Employee Payroll	\$ 6,309,973	\$ 6,319,750	\$ 5,904,291	\$ 5,951,176	\$ 5,200,614	\$ 5,541,426	\$ 5,501,994
Total OPEB Liability as a Percentage of the Covered Employee Payroll	4.24%	7.57%	9.80%	7.96%	9.45%	4.65%	4.32%

Notes:

No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75, paragraph 4; these benefits are funded on a pay-as-you-go basis.

* This schedule is required to show information for 10 years. However, until a full 10-year trend is compiled, the information presented is for those years for which information is available.

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET OPEB ASSET – RHIA
LAST SEVEN YEARS*

Measurement Date	June 30,						
	2023	2022	2021	2020	2019	2018	2017
College's Proportionate share of the Net OPEB Liability/(Asset)	\$ (105,969)	\$ (67,904)	\$ (81,662)	\$ (90,870)	\$ (88,655)	\$ (49,242)	\$ (19,537)
College's Proportionate Share at Measure Date	0.02894%	0.01910%	0.23780%	0.04460%	0.04588%	0.04411%	0.04681%
College's Covered Payroll	\$ 6,309,973	\$ 6,319,750	\$ 5,904,291	\$ 5,951,176	\$ 5,200,614	\$ 5,541,426	\$ 5,501,994
College's Proportionate Share of the Net OPEB Asset as a Percentage of its Covered Payroll	1.7%	1.1%	1.4%	1.5%	1.7%	0.9%	0.4%
RHIA Plan Fiduciary Net Position as a Percentage of the Net OPEB Asset	201.6%	194.6%	183.9%	150.1%	144.4%	124.0%	108.9%

* This schedule is required to show information for 10 years. However, until a full 10-year trend is compiled, the information presented is for those years for which information is available.

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF THE COLLEGE'S OPEB CONTRIBUTIONS – RHIA
LAST SEVEN YEARS***

Fiscal Year-End	June 30,						
	2024	2023	2022	2021	2020	2019	2018
Contractually Required Contributions	\$ 151	\$ 470	\$ 471	\$ 636	\$ 3,185	\$ 22,739	\$ 21,360
Contributions in Relation to the Contractually Required Contribution	(151)	(470)	(471)	(636)	(3,185)	(22,739)	(21,360)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's Covered Payroll	\$ 7,438,143	\$ 6,309,973	\$ 6,319,750	\$ 5,904,291	\$ 5,951,176	\$ 5,200,614	\$ 5,541,426
Contributions as a Percentage of Covered Payroll	0.00%	0.01%	0.01%	0.01%	0.05%	0.44%	0.39%

* This schedule is required to show information for 10 years. However, until a full 10-year trend is compiled, the information presented is for those years for which information is available.

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
OPERS
LAST TEN YEARS

As of the Measurement Date of June 30,	College's Proportion of the Net Pension Liability (Asset) (a)	College's Proportionate Share of the Net Pension Liability (Asset) (b)	College's Covered Payroll (c)	College's Proportionate Share of the Net Pension Liability (Asset) as a % of Covered Payroll (b/c)	Plan Fiduciary Net Position as a % of Total Pension Liability (Asset)
2023	0.04201874 %	\$ 7,870,398	\$ 6,309,973	124.73 %	81.70 %
2022	0.04143393	6,345,188	5,904,291	107.47	84.50
2021	0.03920816	4,691,839	5,951,176	78.84	87.60
2020	0.04068234	8,878,287	5,200,614	170.72	75.80
2019	0.04129482	7,143,015	5,541,426	128.90	80.20
2018	0.04243378	6,428,159	5,501,994	116.83	82.07
2017	0.04270759	5,756,999	4,311,800	133.52	83.12
2016	0.05359039	8,045,162	5,350,895	150.35	80.53
2015	0.05487119	3,150,408	5,251,319	59.99	91.88
2014	0.04866030	(1,102,990)	5,067,970	(21.76)	103.60

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF THE COLLEGE PENSION CONTRIBUTIONS – OPERS
LAST TEN YEARS**

Fiscal Year Ended June 30,	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	College's Covered Payroll (c)	Contributions as a % of Covered Payroll (b/c)
2024	\$ 1,087,889	\$ 1,087,889	\$ -	\$ 7,438,143	14.63 %
2023	1,004,787	1,004,787	-	6,309,973	15.92
2022	849,028	849,028	-	6,319,750	13.43
2021	749,065	749,065	-	5,904,291	12.69
2020	751,750	751,750	-	5,951,176	12.63
2019	671,111	671,111	-	5,200,614	12.90
2018	544,313	544,313	-	5,541,426	9.82
2017	463,803	463,803	-	5,501,994	8.43
2016	402,001	402,001	-	4,311,800	9.32
2015	496,715	496,715	-	5,350,895	9.28

SUPPLEMENTARY INFORMATION

**COLUMBIA GORGE COMMUNITY COLLEGE
BUDGETARY INFORMATION
YEAR ENDED JUNE 30, 2024**

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

Measurement Focus and Basis of Accounting

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

- The issuance of debt
- Debt service principal payments
- Capital outlay

Revenues are recognized when they are susceptible to accrual. To be susceptible to accrual, the revenue must be both measurable and available. Measurable means the amount of the transaction can be determined.

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

Stewardship, Compliance, and Accountability

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

The level of expenditure 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 over expenditure. Such budget changes require Board of Education approval.

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

**COLUMBIA GORGE COMMUNITY COLLEGE
BUDGETARY INFORMATION
YEAR ENDED JUNE 30, 2024**

Description of Funds

The College has the following funds:

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

The Grant Fund – accounts for the administration of Federal grants received by the College.

The Readiness Center Insurance Claim Fund – accounts for insurance reimbursement and purchases made for the physical space repair and replacement of equipment. The fund was established in response to water damage that occurred in January 2022 when a main water line burst due to freezing temperatures. This fund is a pass-through account for the receipt and process of the insurance claim funding.

The Debt Service Funds – accounts for the accumulation of resources to pay the principal and interest on General Obligation Bonds, Series 2005 approved by college voters of Hood River and Wasco Counties. These bonds were refunded in March 2012. The fund also accounts for the accumulation of resources to pay the principal and interest on pension obligation bonds issued by the College in 2003 and is funded by a credit to the College's PERS employer rate beginning May 1, 2003.

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

The Enterprise Fund – accounts for self-supporting programs and activities. Revenues received in excess of requirements are not legally restricted and may support general College operations.

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

The Student Fund – accounts for the activities of the student-organized Environmental Club, Phi Theta Kappa, Student Council, Student Nurse Association, Delta Energy Club, and Multicultural Club.

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

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

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
State Sources	\$ 5,874,266	\$ 6,496,020	\$ 6,922,732	\$ 426,712
Local Sources	1,771,214	1,772,214	1,536,433	(235,781)
Tuition	2,510,000	2,254,700	1,905,067	(349,633)
Instructional Fees	1,166,900	1,115,000	1,008,633	(106,367)
Special Fees	-	107,200	7,689	(99,511)
Other Sources	538,550	531,000	953,299	422,299
Sales and Services	-	6,550	22,923	16,373
Total Revenues	11,860,930	12,282,684	12,356,776	74,092
EXPENDITURES				
Instruction	4,003,932	4,003,932	3,913,897	90,035
Academic Support	866,964	866,964	763,861	103,103
Student Services	1,303,838	1,315,838	1,239,601	76,237
Institutional Support	3,325,540	3,380,540	3,021,795	358,745
Financial Aid	18,590	18,590	9,618	8,972
Plant Operation and Maintenance	1,229,683	1,270,433	1,181,536	88,897
Contingency	260,000	152,250	-	152,250
Debt Service	1,089,917	-	-	-
Total Expenditures	12,098,464	11,008,547	10,130,308	878,239
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(237,534)	1,274,137	2,226,468	952,331
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds	240,000	240,000	-	(240,000)
Transfer to Other Funds	(943,000)	(2,032,917)	(2,062,454)	(29,537)
Total Other Financing Sources (Uses)	(703,000)	(1,792,917)	(2,062,454)	(269,537)
NET CHANGE IN FUND BALANCE	(940,534)	(518,780)	164,014	682,794
Fund Balance - Beginning of Year	2,000,000	2,885,627	3,359,269	473,642
FUND BALANCE - END OF YEAR	<u>\$ 1,059,466</u>	<u>\$ 2,366,847</u>	<u>\$ 3,523,283</u>	<u>\$ 1,156,436</u>

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GRANT FUND
YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Federal Sources	\$ 2,574,447	\$ 4,431,253	\$ 2,836,190	\$ (1,595,063)
State Sources	1,689,515	4,140,234	2,425,024	(1,715,210)
Local Sources	230,147	319,096	459,796	140,700
Tuition	-	5,000	6,744	1,744
Other Sources	-	-	-	-
Total Revenues	4,494,109	8,895,583	5,727,754	(3,167,829)
EXPENDITURES				
Personnel Services	3,089,166	3,715,957	2,907,304	808,653
Materials and Services	4,448,739	4,478,794	1,547,140	2,931,654
Financial Aid	-	1,020,966	424,666	596,300
Capital Outlay	-	887,277	626,462	260,815
Total Expenditures	7,537,905	10,102,994	5,505,572	4,597,422
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(3,043,796)	(1,207,411)	222,182	1,429,593
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds	-	562,384	425,543	(136,841)
Transfer to Other Funds	-	-	(385,543)	(385,543)
Total Other Financing Sources (Uses)	-	562,384	40,000	(522,384)
NET CHANGE IN FUND BALANCE	(3,043,796)	(645,027)	262,182	907,209
Fund Balance - Beginning of Year	2,081,189	645,027	307,060	(337,967)
FUND BALANCE - END OF YEAR	<u>\$ (962,607)</u>	<u>\$ -</u>	<u>\$ 569,242</u>	<u>\$ 569,242</u>

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – READINESS CENTER CLAIM FUND
YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other Sources	\$ -	\$ 44,997	\$ 44,997	\$ -
EXPENDITURES				
Materials and Services	-	79,150	30,765	48,385
Capital Outlay	-	59,939	59,939	-
Total Expenditures	-	139,089	90,704	48,385
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	-	(94,092)	(45,707)	48,385
OTHER FINANCING SOURCES (USES)				
Transfer to Other Funds	-	-	-	-
NET CHANGE IN FUND BALANCE	-	(94,092)	(45,707)	48,385
Fund Balance - Beginning of Year	-	94,092	94,093	1
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,386</u>	<u>\$ 48,386</u>

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND – COLLEGE G.O. BONDS
YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Local Sources	\$ 2,263,419	\$ 2,263,419	\$ 1,830,274	\$ (433,145)
Investment Income	21,894	21,894	457	(21,437)
Total Revenues	<u>2,285,313</u>	<u>2,285,313</u>	<u>1,830,731</u>	<u>(454,582)</u>
EXPENDITURES				
Debt Service:				
Principal Payments	1,630,000	1,630,000	1,630,000	-
Interest Payments	121,450	121,450	121,447	3
Total Expenditures	<u>1,751,450</u>	<u>1,751,450</u>	<u>1,751,447</u>	<u>3</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	533,863	533,863	79,284	(454,579)
OTHER FINANCING SOURCES (USES)				
Transfer to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	533,863	533,863	79,284	(454,579)
Fund Balance - Beginning of Year	<u>2,108,453</u>	<u>2,108,453</u>	<u>331,010</u>	<u>(1,777,443)</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 2,642,316</u></u>	<u><u>\$ 2,642,316</u></u>	<u><u>\$ 410,294</u></u>	<u><u>\$ (2,232,022)</u></u>

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND – PENSION BONDS
YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other Sources	\$ -	\$ -	\$ 281,583	\$ 281,583
Investment Income	-	-	2,149	2,149
Total Revenues	-	-	283,732	283,732
EXPENDITURES				
Debt Service:				
Principal Payments	335,000	335,000	335,000	-
Interest Payments	102,720	102,720	101,943	777
Total Expenditures	437,720	437,720	436,943	777
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(437,720)	(437,720)	(153,211)	284,509
OTHER FINANCING SOURCES (USES)				
Transfer to Other Funds	-	-	-	-
NET CHANGE IN FUND BALANCE	(437,720)	(437,720)	(153,211)	284,509
Fund Balance - Beginning of Year	275,552	275,552	362,145	86,593
FUND BALANCE - END OF YEAR	<u>\$ (162,168)</u>	<u>\$ (162,168)</u>	<u>\$ 208,934</u>	<u>\$ 371,102</u>

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND – FULL FAITH AND CREDIT BONDS
YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other Sources	\$ -	\$ -	\$ -	\$ -
Investment Income	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service:				
Principal Payments	-	776,323	776,323	-
Interest Payments	-	314,314	305,743	8,571
Total Expenditures	-	1,090,637	1,082,066	8,571
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	-	(1,090,637)	(1,082,066)	8,571
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds	-	1,089,917	1,089,917	-
NET CHANGE IN FUND BALANCE	-	(720)	7,851	8,571
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ (720)</u>	<u>\$ 7,851</u>	<u>\$ 8,571</u>

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – RESERVE FUNDS – FACILITIES AND GROUNDS MAINTENANCE
YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Materials and Services	\$ 500,000	\$ 500,000	\$ -	\$ 500,000
Capital Outlay	-	-	-	-
Total Expenditures	500,000	500,000	-	500,000
OTHER FINANCING SOURCE				
Transfer from General Fund	500,000	500,000	500,000	-
NET CHANGE IN FUND BALANCE	-	-	500,000	500,000
Fund Balance - Beginning of Year	27,258	27,258	(60,534)	(87,792)
FUND BALANCE - END OF YEAR	<u>\$ 27,258</u>	<u>\$ 27,258</u>	<u>\$ 439,466</u>	<u>\$ 412,208</u>

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – ENTERPRISE FUND
YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Tuition	\$ 80,000	\$ 80,000	\$ 127,286	\$ 47,286
Sales	191,000	191,000	321,808	130,808
Instructional and Special Fees	44,000	44,000	32,494	(11,506)
Leases	200,000	200,000	197,703	(2,297)
Other Sources	150	150	30,856	30,706
Total Revenues	515,150	515,150	710,147	194,997
EXPENDITURES				
Personnel Services	512,927	512,927	530,049	(17,122)
Materials and Services	103,711	103,711	278,521	(174,810)
Total Expenditures	616,638	616,638	808,570	(191,932)
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(101,488)	(101,488)	(98,423)	3,065
OTHER FINANCING SOURCES (USES)				
Transfer from Other Funds	256,000	256,000	250,976	(5,024)
Transfer to Other Funds	(155,000)	(155,000)	(151,846)	3,154
Total Other Financing Sources (Uses)	101,000	101,000	99,130	(1,870)
NET CHANGE IN FUND BALANCE	(488)	(488)	707	1,195
Fund Balance - Beginning of Year	126,668	126,668	184,820	58,152
FUND BALANCE - END OF YEAR	<u>\$ 126,180</u>	<u>\$ 126,180</u>	<u>\$ 185,527</u>	<u>\$ 59,347</u>

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – COLLEGE BOOKSTORE ENTERPRISE FUND
YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Textbook Sales, Net of Discount	\$ 98,973	\$ 98,973	\$ 106,194	\$ 7,221
EXPENDITURES				
Personnel Services	81,183	81,183	82,621	(1,438)
Materials and Services	13,410	13,410	105,649	(92,239)
Total Expenditures	<u>94,593</u>	<u>94,593</u>	<u>188,270</u>	<u>(93,677)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	4,380	4,380	(82,076)	(86,456)
OTHER FINANCING USE				
Transfer from Other Funds	<u>-</u>	<u>-</u>	<u>83,582</u>	<u>83,582</u>
NET CHANGE IN FUND BALANCE	4,380	4,380	1,506	(2,874)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>(10,030)</u>	<u>(10,030)</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,380</u>	<u>\$ 4,380</u>	<u>\$ (8,524)</u>	<u>\$ (12,904)</u>

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – STUDENT FUND
YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Membership Dues	\$ 330	\$ 330	\$ -	\$ (330)
Fundraising	5,000	5,000	-	(5,000)
Other	-	-	88	88
Total Revenues	5,330	5,330	88	(5,242)
EXPENDITURES				
Materials and Services	59,400	59,400	79,321	(19,921)
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(54,070)	(54,070)	(79,233)	(25,163)
OTHER FINANCING USE				
Transfer from Other Funds	56,500	56,500	108,639	52,139
NET CHANGE IN FUND BALANCE	2,430	2,430	29,406	26,976
Fund Balance - Beginning of Year	9,696	9,696	28,307	18,611
FUND BALANCE - END OF YEAR	<u>\$ 12,126</u>	<u>\$ 12,126</u>	<u>\$ 57,713</u>	<u>\$ 45,587</u>

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – STUDENT AID FUND
YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Federal Sources	\$ 2,189,142	\$ 2,189,142	\$ 1,783,141	\$ (406,001)
Local Sources	-	-	43,064	43,064
Total Revenues	2,189,142	2,189,142	1,826,205	(362,937)
EXPENDITURES				
Materials and Services	2,159,142	2,159,142	1,845,404	313,738
Personnel Services	30,000	30,000	15,009	14,991
Total Expenditures	2,189,142	2,189,142	1,860,413	328,729
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	-	-	(34,208)	(77,272)
OTHER FINANCING SOURCE				
Transfer from Other Funds	-	-	96,084	96,084
NET CHANGE IN FUND BALANCE	-	-	61,876	61,876
Fund Balance - Beginning of Year	-	-	(685)	(685)
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,191</u>	<u>\$ 61,191</u>

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – SCHOLARSHIP FUND
YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other Sources	\$ 750,000	\$ 750,000	\$ 1,065,446	\$ 315,446
EXPENDITURES				
Materials and Services	830,000	830,000	1,099,685	(269,685)
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	(80,000)	(80,000)	(34,239)	45,761
OTHER FINANCING SOURCES				
Transfer from Other Funds	80,000	80,000	45,101	(34,899)
NET CHANGE IN FUND BALANCE	-	-	10,862	10,862
Fund Balance - Beginning of Year	-	-	211,772	211,772
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,634</u>	<u>\$ 222,634</u>

COMPLIANCE SECTION



INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Education
Columbia Gorge Community College
The Dalles, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of Columbia Gorge Community College (the College) as of and for the year ended June 30, 2024, and have issued our report thereon dated September 30, 2025.

Compliance

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

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

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

In connection with our testing, nothing came to our attention that caused us to believe Columbia Gorge Community College was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except as follows: the College did not include in the supplemental budget board resolution an explanation for the transfers made between appropriations in accordance with ORS 294-463 and some numbers in the current budget of the supplemental budget form did not agree to the original approved budget. See finding 2024-001 in the schedule of findings and questioned costs. We also noted other noncompliance including: the College had excess expenditures over appropriations for six funds; and the College did not show separate amounts for principal and interest in the published budget in accordance with ORS 294.456.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the Columbia Gorge Community College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Columbia Gorge Community College's internal control over financial reporting.

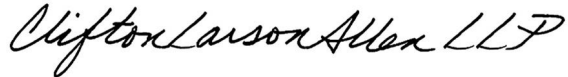
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination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

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

We identified a deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2024-001, that we consider to be a significant deficiency.

Purpose of this Report

This report is intended solely for the information and use of the board of education and management of Columbia Gorge Community College and the Oregon Secretary of State and is not intended to be, and should not be, used by anyone other than these parties.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Bellevue, Washington
September 30, 2025

A handwritten signature in blue ink that reads "Jean Bushong". The signature is written in a cursive, flowing style.

Jean Bushong, CPA
Principal
CPA License #98624
Oregon Municipal License #1662



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

Board of Education
Columbia Gorge Community College
The Dalles, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Columbia Gorge Community College (the College), and its discretely presented component unit, Columbia Gorge Community College Foundation, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Columbia Gorge Community College's basic financial statements, and have issued our report thereon dated September 30, 2025. Our report includes the financial statements of the Columbia Gorge Community College Foundation. This component unit was not audited in accordance with Government Auditing Standards.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Columbia Gorge Community College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Columbia Gorge Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Columbia Gorge Community College's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Columbia Gorge Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 2024-001.

Columbia Gorge Community College's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Columbia Gorge Community College's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Columbia Gorge Community College's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



CliftonLarsonAllen LLP

Bellevue, Washington
September 30, 2025



**REPORT OF INDEPENDENT AUDITORS ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education
Columbia Gorge Community College
The Dalles, Oregon

Report on Compliance for Each Major Federal Program

Report on Each Major Federal Program

We have audited Columbia Gorge Community College's (the College) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2024. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the College's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items: 2024-002, 2024-005, 2024-006, 2024-007, 2024-008 and 2024-009. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Columbia Gorge Community College's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Columbia Gorge Community College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-002, 2024-003, 2024-004, 2024-005, and 2024-009 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-006, 2024-007, and 2024-008 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



CliftonLarsonAllen LLP

Bellevue, Washington
September 30, 2025

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION				
Student Financial Assistance Cluster:				
Federal Direct Student Loans	84.268			\$ 694,147
Federal Pell Grant Program	84.063			1,065,279
Federal Supplemental Educational Opportunity Grants	84.007			42,950
Federal Work-Study Program	84.033			5,751
Total Student Financial Assistance Cluster				<u>1,808,127</u>
Title III Strengthening Institutions Program:				
Direct Funding:				
Building Equitable Access and Success Project (EASE)	84.031A			379,133
Education Stabilization Fund:				
Passed through Oregon Department of Education:				
COVID-19: Higher Education Emergency Relief Funds, Student Aid - ARP-ESSER	84.425U	Not available		216,080
Passed-Through Oregon Higher Education Coordinating Commission:				
Adult Education - Basic Grants to States	84.002	21-112A		158,002
Passed-Through Oregon Higher Education Coordinating Nontraditional Perkins - Career and Technical Education	84.048A	22-085C		<u>19,400</u>
Total U.S. Department of Education				2,580,742
U.S. DEPARTMENT OF INTERIOR				
Bureau of Land Management:				
BLM Fuels Management and Community Fire Assistance Program Activities	15.228	L22AC00346-00		<u>149,505</u>
Total U.S. Department of Interior				149,505
U.S. DEPARTMENT OF LABOR				
Workforce Innovation and Opportunity Act (WIOA) Cluster:				
Passed-Through East Cascade Workforce Investment Board:				
Adult Formula	17.258	23-011		182,368
Adult - Manufacturing Trades	17.258	23-011		<u>59,994</u>
				242,362
Youth Formula	17.259	23-005		196,816
Dislocated Worker Formula	17.278	23-011		<u>116,071</u>
Total WIOA Cluster				<u>555,249</u>
Total U.S. Department of Labor				555,249

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF TREASURY				
Passed-Through East Cascade Workforce Investment Board:				
COVID-19-ESOL Fiscal Recovery Funds	21.027	23-011		\$ 89,517
COVID-19 Prosperity 10K Fiscal Recovery Funds	21.027	23-011		81,066
Passed-Through the County of Hood River:				
COVID-19 State and Local Fiscal Recovery Funds	21.027	Not available		8,530
Total U.S. Department of Treasury				179,113
NATIONAL SCIENCE FOUNDATION				
Direct Funding:				
Education and Human Resources	47.076			130,679
Total National Science Foundation				130,679
THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Passed-through The State Library of Oregon				
Library Services and Technology Act	45.310	Not available		43,562
Total institute of Museum and Library Services				43,562
THE NATIONAL ENDOWMENT OF HUMANITIES				
Passed-through Oregon Humanities				
Mini Grant for Rural Libraries	45.129	Not available		2,234
Total National Endowment of Humanities				2,234
U.S. SMALL BUSINESS ADMINISTRATION				
Passed-Through Lane Community College Small Business				
Development Center Network Office:				
Small Business Development Center	59.037	SBAHQ-20-C-0074-145		104,789
Total U.S. Small Business Administration				104,789
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed-Through Oregon Child Care Resource and				
Referral Network:				
Child Care Development Fund Cluster (CCDF):				
Child Care and Development Block Grant	93.575	14833		655,375
Total Department of Health and Human Services				655,375
U.S. DEPARTMENT OF COMMERCE				
Direct Funding:				
National Institute of Standards and Technology				
Congressionally Identified Projects Program (CIPP)	11.617	60NANB24D169		428,668
Direct Funding:				
Economic Adjustment Assistance for Health Science				
COVID-19 Workforce Expansion	11.307	07-79-07767		493,391
Total Department of Commerce				922,059
Total Expenditures of Federal Awards				\$ 5,323,307

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Columbia Gorge Community College (the College) under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations for the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The College does not draw for indirect administrative expenses and has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance. No federal financial assistance has been provided to a subrecipient.

NOTE 3 - STUDENT FINANCIAL ASSISTANCE INSTITUTIONAL AND PROGRAM ELIGIBILITY METRICS

The Institution is in compliance with the following institutional and program eligibility requirements under the Higher Education Act of 1965 and Federal regulations under 34 CFR 668.23:

- Correspondence courses the institution offers under 34 CFR 600.7(b) and (g)
- Regular students that enroll in correspondence courses under 34 CFR 600.7(b) and (g)
- Institution's regular students that are incarcerated under 34 CFR 600.7(c) and (g)
- Completion rates for confined or incarcerated individuals enrolled in nondegree programs at nonprofit institutions under 34 CFR 600.7(c)(3)(ii) and (g)
- Institution's regular students that lack a high school diploma or its equivalent under 34 CFR 600.7(d) and (g)
- Completion rates for short-term programs under 34 CFR 668.8(f) and (g)
- Placement rates for short-term programs under 34 CFR 886.8(e)(2)

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? x yes _____ no
 - Significant deficiency(ies) identified? x yes _____ none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

Assistance Living Number(s)

84.007, 84.033, 84.063, 84.268
11.307

Name of Federal Program or Cluster

Student Financial Assistance Cluster
Economic Adjustment Assistance

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

_____ yes x no

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section II – Financial Statement Findings and Compliance Matters

2024 – 001

Type of Finding:

- Significant Deficiency in State Noncompliance

Condition: The supplemental budget board resolution did not include an explanation for the transfer between the general fund and the debt service fund. We also noted discrepancies in the original approved budget amounts on the supplemental budget in the two of the funds.

Criteria or specific requirement: Transfers may be made between appropriations within a fund by board resolution. Resolution must state: The need for the transfer; the purpose for the authorized expenditure, and the amount transferred. (Oregon Revised Statutes 294.463)

Effect: The College was not in compliance with Oregon ORS 294.463.

Cause: There was a lack of understanding of what is required to be included in the resolution for the supplemental budget, as well as a lack of review of amounts used in the approved budget column.

Repeat Finding: 2023-001

Recommendation: We recommend the individuals responsible for the budget process obtain training in order to fully understand the requirements in order to be in compliance with Oregon Revised Statutes.

Views of responsible officials: There is no disagreement with the finding.

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Federal Award Findings and Questioned Costs

2024-002

Federal Agency: U.S. Department of Education

Federal Program Title: Student Financial Assistance Cluster

ALN Numbers: 84.268, 84.063, 84.007, 84.033

Federal Award Identification Number and Year: P268K247727, P063P237727, P007A239116, P033A239116

Award Period: July 1, 2023 - June 30, 2024

Type of Finding: Material Weakness in Internal Control Over Compliance; Compliance, Other Matter

Criteria or specific requirement: The Code of Federal Regulations, 34 CFR 682.610, states that institutions must accurately report the enrollment status of all students regardless of whether they receive aid from the institution or not. This includes the enrollment effective date and related enrollment status, which must be reporting for both the Campus-Level and the Program-Level, as well as the program begin date. Changes to said status are required to be reported within 30 days of becoming aware of the status change, or with the next scheduled transmission of statuses if the scheduled transmission is within 60 days. In addition, Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition: The College did not properly report student enrollment changes for students who received federal student aid to the National Student Loan Data System (NSLDS). Additionally, the College did not have a control process in place to ensure timely and accurate reporting.

Questioned Costs: None.

Context: In our statistically valid sample of 60 students selected for National Student Loan Data System (NSLDS) enrollment reporting testing, we identified 22 students that had the campus enrollment status reported incorrectly, 24 students had incorrect enrollment effective date, 60 students were reported past the 60-day reporting timeframe, 60 students were not certified every 60 days, five students had no record listed in NSLDS, three students where NSLDS Program enrollment effective date did not match the institutions records, two students where the students NSLDS Program enrollment status did not match the institutions records, one student had incorrect program length, and one student had a program begin date that did not match institutional records. Additionally, there was no review process to ensure timely and accurate reporting to NSLDS.

Cause: The College did not have proper controls or procedures in place to verify students' status in NSLDS matched the institution's records in a timely manner.

Effect: The College was not in compliance with the requirements to properly report student enrollment data correctly. Incorrect dates submitted to NSLDS may be used to determine the grace period for the repayment and interest of outstanding Title IV student loans.

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Federal Award Findings and Questioned Costs (Continued)

Repeat Finding: Yes. 2023-004.

Recommendation: We recommend the College review current processes and procedures for NSLDS enrollment reporting and implement an internal control that ensures reporting is both timely and accurate as well as retaining evidence of this control being performed.

Views of responsible officials: There is no disagreement with the finding.

2024-003

Federal Agency: U.S. Department of Education

Federal Program Title: Student Financial Assistance Cluster

ALN Numbers: 84.268, 84.063, 84.007

Federal Award Identification Number and Year: P268K247727, P063P237727, P007A239116

Award Period: July 1, 2023 - June 30, 2024

Type of Finding: Material Weakness in Internal Control Over Compliance

Criteria or specific requirement: 2 CFR part 200 section 200.303 requires that non-Federal entities receiving federal awards (i.e., auditee management) establish and maintain internal control designed to reasonably ensure compliance with Federal statutes, regulations, and the terms and conditions of the federal award. The Code of federal Regulations, 34 CFR 688.164, requires any Title IV federal funds disbursed to a student or parent that are not received or negotiated must be returned to the appropriate federal financial aid program no later than 240 days after the check or electronic fund transfer (EFT) was issued. If a check or an EFT is returned, the College may make additional attempts to deliver the funds, provided that those attempts are made no later than 45 days after the funds were returned or rejected. In cases where the College does not make another attempt, the funds must be returned before the end of the initial 45-day period. The College must cease all attempts to disburse the funds and return them no later than 240 days after the date it issued the first check. Unclaimed Title IV FSA funds must not escheat to the state, revert to the College, or be transferred to any other third party. Any Title IV, HEA credit balance must be paid directly to the student or parent promptly, within 14 days of its occurrence, whether before or after the first day of class for a given payment period.

Condition: The College does not have a control in place to specifically monitor outstanding Title IV federal funded checks issued to students. This absence of oversight prevents the College from ensuring that these funds are returned within 240 days of check issuance. Additionally, the College does not have a control in place to monitor that student refunds are disbursed within 14 days of its occurrence.

Questioned Costs: None.

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Federal Award Findings and Questioned Costs (Continued)

Context: During our testing, it was noted the College did not have a control in place to ensure the return of outstanding Title IV federally funded checks that were old and needed to be returned to the U.S. Department of Education prior to 240 days after issuance. It was also noted that the College did not have a control in place to ensure student refunds are disbursed to students within 14 days of its occurrence.

Cause: The College does not have a control in place to ensure federal refunds are sent to students within 14 days and that any uncashed federal checks over 240 days are sent back to the Department of Education.

Effect: The College is not in compliance with Department of Education requirements to establish internal controls over outstanding checks and refunds of disbursements to students.

Repeat Finding: No.

Recommendation: We recommend the College review the requirements and implement a control to specifically monitor the outstanding Title IV funded checks and the refunds of disbursements to students throughout the year.

Views of responsible officials: There is no disagreement with the finding.

2024-004

Federal Agency: U.S. Department of Education

Federal Program Title: Student Financial Assistance Cluster

ALN Numbers: 84.268, 84.063, 84.007, 84.033

Federal Award Identification Number and Year: P268K247727, P063P237727, P007A239116, P033A239116

Award Period: July 1, 2023 - June 30, 2024

Type of Finding: Material Weakness in Internal Control Over Compliance

Criteria or specific requirement: Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements over direct loan reconciliations as well as the reconciliation of Pell, Federal Supplemental Educational Opportunity Grant (FSEOG), and Federal Work Study (FWS)

Condition: The College did not have an internal control in place to ensure the direct loan monthly reconciliations were completed timely and accurately. In addition, the College also did not have a control in place to ensure the Pell, FSEOG, and FWS funds were reconciled timely and accurately.

Questioned Costs: None.

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Federal Award Findings and Questioned Costs (Continued)

Context: During our testing, we noted the College did not have a formal review process in place to ensure the direct loan reconciliations were completed timely and accurately in accordance with federal regulations. The College also did not have formal review processes for reconciliations over other Title IV funding like Pell, FSEOG and FWS.

Cause: The College did not have an internal control in place to review and approve direct loan, Pell, FSEOG, and FWS reconciliations.

Effect: The College is not in compliance with Department of Education requirements to establish internal controls over the direct loan, Pell, FSEOG, and FWS reconciliations.

Repeat Finding: No.

Recommendation: We recommend the College implement procedures to ensure direct loan, Pell, FSEOG, and FWS reconciliations are reviewed and such review properly documented.

Views of responsible officials: There is no disagreement with the finding.

2024-005

Federal Agency: U.S. Department of Education

Federal Program Title: Student Financial Assistance Cluster

ALN Numbers: 84.268, 84.063, 84.007, 84.033

Federal Award Identification Number and Year: P268K247727, P063P237727, P007A239116, P033A239116

Award Period: July 1, 2023 - June 30, 2024

Type of Finding: Material Weakness in Internal Control Over Compliance; Compliance, Other Matter

Criteria or specific requirement: 34 CFR 668.22(a)(1) states that when a recipient of Title IV grant or loan assistance withdraws from an institution during a period of enrollment that the recipient began attendance in, the institution must determine the amount of Title IV assistance that the student earned in accordance with 34 CFR 668.22(e) which states that the calculation to determine this is equal to the percentage of the period of enrollment that the student completed as of the withdrawal date if this date occurs before completion of 60% of the period of enrollment. The amount unearned by the student is the complement of this percentage and is required to be returned as soon as possible but no later than 45 days after the date of the institution's determination that the student withdrew as described in 34 CFR 668.22(j)(1). The withdrawal date is the date by which the student began the withdrawal process or provided official notification to the institution of intent to withdraw. If the student ceased attendance without providing notification to the institution the midpoint of the period of enrollment should be used. If the student's ceasing attendance is due to illness, accident, or other circumstance beyond the students control the withdrawal date is date the institution becomes aware of these circumstances, as described in 668.22(c). Further (j)(2) states an institution not required to take attendance must determine the withdraw date for students who withdraw without providing notification to the institution no later than 30.

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Federal Award Findings and Questioned Costs (Continued)

Criteria or specific requirement (continued): days after the end of the earlier of the period of enrollment, academic year in which withdrawal occurred, or education program for which the student withdrew. Additionally, per 2 CFR 200.303, nonfederal entities receiving federal awards are required to establish and maintain effective internal controls designed to reasonably ensure compliance with federal laws, regulations, and program requirements related to these awards.

Condition: The College did not accurately determine student withdrawal dates, leading to incorrect Return of Title IV (R2T4) calculations. Additionally, withdrawals were not identified in a timely manner, and funds were not returned within the required 45-day period. The College also lacked internal controls to ensure the R2T4 process complied with federal regulations and guidelines.

Questioned Costs: None.

Context: During our testing, we identified exceptions in 7 out of 16 sampled student records. Specifically:

- 5 students had incorrect withdrawal dates recorded.
- 2 students had Return of Title IV (R2T4) calculations that were not accurately performed.
- 3 students experienced delays in withdrawal determination beyond 30 days of their enrollment period, and for these same students, funds were not returned to COD within the required 45-day timeframe.

Furthermore, the College lacks a formal review process to ensure adherence to federal laws, regulations, and program compliance requirements.

Cause: The College did not establish precise controls to ensure compliance with federal laws, regulation and program compliance requirements over R2T4.

Effect: The lack of an internal control to ensure compliance with federal requirements could result in errors going undetected by the College.

Repeat Finding: Yes, 2023-005, 2023-008.

Recommendation: We recommend the College review its current procedures for Title IV funds and implement a control that prevents and detects errors in this process. Additionally, we recommend the College implement a formal review process to ensure the R2T4 calculations being prepared timely and correctly to minimize the likelihood that errors may go undetected and not corrected in a timely manner.

Views of responsible officials: There is no disagreement with the finding.

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Federal Award Findings and Questioned Costs (Continued)

2024-006

Federal Agency: U.S. Department of Education

Federal Program Title: Student Financial Assistance Cluster

ALN Numbers: 84.268, 84.063, 84.007, 84.033

Federal Award Identification Number and Year: P268K247727, P063P237727, P007A239116, P033A239116

Award Period: July 1, 2023 - June 30, 2024

Type of Finding: Significant Deficiency in Internal Control Over Compliance; Compliance, Other Matter

Criteria or specific requirement: The Code of Federal Regulations (34 CFR § 668.34(a)) requires institutions to establish a reasonable satisfactory academic progress (SAP) policy for determining whether an otherwise eligible student is making satisfactory academic progress in his or her educational program and may receive assistance under Title IV, HEA programs. Per 2 CFR 200.303, nonfederal entities receiving federal awards must establish and maintain effective internal control designed to reasonably ensure compliance with federal laws, regulations, and the terms and conditions of the award.

Condition: The College did not properly identify students on Satisfactory Academic Progress (SAP) suspension, resulting in disbursement of aid to ineligible students.

Questioned Costs: \$21,381

Context: During our testing of 60 students, we noted 8 students who did not meet SAP requirements and were not placed on SAP suspension.

Cause: The students' SAP statuses were not being calculated within the College's system due to a known system issue and notifications of a change in SAP standing were not sent out to students.

Effect: Ineligible students received Title IV funds.

Repeat Finding: 2023-008.

Recommendation: We recommend the College strengthen its internal controls to ensure timely identification of students not meeting SAP standards. Additionally, the College should work with its system administrator to resolve the SAP calculation issue or implement an alternative method for tracking SAP compliance.

Views of responsible officials: There is no disagreement with the finding.

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Federal Award Findings and Questioned Costs (Continued)

2024-007

Federal Agency: U.S. Department of Education

Federal Program Title: Student Financial Assistance Cluster

ALN Numbers: 84.007

Federal Award Identification Number and Year: P007A239116

Award Period: July 1, 2023 - June 30, 2024

Type of Finding: Significant Deficiency in Internal Control Over Compliance; Compliance, Other Matter

Criteria or specific requirement: The Code of Federal Regulations, 34 CFR 676.10(a)(1) and (2) states “In selecting among eligible students for FSEOG awards in each award year, an institution shall select those students with the lowest expected family contributions who will also receive Federal Pell Grants in that year. If the institution has FSEOG funds remaining after giving FSEOG awards to all such students who will receive Pell Grants, the institution may award the remaining funds to other eligible students.” Furthermore, institutions are required to ensure that only eligible recipients receive Federal Pell Grants. In addition, Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, statutes, regulations and terms and conditions of the federal award.

Condition: The College awarded FSEOG funds to students with Expected Family Contributions (EFCs) above zero, while eligible students with zero EFCs were not awarded.

Questioned Costs: None.

Context: Out of 8 FSEOG recipients tested, one FSEOG recipient had an EFC greater than zero while eligible students with zero EFCs were not awarded FSEOG.

Cause: A reporting error in the financial aid system misclassified a student’s EFC, leading to incorrect award decisions.

Effect: The College did not comply with FSEOG awarding guidelines, which prioritize students with the lowest EFCs.

Repeat Finding: No.

Recommendation: We recommend the College review its FSEOG awarding procedures and strengthen controls to ensure accurate identification and prioritization of eligible students based on EFC.

Views of responsible officials: There is no disagreement with the finding.

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Federal Award Findings and Questioned Costs (Continued)

2024-008

Federal Agency: U.S. Department of Commerce

Federal Program Title: Economic Development Cluster

ALN Numbers: 11.307

Federal Award Identification Number and Year: 07-79-07767 - URI:116720

Award Period: July 1, 2023 - June 30, 2024

Type of Finding: Significant Deficiency in Internal Control Over Compliance; Compliance, Other Matter

Criteria or specific requirement: In accordance with 2 CFR 200.358 the recipient must submit financial reports as required by the Federal award. The grant requirements state that the recipient must submit form SF-425 on a semi-annual basis for the periods ending March 31 and September 30, or any portion thereof. 2 CFR 200.328(c) requires these semi-annual reports be submitted no later than 30 days after the reporting period. Per Uniform Guidance 2 CFR 200.303, non-federal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition: The College did not submit the required SF-425 report for the period ending March 31, 2024.

Questioned Costs: None.

Context: During our testing of financial reports, the College was unable to provide the SF-425 report for the period ending March 31, 2024.

Cause: The College was not aware that this report had not been submitted.

Effect: The College was not in compliance with the Department of Commerce regulations for timely and accurate reporting of the SF-425 report.

Repeat Finding: No.

Recommendation: We recommend the College review its reporting procedures to ensure all reports are completed and submitted timely.

Views of responsible officials: There is no disagreement with the finding.

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

Section III – Federal Award Findings and Questioned Costs (Continued)

2024-009

Federal Agency: U.S. Department of Commerce

Federal Program Title: Economic Development Cluster

ALN Numbers: 11.307

Federal Award Identification Number and Year: 07-79-07767 - URI:116720

Award Period: July 1, 2023 - June 30, 2024

Type of Finding: Material Weakness in Internal Control Over Compliance; Compliance, Other Matter

Criteria or specific requirement: In accordance with 29 CFR section 5.5, Davis-Bacon Act (currently known as Wage Rate Requirements) requires that all contractors and subcontractors performing on federal contracts (and contractors or subcontractors performing on federally assisted contracts under the related Acts) in excess of \$2,000 pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits listed in the contract's Davis-Bacon wage determination for corresponding classes of laborers and mechanics employed on similar projects in the area. Each covered contractor and subcontractor must, on a weekly basis, provide the entity with a copy of all payrolls providing the information listed under 29 CFR 5.5(a)(3)(ii)(B) for the preceding weekly payroll period. The contractor, subcontractor or authorized officer or employee of the contractor or subcontractor who supervises the payment of wages must sign the weekly payroll and certification statement. Further Uniform Guidance 2 CFR 200.303, non-federal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition: The College did not receive or review the required weekly certified payrolls from subcontractors and contractors.

Questioned Costs: None.

Context: During our testing of two contracts with contractors/subcontractors that were subject to the Davis-Bacon wage rate requirements the College did not obtain the certified payrolls from the contractors/subcontractors and document their review and approval of them.

Cause: The College was not aware of the requirement to obtain and review weekly certified payrolls prior to processing the vendor payment.

Effect: The College was not in compliance with the Department of Commerce's wage rate requirements under special tests and provisions.

Repeat Finding: No.

Recommendation: We recommend the College strengthen its process for obtaining certified payrolls and implement procedures to ensure timely receipt, review, and documentation of these reports.

Views of responsible officials: There is no disagreement with the finding.

