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\$13,799,000

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

**GENERAL OBLIGATION REFUNDING BONDS
SERIES 2012**

INDEX

\$13,790,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds
Series 2012

Document
Number

1 Transcript Certification

BASIC BOND DOCUMENTS

2 Certificate of Oregon State Treasury of Compliance with Statute and Administrative Rule

3 Bond Purchase Agreement

4 Final Pricing Numbers

5 Specimen Bond

6 Receipt for Bonds

7 Closing Memorandum and Distribution List

DISCLOSURE DOCUMENTS

8 Issuer's Deemed Final Letter approving the Preliminary Official Statement

9 Preliminary Official Statement

10 Official Statement

11 Certificate as to Reoffering

12 Rating Agency Report

13 District Continuing Disclosure Certificate

14 State of Oregon Continuing Disclosure Certificate

ISSUER DOCUMENTS

15 Certificate of Determination

16 Tax Exemption Certificate and Agreement

17 Signature and Non-Litigation Certificate

18 Blanket Issuer Letter of Representations

19 Receipt for Bond Proceeds

20 Resolution and Minutes of December 13, 2011, Authorizing the Issuance and Sale of Bonds

- 21 Resolution and Minutes of April 12, 2005 authorizing the General
Obligation Bonds, Series 2005
- 22 General Certificate
- 23 Certificate of Outstanding General Obligation Bonded Indebtedness
- 24 Certificate of Proceedings
- 25 Certificates of Hood River County and Wasco County Assessors as to
the Real Market Value of Taxable Property in the District
- 26 Municipal Debt Advisory Commission Bond Sale Notice Form 1 and
Bond Sale Results Form 2
- 27 IRS Form 8038-G -- Information Report for Tax-Exempt Governmental
Bond Issues and Affidavit of Filing

REFUNDING DOCUMENTS

- 28 Escrow Deposit Agreement
- 29 Escrow Agent's authority to sign the Escrow Deposit Agreement
- 30 Verification Report
- 31 Certificate of Financial Advisor
- 32 Material Event Notice
- 33 Preliminary Advance Refunding Plan
- 34 Final Advance Refunding Plan
- 35 State Treasurer's Preliminary and Final Approval

INSURANCE

- 36 Oregon State Treasury Certificate of Qualification and Letter of
Confirmation with respect to Oregon School Bond Guaranty Act

PAYING AGENT DOCUMENTS

- 37 Paying Agent and Bond Registrar Agreement
- 38 Paying Agent and Bond Registrar's authority to sign Agreement

OPINIONS

- 39 Bond Counsel Opinion
- 40 Reliance Letter
- 41 Bond Counsel Supplemental Opinion
- 42 Defeasance Opinion

1

TRANSCRIPT CERTIFICATION

\$13,790,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds
Series 2012

On behalf of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District"), I, Saundra L. Buchanan, Chief Financial Officer, certify that the attached transcript documents are true and correct copies of the original documents assembled at the closing of the District's General Obligation Refunding Bonds, Series 2012. All documents were signed as required by the appropriate parties.

DATED as of this 15th day of March 2012.

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

By *Saundra L Buchanan*
Saundra L. Buchanan
Chief Financial Officer

2

TED WHEELER
STATE TREASURER

DARREN BOND
DEPUTY STATE TREASURER



DEBT MANAGEMENT DIVISION
LAURA LOCKWOOD-MCCALL
DIRECTOR

350 Winter Street NE, Suite 100
Salem, OR 97301
(503) 378-4930
FAX (503) 378-2870

March 12, 2012

Mersereau & Shannon LLP
1 SW Columbia, Suite 1600
Portland, OR

RE: Proposed Negotiated Sale, Columbia Gorge Comm College (Treaty-Oak AED)
(Wasco County) \$13,790,000 General Obligation (N) Bonds, Series 2012.

This is to confirm that Columbia Gorge Comm College (Treaty-Oak AED) has complied with the provisions of Oregon Revised Statutes 287A.640 and Oregon Administrative Rule 170-061-0000 in connection with the above-referenced bond sale.

In accordance with OAR 170-061-0000 (6), please submit a completed MDAC Form 2 and final official statement, if available, for the above referenced sale within seven business days of the bond marketing date.

Sincerely,

A handwritten signature in black ink that reads "Laura Lockwood-McCall". The signature is written in a cursive style.

Laura Lockwood-McCall
Director, Debt Management Division

LLM: cd

3



Innovative Financing and Investment Strategies

February 22, 2012

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

Re: Columbia Gorge Community College
\$13,790,000 General Obligation Refunding Bonds, Series 2012

Honorable Board of Education:

Seattle-Northwest Securities Corporation (the "Underwriter") offers to enter into this purchase agreement (the "Purchase Agreement") with Columbia Gorge Community College, in Hood River and Wasco Counties, Oregon (the "Issuer") (each of the Underwriter and the Issuer may be referred to herein as a "Party" or collectively as the "Parties").

Upon execution of this Purchase Agreement by the Parties, this Purchase Agreement will constitute a binding agreement between the Issuer and the Underwriter.

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

1. Purchase and Sale

Subject to the terms and conditions of this Purchase Agreement, the Underwriter hereby agrees to purchase from the Issuer for offering to the public and the Issuer hereby agrees to sell to the Underwriter all, but not less than all of the \$13,790,000 aggregate principal amount of the General Obligation Refunding Bonds, Series 2012 (the "Bonds").

The Bonds shall be dated, shall mature, shall bear interest, shall be payable, and shall have redemption provisions and other terms all as set forth in Exhibit A attached hereto. The Underwriter's purchase price for the Bonds is set forth in Exhibit A.

2. Closing

The transaction at which the Bonds are delivered by the Issuer to the Underwriter and paid for by the Underwriter is referred to herein as the "Closing" and the date of such transaction, the "Closing Date."

3. Authorization and Financing Documents

The issuance, sale and delivery of the Bonds is authorized by a Resolution (the "Resolution"), adopted by the Board of Education of the Issuer on December 13, 2011. On the Closing Date, executed copies of the Financing Documents defined in Exhibit D attached hereto shall be delivered or made available to the Underwriter.

The Bonds shall be payable and shall be secured as provided in the Resolution and as described in the document entitled Preliminary Official Statement, which is dated February 13, 2012 and which describes the Issuer and the Bonds (the "POS.")

4. Paying Agent; Enhancement

- a) US Bank National Association shall be the paying agent for the Bonds, serving as registrar and paying agent (the "Paying Agent").
- b) Payment when due of the regularly scheduled principal of and interest on the Bonds shall be guaranteed under the provisions of Oregon School Bond Guaranty (the "State Guaranty").

5. Offering

The Underwriter agrees to make a *bona fide* public offering of all the Bonds, at prices not in excess of the initial public offering prices or at yields not lower than the initial yields as set forth in Exhibit A attached hereto.

6. Official Statement

- a) Issuer represents and warrants that it ratified, approved, and "deemed final" the POS for purposes of Rule 15c2-12 (except for the omission of the following information: offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, credit enhancement, if any, ratings, and other terms of the securities depending on such matters) of the Securities Exchange Act of 1934, as amended (the "Rule"). Issuer approves and ratifies the use and distribution by the Underwriter of the POS in connection with the public offering and sale of the Bonds by the Underwriter.
- b) The final official statement shall be substantially in the form of the POS with only such changes permitted by the Rule as shall have been reviewed by the Underwriter (such final official statement, incorporating such changes, if any, shall be referred to herein as the "Final Official Statement"). The Issuer shall cooperate with the Underwriter in the preparation of the Final Official Statement

for delivery within seven (7) business days after the date hereof and, in any event, for delivery in sufficient time to accompany any order confirmation from the Underwriter to its customer and in sufficient time to permit the Underwriter to comply with the provisions of the Rule and with all applicable rules of the MSRB.

- c) The Issuer will not amend or supplement the Final Official Statement without the consent of the Underwriter. The Issuer agrees to notify the Underwriter promptly if, on or prior to the 25th day after the End of the Underwriting Period (as defined below), any event shall occur, or information come to the attention of the Issuer, that would cause the Final Official Statement (whether or not previously supplemented or amended), as of its date, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Issuer, such event requires the preparation and distribution of a supplement or amendment to the Final Official Statement, the Issuer, at its expense, shall amend or supplement the Final Official Statement in a form and manner approved by the Underwriter and will provide such number of copies of the supplement or amendment to the Final Official Statement, as the Underwriter may reasonably request. For purposes of this Purchase Agreement, the “End of the Underwriting Period” shall occur on the later of Closing Date or the date on which the Underwriter no longer retains an unsold balance of Bonds for sale to the public.
- d) The Underwriter may have assisted the Issuer in the compilation of certain information contained in the POS and to be contained in the Final Official Statement; however, in providing any such assistance, the Underwriter did not undertake to determine independently the accuracy or completeness of such information. The Underwriter has reviewed the information in the POS and will review the information in the Final Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

7. Representations, Warranties and Covenants

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

- a) The Issuer is a political subdivision duly organized and validly existing under the laws and Constitution of the State of Oregon;

- b) The Issuer has duly adopted the Resolution and it is a valid, legal and binding Resolution of the Issuer;
- c) The Issuer is duly authorized and has full legal right, power, and authority to issue, sell and deliver the Bonds and perform its obligations under the Financing Documents;
- d) The Resolution is in full force and effect and has not been superseded, rescinded or amended;
- e) The Issuer has full legal right, power and authority to and will apply or cause to be applied the proceeds of the Bonds as described in the Resolution, and the POS and the Final Official Statement.
- f) The Issuer is not, and the execution of and performance by the Issuer of its obligations under the Financing Documents will not cause the Issuer to be, (i) in violation of any constitutional provision, law, court decree, administrative regulation or judgment, other similar action, or (ii) in material default under any loan agreement, indenture, bond, note, resolution or other material agreement or instrument to which the Issuer is a party or to which the Issuer or any of its properties or assets is otherwise subject;
- g) All governmental approvals or authorizations required to be obtained by the Issuer prior to the Closing in connection with the issuance and delivery of the Bonds or the performance by the Issuer of its obligations under the Financing Documents have been or will be obtained prior to Closing;
- h) No filing or registration of the Resolution or other instrument or financing statement is required to be made to create, protect or preserve the pledge of taxes under the Resolution or is required for the validity and enforceability of the Resolution;
- i) As of the Closing, the Bonds and each of the Financing Documents will be legal, valid and binding obligations of the Issuer, will be in full force and effect, and will be enforceable in accordance with their terms except to the extent limited by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Issuer;

- j) Except as described in the Final Official Statement there is no action, suit, proceeding, inquiry or investigation before or by any court, governmental agency, public board or body pending or, to the knowledge of the Issuer, threatened against the Issuer; (i) in any way questioning the legal existence of the Issuer or the titles of the officers of the Issuer to their respective offices; (ii) in any way affecting or contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of the Bonds; (iii) wherein an unfavorable decision, ruling, or finding would have a material adverse effect on the Issuer, the collection and application of taxes to be levied for the benefit of the Issuer for the payment of the Bonds, the financial condition of the Issuer, or would have an adverse effect on the validity or enforceability of the Bonds or the Resolution, or which would in any way adversely affect the exclusion of interest on the Bonds from gross income for general federal income tax purposes; (iv) contesting the completeness or accuracy of the POS or the Final Official Statement; or (v) in any way contesting the election under which the issuance of Bonds or the tax levy related thereto was authorized and, (vi) to the actual knowledge of the Issuer, there is no reasonable basis for any action, proceeding, inquiry or investigation of the nature described in the foregoing clauses (i) through (v);
- k) The financial statements of the Issuer contained in the Final Official Statement fairly present the financial position of the Issuer as of the dates and for the periods therein set forth in accordance with the accounting standards applicable to the Issuer, and since the date thereof, except as described in the Final Official Statement there has been no material adverse change in the financial position of the Issuer;
- l) As of the date hereof, the POS does not (and as of the Closing Date, the Final Official Statement will not) contain any untrue statement of material fact nor omit any statement or information which is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that no representation or warranty is made with respect to information within the POS or the Final Official Statement relating to The Depository Trust Company in New York, New York (“DTC”), the book entry system, the State Guaranty or the Paying Agent;
- m) As described in the POS and Final Official Statement, the Issuer has agreed to enter into an undertaking to provide certain information to investors through the United States Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) service (so long as such method of disclosure continues to be approved by the Securities and Exchange Commission for such purposes) or if EMMA is not longer so approved, through such nationally

recognized municipal securities information repositories and regulatory bodies or their designees that are so approved (the “Undertaking”). The Issuer failed to comply with its annual filing requirement for an existing undertaking on its General Obligation Bonds, Series 2005. The Issuer also failed to file material event notices in a timely manner for its General Obligation Bonds, Series 1998. All of the late filings were completed by February 2, 2012.

8. Termination

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

- a) A material disruption in commercial banking or securities settlement or clearance services; or
- b) The United States shall have become engaged in hostilities or existing hostilities shall have escalated or a national emergency or other national or international calamity, including but not limited to terrorist attack(s) or other event; or
- c) A general suspension of trading or other material restrictions not in force as of the date of this Purchase Agreement on the New York Stock Exchange or other national securities exchange; or
- d) Declaration of a general banking moratorium by the United States, New York State or the State of Oregon authorities; or
- e) An actual or imminent default or moratorium in respect to payment of any United States Treasury bills, bonds or notes; or
- f) Any downgrade of the credit rating of the United States of America; or
- g) Legislation with respect to eliminating or reducing the exemption from federal or state taxation for interest income received on obligations of the general character of the Bonds shall be introduced or enacted by the legislature of the State of Oregon or by Congress of the United States or adopted by either the US House of Representatives or the United States Senate or shall have been recommended to the Congress or otherwise endorsed for passage (by press release, public

statement or other form of notice) by the President of the United States, by the Treasury Department of the United States, the Internal Revenue Service or by the chairman of the Senate Finance Committee or a decision or an order or ruling with respect to eliminating or reducing such exemption, shall have been issued by a court of the United States, including the United States Tax Court, or by or on behalf of the Treasury Department of the United States or the Internal Revenue Service; or

- h) Legislation shall hereafter be enacted, or actively considered for enactment, or a decision by a court of the United States shall hereafter be rendered, or a ruling, stop order or regulation by the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall hereafter be made, the effect of which is or would be that the offering and sale of the Bonds would be illegal or that:
 - i) The Bonds are not exempt from the registration, qualification or similar requirements of the Securities Act of 1933, as amended and as then in effect (the “33 Act”) or distribution of the Bonds, as contemplated herein or in the Final Official Statement, is in violation of or not exempt from the registration, qualification or other requirements of the 33 Act, or the Securities Exchange Act of 1934, as amended and then in effect or the Investment Company Act of 1940, as amended and then in effect (the “Investment Company Act”) or, in each case, the rules or regulations promulgated thereunder as then in effect; or
 - ii) The Resolution is not exempt from the registration, qualification or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or
 - iii) This Purchase Agreement is subject to the Investment Company Act or require any registration under the Investment Company Act; or
- i) Any litigation, except as described in the Final Official Statement, shall be instituted or pending at Closing to restrain or enjoin the authorization, issuance, execution, sale or delivery of the Bonds or the execution and delivery of any of the Financing Documents, or in any way contesting or affecting any authority for or the validity or enforceability of the Bonds, the Resolution or any of the other Financing Documents, any moneys or securities provided for the payment of the Bonds or the existence or powers of the Issuer; or
- j) Any legislation, ordinance, rule or regulation shall be introduced in or enacted by any governmental body, board, department or agency of the State of Oregon

or of the United States, or a decision by any court of competent jurisdiction within the State of Oregon or any court of the United States shall be rendered materially adversely affecting the Issuer or the Bonds; or

- k) There shall have been established any new restrictions on transactions in securities materially affecting the free market for securities or the extension of credit by, or the charge to the net capital requirements of the Underwriter, including without limitation, the fixing of minimum or maximum prices for trading or maximum ranges of prices, by any exchange, the Securities and Exchange Commission, any other federal or state agency or the Congress of the United States, or by Executive Order; or
- l) Except for such changes to the Final Official Statement as provided in Section 6(b) of this Purchase Agreement, there shall have been a material adverse change in the affairs of the Issuer or there shall exist any event or fact or set of facts that either (a) makes untrue or incorrect in any material respect any statement or information contained in the Final Official Statement or (b) is not reflected in the Final Official Statement but should be reflected therein to make the statements and information contained therein under the circumstances in which made not misleading in any material respect; or
- m) The withdrawal or downgrading of any ratings of the Bonds or any other obligations of the Issuer with the same security pledge as the Bonds (“Similar Bonds”) or placement of any rating of the Bonds on “negative outlook,” “negative watch” or similar category implying a deterioration of the credit quality of the Bonds or Similar Bonds by the rating agency or rating agencies listed Exhibit A.

9. Closing; Conditions of Closing

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

In addition to the other requirements of this Purchase Agreement, the Underwriter's obligations hereunder are subject to and conditioned upon the Issuer, at or prior to the Closing Date, delivering or making available to Underwriter copies of the Financing Documents.

10. Fees and Expenses

The Issuer will pay the cost of preparing, printing and executing the Bonds, the fees and disbursements of the Bond Counsel, bond ratings fees, State Guaranty fees, Paying Agent fees, escrow verification fees, advance refunding fees, Financial Advisor fees, Bond registration fees, and the costs of printing and distributing the POS and Final Official Statement.

11. Miscellaneous

- a) All matters relating to this Purchase Agreement shall be governed by the laws of the State of Oregon.
- b) This Purchase Agreement is intended to benefit only the Parties hereto. Unless it can be shown that the untruth of any representation or warranty of the Issuer or the violation of any agreement of the Issuer hereunder actually was or should have been discovered by the Underwriter through its review of the information in the Final Official Statement in accordance with and as a part of its responsibilities under federal securities laws as applied to the facts and circumstances of this transaction, all representations and warranties of the Issuer


in this Purchase Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Underwriter, (ii) delivery of and payment for the Bonds hereunder, or (iii) any termination of this Purchase Agreement. If the Issuer fails to satisfy any of the foregoing conditions or covenants, or if the Underwriter's obligations are terminated for any reason permitted under this Purchase Agreement, then neither the Underwriter nor the Issuer shall have any further obligations under this Purchase Agreement, except that any expenses incurred shall be borne in accordance with the Fees and Expenses Section hereof.

- c) Any notice or other communication to be given to the Issuer by the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Chief Financial Officer, Columbia Gorge Community College, 400 East Scenic Drive, The Dalles, Oregon 97058; and any notice or other communication to be given to the Underwriter by the Issuer under this Purchase Agreement may be given by delivering the same in writing to the Manager of Public Finance, Seattle-Northwest Securities Corporation, 1300 SW Fifth Avenue, Suite 3650, Portland, Oregon 97201.
- d) This Purchase Agreement may be executed in any number of counterparts, all of which shall be one and the same instrument, and either party hereto may execute this Purchase Agreement by signing any such counterpart.
- e) This Purchase Agreement, including the Financing Documents, constitutes the entire agreement between and among the Parties, supersedes any other representations, understandings or communications between the Parties or their representatives, and may be amended only in writing and signed by both Parties. This Purchase Agreement is intended solely for the benefit of the Parties (including any successors and assigns thereof but not any holder of any Bonds). No other person shall acquire or have any rights hereunder or by virtue hereof.
- f) No Advisory or Fiduciary Role. The Issuer acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the Issuer and the Underwriter and that the Underwriter has financial and other interests that differ from those of the Issuer; (ii) the Underwriter is not acting as a municipal advisor, financial advisor, or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iii) the only

obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (iv) to the extent it deems appropriate, the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable.

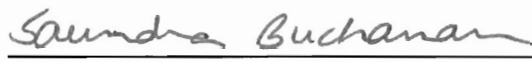
Respectfully submitted,

SEATTLE-NORTHWEST SECURITIES CORPORATION

By: 
Carol Samuels, Senior Vice President

Accepted February 22, 2012

COLUMBIA GORGE COMMUNITY COLLEGE

By: 
Sandra Buchanan, Chief Financial Officer

Time Signed: 3:42 p.m.

EXHIBIT A
DESCRIPTION OF THE BONDS

- (a) Principal Amount: \$13,790,000
- (b) Purchase Price: \$14,811,438.55 (\$107.407096 per \$100), representing a net original issue premium of \$1,125,553.05 and an aggregate underwriting discount of \$104,114.50.
- (c) Average Reoffering Price: 108.162096% of the par value of the Bonds.
- (d) Denominations: \$5,000, or integral multiples thereof within a maturity.
- (e) Form: Registered; Book-entry only.
- (f) Interest Payment Dates: December 15 and June 15, commencing December 15, 2012.
- (g) Maturity and Interest Rates: The Bonds shall mature on June 15 of each year and bear interest as follows (the yields and the CUSIP numbers shown below have been obtained or provided by the Underwriter):

Due June 15	Amounts	Interest Rates	Yields	CUSIP® 197659	Due June 15	Amounts	Interest Rates	Yields	CUSIP® 197659
2013	\$ 30,000	2.000%	0.280%	CF0	2022	\$ 375,000	2.000%	2.200%	CS2
2014	135,000	2.000	0.430	CG8	2022	200,000	2.750	2.200	CT0
2015	140,000	2.000	0.640	CH6	2022	865,000	4.000	2.200	CU7
2016	1,015,000	2.000	0.780	CJ2	2023	1,220,000	3.000	2.350 ⁽¹⁾	CV5
2017	1,125,000	2.000	0.920	CK9	2023	310,000	5.000	2.350 ⁽¹⁾	CW3
2018	1,135,000	3.000	1.260	CL7	2024	370,000	2.500	2.670	CX1
2019	1,210,000	2.500	1.530	CM5	2024	1,000,000	4.000	2.470 ⁽¹⁾	CY9
2020	1,305,000	3.000	1.840	CN3	2024	260,000	5.000	2.440 ⁽¹⁾	CZ6
2021	865,000	2.500	2.010	CP8	2025	450,000	2.500	2.840	DA0
2021	250,000	3.000	2.010	CQ6	2025	550,000	3.000	2.800 ⁽¹⁾	DB8
2021	245,000	4.000	2.010	CR4	2025	530,000	4.000	2.580 ⁽¹⁾	DC6
					2025	205,000	5.000	2.510 ⁽¹⁾	DD4

(1) Yield reflects pricing to the first optional redemption date of June 15, 2022.

- (h) Dated Date and Date of Delivery: March 15, 2012
- (i) Offer Expires: 5:00 p.m., on the date hereof.
- (j) Bond Counsel: Mersereau Shannon LLP
- (k) Closing: At the offices of Bond Counsel, on the Date of Delivery.
- (l) Delivery: To the Paying Agent on behalf of DTC by Fast Automated Securities Transfer.
- (m) Credit Enhancement Providers: **State School Bond Guaranty:** Oregon State Treasury, Debt Management Division.
- (n) Credit Enhancement: **State Guaranty:** Payment of the principal of and interest on the Bonds, when due, will be enhanced by the State Guarantee to be issued by the State simultaneously with the delivery of the Bonds.
- (o) Rating Agency: Moody's Investors Service ("Moody's").
- (p) Ratings: The State Guaranty is rated "Aa1" by Moody's. Moody's has assigned its underlying rating of "Aa3" to the Bonds.
- (q) Costs of printing and distributing the POS and Final Official Statement: \$750

EXHIBIT B
FINAL PRICING NUMBERS

SUMMARY OF REFUNDING RESULTS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Dated Date	03/15/2012
Delivery Date	03/15/2012
Arbitrage yield	2.067116%
Escrow yield	0.470864%
Bond Par Amount	13,790,000.00
True Interest Cost	2.237107%
Net Interest Cost	2.345079%
Average Coupon	3.161202%
Average Life	9.076
Par amount of refunded bonds	13,100,000.00
Average coupon of refunded bonds	4.699183%
Average life of refunded bonds	9.384
PV of prior debt to 03/15/2012 @ 2.067116%	15,856,024.36
Net PV Savings	849,312.61
Percentage savings of refunding proceeds	5.694141%

SAVINGS

Columbia Gorge Community College District General Obligation Refunding Bonds, Series 2012 Final Numbers

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings
12/15/2012	310,706.25	309,318.75	1,387.50	-
06/15/2013	310,706.25	236,212.50	74,493.75	75,881.25
12/15/2013	310,706.25	205,912.50	104,793.75	-
06/15/2014	310,706.25	340,912.50	-30,206.25	74,587.50
12/15/2014	310,706.25	204,562.50	106,143.75	-
06/15/2015	310,706.25	344,562.50	-33,856.25	72,287.50
12/15/2015	310,706.25	203,162.50	107,543.75	-
06/15/2016	1,185,706.25	1,218,162.50	-32,456.25	75,087.50
12/15/2016	291,956.25	193,012.50	98,943.75	-
06/15/2017	1,291,956.25	1,318,012.50	-26,056.25	72,887.50
12/15/2017	266,956.25	181,762.50	85,193.75	-
06/15/2018	1,306,956.25	1,316,762.50	-9,806.25	75,387.50
12/15/2018	240,956.25	164,737.50	76,218.75	-
06/15/2019	1,370,956.25	1,374,737.50	-3,781.25	72,437.50
12/15/2019	212,706.25	149,612.50	63,093.75	-
06/15/2020	1,467,706.25	1,454,612.50	13,093.75	76,187.50
12/15/2020	181,968.75	130,037.50	51,931.25	-
06/15/2021	1,511,968.75	1,490,037.50	21,931.25	73,862.50
12/15/2021	148,718.75	110,575.00	38,143.75	-
06/15/2022	1,588,718.75	1,550,575.00	38,143.75	76,287.50
12/15/2022	112,718.75	86,775.00	25,943.75	-
06/15/2023	1,667,718.75	1,616,775.00	50,943.75	76,887.50
12/15/2023	73,843.75	60,725.00	13,118.75	-
06/15/2024	1,753,843.75	1,690,725.00	63,118.75	76,237.50
12/15/2024	38,143.75	29,600.00	8,543.75	-
06/15/2025	1,833,143.75	1,764,600.00	68,543.75	77,087.50
	18,721,587.50	17,746,481.25	975,106.25	975,106.25

Savings Summary

Savings PV date	03/15/2012
Savings PV rate	2.067116%
PV of savings from cash flow	848,998.63
Plus: Refunding funds on hand	313.98
	849,312.61
Net PV Savings	849,312.61

BOND PRICING

Columbia Gorge Community College District General Obligation Refunding Bonds, Series 2012 Final Numbers

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Serial Bond:							
	06/15/2013	30,000	2.000%	0.280%	102.144	-	643.20
	06/15/2014	135,000	2.000%	0.430%	103.511	-	4,739.85
	06/15/2015	140,000	2.000%	0.640%	104.367	-	6,113.80
	06/15/2016	1,015,000	2.000%	0.780%	105.089	-	51,653.35
	06/15/2017	1,125,000	2.000%	0.920%	105.522	-	62,122.50
	06/15/2018	1,135,000	3.000%	1.260%	110.425	-	118,323.75
	06/15/2019	1,210,000	2.500%	1.530%	106.631	-	80,235.10
	06/15/2020	1,305,000	3.000%	1.840%	108.839	-	115,348.95
	06/15/2021	865,000	2.500%	2.010%	104.115	-	35,594.75
	06/15/2021	250,000	3.000%	2.010%	108.316	-	20,790.00
	06/15/2021	245,000	4.000%	2.010%	116.718	-	40,959.10
	06/15/2022	375,000	2.000%	2.200%	98.172	-	-6,855.00
	06/15/2022	200,000	2.750%	2.200%	105.020	-	10,040.00
	06/15/2022	865,000	4.000%	2.200%	116.434	-	142,154.10
	06/15/2023	1,220,000	3.000%	2.350%	105.888 C	2.399%	71,833.60
	06/15/2023	310,000	5.000%	2.350%	124.010 C	2.533%	74,431.00
	06/15/2024	370,000	2.500%	2.670%	98.231	-	-6,545.30
	06/15/2024	1,000,000	4.000%	2.470%	113.777 C	2.673%	137,770.00
	06/15/2024	260,000	5.000%	2.440%	123.088 C	2.765%	60,028.80
	06/15/2025	450,000	2.500%	2.840%	96.265	-	-16,807.50
	06/15/2025	550,000	3.000%	2.800%	101.768 C	2.839%	9,724.00
	06/15/2025	530,000	4.000%	2.580%	112.714 C	2.841%	67,384.20
	06/15/2025	205,000	5.000%	2.510%	122.376 C	2.947%	45,870.80
		13,790,000					1,125,553.05

Dated Date	03/15/2012	
Delivery Date	03/15/2012	
First Coupon	12/15/2012	
Par Amount	13,790,000.00	
Premium	1,125,553.05	
Production	14,915,553.05	108.162096%
Underwriter's Discount	-104,114.50	-0.755000%
Purchase Price	14,811,438.55	107.407096%
Accrued Interest	-	
Net Proceeds	14,811,438.55	

SOURCES AND USES OF FUNDS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Dated Date 03/15/2012
Delivery Date 03/15/2012

Sources:

Bond Proceeds:	
Par Amount	13,790,000.00
Net Premium	1,125,553.05
	<hr/>
	14,915,553.05
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Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.63
SLGS Purchases	14,748,126.00
	<hr/>
	14,748,126.63

Delivery Date Expenses:	
Cost of Issuance	57,474.00
Underwriter's Discount	104,114.50
Oregon School Bond Guaranty	5,523.94
	<hr/>
	167,112.44

Other Uses of Funds:	
Additional Proceeds	313.98
	<hr/>
	14,915,553.05
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COST OF ISSUANCE

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Cost of Issuance	\$/1000	Amount
Bond Counsel	1.81291	25,000.00
Rating Fee - Moody's	1.12400	15,500.00
OS Printing & Mailing	0.05439	750.00
Paying Agent (Upfront)	0.29695	4,095.00
Adv Ref Fee	0.38796	5,350.00
Pricing Advisor	0.18129	2,500.00
Escrow Verification	0.18129	2,500.00
Escrow Agent	0.02901	400.00
MDAC	0.10000	1,379.00
	4.16780	57,474.00

SUMMARY OF BONDS REFUNDED

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Obligation Bonds, Series 2005:					
2016A	06/15/2016	5.000%	250,000.00	06/15/2015	100.000
2016B	06/15/2016	4.000%	625,000.00	06/15/2015	100.000
SERIAL2	06/15/2017	5.000%	1,000,000.00	06/15/2015	100.000
	06/15/2018	5.000%	1,040,000.00	06/15/2015	100.000
	06/15/2019	5.000%	1,130,000.00	06/15/2015	100.000
2020A	06/15/2020	5.000%	1,000,000.00	06/15/2015	100.000
2020B	06/15/2020	4.500%	255,000.00	06/15/2015	100.000
SERIAL3	06/15/2021	5.000%	1,330,000.00	06/15/2015	100.000
	06/15/2022	5.000%	1,440,000.00	06/15/2015	100.000
	06/15/2023	5.000%	1,555,000.00	06/15/2015	100.000
TERM	06/15/2025	4.250%	3,475,000.00	06/15/2015	100.000
			13,100,000.00		

AGGREGATE DEBT SERVICE

Columbia Gorge Community College District General Obligation Refunding Bonds, Series 2012 Final Numbers

Date	General Obligation Refunding Bonds, Series 2012 Principal	General Obligation Refunding Bonds, Series 2012 Interest	Unrefunded Bonds Principal	Unrefunded Bonds Interest	Aggregate Principal	Aggregate Interest	Aggregate Debt Service	Annual Aggregate D/S
06/15/2012	-	-	625,000	366,878.13	625,000	366,878.13	991,878.13	991,878.13
12/15/2012	-	309,318.75	-	44,453.13	-	353,771.88	353,771.88	-
06/15/2013	30,000	206,212.50	680,000	44,453.13	710,000	250,665.63	960,665.63	1,314,437.51
12/15/2013	-	205,912.50	-	31,703.13	-	237,615.63	237,615.63	-
06/15/2014	135,000	205,912.50	740,000	31,703.13	875,000	237,615.63	1,112,615.63	1,350,231.26
12/15/2014	-	204,562.50	-	16,200.00	-	220,762.50	220,762.50	-
06/15/2015	140,000	204,562.50	810,000	16,200.00	950,000	220,762.50	1,170,762.50	1,391,525.00
12/15/2015	-	203,162.50	-	-	-	203,162.50	203,162.50	-
06/15/2016	1,015,000	203,162.50	-	-	1,015,000	203,162.50	1,218,162.50	1,421,325.00
12/15/2016	-	193,012.50	-	-	-	193,012.50	193,012.50	-
06/15/2017	1,125,000	193,012.50	-	-	1,125,000	193,012.50	1,318,012.50	1,511,025.00
12/15/2017	-	181,762.50	-	-	-	181,762.50	181,762.50	-
06/15/2018	1,135,000	181,762.50	-	-	1,135,000	181,762.50	1,316,762.50	1,498,525.00
12/15/2018	-	164,737.50	-	-	-	164,737.50	164,737.50	-
06/15/2019	1,210,000	164,737.50	-	-	1,210,000	164,737.50	1,374,737.50	1,539,475.00
12/15/2019	-	149,612.50	-	-	-	149,612.50	149,612.50	-
06/15/2020	1,305,000	149,612.50	-	-	1,305,000	149,612.50	1,454,612.50	1,604,225.00
12/15/2020	-	130,037.50	-	-	-	130,037.50	130,037.50	-
06/15/2021	1,360,000	130,037.50	-	-	1,360,000	130,037.50	1,490,037.50	1,620,075.00
12/15/2021	-	110,575.00	-	-	-	110,575.00	110,575.00	-
06/15/2022	1,440,000	110,575.00	-	-	1,440,000	110,575.00	1,550,575.00	1,661,150.00
12/15/2022	-	86,775.00	-	-	-	86,775.00	86,775.00	-
06/15/2023	1,530,000	86,775.00	-	-	1,530,000	86,775.00	1,616,775.00	1,703,550.00
12/15/2023	-	60,725.00	-	-	-	60,725.00	60,725.00	-
06/15/2024	1,630,000	60,725.00	-	-	1,630,000	60,725.00	1,690,725.00	1,751,450.00
12/15/2024	-	29,600.00	-	-	-	29,600.00	29,600.00	-
06/15/2025	1,735,000	29,600.00	-	-	1,735,000	29,600.00	1,764,600.00	1,794,200.00
	13,790,000	3,956,481.25	2,855,000	551,590.65	16,645,000	4,508,071.90	21,153,071.90	21,153,071.90

ESCROW REQUIREMENTS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Period Ending	Interest	Principal Redeemed	Total
12/15/2012	310,706.25	-	310,706.25
06/15/2013	310,706.25	-	310,706.25
12/15/2013	310,706.25	-	310,706.25
06/15/2014	310,706.25	-	310,706.25
12/15/2014	310,706.25	-	310,706.25
06/15/2015	310,706.25	13,100,000.00	13,410,706.25
	1,864,237.50	13,100,000.00	14,964,237.50

ESCROW DESCRIPTIONS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Mar 15, 2012:						
SLGS	Certificate	12/15/2012	12/15/2012	259,721	0.140%	0.140%
SLGS	Note	06/15/2013	06/15/2012	276,960	0.190%	0.190%
SLGS	Note	12/15/2013	06/15/2012	277,223	0.260%	0.260%
SLGS	Note	06/15/2014	06/15/2012	277,583	0.330%	0.330%
SLGS	Note	12/15/2014	06/15/2012	278,042	0.400%	0.400%
SLGS	Note	06/15/2015	06/15/2012	13,378,597	0.480%	0.480%
				14,748,126		

SLGS Summary

SLGS Rates File	22FEB12
Total Certificates of Indebtedness	259,721.00
Total Notes	14,488,405.00
	<hr/>
Total original SLGS	14,748,126.00

FORM 8038 STATISTICS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Dated Date 03/15/2012
Delivery Date 03/15/2012

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bond:						
	06/15/2013	30,000.00	2.000%	102.144	30,643.20	30,000.00
	06/15/2014	135,000.00	2.000%	103.511	139,739.85	135,000.00
	06/15/2015	140,000.00	2.000%	104.367	146,113.80	140,000.00
	06/15/2016	1,015,000.00	2.000%	105.089	1,066,653.35	1,015,000.00
	06/15/2017	1,125,000.00	2.000%	105.522	1,187,122.50	1,125,000.00
	06/15/2018	1,135,000.00	3.000%	110.425	1,253,323.75	1,135,000.00
	06/15/2019	1,210,000.00	2.500%	106.631	1,290,235.10	1,210,000.00
	06/15/2020	1,305,000.00	3.000%	108.839	1,420,348.95	1,305,000.00
	06/15/2021	865,000.00	2.500%	104.115	900,594.75	865,000.00
	06/15/2021	250,000.00	3.000%	108.316	270,790.00	250,000.00
	06/15/2021	245,000.00	4.000%	116.718	285,959.10	245,000.00
	06/15/2022	375,000.00	2.000%	98.172	368,145.00	375,000.00
	06/15/2022	200,000.00	2.750%	105.020	210,040.00	200,000.00
	06/15/2022	865,000.00	4.000%	116.434	1,007,154.10	865,000.00
	06/15/2023	1,220,000.00	3.000%	105.888	1,291,833.60	1,220,000.00
	06/15/2023	310,000.00	5.000%	124.010	384,431.00	310,000.00
	06/15/2024	370,000.00	2.500%	98.231	363,454.70	370,000.00
	06/15/2024	1,000,000.00	4.000%	113.777	1,137,770.00	1,000,000.00
	06/15/2024	260,000.00	5.000%	123.088	320,028.80	260,000.00
	06/15/2025	450,000.00	2.500%	96.265	433,192.50	450,000.00
	06/15/2025	550,000.00	3.000%	101.768	559,724.00	550,000.00
	06/15/2025	530,000.00	4.000%	112.714	597,384.20	530,000.00
	06/15/2025	205,000.00	5.000%	122.376	250,870.80	205,000.00
		13,790,000.00			14,915,553.05	13,790,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	06/15/2025	3.479%	1,841,171.50	1,735,000.00	-	-
Entire Issue	-	-	14,915,553.05	13,790,000.00	9.1041	2.0671%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	161,588.50
Proceeds used for credit enhancement	5,523.94
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to currently refund prior issues	0.00
Proceeds used to advance refund prior issues	14,748,126.63
Remaining weighted average maturity of the bonds to be currently refunded	0.0000
Remaining weighted average maturity of the bonds to be advance refunded	9.3076

FORM 8038 STATISTICS

Columbia Gorge Community College District General Obligation Refunding Bonds, Series 2012 Final Numbers

Refunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
General Obligation Bonds, Series 2005:					
2016A	06/15/2016	250,000.00	5.000%	109.075	272,687.50
2016B	06/15/2016	625,000.00	4.000%	100.823	630,143.75
SERIAL2	06/15/2017	1,000,000.00	5.000%	108.555	1,085,550.00
SERIAL2	06/15/2018	1,040,000.00	5.000%	108.124	1,124,489.60
SERIAL2	06/15/2019	1,130,000.00	5.000%	107.780	1,217,914.00
2020A	06/15/2020	1,000,000.00	5.000%	107.353	1,073,530.00
2020B	06/15/2020	255,000.00	4.500%	103.266	263,328.30
SERIAL3	06/15/2021	1,330,000.00	5.000%	106.842	1,420,998.60
SERIAL3	06/15/2022	1,440,000.00	5.000%	106.419	1,532,433.60
SERIAL3	06/15/2023	1,555,000.00	5.000%	105.998	1,648,268.90
TERM	06/15/2024	1,680,000.00	4.250%	97.882	1,644,417.60
TERM	06/15/2025	1,795,000.00	4.250%	97.882	1,756,981.90
		13,100,000.00			13,670,743.75

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
General Obligation Bonds, Series 2005	06/15/2015	05/25/2005	9.3076
All Refunded Issues	06/15/2015	-	9.3076

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Date	Debt Service	Present Value to 03/15/2012 @ 2.0671164%
12/15/2012	309,318.75	304,584.48
06/15/2013	236,212.50	230,217.72
12/15/2013	205,912.50	198,633.70
06/15/2014	340,912.50	325,497.39
12/15/2014	204,562.50	193,314.73
06/15/2015	344,562.50	322,285.89
12/15/2015	203,162.50	188,083.71
06/15/2016	1,218,162.50	1,116,213.36
12/15/2016	193,012.50	175,049.86
06/15/2017	1,318,012.50	1,183,123.89
12/15/2017	181,762.50	161,491.38
06/15/2018	1,316,762.50	1,157,942.11
12/15/2018	164,737.50	143,385.83
06/15/2019	1,374,737.50	1,184,316.78
12/15/2019	149,612.50	127,570.52
06/15/2020	1,454,612.50	1,227,620.47
12/15/2020	130,037.50	108,622.49
06/15/2021	1,490,037.50	1,231,920.57
12/15/2021	110,575.00	90,485.05
06/15/2022	5,075,575.00	4,110,924.14
12/15/2022	18,500.00	14,830.65
06/15/2023	18,500.00	14,678.94
12/15/2023	18,500.00	14,528.77
06/15/2024	388,500.00	301,983.10
12/15/2024	13,875.00	10,674.78
06/15/2025	1,013,875.00	772,048.78
	17,494,031.25	14,910,029.11

Proceeds Summary

Delivery date	03/15/2012
Par Value	13,790,000.00
Premium (Discount)	1,125,553.05
Arbitrage expenses	-5,523.94
	14,910,029.11
Target for yield calculation	14,910,029.11

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 03/15/2012 @ 2.0671164%
SERIAL	06/15/2023	3.000%	2.350%	06/15/2022	100.000	32,738.98
SERIAL	06/15/2023	5.000%	2.350%	06/15/2022	100.000	9,133.74
SERIAL	06/15/2024	4.000%	2.470%	06/15/2022	100.000	39,869.46
SERIAL	06/15/2024	5.000%	2.440%	06/15/2022	100.000	10,057.76
SERIAL	06/15/2025	4.000%	2.580%	06/15/2022	100.000	26,764.71
SERIAL	06/15/2025	5.000%	2.510%	06/15/2022	100.000	9,389.76

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 03/15/2012 @ 2.0671164%	Increase to NPV
SERIAL	06/15/2023	3.000%	2.350%	-	-	41,816.12	9,077.14
SERIAL	06/15/2023	5.000%	2.350%	-	-	16,385.08	7,251.34
SERIAL	06/15/2024	4.000%	2.470%	-	-	70,387.35	30,517.89
SERIAL	06/15/2024	5.000%	2.440%	-	-	22,097.49	12,039.73
SERIAL	06/15/2025	4.000%	2.580%	-	-	50,780.36	24,015.65
SERIAL	06/15/2025	5.000%	2.510%	-	-	23,484.63	14,094.87

ESCROW COST

Columbia Gorge Community College District
 General Obligation Refunding Bonds, Series 2012
 Final Numbers

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	12/15/2012	259,721	0.140%	259,721.00
SLGS	06/15/2013	276,960	0.190%	276,960.00
SLGS	12/15/2013	277,223	0.260%	277,223.00
SLGS	06/15/2014	277,583	0.330%	277,583.00
SLGS	12/15/2014	278,042	0.400%	278,042.00
SLGS	06/15/2015	13,378,597	0.480%	13,378,597.00
		14,748,126		14,748,126.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
03/15/2012	14,748,126	0.63	14,748,126.63	0.470864%
	14,748,126	0.63	14,748,126.63	

ESCROW CASH FLOW

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Date	Principal	Interest	Net Escrow Receipts	Present Value to 03/15/2012 @ 0.4708644%
06/15/2012	-	16,965.31	16,965.31	16,945.37
12/15/2012	259,721.00	34,020.17	293,741.17	292,706.87
06/15/2013	276,960.00	33,746.22	310,706.22	308,884.97
12/15/2013	277,223.00	33,483.11	310,706.11	308,159.36
06/15/2014	277,583.00	33,122.72	310,705.72	307,435.17
12/15/2014	278,042.00	32,664.71	310,706.71	306,714.04
06/15/2015	13,378,597.00	32,108.63	13,410,705.63	13,207,280.21
	14,748,126.00	216,110.87	14,964,236.87	14,748,126.00

Escrow Cost Summary

Purchase date	03/15/2012
Purchase cost of securities	14,748,126.00
	<hr/>
Target for yield calculation	14,748,126.00

ESCROW SUFFICIENCY

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
03/15/2012	-	0.63	0.63	0.63
06/15/2012	-	16,965.31	16,965.31	16,965.94
12/15/2012	310,706.25	293,741.17	-16,965.08	0.86
06/15/2013	310,706.25	310,706.22	-0.03	0.83
12/15/2013	310,706.25	310,706.11	-0.14	0.69
06/15/2014	310,706.25	310,705.72	-0.53	0.16
12/15/2014	310,706.25	310,706.71	0.46	0.62
06/15/2015	13,410,706.25	13,410,705.63	-0.62	-
	14,964,237.50	14,964,237.50	0.00	

ESCROW STATISTICS

Columbia Gorge Community College District General Obligation Refunding Bonds, Series 2012 Final Numbers

Total Escrow Cost	Modified Duration (years)	PV of 1 bp change	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Global Proceeds Escrow:							
14,748,126.63	3.085	4,549.25	0.470864%	0.470777%	14,042,453.12	705,500.81	172.70
14,748,126.63		4,549.25			14,042,453.12	705,500.81	172.70

Delivery date	03/15/2012
Arbitrage yield	2.067116%

PROOF OF COMPOSITE ESCROW YIELD

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

All restricted escrows funded by bond proceeds

Date	Security Receipts	Present Value to 03/15/2012 @ 0.4708644%
06/15/2012	16,965.31	16,945.37
12/15/2012	293,741.17	292,706.87
06/15/2013	310,706.22	308,884.97
12/15/2013	310,706.11	308,159.36
06/15/2014	310,705.72	307,435.17
12/15/2014	310,706.71	306,714.04
06/15/2015	13,410,705.63	13,207,280.21
	14,964,236.87	14,748,126.00

Escrow Cost Summary

Purchase date	03/15/2012
Purchase cost of securities	14,748,126.00
Target for yield calculation	14,748,126.00

EXHIBIT C
Form of Bond Counsel Supplemental Opinion



_____, 2012

Seattle-Northwest Securities Corporation
1300 SW Fifth Avenue, Suite 3650
Portland, Oregon 97201

Re: \$ _____ Columbia Gorge Community College, Hood River and Wasco Counties, Oregon, General
Obligation Refunding Bonds, Series 2012

Ladies and Gentlemen:

This opinion is rendered to you in connection with the purchase by you of the \$ _____ Columbia Gorge Community College, Hood River and Wasco Counties, Oregon, General Obligation Refunding Bonds, Series 2012 (the "Bonds") pursuant to a Purchase Agreement dated February 22, 2012 (the "Agreement"), by and between you and Columbia Gorge Community College, Hood River and Wasco Counties, Oregon (the "Seller"). All terms used in this opinion and not otherwise defined herein shall have the respective meanings assigned thereto in the Agreement or the Resolution (as defined in the Agreement). In our capacity as Bond Counsel with respect to the authorization, issuance, sale and delivery of the Bonds, we have examined the Official Statement dated February 22, 2012, relating to the Bonds (the "Official Statement"). We have also examined originals, or copies certified or otherwise identified to our satisfaction as being true copies of the originals, of such proceedings of the Seller, certificates of officials of the Seller and others and such other documents as we have deemed necessary for purposes of this opinion. Based on our review of the foregoing, we are of the opinion that:

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

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

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

4. We have reviewed the undertaking of the Seller regarding secondary market disclosure as further described in the Preliminary Official Statement and the Official Statement. In our opinion, such undertaking is valid and binding, is in full force and effect as of the date of Closing and complies with the requirements of Securities and

MERSEREAU SHANNON LLP

_____, 2012

Page 2

Exchange Commission Rule 15c2-12 as it pertains to such undertakings.

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

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

Respectfully submitted,

MERSEREAU SHANNON LLP

James P. Shannon

EXHIBIT D
CLOSING DOCUMENTS

Issuer's Closing Documents

At Closing, the Issuer shall provide or cause to be provided:

- a) Executed copies of the Financing Documents, which are defined to include the following:
 - i) Resolution;
 - ii) A copy of the Undertaking as described in the POS and Final Official Statement;
 - iii) The letter to DTC relating to the safekeeping and book entry form of the Bonds (hereinafter, the "Blanket Issuer Letter of Representation").
- b) The following opinions:
 - i) The approving opinion of Bond Counsel dated as of the Closing Date and addressed to the Issuer, substantially in the form set forth in Appendix A to the POS and a letter addressed to the Underwriter to the effect that the Underwriter may rely upon such opinion as if it were addressed to the Underwriter; and
 - ii) Supplemental opinion of Bond Counsel substantially in the form attached hereto as Exhibit C.
- c) Evidence of each of the following:
 - i) A report from each Rating Agency identified in Exhibit A assigning the Rating or Ratings listed in Exhibit A;
 - ii) That the Issuer has filed or will cause to be filed a Material Events Notice with the current nationally recognized municipal securities information repositories or the Municipal Securities Rulemaking Board identifying any applicable defeasance and calls on the Issuer's refunded bonds as described in the Documents;
- d) An executed Escrow Deposit Agreement sent to the Underwriter's Operations Department, Seattle-Northwest Securities Corporation, 1420 Fifth Avenue, Suite 4300, Seattle, Washington 98101, Attn. Operations Department Manager.
- e) A report from Grant Thornton LLP (the "Verification Agent") verifying the accuracy of (a) the mathematical computations concerning the adequacy of the maturing principal amounts of and interest earned on the Government Obligations, together with other escrowed moneys, to be placed in the escrow account to pay when due, pursuant to

stated maturity or call for redemption, as the case may be, the principal of, premium, if any, and interest on the Refunded Bonds and (b) the mathematical computations of the yield on the Bonds and the yield on the Government Obligations purchased with a portion of the proceeds of the sale of the Bonds, together with a letter from the Verification Agent consenting to the inclusion in the POS and in the Final Official Statement under the heading "Verification" of references to the Verification Agent and to its report.

- f) A certificate of The Charles Carter Company, pricing advisor to the Issuer (the Pricing Advisor), that the Pricing Advisor has reviewed the pricing terms and finds them to be favorable.
- g) A letter from the Pricing Advisor recommending the desirability of the refunding to the Issuer based on debt service savings;
- h) A completed copy of the appropriate Form 8038;
- i) The following certifications, which may be combined, executed by an authorized officer of the Issuer and dated as of the Closing Date, to the effect that:
 - i) The representations, warranties and covenants of the Issuer contained in the Purchase Agreement and in the Resolution are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;
 - ii) A Tax Certificate setting forth the facts, estimates, and circumstances in existence on the date of Closing which establish that it is not expected that the proceeds of the Bonds will be used in a manner that could cause the Bonds to be "arbitrage bonds," within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;
 - iii) Except as described in the Final Official Statement, no litigation or other proceedings are pending or, to the knowledge of the Issuer, after inquiry with local counsel, threatened in any court in any way (a) affecting the position or title of the authorized officers of the Issuer, or (b) seeking to restrain or to enjoin the authorization, issuance, sale or delivery of, or security for, any of the Bonds, or (c) contesting or affecting the validity or enforceability of the Bonds, the Resolution, this Purchase Agreement, or (d) contesting the completeness or accuracy of the POS or the Final Official Statement, or (e) contesting the powers of the Issuer or its authority with respect to the Bonds, the Resolution, or this Purchase Agreement, the agreement with the Paying Agent, the Undertaking and the Blanket Issuer Letter of Representation or (f) materially affecting the finances of the Issuer. For the purpose of this subparagraph, the Issuer may rely upon a certificate of the Issuer's legal counsel with respect to the legal matters set forth therein;

- iv) No event affecting the Issuer has occurred since the date of the Final Official Statement which should be disclosed in the Final Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements therein not misleading, and the Final Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading provided, however, that (1) no representation or warranty is made with respect to information within the Final Official Statement relating to DTC, the book-entry system, [the Insurer], the Paying Agent or the Underwriter in the italicized print on the page immediately following the cover page, and (2) the representation in this subparagraph with respect to the yields or reoffering prices on the Bonds contained in the Final Official Statement is limited to a determination by the Issuer that such information is a true and accurate presentation of the information contained on Exhibit B to this Purchase Agreement;
- v) In issuing the Bonds, the Issuer has complied with any applicable limitation on indebtedness;
- vi) The proceeds from the sale of the Bonds shall be used solely as set forth in the Resolution; and
- vii) The Issuer has complied with applicable provisions of any applicable budget law with respect to the issuance of the Bonds.
- j) Such additional certificates, instruments or opinions or other evidence as the Underwriter or the Bond Counsel may deem reasonably necessary or desirable to evidence the due authorization, issuance, execution, authentication and delivery of the Bonds, the truth and accuracy as of the time of the Closing of the representations and warranties contained in this Purchase Agreement, and the conformity of the Bonds and Resolution with the terms thereof as summarized in the POS and the Final Official Statement, and to cover such other matters as the Underwriter or the Bond Counsel reasonably requests.

Underwriter's Closing Documents

At Closing, Underwriter shall deliver or cause to be delivered to the Issuer or Bond Counsel a receipt for the Bonds and a certificate regarding the issue price of the Bonds.

4

SUMMARY OF REFUNDING RESULTS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Dated Date	03/15/2012
Delivery Date	03/15/2012
Arbitrage yield	2.067116%
Escrow yield	0.470864%
Bond Par Amount	13,790,000.00
True Interest Cost	2.237107%
Net Interest Cost	2.345079%
Average Coupon	3.161202%
Average Life	9.076
Par amount of refunded bonds	13,100,000.00
Average coupon of refunded bonds	4.699183%
Average life of refunded bonds	9.384
PV of prior debt to 03/15/2012 @ 2.067116%	16,165,137.28
Net PV Savings	847,719.28
Percentage savings of refunding proceeds	5.683459%

SAVINGS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings
06/15/2012	310,706.25	-	310,706.25	310,706.25
12/15/2012	310,706.25	309,318.75	1,387.50	-
06/15/2013	310,706.25	236,212.50	74,493.75	75,881.25
12/15/2013	310,706.25	205,912.50	104,793.75	-
06/15/2014	310,706.25	340,912.50	-30,206.25	74,587.50
12/15/2014	310,706.25	204,562.50	106,143.75	-
06/15/2015	310,706.25	344,562.50	-33,856.25	72,287.50
12/15/2015	310,706.25	203,162.50	107,543.75	-
06/15/2016	1,185,706.25	1,218,162.50	-32,456.25	75,087.50
12/15/2016	291,956.25	193,012.50	98,943.75	-
06/15/2017	1,291,956.25	1,318,012.50	-26,056.25	72,887.50
12/15/2017	266,956.25	181,762.50	85,193.75	-
06/15/2018	1,306,956.25	1,316,762.50	-9,806.25	75,387.50
12/15/2018	240,956.25	164,737.50	76,218.75	-
06/15/2019	1,370,956.25	1,374,737.50	-3,781.25	72,437.50
12/15/2019	212,706.25	149,612.50	63,093.75	-
06/15/2020	1,467,706.25	1,454,612.50	13,093.75	76,187.50
12/15/2020	181,968.75	130,037.50	51,931.25	-
06/15/2021	1,511,968.75	1,490,037.50	21,931.25	73,862.50
12/15/2021	148,718.75	110,575.00	38,143.75	-
06/15/2022	1,588,718.75	1,550,575.00	38,143.75	76,287.50
12/15/2022	112,718.75	86,775.00	25,943.75	-
06/15/2023	1,667,718.75	1,616,775.00	50,943.75	76,887.50
12/15/2023	73,843.75	60,725.00	13,118.75	-
06/15/2024	1,753,843.75	1,690,725.00	63,118.75	76,237.50
12/15/2024	38,143.75	29,600.00	8,543.75	-
06/15/2025	1,833,143.75	1,764,600.00	68,543.75	77,087.50
	19,032,293.75	17,746,481.25	1,285,812.50	1,285,812.50

Savings Summary

Savings PV date	03/15/2012
Savings PV rate	2.067116%
PV of savings from cash flow	1,158,111.55
Less: Prior funds on hand	-310,706.25
Plus: Refunding funds on hand	313.98
	847,719.28
Net PV Savings	847,719.28

BOND PRICING

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Serial Bond:							
	06/15/2013	30,000	2.000%	0.280%	102.144	-	643.20
	06/15/2014	135,000	2.000%	0.430%	103.511	-	4,739.85
	06/15/2015	140,000	2.000%	0.640%	104.367	-	6,113.80
	06/15/2016	1,015,000	2.000%	0.780%	105.089	-	51,653.35
	06/15/2017	1,125,000	2.000%	0.920%	105.522	-	62,122.50
	06/15/2018	1,135,000	3.000%	1.260%	110.425	-	118,323.75
	06/15/2019	1,210,000	2.500%	1.530%	106.631	-	80,235.10
	06/15/2020	1,305,000	3.000%	1.840%	108.839	-	115,348.95
	06/15/2021	865,000	2.500%	2.010%	104.115	-	35,594.75
	06/15/2021	250,000	3.000%	2.010%	108.316	-	20,790.00
	06/15/2021	245,000	4.000%	2.010%	116.718	-	40,959.10
	06/15/2022	375,000	2.000%	2.200%	98.172	-	-6,855.00
	06/15/2022	200,000	2.750%	2.200%	105.020	-	10,040.00
	06/15/2022	865,000	4.000%	2.200%	116.434	-	142,154.10
	06/15/2023	1,220,000	3.000%	2.350%	105.888 C	2.399%	71,833.60
	06/15/2023	310,000	5.000%	2.350%	124.010 C	2.533%	74,431.00
	06/15/2024	370,000	2.500%	2.670%	98.231	-	-6,545.30
	06/15/2024	1,000,000	4.000%	2.470%	113.777 C	2.673%	137,770.00
	06/15/2024	260,000	5.000%	2.440%	123.088 C	2.765%	60,028.80
	06/15/2025	450,000	2.500%	2.840%	96.265	-	-16,807.50
	06/15/2025	550,000	3.000%	2.800%	101.768 C	2.839%	9,724.00
	06/15/2025	530,000	4.000%	2.580%	112.714 C	2.841%	67,384.20
	06/15/2025	205,000	5.000%	2.510%	122.376 C	2.947%	45,870.80
13,790,000							1,125,553.05

Dated Date	03/15/2012	
Delivery Date	03/15/2012	
First Coupon	12/15/2012	
Par Amount	13,790,000.00	
Premium	1,125,553.05	
Production	14,915,553.05	108.162096%
Underwriter's Discount	-104,114.50	-0.755000%
Purchase Price	14,811,438.55	107.407096%
Accrued Interest	-	
Net Proceeds	14,811,438.55	

SOURCES AND USES OF FUNDS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Dated Date 03/15/2012
Delivery Date 03/15/2012

Sources:

Bond Proceeds:

Par Amount	13,790,000.00
Net Premium	<u>1,125,553.05</u>
	14,915,553.05

Other Sources of Funds:

College Contribution	310,706.25
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15,226,259.30

Uses:

Refunding Escrow Deposits:

Cash Deposit	310,706.88
SLGS Purchases	<u>14,748,126.00</u>
	15,058,832.88

Delivery Date Expenses:

Cost of Issuance	57,474.00
Underwriter's Discount	104,114.50
Oregon School Bond Guaranty	<u>5,523.94</u>
	167,112.44

Other Uses of Funds:

Additional Proceeds	313.98
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15,226,259.30

COST OF ISSUANCE

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Cost of Issuance	\$/1000	Amount
Bond Counsel	1.81291	25,000.00
Rating Fee - Moody's	1.12400	15,500.00
OS Printing & Mailing	0.05439	750.00
Paying Agent (Upfront)	0.29695	4,095.00
Adv Ref Fee	0.38796	5,350.00
Pricing Advisor	0.18129	2,500.00
Escrow Verification	0.18129	2,500.00
Escrow Agent	0.02901	400.00
MDAC	0.10000	1,379.00
	4.16780	57,474.00

SUMMARY OF BONDS REFUNDED

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Obligation Bonds, Series 2005:					
2016A	06/15/2016	5.000%	250,000.00	06/15/2015	100.000
2016B	06/15/2016	4.000%	625,000.00	06/15/2015	100.000
SERIAL2	06/15/2017	5.000%	1,000,000.00	06/15/2015	100.000
	06/15/2018	5.000%	1,040,000.00	06/15/2015	100.000
	06/15/2019	5.000%	1,130,000.00	06/15/2015	100.000
	06/15/2020	5.000%	1,000,000.00	06/15/2015	100.000
2020A	06/15/2020	4.500%	255,000.00	06/15/2015	100.000
SERIAL3	06/15/2021	5.000%	1,330,000.00	06/15/2015	100.000
	06/15/2022	5.000%	1,440,000.00	06/15/2015	100.000
	06/15/2023	5.000%	1,555,000.00	06/15/2015	100.000
TERM	06/15/2025	4.250%	3,475,000.00	06/15/2015	100.000
			13,100,000.00		

AGGREGATE DEBT SERVICE

Columbia Gorge Community College District General Obligation Refunding Bonds, Series 2012 Revised Final Numbers

Date	General Obligation Refunding Bonds, Series 2012 Principal	General Obligation Refunding Bonds, Series 2012 Interest	Unrefunded Bonds Principal	Unrefunded Bonds Interest	Aggregate Principal	Aggregate Interest	Aggregate Debt Service	Annual Aggregate D/S
06/15/2012	-	-	625,000	56,171.88	625,000	56,171.88	681,171.88	681,171.88
12/15/2012	-	309,318.75	-	44,453.13	-	353,771.88	353,771.88	-
06/15/2013	30,000	206,212.50	680,000	44,453.13	710,000	250,665.63	960,665.63	1,314,437.51
12/15/2013	-	205,912.50	-	31,703.13	-	237,615.63	237,615.63	-
06/15/2014	135,000	205,912.50	740,000	31,703.13	875,000	237,615.63	1,112,615.63	1,350,231.26
12/15/2014	-	204,562.50	-	16,200.00	-	220,762.50	220,762.50	-
06/15/2015	140,000	204,562.50	810,000	16,200.00	950,000	220,762.50	1,170,762.50	1,391,525.00
12/15/2015	-	203,162.50	-	-	-	203,162.50	203,162.50	-
06/15/2016	1,015,000	203,162.50	-	-	1,015,000	203,162.50	1,218,162.50	1,421,325.00
12/15/2016	-	193,012.50	-	-	-	193,012.50	193,012.50	-
06/15/2017	1,125,000	193,012.50	-	-	1,125,000	193,012.50	1,318,012.50	1,511,025.00
12/15/2017	-	181,762.50	-	-	-	181,762.50	181,762.50	-
06/15/2018	1,135,000	181,762.50	-	-	1,135,000	181,762.50	1,316,762.50	1,498,525.00
12/15/2018	-	164,737.50	-	-	-	164,737.50	164,737.50	-
06/15/2019	1,210,000	164,737.50	-	-	1,210,000	164,737.50	1,374,737.50	1,539,475.00
12/15/2019	-	149,612.50	-	-	-	149,612.50	149,612.50	-
06/15/2020	1,305,000	149,612.50	-	-	1,305,000	149,612.50	1,454,612.50	1,604,225.00
12/15/2020	-	130,037.50	-	-	-	130,037.50	130,037.50	-
06/15/2021	1,360,000	130,037.50	-	-	1,360,000	130,037.50	1,490,037.50	1,620,075.00
12/15/2021	-	110,575.00	-	-	-	110,575.00	110,575.00	-
06/15/2022	1,440,000	110,575.00	-	-	1,440,000	110,575.00	1,550,575.00	1,661,150.00
12/15/2022	-	86,775.00	-	-	-	86,775.00	86,775.00	-
06/15/2023	1,530,000	86,775.00	-	-	1,530,000	86,775.00	1,616,775.00	1,703,550.00
12/15/2023	-	60,725.00	-	-	-	60,725.00	60,725.00	-
06/15/2024	1,630,000	60,725.00	-	-	1,630,000	60,725.00	1,690,725.00	1,751,450.00
12/15/2024	-	29,600.00	-	-	-	29,600.00	29,600.00	-
06/15/2025	1,735,000	29,600.00	-	-	1,735,000	29,600.00	1,764,600.00	1,794,200.00
	13,790,000	3,956,481.25	2,855,000	240,884.40	16,645,000	4,197,365.65	20,842,365.65	20,842,365.65

FORM 8038 STATISTICS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Dated Date 03/15/2012
Delivery Date 03/15/2012

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bond:						
	06/15/2013	30,000.00	2.000%	102.144	30,643.20	30,000.00
	06/15/2014	135,000.00	2.000%	103.511	139,739.85	135,000.00
	06/15/2015	140,000.00	2.000%	104.367	146,113.80	140,000.00
	06/15/2016	1,015,000.00	2.000%	105.089	1,066,653.35	1,015,000.00
	06/15/2017	1,125,000.00	2.000%	105.522	1,187,122.50	1,125,000.00
	06/15/2018	1,135,000.00	3.000%	110.425	1,253,323.75	1,135,000.00
	06/15/2019	1,210,000.00	2.500%	106.631	1,290,235.10	1,210,000.00
	06/15/2020	1,305,000.00	3.000%	108.839	1,420,348.95	1,305,000.00
	06/15/2021	865,000.00	2.500%	104.115	900,594.75	865,000.00
	06/15/2021	250,000.00	3.000%	108.316	270,790.00	250,000.00
	06/15/2021	245,000.00	4.000%	116.718	285,959.10	245,000.00
	06/15/2022	375,000.00	2.000%	98.172	368,145.00	375,000.00
	06/15/2022	200,000.00	2.750%	105.020	210,040.00	200,000.00
	06/15/2022	865,000.00	4.000%	116.434	1,007,154.10	865,000.00
	06/15/2023	1,220,000.00	3.000%	105.888	1,291,833.60	1,220,000.00
	06/15/2023	310,000.00	5.000%	124.010	384,431.00	310,000.00
	06/15/2024	370,000.00	2.500%	98.231	363,454.70	370,000.00
	06/15/2024	1,000,000.00	4.000%	113.777	1,137,770.00	1,000,000.00
	06/15/2024	260,000.00	5.000%	123.088	320,028.80	260,000.00
	06/15/2025	450,000.00	2.500%	96.265	433,192.50	450,000.00
	06/15/2025	550,000.00	3.000%	101.768	559,724.00	550,000.00
	06/15/2025	530,000.00	4.000%	112.714	597,384.20	530,000.00
	06/15/2025	205,000.00	5.000%	122.376	250,870.80	205,000.00
		13,790,000.00			14,915,553.05	13,790,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	06/15/2025	3.479%	1,841,171.50	1,735,000.00	-	-
Entire Issue	-	-	14,915,553.05	13,790,000.00	9.1041	2.0671%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	161,588.50
Proceeds used for credit enhancement	5,523.94
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to currently refund prior issues	0.00
Proceeds used to advance refund prior issues	15,058,832.88
Remaining weighted average maturity of the bonds to be currently refunded	0.0000
Remaining weighted average maturity of the bonds to be advance refunded	9.3076

FORM 8038 STATISTICS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Refunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
General Obligation Bonds, Series 2005:					
2016A	06/15/2016	250,000.00	5.000%	109.075	272,687.50
2016B	06/15/2016	625,000.00	4.000%	100.823	630,143.75
SERIAL2	06/15/2017	1,000,000.00	5.000%	108.555	1,085,550.00
SERIAL2	06/15/2018	1,040,000.00	5.000%	108.124	1,124,489.60
SERIAL2	06/15/2019	1,130,000.00	5.000%	107.780	1,217,914.00
2020A	06/15/2020	1,000,000.00	5.000%	107.353	1,073,530.00
2020B	06/15/2020	255,000.00	4.500%	103.266	263,328.30
SERIAL3	06/15/2021	1,330,000.00	5.000%	106.842	1,420,998.60
SERIAL3	06/15/2022	1,440,000.00	5.000%	106.419	1,532,433.60
SERIAL3	06/15/2023	1,555,000.00	5.000%	105.998	1,648,268.90
TERM	06/15/2024	1,680,000.00	4.250%	97.882	1,644,417.60
TERM	06/15/2025	1,795,000.00	4.250%	97.882	1,756,981.90
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13,100,000.00					13,670,743.75
<hr/> <hr/>					

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
General Obligation Bonds, Series 2005	06/15/2015	05/25/2005	9.3076
All Refunded Issues	06/15/2015	-	9.3076

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Date	Debt Service	Present Value to 03/15/2012 @ 2.0671164%
12/15/2012	309,318.75	304,584.48
06/15/2013	236,212.50	230,217.72
12/15/2013	205,912.50	198,633.70
06/15/2014	340,912.50	325,497.39
12/15/2014	204,562.50	193,314.73
06/15/2015	344,562.50	322,285.89
12/15/2015	203,162.50	188,083.71
06/15/2016	1,218,162.50	1,116,213.36
12/15/2016	193,012.50	175,049.86
06/15/2017	1,318,012.50	1,183,123.89
12/15/2017	181,762.50	161,491.38
06/15/2018	1,316,762.50	1,157,942.11
12/15/2018	164,737.50	143,385.83
06/15/2019	1,374,737.50	1,184,316.78
12/15/2019	149,612.50	127,570.52
06/15/2020	1,454,612.50	1,227,620.47
12/15/2020	130,037.50	108,622.49
06/15/2021	1,490,037.50	1,231,920.57
12/15/2021	110,575.00	90,485.05
06/15/2022	5,075,575.00	4,110,924.14
12/15/2022	18,500.00	14,830.65
06/15/2023	18,500.00	14,678.94
12/15/2023	18,500.00	14,528.77
06/15/2024	388,500.00	301,983.10
12/15/2024	13,875.00	10,674.78
06/15/2025	1,013,875.00	772,048.78
	17,494,031.25	14,910,029.11

Proceeds Summary

Delivery date	03/15/2012
Par Value	13,790,000.00
Premium (Discount)	1,125,553.05
Arbitrage expenses	-5,523.94
Target for yield calculation	14,910,029.11

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
 General Obligation Refunding Bonds, Series 2012
 Revised Final Numbers

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 03/15/2012 @ 2.0671164%
SERIAL	06/15/2023	3.000%	2.350%	06/15/2022	100.000	32,738.98
SERIAL	06/15/2023	5.000%	2.350%	06/15/2022	100.000	9,133.74
SERIAL	06/15/2024	4.000%	2.470%	06/15/2022	100.000	39,869.46
SERIAL	06/15/2024	5.000%	2.440%	06/15/2022	100.000	10,057.76
SERIAL	06/15/2025	4.000%	2.580%	06/15/2022	100.000	26,764.71
SERIAL	06/15/2025	5.000%	2.510%	06/15/2022	100.000	9,389.76

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 03/15/2012 @ 2.0671164%	Increase to NPV
SERIAL	06/15/2023	3.000%	2.350%	-	-	41,816.12	9,077.14
SERIAL	06/15/2023	5.000%	2.350%	-	-	16,385.08	7,251.34
SERIAL	06/15/2024	4.000%	2.470%	-	-	70,387.35	30,517.89
SERIAL	06/15/2024	5.000%	2.440%	-	-	22,097.49	12,039.73
SERIAL	06/15/2025	4.000%	2.580%	-	-	50,780.36	24,015.65
SERIAL	06/15/2025	5.000%	2.510%	-	-	23,484.63	14,094.87

ESCROW REQUIREMENTS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Period Ending	Interest	Principal Redeemed	Total
06/15/2012	310,706.25	-	310,706.25
12/15/2012	310,706.25	-	310,706.25
06/15/2013	310,706.25	-	310,706.25
12/15/2013	310,706.25	-	310,706.25
06/15/2014	310,706.25	-	310,706.25
12/15/2014	310,706.25	-	310,706.25
06/15/2015	310,706.25	13,100,000.00	13,410,706.25
	2,174,943.75	13,100,000.00	15,274,943.75

ESCROW DESCRIPTIONS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Mar 15, 2012:						
SLGS	Certificate	12/15/2012	12/15/2012	259,721	0.140%	0.140%
SLGS	Note	06/15/2013	06/15/2012	276,960	0.190%	0.190%
SLGS	Note	12/15/2013	06/15/2012	277,223	0.260%	0.260%
SLGS	Note	06/15/2014	06/15/2012	277,583	0.330%	0.330%
SLGS	Note	12/15/2014	06/15/2012	278,042	0.400%	0.400%
SLGS	Note	06/15/2015	06/15/2012	13,378,597	0.480%	0.480%
				14,748,126		

SLGS Summary

SLGS Rates File	22FEB12
Total Certificates of Indebtedness	259,721.00
Total Notes	14,488,405.00
	<hr/>
Total original SLGS	14,748,126.00

ESCROW COST

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	12/15/2012	259,721	0.140%	259,721.00
SLGS	06/15/2013	276,960	0.190%	276,960.00
SLGS	12/15/2013	277,223	0.260%	277,223.00
SLGS	06/15/2014	277,583	0.330%	277,583.00
SLGS	12/15/2014	278,042	0.400%	278,042.00
SLGS	06/15/2015	13,378,597	0.480%	13,378,597.00
		14,748,126		14,748,126.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
03/15/2012	14,748,126	310,706.88	15,058,832.88	0.470864%
	14,748,126	310,706.88	15,058,832.88	

ESCROW CASH FLOW

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Date	Principal	Interest	Net Escrow Receipts	Present Value to 03/15/2012 @ 0.4708644%
06/15/2012	-	16,965.31	16,965.31	16,945.37
12/15/2012	259,721.00	34,020.17	293,741.17	292,706.87
06/15/2013	276,960.00	33,746.22	310,706.22	308,884.97
12/15/2013	277,223.00	33,483.11	310,706.11	308,159.36
06/15/2014	277,583.00	33,122.72	310,705.72	307,435.17
12/15/2014	278,042.00	32,664.71	310,706.71	306,714.04
06/15/2015	13,378,597.00	32,108.63	13,410,705.63	13,207,280.21
	14,748,126.00	216,110.87	14,964,236.87	14,748,126.00

Escrow Cost Summary

Purchase date	03/15/2012
Purchase cost of securities	14,748,126.00
	<hr/>
Target for yield calculation	14,748,126.00

ESCROW SUFFICIENCY

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
03/15/2012	-	310,706.88	310,706.88	310,706.88
06/15/2012	310,706.25	16,965.31	-293,740.94	16,965.94
12/15/2012	310,706.25	293,741.17	-16,965.08	0.86
06/15/2013	310,706.25	310,706.22	-0.03	0.83
12/15/2013	310,706.25	310,706.11	-0.14	0.69
06/15/2014	310,706.25	310,705.72	-0.53	0.16
12/15/2014	310,706.25	310,706.71	0.46	0.62
06/15/2015	13,410,706.25	13,410,705.63	-0.62	-
	15,274,943.75	15,274,943.75	0.00	

ESCROW STATISTICS

Columbia Gorge Community College District
 General Obligation Refunding Bonds, Series 2012
 Revised Final Numbers

Global Proceeds Escrow:	Total Escrow Cost	Modified Duration (years)	PV of 1 bp change	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
	15,058,832.88	3.085	4,549.25	0.470864%	0.470777%	14,351,566.05	705,500.81	1,766.02
	15,058,832.88		4,549.25			14,351,566.05	705,500.81	1,766.02

Delivery date 03/15/2012
 Arbitrage yield 2.067116%

PROOF OF COMPOSITE ESCROW YIELD

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

All restricted escrows funded by bond proceeds

Date	Security Receipts	Present Value to 03/15/2012 @ 0.4708644%
06/15/2012	16,965.31	16,945.37
12/15/2012	293,741.17	292,706.87
06/15/2013	310,706.22	308,884.97
12/15/2013	310,706.11	308,159.36
06/15/2014	310,705.72	307,435.17
12/15/2014	310,706.71	306,714.04
06/15/2015	13,410,705.63	13,207,280.21
	14,964,236.87	14,748,126.00

Escrow Cost Summary

Purchase date	03/15/2012
Purchase cost of securities	14,748,126.00
	14,748,126.00
Target for yield calculation	14,748,126.00

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UNITED STATES OF AMERICA
STATE OF OREGON
COLUMBIA GORGE COMMUNITY COLLEGE
HOOD RIVER AND WASCO COUNTIES, OREGON
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2012

NUMBER: R-1

\$30,000

<u>DATED</u>	<u>RATE OF INTEREST</u>	<u>MATURITY DATE</u>	<u>CUSIP NUMBER</u>
<i>March 15, 2012</i>	<i>2.00% Per Annum</i>	<i>June 15, 2013</i>	<i>197659CF0</i>

REGISTERED OWNER: *Cede & Co.*

PRINCIPAL AMOUNT:

****THIRTY THOUSAND****

DOLLARS

Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District"), for value received, acknowledges itself indebted and hereby promises to pay to the registered owner, or registered assigns, on the maturity date, the principal amount and to pay interest thereon from the date of this Bond, or from the most recent interest payment date to which the interest has been paid, at the rate of interest per annum set forth above on the 15th day of June and the 15th day of December of each year commencing December 15, 2012, until the principal amount is either paid at maturity or upon prior redemption.

The principal of this Bond is payable in lawful money of the United States of America upon presentation at the corporate trust office of U.S. Bank National Association, Portland, Oregon, as Paying Agent and Bond Registrar. Payment of each installment of interest shall be made to the registered owner hereof whose name appears on the registration books of the District maintained by the Paying Agent as of the close of business on the last business day of the month immediately preceding any interest payment date; *provided that*, whenever this Bond is subject to a book-entry system of registration, payments of principal and interest on this Bond shall be made to the nominee of The Depository Trust Company for distribution to the Beneficial Owners hereof. Interest payments shall be paid by the check or draft of the Paying Agent mailed by the Paying Agent on the interest payment date to the registered owner at the address as it appears on the registration books. The Bond Registrar shall not be required to (1) transfer or exchange any Bond after the close of business on the last business day of the month preceding the interest payment date, or (2) transfer or exchange any Bond called or being called for redemption.

PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS WHEN DUE IS GUARANTEED BY THE FULL FAITH AND CREDIT OF THE STATE OF OREGON UNDER THE PROVISIONS OF THE OREGON SCHOOL BOND GUARANTY ACT.

REFERENCE IS HEREBY MADE TO THE ADDITIONAL PROVISIONS OF THIS BOND AS SET FORTH ON ADDITIONAL PAGES ATTACHED HERETO, AND SUCH ADDITIONAL PROVISIONS SHALL HAVE THE SAME EFFECT AS IF FULLY SET FORTH HEREIN.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in the form and manner required by the Constitution and Statutes of the State of Oregon and that this Bond, together with all other indebtedness of the District, does not exceed any limitation prescribed by law.

The full faith and credit of the District is hereby pledged for the payment of the principal of and interest on this Bond as the same respectively become due and payable. The District covenants to levy annually, without limitation as to rate or amount, a direct ad valorem tax upon all taxable property within the District sufficient to pay the Bonds when due. The Bonds are valid and legally binding obligations of the District and are authorized pursuant to the laws of the State of Oregon and the Resolution adopted by the Board of Directors of the District on December 13, 2011 (the "Resolution").

In consideration of the purchase and acceptance of the Bonds, the provisions of the Resolution and this Bond shall be deemed to be and shall constitute a contract between the District and the Owners of the Bonds. The covenants and agreements to be performed by or on behalf of the District shall be for the equal benefit, protection and security of the Owners of any and all Bonds, all of which shall be of equal rank without preference, priority, or distinction among the Bonds.

This Bond shall not be valid or become obligatory until the Certificate of Authentication hereon shall have been signed by the Bond Registrar.

IN WITNESS WHEREOF, the Board of Directors of the District has caused this Bond to be executed by the facsimile signature of its Chair and attested by the facsimile signature of its Superintendent, all as of the 1st day of March 2012.

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

PRESIDENT

ATTEST:

SECRETARY

Date of Authentication: March 15, 2012

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Resolution and is one of the General Obligation Refunding Bonds, Series 2012, of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon.

U.S. BANK NATIONAL ASSOCIATION
as Paying Agent and Bond Registrar

By _____
Authorized Officer

ADDITIONAL PROVISIONS

This Bond is one of an authorized series of General Obligation Refunding Bonds, Series 2012 (the "Bonds"). The Bonds are issued in the aggregate principal amount of \$13,790,000 to provide funds to refund a portion of the District's outstanding General Obligation Bonds, Series 2005, and to pay for the costs of issuance of the Bonds.

Optional Redemption. The Bonds maturing in years 2013 through 2022, inclusive, are not subject to optional redemption prior to maturity. The Bonds maturing on June 15, 2023 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2022, as a whole or in part, and if in part, with maturities to be selected by the District and by DTC or by lot within a maturity at a price of par, plus accrued interest, if any, to the date of redemption.

This Bond is transferable by the registered owner hereof in person or by the owner's attorney duly authorized in writing at the corporate trust office of the Bond Registrar in Portland, Oregon, but only in the manner and subject to the limitations provided in the authorizing Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee.

The Bonds are issued in fully registered form and in the denomination of \$5,000 each or any integral multiple thereof. This Bond may be exchanged at the corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the Resolution.

The District and the Bond Registrar may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the principal hereof and interest due hereon and for all other purposes and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

LEGAL OPINION

I, Frank K. Toda, President for Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon certify that the following is a true copy of the signed original legal opinion of Mersereau Shannon, LLP, Attorneys, Portland, Oregon. The opinion was dated and issued as of the date of delivery of and payment for the Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, General Obligation Refunding Bonds, Series 2012.

DR. FRANK K. TODA
President

March 15, 2012

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

Re: \$13,790,000 Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, (the "District") of \$13,790,000 General Obligation Refunding Bonds, Series 2012 (the "Bonds.") The Bonds are issued pursuant to the applicable provisions of Oregon Revised Statutes ("ORS") Chapters 287A and 341 and the Resolution of the District adopted by the Board of Education (the "Board") on December 13, 2011 (the "Resolution").

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

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

As to questions of fact material to our opinion, we have relied upon the certified proceedings of the District and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. We have also relied on the covenants of the District to comply with certain requirements of the Internal Revenue Code of 1986, as amended, with respect to the investment and use of proceeds of the Bonds.

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

1. The Bonds have been legally authorized and issued under and pursuant to the Constitution and Statutes of the State of Oregon and the Resolution.
2. The Bonds and the Resolution have been properly authorized, executed and delivered by the District and constitute valid binding obligations of the District enforceable in accordance with their terms.
3. The Bonds are a valid, legally binding full faith and credit general obligation of the District payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all of the taxable property within the geographical boundaries of the District. The District is required by law to include in its annual tax levy the principal and interest maturing on the Bonds to the extent that sufficient funds are not provided from other sources.
4. Assuming compliance with applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds, including any original issue discount properly allocable to the owner of the Bonds, is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the

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

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

Except as stated herein, we express no opinion regarding other federal, state or local tax consequences arising with respect to ownership of the Bonds or other matters not expressly included in items 1-5 above. The owner of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral tax consequences and each owner is advised to consult with its own tax advisor regarding such consequences.

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

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

Respectfully submitted,

MERSEREAU SHANNON LLP

James P. Shannon

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE: _____

(Name and Address of Assignee)

this Bond and does hereby irrevocably constitute and appoint _____ as attorney to transfer this Bond on the books kept for registration thereof with the full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of this Bond in every particular, without alteration or enlargement or any change whatever.

NOTICE: The signatures to this Assignment must be guaranteed by a financial institution that is a member of the Securities Transfer Agents Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP") or the New York Stock Exchange, Inc. Medallion Securities Program ("MSP").

Signature Guaranteed

(Bank, Trust Company or Brokerage Firm)

Authorized Officer

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM -- tenants in common
- TEN ENT -- as tenants by the entireties
- JT TEN -- as joint tenants with right of survivorship and not as tenants in common

OREGON CUSTODIANS use the following

CUST UL OREG	MIN as custodian for
(as custodian for)	(name of minor)
OR UNIF TRANS MIN ACT	

(under the Oregon Uniform Transfer to Minors Act)

Additional abbreviations may also be used though not in the list above.

6

RECEIPT FOR BONDS

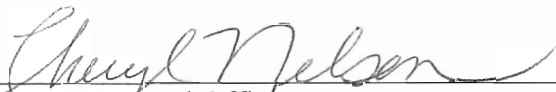
\$13,790,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds
Series 2012

On behalf of U.S. Bank National Association, as Paying Agent for the \$13,790,000 aggregate principal amount of the General Obligation Refunding Bonds, Series 2012, dated March 15, 2012 (the "Bonds") issued by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District"), I hereby certify that:

- (i) the Paying Agent has received and accepted the Bonds in the aggregate principal amount of \$13,790,000;
- (ii) the Paying Agent has duly and properly authenticated and registered the Bonds pursuant to the order and direction of the District;
- (iii) the Bonds are registered in the name of Cede & Co., as nominee for Depository Trust Company ("DTC"); and
- (iv) the Bonds will be held in DTC's Fast Automated Securities Transfer ("FAST") for DTC's book-entry only system to be credited to the account of Seattle-Northwest Securities Corporation as underwriter of the Bonds on this date.

DATED this 15th day of March 2012.

U.S. BANK NATIONAL ASSOCIATION

By 
Authorized Officer

7



Closing Memorandum

Re: Columbia Gorge Community College, Hood River and Wasco Counties, Oregon
\$13,790,000 General Obligation Refunding Bonds, Series 2012

Dated Date: March 15, 2012

From: Lauren Foote, Assistant Vice President
Seattle-Northwest Securities Corporation

Date: March 9, 2012 – with Wire Information as of March 15, 2012

Tax Identification Number

93-0700843

Closing

Closing will occur at 8:30 a.m. Pacific Time, March 15, 2012 in the offices of Mersereau Shannon LLP, One SW Columbia Street, Suite 1600, in Portland, Oregon. Participants may dial into the closing call using the following number:

Local: (503) 425-8047

Toll-Free: (866) 786-7285

Passcode: 6092

Calculation of Funds

The following is a summary of the sources of funds for the Series 2012 General Obligation Refunding Bonds and how those funds are to be applied by the District.

Total source of funds for the transaction is **\$14,915,553.05** calculated as follows:

Principal Amount	\$ 13,790,000.00
Plus: Net Original Issue Premium	<u>1,125,553.05</u>
Total Sources of Funds (“Production” on the Bond Pricing Report)	<u>\$ 14,915,553.05</u>

SNW will transfer funds in the amount of **\$14,810,688.55** on March 15, 2012, as follows:

Total Sources of Funds	\$ 14,915,553.05
Less: Underwriter’s Discount	<u>(104,114.50)</u>
Net Purchase Price (“Purchase Price” on the Bond Pricing Report)	14,811,438.55
Less: Official Statement Printing & Mailing	<u>(750.00)</u>
Net Proceeds Transferred by SNW	<u>\$ 14,810,688.55</u>

Application of Funds

The total of **\$14,810,688.55** will be applied by the District as follows:

Wired to District:

Estimated Issuance Costs to be paid by the District following Closing (see Exhibit A)	\$ 35,868.94
Contingency	<u>313.98</u>
Total Funds distributed directly to the District	\$ 36,182.92

Wired to Service Providers:

Bond Counsel (Mersereau Shannon LLP)	\$ 25,000.00
MDAC Fee (Oregon State Treasury – Debt Management Division)	<u>1,379.00</u>
Total Funds distributed to service providers	\$ 26,379.00

Escrow:

Escrow Account deposit wired to Escrow Agent	<u>\$ 14,748,126.63</u>
--	-------------------------

Total Distribution of Funds **\$ 14,810,688.55**

Funds Transfers

Seattle-Northwest Securities Corporation will initiate the following wire transactions:

Proceeds to the District

Transfer Amount: **\$36,182.92** (Federal Funds – Wire Ref #2524)
 To: U.S. Bank
 ABA Number: 123000220
 Account Name: Columbia Gorge Community College
 Account Number: 153695026036
 Reference: Columbia Gorge CC, GO Refunding Bonds, Series 2012
 Contact: Government Banking Service Team (877) 295-2509
 Confirmed at 7:45 a.m.

Proceeds to Bond Counsel

Transfer Amount: **\$25,000.00** (Federal Funds – Wire Ref #2525)
 To: Bank of America
 ABA Number: 026 009 593
 Account Name: Mersereau Shannon LLP
 Account Number: 002109413151
 Reference: Columbia Gorge CC, GO Refunding Bonds, Series 2012

Proceeds to Oregon State Treasury

Transfer Amount: **\$1,379.00** (Federal Funds – Wire Ref #2526)
 To: US Bank
 ABA Number: 123000220
 Account Name: Oregon State Treasury
 Account Number: 153600334160
 Reference: Columbia Gorge CC, GO Ref Bonds, Series 2012 MDAC Fee

Proceeds to the Escrow Agent

Transfer Amount: **\$14,748,126.63** (Federal Funds – Wire Ref #2548)
 To: U.S. Bank N.A.
 ABA Number: 091000022
 BNF: U.S. Bank Trust N.A.
 Account Number: 180121167365
 Reference: Columbia Gorge CC Ref Esc. #789543001
 Contact: Nicole DeCamp (206) 344-4677
 Confirmed at 8:11 a.m.

If you have questions, please call me at (503) 275-8300.

Attachment: Exhibit A

cc:

Saundra Buchanan, Columbia Gorge CC
 Jill O'Brien, Columbia Gorge CC
 Jim Shannon, Mersereau Shannon LLP
 Courtney Dausz, Mersereau Shannon LLP
 Charles Carter, Charles Carter Company
 Cheryl Nelson, U.S. Bank National Association

Stephanie Seroogy, Grant Thornton LLP
 Susan Vucinich, Seattle-Northwest Securities
 Laura Westphal, Seattle-Northwest Securities
 Joan Roddy, Seattle-Northwest Securities
 Dorothy Michak, Seattle-Northwest Securities
 Lisa Krulish, Seattle-Northwest Securities

Rhonda Kutzer, Office of the State Treasurer

Carol Samuels, Seattle-Northwest Securities

EXHIBIT A

**Columbia Gorge Community College
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds, Series 2012**

Estimated issuance expenses to be paid by the District:

<u>Description</u>	<u>Payee</u>	<u>Total</u>
<u>Wired to District</u>		
Rating Fees	Moody's Investors Service	\$ 15,500.00
Pricing Advisor	Charles Carter Company	2,500.00
Escrow Agent	U.S. Bank National Association	400.00
Paying Agent	U.S. Bank National Association	4,095.00
State Guaranty Approval	Oregon State Treasury, Debt Management Division	200.00 ⁽¹⁾
State Guaranty Premium	Oregon State Treasury, Debt Management Division	5,323.94 ⁽²⁾
Preliminary Plan Approval	Oregon State Treasury, Debt Management Division	350.00 ⁽¹⁾
Final Plan Approval	Oregon State Treasury, Debt Management Division	5,000.00 ⁽²⁾
Escrow Verification	Grant Thornton LLP	<u>2,500.00</u>
Total Costs of Issuance to be paid directly by the District		\$ 35,868.94
<u>Deducted at Closing</u>		
Official Statement Printing & Mailing Reimbursement	Seattle-Northwest Securities Corporation	\$ <u>750.00</u>
<u>Wired Directly to Service Providers</u> ⁽³⁾		
Bond Counsel	Mersereau Shannon LLP	\$ 25,000.00
MDAC Fee	Oregon State Treasury, Debt Management Division	<u>1,379.00</u>
Total wired to service providers		\$ 26,379.00
Total Costs of Issuance		<u>\$ 62,997.94</u>

(1) Previously paid by the District.

(2) The District is responsible for paying the amount to Oregon State Treasury within 10 days of closing. For additional information, contact:

Matthew Harris
Oregon State Treasury
Debt Management Division
350 Winter Street NE, Suite 100
(503) 378-4930

(3) Payment made from Bond Proceeds at Closing.



Columbia Gorge Community College
General Obligation Refunding Bonds, Series 2012

Distribution List

Issuer

Ms. Sandra Buchanan, Chief Financial Officer
Phone: (541) 506-6050
e-mail: sbuchanan@cgcc.cc.or.us
Ms. Jill O'Brien, Business Office Administrative Assistant
Phone: (541) 506-6051
e-mail: jobrien@cgcc.cc.or.us
Columbia Gorge Community College
400 East Scenic Drive
The Dalles, Oregon 97058
FAX: (541) 506-6052

Bond Counsel

Mr. Jim Shannon, Esq.
Phone: (503) 226-6400, ext. 211
e-mail: jshannon@mershanlaw.com
Ms. Courtney Dausz, Esq.
Phone: (503) 226-6400, ext. 216
e-mail: cdausz@mershanlaw.com
Mersereau Shannon LLP
One S.W. Columbia, Suite 1600
Portland, Oregon 97258
FAX: (503) 226-0383

Underwriter

Ms. Carol Samuels, Senior Vice President
Phone: (503) 275-8301
e-mail: csamuels@snwsc.com
Ms. Lauren Foote, Senior Associate
Phone: (503) 275-8302
email: lfoote@snwsc.com
Seattle-Northwest Securities Corporation
1300 SW Fifth Ave., Suite 3650
Portland, Oregon 97201
FAX: (503) 275-8320

Paying Agent

Ms. Cheryl Nelson
Phone: (503) 275-5708
email: cherylk.nelson@usbank.com
U.S. Bank National Association
555 SW Oak Street PL-6
Portland, Oregon 97204
FAX: (503) 275-5738

Pricing Advisor

Mr. Charles Carter
Phone: (503) 635-3802
e-mail: ccc3@spottedhorse.com
The Charles Carter Company
1653 Devon Lane
Lake Oswego, Oregon 97034
FAX: (503) 635-3454

Oregon School Bond Guaranty Program

Mr. Matthew Harris

Oregon State Treasurer
Debt Management Division
350 Winter Street N.E., Suite 100
Salem, Oregon 97310

Phone: (503) 378-6227
e-mail: matthew.harris@ost.state.or.us
FAX: (503) 378-2870

Oregon State Treasury- Debt Management Division

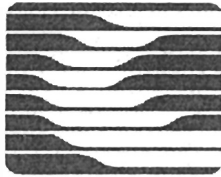
Ms. Laura Lockwood-McCall, Director

Mr. Larry Groth, Assistant Director

Oregon State Treasury
Debt Management Division
350 Winter Street N.E., Suite 100
Salem, Oregon 97310

Phone: (503) 378-4930
e-mail: laura.lockwood@state.or.us
Phone: (503) 378-4930
e-mail: larry.c.groth@ost.state.or.us

8



COLUMBIA GORGE COMMUNITY COLLEGE

400 EAST SCENIC DRIVE · THE DALLES, OR 97058 · (541) 506-6000
1730 COLLEGE WAY · HOOD RIVER, OR 97031 · (541) 308-8200
www.cgcc.cc.or.us

February 8, 2012

Carol Samuels
Seattle-Northwest Securities Corporation
1300 SW Fifth Ave., Suite 3650
Portland, Oregon 97201

Re: Columbia Gorge Community College
General Obligation Refunding Bonds, Series 2012 – Preliminary Official Statement

Dear Carol:

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

- a) A copy of the draft Preliminary Official Statement was circulated to each of the Board of Education members on February 3, 2012 for their review and I have reviewed the document as well;
- b) I have reviewed the copy of the Preliminary Official Statement attached hereto and it is hereby "deemed final" (except for the omission of the following information: offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, ratings, if any, and other terms of the securities depending on such matters), for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1); and
- c) Seattle-Northwest Securities Corporation is authorized to distribute and otherwise utilize the Preliminary Official Statement in connection with the marketing of the Bonds.

Sincerely,

Sandra Buchanan
Chief Financial Officer

9

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 13, 2012

\$13,230,000⁽¹⁾

**Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds, Series 2012**

DATED: March 15, 2012 (estimated "Date of Delivery")

DUE: June 15, as shown on the inside cover

PURPOSE— The \$13,230,000 ⁽¹⁾ General Obligation Refunding Bonds, Series 2012 (the "Bonds") are being issued by the Columbia Gorge Community College District in Hood River and Wasco Counties, Oregon (the "District"). The Bonds are being issued to refinance certain outstanding bonds that financed capital construction and improvements and to pay the costs of issuance of the Bonds. See "Purpose and Use of Proceeds" herein.

MOODY'S RATING— Applied for. See "Rating" herein.

NOT BANK QUALIFIED— The District has not designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code").

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

PRINCIPAL AND INTEREST PAYMENTS— Interest on the Bonds will be paid on December 15, 2012 and semiannually thereafter on June 15 and December 15 of each year to the maturity or earlier redemption of the Bonds. Principal of and interest on the Bonds will be payable by the District's Paying Agent, initially U.S. Bank National Association, to DTC which, in turn, will remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Bonds at the address appearing upon the registration books on the last business day (the "Record Date") of the month preceding a payment date.

MATURITY SCHEDULE— SEE INSIDE COVER

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

SECURITY— The Bonds are general obligations of the District. The full faith and credit and taxing powers of the District are pledged to the successive owners of each of the Bonds (the "Bondowners") for the punctual payment of such obligations, when due. The District covenants with the Bondowners to levy annually a direct ad valorem tax upon all of the taxable property within the District without limitation as to rate or amount, and outside of the limitations of sections 11 and 11b, Article XI of the Oregon Constitution, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, and any other funds available to pay interest accruing and the principal maturing on the Bonds promptly when and as they become due. The Bonds do not constitute a debt or indebtedness of Hood River County, Wasco County, the State of Oregon, or any political subdivision thereof other than the District.

Payment of the principal of and interest on the Bonds when due is guaranteed by the full faith and credit of the
State of Oregon

under the provisions of the Oregon School Bond Guaranty Act. See "Oregon School Bond Guaranty" within.

TAX MATTERS— *In the opinion of Mersereau Shannon LLP, Bond Counsel to the District ("Bond Counsel"), assuming compliance with certain covenants of the District, interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes under existing law. Interest on the Bonds is not an item of tax preference for purposes of either individual or corporate alternative minimum tax. Interest on the Bonds may be indirectly subject to corporate alternative minimum tax and certain other taxes imposed on certain corporations. See "Tax Matters" herein for a discussion of the opinion of Bond Counsel. In the opinion of Bond Counsel, interest on the Bonds is exempt from Oregon personal income tax under existing law.*

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

(1) Preliminary, subject to change.

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



Columbia Gorge Community College District

Hood River and Wasco Counties, Oregon

General Obligation Refunding Bonds, Series 2012

DATED: Date of Delivery

DUE: June 15, as shown below

MATURITY SCHEDULE –

Due June 15	Amounts ⁽¹⁾	Interest Rates	Yields	CUSIP® 197659	Due June 15	Amounts ⁽¹⁾	Interest Rates	Yields	CUSIP® 197659
2014	\$ 105,000				2020	\$ 1,255,000			
2015	110,000				2021	1,295,000			
2016	985,000				2022	1,375,000			
2017	1,090,000				2023	1,460,000			
2018	1,105,000				2024	1,580,000			
2019	1,165,000				2025	1,705,000			

(1) Preliminary, subject to change.

Certain statements contained in this Official Statement do not reflect historical facts, but are forecasts and “forward-looking statements.” No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, words such as “estimated,” “projected,” “anticipate,” “expect,” “intend,” “plan,” “believe” and similar expressions are intended to identify forward-looking statements. All projections, assumptions and other forward-looking statements are expressly qualified in the entirety by the cautionary statements set forth in this Official Statement.

Certain information contained herein has been obtained from the District and other sources which are believed to be reliable, but the accuracy or completeness of such information is not guaranteed and such information is not to be construed to be a representation of the District, or Seattle-Northwest Securities Corporation (the “Underwriter”). The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

The CUSIP® numbers herein are provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by Standard and Poor’s, a division of The McGraw-Hill Companies, Inc. CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers are provided for convenience of reference only. CUSIP numbers are subject to change. Neither the District nor the Underwriter take any responsibility for the accuracy of such CUSIP numbers.

Web addresses contained in this Official Statement are inactive textual references, not hyperlinks, and any websites, by such reference, are not incorporated herein.

No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give information or to make any representations with respect to the Bonds, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The prices at which the Bonds are offered to the public by the Underwriter (and the yields resulting therefrom) may vary from the initial public offering prices appearing on this inside cover page hereof. In addition, the Underwriter may allow concessions or discounts from such initial public offering prices to dealers and others. In connection with the offering of the Bonds, the Underwriter may effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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

Columbia Gorge Community College District

400 East Scenic Drive
The Dalles, Oregon 97058-3434
(541) 506-6000

Board of Education

Charleen Cobb	Chair
Dr. Ernest Keller	Vice-Chair
Charlotte Arnold	Board Member
David Fenwick	Board Member
M.D. Van Valkenburgh	Board Member
Stuart Watson	Board Member
Dr. James R. Willcox	Board Member

College Administrators

Dr. Frank K. Toda	President
Saundra L. Buchanan	Chief Financial Officer
Dr. Susan Wolff	Chief Academic Officer
Karen Carter	Chief Student Services Officer
Robb Van Cleave	Chief Talent and Strategy Officer
Bill Bohn	Chief Technology Officer
Daniel Spatz	Chief Institutional Advancement Officer

Bond Counsel

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

Paying Agent

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

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Table of Contents

	Page
Description of the Bonds	1
Principal Amount, Date, Interest Rates and Maturities.....	1
Paying Agent and Registration Features	1
Redemption Provisions.....	2
Authorization for Issuance	2
Purpose and Use of Proceeds.....	3
Purpose.....	3
Refunding Procedure	3
Verification of Mathematical Calculations	3
Sources and Uses of Funds	4
Security for the Bonds.....	4
General.....	4
Oregon School Bond Guaranty	4
Ratings.....	7
Bonded Indebtedness	7
Obligation to Pay	7
District Debt Liability	7
Debt Limitation	8
Outstanding Long-Term Debt.....	9
Projected Debt Service Requirements	9
Summary of Overlapping Debt	10
Debt Ratios.....	11
Debt Payment Record.....	11
Future Financings	11
Revenue Sources	11
Community College District Funding	11
Property Taxes.....	12
Fiscal Year 2012 Representative Levy Rate	15
Major Taxpayers	17
State of Oregon Community College Funding	18
Tuition and Fees.....	21
Federal Funding.....	21
The District	22
Oregon Community Colleges	22
General Description.....	22
Historical and Projected FTE Enrollment and Headcount.....	23
Key Administrative Officials.....	24
Financial Factors	25
Financial Reporting and Accounting Policies	25
Auditing	25
Statement of Net Assets	26
Statement of Revenues, Expenses and Changes in Net Assets.....	27
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance	28
Budgetary Process	28
General Fund Adopted Budget.....	29
Investments.....	29
Pension System	30
Other Postemployment Benefits	32
Risk Management.....	33
Demographic Information.....	33
The Initiative and Referendum Process.....	39
Referendum	39
Initiatives.....	40
Legal Matters and Litigation.....	41
Legal Matters.....	41
Litigation.....	41

Table of Contents, continued

	Page
Tax Matters	42
Tax Exemption	42
[Premium	42
[Original Issue Discount	43
Oregon State Tax Exemption.....	43
Future and Proposed Federal Legislation	43
Continuing Disclosure	43
Official Statement	44
Underwriting.....	44
Concluding Statement.....	45
Appendices:	
Form of Bond Counsel Opinion.....	Appendix A
Financial Statements.....	Appendix B
Book-Entry Only System	Appendix C
Form of Continuing Disclosure Certificate	Appendix D

PRELIMINARY OFFICIAL STATEMENT

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

\$13,230,000⁽¹⁾

General Obligation Refunding Bonds, Series 2012

Columbia Gorge Community College District in Hood River and Wasco Counties, Oregon (the "District"), a political subdivision duly organized and existing under and by virtue of the laws of the State of Oregon (the "State") furnishes this Official Statement in connection with the offering of \$13,230,000⁽¹⁾ aggregate principal amount of General Obligation Refunding Bonds, Series 2012 (the "Bonds"), dated the Date of Delivery. This Official Statement, which includes the cover page, inside cover page, and appendices, provides information concerning the District and the Bonds.

The information set forth herein has been obtained from the District and other sources that are believed to be reliable. Seattle-Northwest Securities Corporation (the "Underwriter") has relied on the District with respect to the accuracy and sufficiency of such information and such information is not to be construed as a representation, warranty or guarantee by the Underwriter. So far as any statement herein includes matters of opinion, or estimates of future expenses and income, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

Description of the Bonds

Principal Amount, Date, Interest Rates and Maturities

The Bonds will be issued in the aggregate principal amount posted on the cover of this Official Statement and will be dated and bear interest from the Date of Delivery. The Bonds will mature on the dates and in the principal amounts set forth on the inside cover of this Official Statement. Interest on the Bonds is payable semiannually on December 15 and June 15 of each year, commencing December 15, 2012, until the maturity or earlier redemption of the Bonds and will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Paying Agent and Registration Features

Paying Agent. The principal of and interest on the Bonds will be payable by U.S. Bank National Association (the "Paying Agent" and "Bond Registrar") to the Depository Trust Company ("DTC"), which, in turn, is obligated to remit such principal and interest to its participants ("DTC Participants") for subsequent disbursement to the persons in whose names such Bonds are registered (the "Beneficial Owners") of the Bonds, as further described in Appendix C attached hereto.

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

Procedure in the Event of Revisions of Book-Entry Transfer System. If DTC resigns as the securities depository and the District is unable to retain a qualified successor to DTC, or the District has determined that it is in the best interest of the District not to continue the book-entry system of transfer or that interests of the Beneficial Owners of the Bonds might be adversely affected if the book-entry system of transfer is continued, the District will cause the Paying Agent to authenticate and deliver to the Beneficial Owners of the Bonds or their nominees, replacement Bonds in fully registered form, in the denomination of \$5,000 or any integral multiple

thereof within a maturity. Thereafter, the principal of the Bonds will be payable upon due presentment and surrender thereof at the principal office of the Bond Registrar; interest on the Bonds will be delivered to the persons in whose names such Bonds are registered, at the address appearing upon the registration books on the last business day of the month preceding a payment date (the "Record Date"), and the Bonds will be transferable as provided in the Resolution (as defined herein).

Redemption Provisions

Optional Redemption. The Bonds maturing in years ____ through ____, inclusive, are not subject to optional redemption prior to maturity. The Bonds maturing on June 15, ____ and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15 ____, as a whole or in part, and if in part, with maturities to be selected by the District and by DTC or by lot within a maturity at a price of par, plus accrued interest, if any, to the date of redemption. [A Term Bond subject to optional redemption and redeemed in part will have the principal amount within the respective mandatory redemption dates selected by the District.

For as long as the Bonds are in book-entry only form, if fewer than all of the Bonds of a maturity are called for redemption, the selection of Bonds within a maturity to be redeemed shall be made by DTC in accordance with its operational procedures then in effect. See Appendix C attached hereto. If the Bonds are no longer held in book-entry only form, then the Paying Agent would select Bonds for redemption by lot.

[Mandatory Redemption. If not previously redeemed under the provisions for optional redemption, the Term Bonds maturing on June 15 in the years ____ and ____ are subject to mandatory redemption (in such manner as the Bond Registrar and DTC will determine or by lot by the Paying Agent) on June 15 of the following years in the following principal amounts, at a price of par plus accrued interest to the date of redemption.]

[TO BE PROVIDED IN THE FINAL OFFICIAL STATEMENT]

Notice of Redemption (Book-Entry). So long as the Bonds are in book-entry only form, the Paying Agent shall notify DTC of an early redemption no fewer than 20 calendar days nor more than 60 calendar days prior to the date fixed for redemption, and shall provide such information as required by a letter of representation submitted to DTC in connection with the issuance of the Bonds. The District reserves the right to rescind any redemption notice as allowed in the Bond Resolution.

Notice of Redemption (No Book-Entry). During any period in which the Bonds are not in book-entry only form, unless waived by any Owner of the Bonds (as defined herein) to be redeemed, official notice of any redemption of Bonds shall be given by the Paying Agent on behalf of the District by mailing a copy of an official redemption notice by first class mail, postage prepaid, no fewer than 20 calendar days nor more than 60 calendar days prior to the date fixed for redemption, to the Owners of the Bonds to be redeemed at the address shown on the bond register or at such other address as is furnished in writing by such Owner to the Paying Agent. The District reserves the right to rescind any redemption notice as allowed in the Bond Resolution.

Authorization for Issuance

The District previously issued its General Obligation Bonds, Series 2005, dated May 25, 2005, in the original aggregate principal amount of \$18,500,000 (the "Series 2005 Bonds") pursuant to a resolution adopted by the District's Board of Education on April 12, 2005. The Series 2005 Bonds were issued to finance capital construction and improvements for health science training and classroom facilities, renovate existing facilities, demolish unusable buildings, purchase land and to pay costs of issuance of the Series 2005 Bonds. The Series 2005 Bonds are payable from taxes levied on property within the District located in Hood River and Wasco Counties.

The proceeds of the Bonds will be used to advance refund all or a portion of the outstanding Series 2005 Bonds (the "Refunded Bonds") and to pay the costs of issuance of the Bonds. The advance refunding of the Series 2005 Bonds is contingent upon the District's receipt of actual, cumulative debt service savings of not less than the amount required under Oregon law and advance refunding plan approval by the State Treasurer.

Under and in accordance with State laws and provisions, specifically Oregon Revised Statutes (“ORS”) Chapter 287A and Chapter 341, the Bonds are being issued pursuant to a resolution (the “Resolution”) adopted by the District’s Board of Education (the “Board”) on December 13, 2011. The Bonds may be issued without voter approval.

Purpose and Use of Proceeds

Purpose

The Bonds are being issued so that the District can obtain a benefit of a savings in total debt service requirements.

Refunding Procedure

A portion of the proceeds of the Bonds will be used to provide funds to establish an irrevocable trust escrow pursuant to an escrow deposit agreement (the “Escrow Deposit Agreement”) between the District and U.S. Bank National Association, as escrow agent thereunder (the “Escrow Agent”) to refund the Refunded Bonds, as shown below:

Refunded Bonds

Series		Total Amount Outstanding	Amount Refunded ⁽¹⁾	Call Date	Call Price ⁽²⁾		
Series 2005 Bonds		\$ 15,955,000	\$ 13,100,000	06/15/15	100%		
Outstanding Maturities	Maturity Amount	Amount Refunded ⁽¹⁾	CUSIP 197659	Outstanding Maturities	Maturity Amount	Amount Refunded ⁽¹⁾	CUSIP 197659
6/15/12	\$ 625,000	\$ -	BN4	6/15/18	\$ 1,040,000	\$ 1,040,000	BU8
6/15/13	680,000	-	BP9	6/15/19	1,130,000	1,130,000	BV6
6/15/14	225,000	-	BQ7	6/15/20	1,000,000	1,000,000	BW4
6/15/14	515,000	-	CA1	6/15/20	255,000	255,000	CD5
6/15/15	810,000	-	BR5	6/15/21	1,330,000	1,330,000	BX2
6/15/16	250,000	250,000	BS3	6/15/22	1,440,000	1,440,000	BY0
6/15/16	625,000	625,000	CC7	6/15/23	1,555,000	1,555,000	BZ7
6/15/17	1,000,000	1,000,000	BT1	6/15/25	3,475,000	3,475,000	CB9

(1) Preliminary, subject to change.

(2) Call price is expressed as a percentage of the principal amount.

From the proceeds of the Bonds, the District will purchase certain direct United States government obligations (referred to herein as “Government Obligations”). These Government Obligations will be deposited in the custody of the Escrow Agent. The maturing principal of the Government Obligations, interest earned thereon, and necessary cash balance, if any, will provide funds sufficient to pay interest on the Refunded Bonds beginning December 15, 2012, and provide funds sufficient to redeem all remaining principal of the Refunded Bonds on June 15, 2015.

The Government Obligations, interest earned thereon, and necessary cash balance, if any, will irrevocably be pledged to and held in trust for the benefit of the Owners of the Refunded Bonds by the Escrow Agent, pursuant to the Escrow Agreement.

Verification of Mathematical Calculations

Grant Thornton LLP, a firm of independent public accountants (the “Verification Agent”), will deliver to the District, on or before the Date of Delivery, its verification report indicating that it has verified, in accordance with attestation standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Government Obligations, to pay, when due, the maturing principal of, interest

on and related call premium requirements of the Refunded Bonds and (b) the mathematical computations of yield used by Bond Counsel to support its opinion that interest on the Bonds will be excluded from gross income for federal income tax purposes.

The verification performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by the District and its representatives. The Verification Agent has restricted its procedures to recalculating the computations provided by the District and its representatives and has not evaluated or examined the assumptions or information used in the computations.

Sources and Uses of Funds

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

Estimated Sources and Uses of Funds

Sources of Funds⁽¹⁾	
Par Amount of Bonds ⁽²⁾	\$ 13,230,000
Original Issue Premium/ (Discount)	_____
Total Sources of Funds	=====
Uses of Funds⁽¹⁾	
Escrow Requirements	
Underwriting, Credit Enhancement and Costs of Issuance	_____
Total Uses of Funds	=====

- (1) Amounts will be provided in the final Official Statement.
- (2) Preliminary, subject to change.

Security for the Bonds

General

The Bonds are general obligations of the District. The full faith and credit of the District are pledged to the successive owners of each of the Bonds (the "Bondowners") for the punctual payment of such obligations, when due. The District covenants with the Bondowners to levy annually a direct ad valorem tax upon all of the taxable property within the District without limitation as to rate or amount, and outside of the limitations of sections 11 and 11b, Article XI of the Oregon Constitution, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, and any other funds available to pay interest accruing and the principal maturing on the Bonds promptly when and as they become due. The taxes, when collected, are required to be applied solely for the purpose of payment of principal and interest on the Bonds and for no other purpose until the Bonds have been fully paid, satisfied and discharged.

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

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

Oregon School Bond Guaranty

Guaranty Provisions. Article XI-K of the Constitution of the State of Oregon allows the State to guarantee the general obligation bonded indebtedness of school districts, education service districts, and community college districts (generally "school district" or "school districts") in order to secure lower interest costs on general obligation bonds of such districts. Payment of the principal of and interest on the Bonds when due is guaranteed by the full faith and credit of the State under the provisions of the Oregon School Bond Guaranty

Act - Oregon Revised Statutes (ORS) 328.321 to 328.356 (the "Act"). As provided for in Section 328.326(1)(a) of the Act:

The State Treasurer may, by issuing a certificate of qualification to a school district, pledge the full faith and credit and taxing power of the state to guarantee full and timely payment of the principal of, either at the stated maturity or by advancement of maturity pursuant to a mandatory sinking fund payment, and interest on school bonds as such payments shall become due, except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration.

The Act further provides that (i) the guaranty of the State does not extend to the payment of any redemption premium due on any bonds guaranteed under the Guaranty Act and (ii) any bond guaranteed by the State under the Act that is refunded no longer has the benefit of the guaranty from and after the date on which that bond is considered to be paid.

Regularly Scheduled Debt Service Payments. Each school district with outstanding, unpaid bonds guaranteed under the Act shall transfer moneys sufficient for the scheduled debt service payment to its paying agent at least 15 days before any principal or interest payment date for the bonds. The paying agent may invest the moneys for the benefit of the school district until the payment date. A school district that is unable to transfer the scheduled debt service payment to the paying agent 15 days before the payment date shall immediately notify the paying agent and the State Treasurer. Such notification shall be made to the Office of the State Treasurer as prescribed in the Act. The Act further provides that if sufficient funds are not transferred to the paying agent as required above, the paying agent shall notify the State Treasurer of that failure at least 10 days before the scheduled debt service payment in the manner prescribed in the Act.

Monitoring. Beginning with bonds issued with the guaranty of the State on and after October 30, 2009, a school district with outstanding, unpaid bonds which are guaranteed under the Act, must enter into an agreement with a paying agent under which the paying agent provides the district with notice by January 15 of each year of any required debt service amounts (including any scheduled deposits to a sinking fund for the bonds) due during the following fiscal year. The paying agent must also notify the district of any debt service amounts (including any scheduled deposits to a sinking fund) that must be paid or deposited over the next two fiscal years. In addition, for bonds originally issued as tax credit bonds under the Internal Revenue Code and any bonds resulting from conversion of such bonds ("Qualified Bonds"), the district must provide written verification by May 1 of each year to its paying agent that it has made any required sinking fund deposits. The paying agent must notify the State Treasurer if it does not receive such verification. Further, the district must report to the State Treasurer, at least annually, the amount of moneys paid into its debt service fund to pay the Qualified Bonds and a calculation demonstrating that such deposits are projected to be sufficient to repay the Qualified Bonds in full when payment is due. If annual payments are not made to the debt service fund, the district must demonstrate that the current balance in the fund, plus any scheduled future deposits, will be sufficient to repay the Qualified Bonds when due.

Payment under the Guarantee. If sufficient moneys to pay the scheduled debt service payment have not been transferred to the paying agent, the State Treasurer shall, on or before the scheduled payment date, transfer sufficient moneys to the paying agent to make the scheduled debt service payment. If sufficient moneys of the State are not on hand and available at the time the State is required to make a debt service payment under its guaranty on behalf of the school district, the State Treasurer may singly or in combination:

- Obtain from the Common School Fund or from any other State funds that qualify to make a loan under ORS 293.205 to 293.225, a loan sufficient to make the required payment;
- Borrow money, if economical and convenient, as authorized by ORS 286A.045;
- Issue State general obligation bonds as provided for in Article XI-K of the Constitution and the process for which is defined in the Act; and,

- With the approval of the Legislative Assembly, or the Emergency Board if emergency funds are lawfully available for making the required payment in the interim between sessions of the Legislative Assembly, pay moneys from the General Fund or any other funds lawfully available for the purpose or from emergency funds amounts sufficient to make the required payment.

Any payment of scheduled debt service payments by the State Treasurer on behalf of a school district (i) discharges the obligation of the issuing school district to its bondholders for the payment, and (ii) transfers the rights represented by the general obligation of the school district from the bondholders to the State. If one or more payments are made by the State Treasurer as provided for in the Act, the State Treasurer shall pursue recovery from the school district of all moneys necessary to reimburse the State. In seeking recovery, the State Treasurer may (i) intercept any payments from the General Fund, the State School Fund, the income of the Common School Fund and any other source of operating moneys provided by or through the State to the school district that issued the bonds that would otherwise be paid to the school district by the State, and (ii) apply any intercepted payments to reimburse the State for payments made pursuant to the State’s guaranty until all obligations of the school district to the State arising from those payments, including any interest and penalties, are paid in full. The State has no obligation to the school district or to any person or entity to replace any moneys intercepted under the Act. The authority of the Treasurer to intercept payments under the Act has priority over all claims against money provided by the State to a school district, including a claim based on a funds diversion agreement under ORS 238.698. Additionally, in accordance with the Act, if the State Treasurer determines that it is necessary the State Treasurer shall pursue any legal action, including but not limited to mandamus, against the school district or school district board to compel the school district to (i) levy and provide property tax revenues to pay debt service on its bonds and other obligations when due, and (ii) meet its repayment obligations to the State. The Attorney General shall assist the State Treasurer in pursuing such rights of recovery under the Act.

At all times, the school district shall continue to be responsible for the payment of all debt service payments on its bonds. A school district that issued bonds for which the State makes all or part of a debt service payment shall be responsible for reimbursing all moneys drawn or paid by the State Treasurer on its behalf. In addition the school district shall pay interest to the State on all moneys paid by the State from the date the moneys were drawn to the date they are repaid at a rate to be determined by the State Treasurer, in the State Treasurer’s discretion, to be sufficient to cover the costs of funds to the State plus the costs of administration of the guaranty obligation and of collection of reimbursement.

Guaranty Limit. Under Article XI-K of the State Constitution, the amount of debt that the State may incur in honoring its guaranty of school bonds may not exceed, at any one time, one-half of one percent of the real market value (RMV) of all taxable property in the State. The State of Oregon has not issued bonds to provide money to satisfy its guaranty of school bonds participating in the program and does not anticipate the need to issue bonds for this purpose in the future.

As of February 9, 2012 the State had guaranteed the following (not including this bond issue or those issues guaranteed between the date identified above and the date of this issue) under the Guaranty Act:

Number of school districts with Certificates of Qualification:	15
Number of bond issues guaranteed under the Guaranty Program:	273
Aggregate total principal amount outstanding of bonds guaranteed at	\$3,362,680,308
Aggregate debt service amount outstanding of bond issues guaranteed at:	\$4,913,288,322

Guaranty Contact Person. As of the date of this Official Statement, requests for information regarding the Guaranty Program may be directed to:

Ted Wheeler, Oregon State Treasurer
 Oregon School Bond Guaranty Program
 Office of the State Treasurer
 Debt Management Division
 350 Winter Street NE, Suite 100
 Salem, OR 97301-3896
 Phone (503) 378-4930 – Fax (503) 378-2870

State of Oregon – Financial and Operating Information. The most recent Comprehensive Annual Financial Report (the “CAFR”) of the State, and its most recent Official Statement for its general obligation debt, are currently on file with the Electronic Municipal Market Access (“EMMA”), operated by the Municipal Securities Rulemaking Board (“MSRB”). The financial and operating information with respect to the State contained in the CAFR, and such OFFICIAL STATEMENT, are hereby included by reference in this OFFICIAL STATEMENT. Additionally, the CAFR and the most recent OFFICIAL STATEMENT for its general obligation debt are available upon request from the State’s contact person as indicated under Guaranty Contact Person above.

As of the date of this Official Statement, the outstanding general obligation bonds of the State are rated “AA+” by Fitch, “Aa1” by Moody’s Investors Service, and “AA+” by Standard & Poor’s Ratings Group.

State of Oregon – Continuing Disclosure. The State has executed a Master Disclosure Certificate (the “Certificate”) for the benefit of registered and beneficial holders of bonds guaranteed under the Guaranty Program and to assist Underwriters of such bonds in complying with paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12) (the “Rule”). The State, in accordance with the Certificate, will provide annually copies of its most recent CAFR of the State to the Municipal Securities Rulemaking Board through depositing such information with EMMA and to the state information depository, if any, located in the State of Oregon (the “SID”). In addition, the State will provide the MSRB, through EMMA, with any material event notices pertaining to the State of Oregon required under the Rule and pursuant to the Certificate.

Ratings

As noted on the cover page of this Official Statement, the District has applied for a rating for the Bonds from Moody’s Investors Service. When and if obtained, the rating will reflect only the views of the rating agency and an explanation of the significance of the rating may be obtained from the rating agency. There is no assurance that the rating, once obtained, will be retained for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating will be likely to have an adverse effect on the market price of the Bonds.

Bonded Indebtedness

Obligation to Pay

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

District Debt Liability

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

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

Debt Limitation

General Obligation Bonds. ORS 341.675 establishes a parameter of general obligation bonded indebtedness for community college districts. Community colleges may issue an aggregate principal amount up to 1.5 percent of the Real Market Value of all taxable properties within the district. **The Bonds are general obligation bonds and are subject to this debt limitation, as shown below:**

**Columbia Gorge Community College
General Obligation Debt Capacity**

Real Market Value (Fiscal Year 2012) ⁽¹⁾	\$ 5,628,976,016
Debt Capacity	
General Obligation Debt Capacity (1.50% of Real Market Value)	\$ 84,434,640
Less: Outstanding Debt Subject to Limit ⁽²⁾	(17,520,000)
Remaining General Obligation Debt Capacity	\$ 66,914,640
Percent of Capacity Issued	20.7%

- (1) The District’s fiscal year commences July 1 and ends on June 30 of the following year (the “Fiscal Year”). *Source: Hood River and Wasco Counties Department of Assessment and Taxation.*
- (2) Represents voter-approved, unlimited-tax general obligations of the District, including the Bonds. Payment of principal and interest on the District’s Series 1998 Bonds are the obligation of property owners in the portion of the District located within Wasco County only. Payment of principal and interest on the Bonds is the obligation of property owners throughout the District. See “District Debt Liability” above. *Source: Columbia Gorge Community College District Audited Financial Reports for the Fiscal Year Ended June 30, 2011, and this issue.*

Full Faith and Credit Obligations. School districts, education service districts, community colleges and local governments may pledge their full faith and credit for “limited tax bonded indebtedness” or “full faith and credit obligations.” The Oregon Constitution and statutes do not limit the amount of limited tax bonded indebtedness that a community college, or city may issue. Full faith and credit obligations can take the form of bonds, certificates of participation, notes or capital leases. Collection of property taxes to pay principal and interest on such limited-tax debt is subject to the limitations of Article XI, Sections 11 and 11b. **The Bonds are not limited-tax debt.**

Pension Bonds. ORS 238.694 authorizes school districts, education service districts, community colleges and local governments to issue full faith and credit obligations to pay pension liabilities without limitation as to principal amount. Pension bonds are not general obligations as defined under State law and the District is not authorized to levy additional taxes to make pension bond payments. **The Bonds are not pension bonds.**

Revenue Bonds. The District may issue revenue bonds for any public purpose, which are secured by revenues pursuant to ORS 287A.150. **The Bonds are not revenue bonds.**

Notes. Subject to any applicable limitations imposed by the Oregon Constitution or laws of the State or the resolution of an individual community college, ORS 287A.180 provides that the District may borrow money in anticipation of tax revenues or other monies and to provide interim financing (“notes”). **The Bonds are not notes.**

Outstanding Long-Term Debt

Governmental Activities	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding
<i>General Obligation Bonds:</i>				
Series 1998 Bonds ⁽¹⁾	11/12/98	06/01/13	\$ 5,985,000	\$ 1,435,000
Series 2005 Bonds	05/25/05	06/15/15 ⁽²⁾	18,500,000	15,955,000
Less: Refunded Bonds ⁽³⁾				(13,100,000)
Series 2012 Refunding Bonds ⁽³⁾	03/15/12	06/15/25	13,230,000	13,230,000
Total General Obligation Bonds				<u>17,520,000</u>
<i>Pension Bonds:</i>				
Series 2003	04/09/03	06/30/28	\$ 3,570,327	<u>\$ 2,943,234</u>
Total Long-Term Debt				<u>\$ 20,463,234</u>

- (1) Payment of principal and interest on the District's Series 1998 Bonds are the obligation of property owners in the portion of the District located within Wasco County only. Payment of principal and interest on the Bonds is the obligation of property owners throughout the District. See "District Debt Liability" above.
- (2) Final maturity following redemption of the Refunded Bonds.
- (3) This issue. Preliminary, subject to change.

Source: Columbia Gorge Community College District Audited Financial Reports for the Fiscal Year Ended June 30, 2011.

**General Obligation Bonds
Projected Debt Service Requirements**

Fiscal Year	Outstanding Bonds		Less: Refunded Bonds ⁽¹⁾		The Bonds ⁽¹⁾		Total Debt Service ⁽¹⁾
	Principal	Interest	Principal	Interest	Principal	Interest	
2012	\$ 1,320,000	\$ 795,831	\$ -	\$ -	\$ -	\$ -	\$ 2,115,831
2013	1,420,000	742,509	-	621,413	-	542,063	2,083,159
2014	740,000	684,819	-	621,413	105,000	433,650	1,342,056
2015	810,000	653,813	-	621,413	110,000	431,550	1,383,950
2016	875,000	621,413	875,000	621,413	985,000	429,350	1,414,350
2017	1,000,000	583,913	1,000,000	583,913	1,090,000	409,650	1,499,650
2018	1,040,000	533,913	1,040,000	533,913	1,105,000	387,850	1,492,850
2019	1,130,000	481,913	1,130,000	481,913	1,165,000	365,750	1,530,750
2020	1,255,000	425,413	1,255,000	425,413	1,255,000	342,450	1,597,450
2021	1,330,000	363,938	1,330,000	363,938	1,295,000	317,350	1,612,350
2022	1,440,000	297,438	1,440,000	297,438	1,375,000	278,500	1,653,500
2023	1,555,000	225,438	1,555,000	225,438	1,460,000	237,250	1,697,250
2024	1,680,000	147,688	1,680,000	147,688	1,580,000	164,250	1,744,250
2025	1,795,000	76,288	1,795,000	76,288	1,705,000	85,250	1,790,250
	<u>\$ 17,390,000</u>	<u>\$ 6,634,321</u>	<u>\$ 13,100,000</u>	<u>\$ 5,621,588</u>	<u>\$ 13,230,000</u>	<u>\$ 4,424,913</u>	<u>\$ 22,957,646</u>

- (1) Principal and interest are provided for illustrative purposes only; amounts and structure are preliminary, subject to change.

**Summary of Overlapping Debt
(As of December 18, 2011)**

Overlapping Issuer Name	Real Market Value	Percent Overlapping	Gross Direct Debt ⁽¹⁾	Net Direct Debt ⁽²⁾
City of Dufur	\$ 43,055,837	100.00%	\$ 73,807	\$ 73,807
City of Hood River	1,067,353,943	100.00%	21,499,000	18,724,000
City of Maupin	70,144,828	100.00%	91,478	91,478
City of Mosier	63,963,167	100.00%	22,522	0
City of The Dalles	1,274,364,910	100.00%	14,230,000	14,230,000
Ice Fountain Water District	795,389,912	100.00%	1,405,000	1,405,000
Mid Columbia Fire And Rescue	1,777,448,551	100.00%	1,190,000	1,190,000
Odell Sanitary District	224,239,474	100.00%	3,500,000	0
Port of Hood River	2,852,004,714	100.00%	280,000	280,000
Wasco County SD 12 (The Dalles) Bonds	1,356,681,633	100.00%	24,643,215	24,643,215
Wasco County SD 21 (The Dalles-Wahtonka)	1,978,523,464	100.00%	4,310,000	4,310,000
Wasco County SD 29 (Dufur)	257,514,825	100.00%	3,135,000	3,135,000
White River Health	381,971,036	100.00%	140,000	140,000
Wasco County	2,655,477,403	99.69%	1,194,262	827,452
Hood River Valley Parks & Rec District	3,191,380,542	89.37%	2,046,479	1,014,303
Hood River County	3,302,842,218	86.35%	5,681,830	1,100,962
Hood River County SD (Hood River)	3,302,842,218	86.35%	42,607,555	42,607,555
Northern Oregon Regional Corrections	7,609,745,738	72.27%	4,234,840	0
Jefferson County SD 509J (Madras)	1,190,564,638	1.77%	449,422	449,422
Sherman County SD	505,531,348	0.07%	23	23
			<u>\$ 130,734,433</u>	<u>\$ 114,222,217</u>

(1) Gross Direct Debt includes all unlimited (general obligation bonds) and limited (full faith and credit obligations) tax supported debt. Limited tax pension obligations are included.

(2) Net Debt is Gross Direct Debt less self-supporting limited and unlimited tax supported debt.

Source: Debt Management Division, The Office of the State Treasurer.

Debt Ratios

The following table presents information regarding the District's Direct Debt, including the effect of this refunding and the Bonds, and the estimated portion of the debt of overlapping taxing districts allocated to the District's property owners.

Debt Ratios		
Real Market Value	\$ 5,628,976,016	
Estimated Population	44,766	
Per Capita Real Market Value	\$ 125,741	
Debt Information	Gross Direct Debt ⁽¹⁾	Net Direct Debt ⁽²⁾
District Direct Debt ⁽³⁾	\$ 20,463,234	\$ 20,463,234
Overlapping Direct Debt	<u>130,734,433</u>	<u>114,222,217</u>
Total Direct Debt ⁽³⁾	<u>\$ 151,197,667</u>	<u>\$ 134,685,451</u>
Bonded Debt Ratios ⁽³⁾		
District Direct Debt to Real Market Value	0.36%	0.36%
Total Direct Debt to Real Market Value	2.69%	2.39%
Per Capita District Direct Debt	\$ 457	\$ 457
Per Capita Total Direct Debt	\$ 3,377	\$ 3,009

(1) Gross Direct Debt includes all unlimited (general obligation bonds) and limited (full faith and credit obligations) tax supported debt.

(2) Net Debt is Gross Direct Debt less self-supporting limited and unlimited tax supported debt.

(3) Includes the Bonds. Preliminary and subject to change.

Sources: Debt Management Division, The Office of the State Treasurer and Columbia Gorge Community College District Audited Financial Reports for the Fiscal Year Ended June 30, 2011.

Debt Payment Record

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

Future Financings

Capital Projects. Other than the Bonds, the District has no authorized but unissued bonds outstanding, nor does it anticipate issuing additional long-term debt within calendar year 2012.

Short-term Notes. The District does not anticipate issuing short-term debt within calendar year 2012.

Revenue Sources

Community College District Funding

Community colleges receive General Fund revenue from three primary sources: State aid, *ad valorem* property taxes and tuition and fees. Tuition and fees provided 45 percent of the District's revenues in Fiscal Year 2011, followed by State sources (36 percent) and property taxes (14 percent). See "General Fund Statement of Revenues, Expenses and Changes in Net Assets" herein. The following section summarizes certain of the major revenue sources of the District.

Property Taxes

Most local governments, school districts, education service districts and community college districts ("local governments") have permanent authority to levy property taxes for operations ("Permanent Rates") up to a maximum rate (the "Operating Tax Rate Limit"). Local governments that have never levied property taxes may request that the voters approve a new Operating Tax Rate Limit.

Local governments may not increase their Operating Tax Rate Limits; rather they may only request that voters approve limited term levies for operations or capital expenditures ("Local Option Levies") or levies to repay general obligation bonded indebtedness ("General Obligation Bond Levies").

Local Option Levies that fund operating expenses are limited to five years, and Local Option Levies that are dedicated to capital expenditures are limited to ten years.

The District does not currently have a Local Option Levy and has no plans at this time to seek voter approval of a Local Option Levy.

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

Valuation of Property – Real Market Value. "Real Market Value" is the minimum amount in cash which could reasonably be expected by an informed seller acting without compulsion, from an informed buyer acting without compulsion, in an "arms-length" transaction during the period for which the property is taxed.

Property subject to taxation includes all privately owned real property (land, buildings and improvements) and personal property (machinery, office furniture and equipment) for non-residential taxpayers. There is no property tax on household furnishings (exempt since 1913), personal belongings, automobiles (exempt since 1920), crops, orchards, business inventories or intangible property such as stocks, bonds or bank accounts, except for centrally assessed utilities, for which intangible personal property is subject to taxation.

Property used for charitable, religious, fraternal and governmental purposes is exempt from taxation. Special assessments that provide a reduction in the taxable Real Market Value may be granted (upon application) for veterans' homesteads, farm and forest land, open space and historic buildings. The Real Market Value of specially assessed properties is often called the "Taxable Real Market Value" or "Measure 5 Real Market Value." The assessment roll, a listing of all taxable property, is prepared as of January 1 of each year.

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

The Oregon Department of Revenue ("ODR") appraises and establishes values for utility property, forestland and most large industrial property for county tax rolls. It collects taxes on harvested timber for distribution to schools, county taxing districts, and State programs related to timber. Certain properties, such as utilities, are valued on the unitary valuation approach. Under the unitary valuation approach, the taxpaying entity's operating system is defined and a value is assigned for the operating unit using the market value approach (cost, market value and income appraisals). Values are then allocated to the entities' operations in Oregon, and then to each county the entity operates in and finally to site locations.

Generally speaking, industrial properties are valued using an income approach, but ODR may apply additions or retirements to the property value through a cost of materials approach. Under the income and cost of materials approaches, property values fluctuate from year-to-year.

Tax Rate Limitation – Measure 5. A tax rate limitation was established in 1990 as the result of a constitutional amendment. That amendment (now Article XI, Section 11b, often called “Measure 5”) separates property taxes into two categories: one to fund the public school system (kindergarten through grade twelve school districts, education service districts and community college districts, collectively, “Education Taxes”) and one to fund government operations other than the public school system (“General Government Taxes”). Education Taxes are limited to \$5 per \$1,000 and General Government taxes are limited to \$10 per \$1,000 of the Taxable Real Market Value of property (the “Measure 5 Limits”). If the taxes on a property exceed the Measure 5 Limit for Education or General Government, then tax rates are compressed to the Measure 5 Limit. Local Option Levy rates compress to zero before there is any compression of Permanent Rates. In Fiscal Year 2012, there was \$10,533 of compression of the District’s Permanent Rate due to the tax rate limitation.

Taxes imposed to pay the principal and interest on the following bonded indebtedness are not subject to Measure 5 Limits: (1) bonded indebtedness authorized by a specific provision of the Oregon Constitution; and (2) general obligation bonded indebtedness incurred for capital costs approved by the electors of the issuer and bonds issued to refund such bonds. **Property taxes imposed to pay the principal of and interest on the Bonds are not subject to the limitations of Article XI, Sections 11 and 11b.**

In 2007 the Oregon Supreme Court determined that taxes levied by general purpose governments (such as cities and counties) may be subject to the \$5 per \$1,000 limit if those taxes are used for educational services provided by public schools.

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

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

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

The following tables represent historical tax information for the District.

Taxable Property Values
Columbia Gorge Community College District

Fiscal Year	Real Market Value ⁽¹⁾	Total Assessed Valuation	Urban Renewal Excess	AV Used to Calculate Rates ⁽²⁾
2012	\$ 5,628,976,016	\$ 3,650,157,998	\$ 141,806,390	\$ 3,508,351,608
2011	5,459,861,322	3,502,246,122	128,888,650	3,373,357,472
2010	6,021,405,972	3,372,992,075	123,727,384	3,249,264,691
2009	5,993,649,230	3,200,892,613	111,658,497	3,089,234,116
2008	5,708,540,980	3,046,300,444	100,011,941	2,946,288,503
2007	4,649,071,011	2,848,324,419	51,577,710	2,796,746,709

Hood River County

Fiscal Year	Real Market Value ⁽¹⁾	Total Assessed Valuation	Urban Renewal Excess	AV Used to Calculate Rates ⁽²⁾
2012	\$ 2,902,468,840	\$ 1,791,465,015	\$ 79,110,486	\$ 1,712,354,529
2011	2,836,460,021	1,701,967,506	63,458,819	1,638,508,687
2010	2,985,916,568	1,647,886,543	60,136,370	1,587,750,173
2009	3,033,300,949	1,544,421,486	50,191,762	1,494,229,724
2008	2,970,932,438	1,471,491,654	43,662,138	1,427,829,516
2007	2,385,510,247	1,354,848,295	0	1,354,848,295

Wasco County

Fiscal Year	Real Market Value ⁽¹⁾	Total Assessed Valuation	Urban Renewal Excess	AV Used to Calculate Rates ⁽²⁾
2012	\$ 2,726,507,176	\$ 1,858,692,983	\$ 62,695,904	\$ 1,795,997,079
2011	2,623,401,301	1,800,278,616	65,429,831	1,734,848,785
2010	3,035,489,404	1,725,105,532	63,591,014	1,661,514,518
2009	2,960,348,281	1,656,471,127	61,466,735	1,595,004,392
2008	2,737,608,542	1,574,808,790	56,349,803	1,518,458,987
2007	2,263,560,764	1,493,476,124	51,577,710	1,441,898,414

(1) Value represents the Real Market Value of taxable properties, including the reduction in Real Market Value of specially assessed properties such as farm and forestland. This value is also commonly referred to as the Measure 5 Real Market Value by county assessors.

(2) Assessed value of property in the District on which the permanent rate is applied to derive *ad valorem* property taxes, excluding urban renewal and any other offsets.

Source: Hood River and Wasco Counties Department of Assessment and Taxation.

The following table presents the Fiscal Year 2012 tax rates for the District and other taxing jurisdictions within Hood River County and Wasco County that overlap the District. The District's Operating Tax Rate Limit is \$0.2703 per \$1,000 of assessed property value. The Operating Tax Rate Limit was calculated in conjunction with the implementation of Measure 50 in 1997. The Permanent Rates shown in the following table are the rates that are actually applied to the assessed value of the taxing district. The Permanent Rates may be different from the Operating Tax Rate Limit of the taxing district due to the decision by the taxing district to levy less than its Operating Tax Rate Limit.

**Fiscal Year 2012 Representative Levy Rate
(Rates Per \$1,000 of Assessed Value)**

Hood River County

General Government	Billing Rate	Bond Levy Rate	Local Option Rate ⁽¹⁾	Consolidated Rate	Urban Renewal Portion of the Consolidated Rate ⁽²⁾
Hood River County	\$ 1.4171	\$ 0.1857	\$ 0.0000	\$ 1.6028	\$ 0.1657
911 Communications District	0.5644	0.0000	0.0000	0.5644	0.0583
City of Hood River	2.8112	0.7851	0.0000	3.5963	0.2777
Port of Hood River	0.0332	0.0000	0.0000	0.0332	0.0032
Norcor	0.0000	0.2749	0.0000	0.2749	0.0283
Hood River County Transportation	0.0723	0.0000	0.0000	0.0723	0.0073
Hood River Park and Rec	0.3498	0.1061	0.0000	0.4559	0.0470
Library District	0.3900	0.0000	0.0000	0.3900	0.0402
Total General Government	5.6380	1.3518	0.0000	6.9898	0.6277
Education					
Columbia Gorge Community College	0.2703	0.3650	0.0000	0.6353	0.0279
Columbia Gorge ESD	0.4678	0.0000	0.0000	0.4678	0.0484
Hood River County School District	4.8119	1.8406	1.2500	7.9025	0.5514
Total Education	5.5500	2.2056	1.2500	9.0056	0.6277
Total Tax Rate	\$ 11.1880	\$ 3.5574	\$ 1.2500	\$ 15.9954	\$ 1.2554

NOTE: County assessors report levy rates by tax code. Levy rates apply to the assessed property value. Measure 5 Limits are based on the Taxable Real Market Value and are only reported in total dollar amount of compression, if any, for each taxing jurisdiction (see "Property Taxes - Tax Rate Limitation - Measure 5" herein).

- (1) Local Option Levies are voter-approved serial levies. They are limited by ORS 280.060 to five years for operations or ten years for capital construction. Local Option Levy rates compress to zero before there is any compression of district billing rates (see "Property Taxes - Tax Rate Limitation - Measure 5" herein).
- (2) A portion of a taxing district's consolidated rate is contributed to the City of Hood River Urban Renewal Agency through tax increment financing.

Source: Hood River County Department of Assessment and Taxation. Note that there are 13 tax codes in Hood River County that overlap the District and Tax Code 1 has the highest property value of these tax codes. Total tax levies in the District range from \$12.3991 to \$15.9954 per \$1,000 of assessed property value.

Wasco County

General Government	Billing Rate	Bond Levy Rate	Consolidated Rate
Wasco County	\$ 4.2523	\$ 0.2559	\$ 4.5082
Norcor	0.0000	0.2750	0.2750
Port of The Dalles	0.2007	0.0000	0.2007
Parks District	0.6799	0.0000	0.6799
Library District	0.6800	0.0000	0.6800
RFPD	2.1004	0.1529	2.2533
Soil District	0.2247	0.0000	0.2247
4-H Extension Services	0.2500	0.0000	0.2500
City of The Dalles	3.0155	0.0000	3.0155
Total General Government	11.4035	0.6838	12.0873
Education			
Columbia Gorge Community College	0.2703	0.7801	1.0504
Region 9 ESD	0.4678	0.0000	0.4678
North Wasco County School District	5.2399	1.8238	7.0637
Total Education	5.9780	2.6039	8.5819
Total Tax Rate	\$ 17.3815	\$ 3.2877	\$ 20.6692

NOTE: County assessors report levy rates by tax code. Levy rates apply to the assessed property value. Measure 5 Limits are based on the Taxable Real Market Value and are only reported in total dollar amount of compression, if any, for each taxing jurisdiction (see "Property Taxes - Tax Rate Limitation - Measure 5" herein).

Source: Wasco County Department of Assessment and Taxation. Note that there are 34 tax codes in Wasco County that overlap the District and Tax Code 12.1 has the highest property value of these tax codes. Total tax levies in the District range from \$12.1212 to \$20.6692 per \$1,000 of assessed property value.

Tax Collection Record⁽¹⁾

Hood River County

Fiscal Year	Percent Collected as of Levy Year ⁽²⁾	6/30/2011 ⁽³⁾
2011	96.77%	96.77%
2010	96.73%	98.52%
2009	96.41%	99.12%
2008	97.13%	99.79%
2007	97.62%	99.95%

Wasco County

Fiscal Year	Percent Collected as of Levy Year ⁽²⁾	6/30/2011 ⁽³⁾
2011	95.47%	95.47%
2010	95.85%	97.85%
2009	95.79%	98.66%
2008	96.13%	99.71%
2007	96.75%	99.94%

- (1) Percentage of total tax levy collection in Hood River and Wasco Counties. Pre-payment discounts are considered to be collected when outstanding taxes are calculated. The tax rates are before offsets.
- (2) The percentage of taxes collected in the "year of the levy" represents taxes collected in a single levy year, beginning July 1 and ending June 30.
- (3) The percentage of taxes shown in the column represents taxes collected cumulatively from July 1 of a given levy year through June 30, 2011.

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

Major Taxpayers
(As of Fiscal Year 2012)
Columbia Gorge Community College

Taxpayer	Business/Service	Tax ⁽¹⁾	Assessed Value ⁽²⁾	Percent of Value
Union Pacific Railroad Co	Transportation	\$ 583,660	\$ 36,744,323	1.01%
CenturyLink	Telecommunications	570,324	38,625,100	1.06%
Cardinal LG Company	Laminated glass production	415,476	28,564,820	0.78%
BNSF Railway Company	Rail Transportation	389,839	27,184,000	0.74%
Northern Waco Co PUD	Electrical Utility	349,822	20,299,622	0.56%
Diamond Fruit Growers Inc	Fruit products	344,248	26,182,060	0.72%
Gas Transmission Northwest	Natural Gas Utility	292,405	23,104,300	0.63%
Metropolitan Life Insurance Co.	Insurance	234,308	11,336,105	0.31%
Oregon Cherry Growers Inc	Cherry Farm	212,821	11,669,171	0.32%
Home Depot USA Inc.	Retail/Building Supplies	201,024	10,823,036	0.30%
Subtotal - ten of College's largest taxpayers			197,788,214	5.42%
All other District's taxpayers			3,452,369,784	94.58%
Total District			<u>\$ 3,650,157,998</u>	<u>100.00%</u>

Source: Hood River County and Wasco County Departments of Assessment and Taxation.

Hood River County

Taxpayer	Business/Service	Tax ⁽¹⁾	Assessed Value ⁽²⁾	Percent of Value
Cardinal LG Company	Laminated Glass Production	\$ 415,476	\$ 28,564,820	1.50%
CenturyLink	Telecommunications	382,429	28,034,400	1.47%
Diamond Fruit Growers Inc	Fruit Products	344,248	26,182,060	1.37%
Mt. Hood Meadows, Oregon, LTD.	Ski Resort	296,031	28,506,280	1.49%
Union Pacific Railroad Co	Transportation	179,129	13,747,700	0.72%
Duckwell-Pooley Fruit Co, Inc	Fruit Products	161,165	11,862,040	0.62%
Port of Hood River	Management	151,042	9,676,616	0.51%
Cascade Commons, LLC	Condos	144,366	9,574,900	0.50%
PacifiCorp (Pacific Power)	Electrical Utility	129,697	10,456,000	0.55%
Longview Timberlands, LLC	Timberland	129,460	6,123,429	0.32%
Subtotal - ten of County's largest taxpayers			172,728,245	9.04%
All other County's taxpayers			1,737,049,346	90.96%
Total County			<u>\$ 1,909,777,591</u>	<u>100.00%</u>

(1) Tax amount is the total tax paid by the taxpayer within the boundaries of the District and County, respectively. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.

(2) Assessed value does not exclude offsets such as urban renewal and farm tax credits.

Source: Hood River County Department of Assessment and Taxation.

Wasco County

Taxpayer	Business/Service	Tax ⁽¹⁾	Assessed Value ⁽²⁾	Percent of Value
Union Pacific Railroad Co	Rail Transportation	\$ 477,092	\$ 28,625,623	1.53%
BNSF Railway Company	Rail Transportation	407,210	28,419,900	1.52%
Northern Waco Co PUD	Electrical Utility	349,822	20,299,622	1.09%
Gas Transmission Northwest	Natural Gas Utility	292,405	23,104,300	1.24%
Metropolitan Life Insurance Co.	Insurance	234,308	11,336,105	0.61%
Oregon Cherry Growers Inc	Cherry Farm	212,821	11,669,171	0.62%
Centurylink	Telecommunications	211,274	12,638,100	0.68%
Home Depot USA Inc.	Retail/Building Supplies	201,024	10,823,036	0.58%
Orchard View Farms Inc	Cherry Farm	143,881	8,911,593	0.48%
Oregon Telephone Company	Telecommunications	143,841	8,669,000	0.46%
Subtotal - ten of County's largest taxpayers			164,496,450	8.81%
All other County's taxpayers			1,702,740,352	91.19%
Total County			\$ 1,867,236,802	100.00%

(1) Tax amount is the total tax paid by the taxpayer within the boundaries of the District and County, respectively. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.

(2) Assessed value does not exclude offsets such as urban renewal and farm tax credits.

Source: Wasco County Department of Assessment and Taxation.

State of Oregon Community College Funding

One of the largest sources of revenue for community college districts is State appropriations to the State Department of Community Colleges and Workforce Development ("CCWD") which administers the Community College Support Fund (the "CCS Fund"). State appropriations to the CCS Fund support (i) contracted out-of-district ("COD") programs and corrections programs, (ii) State Board of Education requirements for a strategic fund, if established, (iii) targeted investments, and (iv) State community college support for operation of the 17 community college districts.

Community College Support Fund. Funds remaining in the CCS Fund after supporting COD and corrections programs, a strategic fund and targeted investments will be divided equally between the two years of the biennium, and will be distributed by CCWD in equal payments to the community college districts based on a funding formula. Pursuant to ORS 341.626 and Oregon Administrative Rule ("OAR") 589-002-0100, CCWD establishes the formula, which is subject to change, for allocating State funding to the community college districts.

The current formula allocates revenues to community college districts based on the full-time equivalent ("FTE") student enrollment for each community college district, which is equivalent to 510 coursework hours for a 12-week term or 467.5 hours for an 11-week term. An increase in enrollment has a positive effect on the level of State revenue allocated to the District.

Beginning with the 2011-13 biennium, reimbursable growth in FTE will be limited to mitigate some of the impact enrollment growth has on total public resources per FTE. A growth management component has been added to the calculation of the three-year Total Weighted Reimbursable FTE pursuant to OAR 589-002-0100(8)(c).

Current State Funding Formula

$\epsilon = \frac{(\text{Next year's imposed property tax revenue}^{(1)} + \text{General Fund appropriations by the Legislature})}{\text{Total Weighted Reimbursable FTE}^{(2)}}$

- (1) Imposed property tax revenues do not include (i) taxes levied or imposed by a community college district to provide a public library system established prior to January 1, 1995, (ii) property taxes raised by Local Option Levies and General Obligation Bond Levies, (iii) base payments of \$720 per FTE up to 1,100 and \$360 per FTE for unrealized enrollments between actual enrollment numbers and 1,100 FTE, as adjusted pursuant to OAR 589-002-0100(8)(a), (iv) COD payments, and (v) any other payments directed by the BOE or the Legislature.
- (2) Reimbursable FTEs are calculated based on a three-year weighted average of reported reimbursable FTE submitted by the community college districts to CCWD. Residents of the State and the states of Idaho, Washington, Nevada, and California shall be counted as part of each community college district's reimbursable enrollment base, but only for those students who take part in coursework offered within Oregon's boundaries. The biennial growth management component is applied to each college's actual annual FTE and the result is weighted as follows: prior year enrollment weighted at 40 percent, second year prior enrollment weighted at 30 percent and third year prior enrollment weighted at 30 percent.

Source: OAR 589-002-0100.

CCS Fund Distribution Schedule ⁽¹⁾

First Year of Biennium	Second Year of Biennium
August 15	August 15
October 15	October 15
January 15	January 15
April 15	July 15 of the following Fiscal Year ⁽²⁾

- (1) Should any of the dates set forth above occur on a weekend, payment shall be made on the next business day. All payments made before actual property taxes imposed are certified will be based on the Oregon Department of Community Colleges and Workforce Development's best estimate of quarterly entitlement using enrollment and property tax revenue projections. Payments will be recalculated each year as actual property tax revenues become available from the Oregon Department of Revenue and any adjustments will be made in the final payment(s) of the fiscal year.
- (2) Beginning July 1, 2003, the final payment of each biennium is deferred until July 15 of the following biennium.

Source: OAR 589-002-0100(3).

Districts are required to submit enrollment reports to CCWD following the close of each term. If reports are outstanding at the time of the quarterly payments, payment to the district(s) not reporting may be delayed at the discretion of the Commissioner of CCWD.

State Community College Budget. CCS funding is set biennially when the Legislative Assembly adopts a State budget in odd-numbered year regular sessions (the "Legislatively Adopted Budget"). The State budget covers two fiscal years (a biennium) beginning July 1 of an odd-numbered year to June 30 of the next odd-numbered year and sets funding for State agencies including CCWD. The Legislative Assembly has the power to subsequently approve revisions to the Legislatively Adopted Budget. Such revised State Budget is termed the "Legislatively Approved Budget".

The State Constitution requires the Legislative Assembly to balance the State's General Fund budget. The Department of Administrative Services Office of Economic Analysis (the "OEA") produces a forecast of projected revenues ("Revenue Forecast") for the biennium generally each March, June (May in odd-numbered years), September and December.

OEA's forecasts are based upon currently available information and upon a wide variety of assumptions. The actual results will be affected by future national and state economic activity and other events. If OEA's assumptions are not realized or if other events occur or fail to occur, the State's financial projections may not be achieved. Copies of the Revenue Forecasts are available from OEA at: www.oregon.gov/DAS/OEA.

If, over the course of a biennium, the forecasted revenues decline significantly from the May forecast (the “close of session forecast” or the “COS forecast”), the Legislative Assembly may meet in special session to rebalance the budget, the Governor may direct that expenditures be reduced or the Legislative Assembly may adjust the budget when it meets in its regular session at the end of the biennium.

2011-13 Biennium State Budget. The Legislatively Adopted Budget for the 2011-13 biennium included \$57.8 billion total funds which represents a 7.1% decrease over the Legislatively Approved Budget for the 2009-11 biennium. The 2011-13 Legislatively Adopted Budget includes \$14.6 billion in General Funds and Lottery Funds, \$28.8 billion Other Funds, and \$14.4 billion Federal Funds. The Legislature convened for a shortened regular session on February 1, 2012 and has the opportunity to revise the Legislatively Adopted Budget for the remaining 2011-13 biennium.

2011-13 Biennium Revenue Forecasts. On February 8, 2012, the OEA released the March 2012 Revenue Forecast. The March 2012 Revenue Forecast for General Fund revenues for the 2011-2013 biennium was \$13.7 billion, down \$305.5 million from the Close of Session forecast. This downward revision was due largely to a weaker outlook for global demand.

State General Fund Forecast Summary
(\$ in Millions)

	2011-13 Biennium Revenue Forecast			March 2012 Forecast Change From	
	Close of Session	December 2011	March 2012	December 2011	Close of Session
Structural Revenues					
Personal Income Tax	\$ 12,193.6	\$ 12,001.4	\$ 11,969.2	\$ (32.2)	\$ (224.3)
Corporate Income Tax	894.2	821.4	812.6	(8.7)	(81.6)
All Other Revenues	944.2	932.3	944.6	12.3	0.4
Gross General Fund Revenues	14,032.0	13,755.1	13,726.5	(28.6)	(305.5)
Administrative Actions	(23.1)	(23.1)	(23.1)	0.0	0.0
Legislative Actions	0.0	0.0	0.0	0.0	0.0
Net Available Resources	\$ 14,008.9	\$ 13,731.9	\$ 13,703.3	\$ (28.6)	\$ (305.5)

Source: Oregon Office of Economic Analysis, “Oregon Economic and Revenue Forecast, March 2012.” February 8, 2012.

2011-13 Biennium Community College Support Fund. The 2011-13 Legislatively Adopted Budget includes \$396.3 million for the CCS Fund. The Legislature held back \$14.2 million which will be released during the February 2012 session if the economy has strengthened, bringing total funding to \$410.5 million. All State agencies were subject to the same 3.5 percent holdback.

Estimated Fiscal Impact on the District: Below is a summary of the District's historical State funding reimbursement:

**Columbia Gorge Community College
Historical and Projected State Funding
(Fiscal Years)**

Fiscal Year	Historical State Funding ⁽¹⁾
2013 ⁽²⁾	\$ 2,560,856
2012 ⁽²⁾	4,540,469
2011	2,593,282
2010	4,987,605
2009	3,166,073
2008	5,361,413
2007	2,854,254
2006	4,339,711

(1) The final payment of each biennium is deferred until July 15 of the following biennium.

(2) Preliminary.

Source: Columbia Gorge Community College District.

Tuition and Fees

Community colleges prescribe and collect tuition as authorized in ORS 341.290(7). There are no statutory or Oregon Administrative Rule limitations on tuition charged by community colleges. The amount and rates associated with tuition for community colleges vary. Tuition rates for students also vary, depending on whether the student is a resident within the district, out-of-district or out-of-state, and may be set by each college.

Tuition rates for students vary, depending on whether the student is a resident within the District, out-of-District or out-of-state. The District charged \$84 per credit hour for in-state students for Spring Term 2012.

Historical and Projected Tuition and Fees

Fiscal Year	Annualized Student Tuition ⁽¹⁾	Total District Tuition and Fees
2012 ⁽²⁾	\$4,230	\$ 3,624,615
2011	4,005	3,431,661
2010	3,510	3,000,643
2009	3,285	2,358,890
2008	3,285	2,128,851
2007	3,285	1,875,959

(1) Annual tuition for an in-state student based on 15 credit hours per term for three terms (Fall, Winter and Spring).

(2) Projected.

Source: Columbia Gorge Community College and Oregon Department of Community Colleges and Workforce Development.

Federal Funding

The District receives federal funds for student aid (administered through Portland Community College) and program grants. The District participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants, Federal Work-Study, Federal Direct Lending and Perkins Grants programs. The use of federal funds is restricted and such funds are not available for payment of the Bonds.

Federal Stimulus Funds. The State received funds under the American Recovery and Reinvestment Act of 2009 ("ARRA"). The updated 2009-11 Legislatively Approved Budget states that federal ARRA funds provided

\$319.3 million for education, \$92.1 million for corrections, \$126.7 million for housing and community services and \$2.869 billion for health and human services, for a total of \$3.407 billion.

The District

Oregon Community Colleges

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

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

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

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

General Description

The District was originally organized in 1977 as the Wasco Area Education Service District. Later that year, the District's name was changed to Treaty Oak Education Service District. In 1989 the District became Treaty Oak Community College by a vote of the people of Wasco County. The name changed again in November of 1989 to Columbia Gorge Community College. On November 6, 2001, voters in Wasco County and Hood River County approved the annexation of a portion of Hood River County to join the Columbia Gorge Community College District.

The District includes all of Hood River County except for the City of Cascade Locks (96 percent of Hood River County's property value is in the District) and all of Wasco County with the exception of the Warm Springs Reservation (97 percent of Wasco County's property value is in the District). Population for the District is currently estimated to be 44,766.

The District has been granted Candidate for Accreditation status by the Northwest Commission on Colleges and Universities (NWCCU). Although candidacy does not ensure eventual accreditation, the District is optimistic of receiving accreditation. The District currently delivers college credit instruction, certificates and degrees through a contract with Portland Community College (PCC) which is accredited through the NWCCU.

Enrollment

The first classes were offered in September 1977 and housed in local school district facilities. Enrollment in the first school year was 1,649 (108 FTE) and has steadily grown to approximately 5,100 (1,267 FTE) today. Associate degree courses were first offered in 1979-80 by contract with Portland Community College, and this relationship is still in force. In Fiscal Year 1989, a contracted out-of-district program was extended to Hood River County and a portion of the County was annexed into the College District effective July 1, 2002.

**Columbia Gorge Community College District
Historical and Projected FTE Enrollment and Headcount**

Fiscal Year	Reimbursable Full-Time Equivalent	Unduplicated Headcount	Full Time ⁽¹⁾ Teaching Staff
2012 ⁽²⁾	1,267	5,100	17
2011	1,247	5,063	17
2010	1,261	4,905	17
2009	1,075	5,026	20
2008	972	5,141	19
2007	916	5,048	15
2006	971	5,430	14
2005	944	5,375	13

(1) Full time staff is supplemented each term by approximately 100 part time instructors who may teach one to three classes per term.

(2) Projected. No assurance can be given that these projections will be achieved and actual results may differ materially from these projections.

Source: Columbia Gorge Community College District and the Oregon Department of Community Colleges and Workforce Development.

Staff

As of January 2012, the District has a total of 84 full-time and 135 part-time employees.

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

Bargaining Units

Bargaining Unit	No. of Employees	Terms	Contract Expires
American Federation of Teachers Local 4754			
United Employees of Columbia Gorge Community College AFT, AFL-CIO			
Faculty employees	94	2 yrs	June 30, 2012
Classified	40	3 yrs	June 30, 2012

Source: Columbia Gorge Community College.

The Board of Education

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

Board of Education

Name	Position	Occupation	Service	Term
Charleen Cobb	Chair	Retired School Teacher	July 1, 2001	June 30, 2013
Dr. Ernest Keller	Vice Chair	Small Business Owner	July 1, 2001	June 30, 2013
Charlotte Arnold	Director	Consultant & Dance Instructor	July 1, 2011	June 30, 2015
David Fenwick	Director	Manager	July 1, 2003	June 30, 2015
M.D. Van Valkenburgh	Director	Attorney	July 1, 2001	June 30, 2013
Stuart Watson	Director	Communications Consultant	July 1, 2007	June 30, 2015
Dr. James R. Willcox	Director	Orthodontist	July 1, 1977	June 30, 2013

Key Administrative Officials

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

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

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

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

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

Robb Van Cleave, Chief Talent and Strategy Officer. Mr. Van Cleave serves as the Chief Talent and Strategy Officer and was hired July 1, 2006. He received a Bachelor of Science degree in psychology from Oregon State University. Previous to being employed by CGCC, he served as a director of employee and administrative services for Wasco County and was Mayor of the City of The Dalles for six terms. Mr. Van Cleave also currently serves as the vice-chair of the SAIF Corporation and is a past chair of the Board of Directors for the Society of Human Resource Management.

Bill Bohn, Chief Technology Officer. Mr. Bohn was hired August 15, 1995 as the Chief Technology Officer. Mr. Bohn previously worked as the Manager of Information Systems for Central Admixture Pharmacy Services, Owner of San Diego Micro Technologies, Sound Technician for San Diego State University and is co-owner of Sage's Café, Hood River, Oregon. He earned his A.S. Computer Science from Grossmont College and is a Certified Novell Engineer for intraNetWare, NetWare 5 & NetWare 6, is a certified 7 Habits of Highly Successful People Facilitator and has over twenty-five years of information technology experience.

Daniel Spatz, Chief Institutional Advancement Officer. Mr. Spatz has served as the Chief Institutional Advancement Officer since August 1, 2006. He is an elected member of The Dalles City Council. He is appointed by the Wasco County Commission to the Wasco County Economic Development Commission, Mt. Hood Economic Alliance and the Mid-Columbia Economic Development District Board of Directors. He has served as interim director of a public port district and county economic development director. He has 25 years' experience in journalism, including nine years as editor and general manager of The Dalles Daily Chronicle. As chief institutional advancement officer for Columbia Gorge Community College, he directs the college foundation, conducts community and governmental outreach, and serves as college liaison to healthcare and renewable energy industries.

Administrative offices of the District are located at 400 East Scenic Drive, The Dalles, Oregon 97058-3434. The telephone number is (541) 506-6000.

Financial Factors

Financial Reporting and Accounting Policies

The District's basic financial statements were prepared in conformity with generally accepted accounting principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB").

The District prepared the financial statements in accordance with GASB principals. The District adopted GASB Statement No. 35, Basic Financial Statements and Management's Discussion Analysis - for Public Colleges and Universities, as amended by GASB Statements No. 37 and No. 38 for the fiscal year ended June 30, 2004. GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a consolidated basis to focus on the District as a whole.

Additional information on the District's accounting methods is available in the District's audited financial statements. A copy of the District's audited financial report for Fiscal Year 2011 is attached hereto as Appendix B.

Auditing

Each Oregon municipal corporation must obtain an audit and examination of its funds and account groups at least once each year pursuant to the Oregon Municipal Audit Law, ORS 297.405-297.555. Municipalities having annual expenditures of less than \$500,000, with the exception of counties and school districts, are exempt from this requirement. All Oregon counties and school districts, regardless of amount of annual expenditures, must obtain an audit annually. The required audit may be performed by the State Division of Audits or by independent public accountants certified by the State as capable of auditing municipal corporations.

The District audits for the Fiscal Years 2007 through 2009 ("District Audited Financial Statements") were performed by Byers, Neumayer and Bradford, P.C., CPAs, The Dalles, Oregon. The District audits for Fiscal Year 2010 and 2011 were performed by Friend and Reagan, P.C., CPA The Dalles, Oregon (the "Auditor"). The audit report for Fiscal Year 2011 indicates the financial statements, in all material respects, fairly present the District's financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information and the respective changes in financial position and the cash flows, where applicable, in conformance with accounting principles generally accepted in the United States of America. The Auditor was not requested to review this Official Statement and has not completed any additional auditing review procedures subsequent to the issuance of their report on the 2011 Fiscal Year.

Future financial statements may be obtained from the Electronic Municipal Market Access system, a free, centralized repository located at: www.emma.msrb.org.

Summaries of the District's Net Assets and Changes in Net Assets follow:

Statement of Net Assets
(Fiscal Years)

Assets	2007	2008	2009	2010	2011
Current and other assets	\$ 20,192,840	\$ 12,483,787	\$ 8,924,733	\$ 8,991,522	\$ 8,254,999
Net capital assets	17,828,498	32,258,904	33,306,247	35,928,980	35,706,837
Total Assets	<u>38,021,338</u>	<u>44,742,691</u>	<u>42,230,980</u>	<u>44,920,502</u>	<u>43,961,836</u>
Liabilities					
Current liabilities	3,316,618	2,865,950	2,642,414	2,854,309	2,950,048
Noncurrent liabilities	24,412,675	23,233,594	21,977,878	20,651,295	19,238,681
Total Liabilities	<u>27,729,293</u>	<u>26,099,544</u>	<u>24,620,292</u>	<u>23,505,604</u>	<u>22,188,729</u>
Net Assets					
Invested in capital assets, net of related debt	8,936,215	24,243,074	27,531,254	13,821,369	14,721,849
Restricted for Debt Service	627,245	782,660	1,061,106	1,398,094	1,500,004
Restricted for Capital Projects	(5,844,986)	(14,035,360)	(15,800,840)	35,861	-
Unrestricted	6,573,572	7,652,774	4,819,169	6,159,573	5,551,254
Total Net Assets	<u>\$ 10,292,046</u>	<u>\$ 18,643,148</u>	<u>\$ 17,610,689</u>	<u>\$ 21,414,897</u>	<u>\$ 21,773,107</u>

NOTE: The Net Assets presents information on all the District's assets and liabilities with the difference between the two reported as net assets.

Source: Columbia Gorge Community College Audited Financial Statements.

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

	2007	2008	2009	2010	2011
Operating Revenues					
Student tuition and fees	\$ 1,875,959	\$ 2,128,851	\$ 2,358,890	\$ 3,000,643	\$ 3,431,662
Operating Grants and Contracts ⁽¹⁾					
Federal					1,401,800
State					114,064
Local					9,200
Bookstore sales	372,983	453,051	518,973	660,262	588,536
Other operating revenues	131,001	167,158	167,485	146,646	164,661
Total operating revenues	<u>\$ 2,379,943</u>	<u>\$ 2,749,060</u>	<u>\$ 3,045,348</u>	<u>\$ 3,807,551</u>	<u>\$ 5,709,923</u>
Operating Expenses					
Instruction	3,125,221	4,137,160	4,088,604	4,107,180	3,947,320
Academic support	732,549	837,019	971,708	920,772	851,231
Student services	627,009	672,995	736,663	785,180	838,858
Public services	506,406	462,406	669,164	380,674	441,676
Institutional support	1,741,437	2,176,501	2,302,654	2,240,944	2,436,536
Financial aid	77,286	76,230	68,676	32,552	11,440
Plant operating and maintenance	906,842	1,316,795	1,229,883	954,845	967,009
Plant improvements	0	0	0	0	128,901
Bookstore	347,215	411,259	447,019	596,764	573,908
Depreciation expense	230,361	242,434	601,224	835,292	944,455
Total Operating Expenses	<u>\$ 8,294,326</u>	<u>\$ 10,332,799</u>	<u>\$ 11,115,595</u>	<u>\$ 10,854,203</u>	<u>\$ 11,141,333</u>
Operating Loss	<u>\$ (5,914,383)</u>	<u>\$ (7,583,739)</u>	<u>\$ (8,070,247)</u>	<u>\$ (7,046,652)</u>	<u>\$ (5,431,410)</u>
Nonoperating Revenues (Expenses)					
Federal grants and contracts ⁽¹⁾	\$ 643,509	\$ 581,201	\$ 1,071,137	\$ 1,034,045	\$ -
State grants and contracts ⁽¹⁾	474,287	6,525,109	987,893	1,681,952	347,486
State community college support	2,854,254	5,361,413	3,151,073	4,987,605	2,593,282
Local Grants and contracts ⁽¹⁾	141,546	579,463	138,004	118,265	-
Contributions received	0	0	365,565	1,280	15,697
Property taxes	2,733,573	2,656,938	2,903,951	3,139,598	2,968,507
Investment income (loss)	1,677,045	875,351	(902,783)	614,032	63,624
Gain (Loss on Pension Asset) ⁽²⁾					543,057
Lease income	149,756	130,473	127,648	141,465	151,781
Amortization of bond premium, net	22,992	22,992	22,992	22,992	22,992
Other nonoperating revenues	51,978	328,653	261,856	165,498	109,074
Interest expense	(1,107,274)	(1,080,307)	(1,051,576)	(1,018,927)	(983,723)
Lease expense	(43,566)	(46,274)	(37,605)	(34,541)	(44,487)
Loss on disposal of capital assets	(17,849)	0	0	0	0
Other nonoperating expenses	(2,139)	(171)	(369)	(2,404)	(812)
Total nonoperating revenues (exp)	<u>\$ 7,578,112</u>	<u>\$ 15,934,841</u>	<u>\$ 7,037,786</u>	<u>\$ 10,850,860</u>	<u>\$ 5,786,480</u>
Increase (Decrease) in Net Assets	<u>\$ 1,663,729</u>	<u>\$ 8,351,102</u>	<u>\$ (1,032,461)</u>	<u>\$ 3,804,208</u>	<u>\$ 355,070</u>
Net assets - beginning of year	<u>8,628,316</u>	<u>10,292,046</u>	<u>18,643,148</u>	<u>17,610,688</u>	<u>21,414,898</u>
Change in Presentation Adjustment ⁽³⁾	-	-	-	-	3,139
Net assets - end of year	<u>\$ 10,292,045</u>	<u>\$ 18,643,148</u>	<u>\$ 17,610,687</u>	<u>\$ 21,414,898</u>	<u>\$ 21,769,968</u>
Total Revenues	<u>\$ 11,128,883</u>	<u>\$ 19,810,653</u>	<u>\$ 11,172,684</u>	<u>\$ 15,714,283</u>	<u>\$ 12,525,423</u>
Total Expenses	<u>\$ 9,465,154</u>	<u>\$ 11,459,551</u>	<u>\$ 12,205,145</u>	<u>\$ 11,910,075</u>	<u>\$ 12,170,356</u>
Increase (Decrease) in Net Assets	<u>\$ 1,663,729</u>	<u>\$ 8,351,102</u>	<u>\$ (1,032,461)</u>	<u>\$ 3,804,208</u>	<u>\$ 355,067</u>

(1) In Fiscal Year 2011 certain grants and contracts from federal, state and local sources were reclassified as operating revenues.

(2) In Fiscal Years 2007 through 2010, the gain/ loss on pension assets was included in the investment income/ loss line.

(3) In Fiscal Year 2011 student organizations' funds were reclassified as Special Revenue funds from their former designation as Fiduciary funds.

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

Source: Columbia Gorge Community College Audited Financial Statements.

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

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

Revenues	2007	2008	2009	2010	2011
State sources	\$ 2,854,254	\$ 5,361,413	\$ 3,166,073	\$ 4,987,605	\$ 2,593,282
Local sources	736,626	870,666	919,678	975,444	989,520
Tuition	1,484,743	1,720,224	1,896,273	2,417,826	2,708,814
Instructional Fees	296,165	300,881	355,970	450,920	597,763
Special Fees	42,792	61,071	61,952	75,790	78,191
Other revenue sources	371,268	619,423	490,838	307,391	247,627
State and services revenue sources	<u>15,601</u>	<u>16,852</u>	<u>10,157</u>	<u>8,260</u>	<u>8,008</u>
Total Revenues	<u>5,801,449</u>	<u>8,950,530</u>	<u>6,900,941</u>	<u>9,223,236</u>	<u>7,223,205</u>
Expenditures					
Instruction	2,368,898	3,219,689	3,378,608	3,355,631	3,120,104
Academic support	758,482	853,431	968,940	923,041	859,749
Student services	545,211	617,174	669,421	753,795	788,966
Institutional support	1,778,162	2,159,153	2,295,452	2,248,362	2,286,488
Financial aid	77,286	76,230	68,676	32,552	11,440
Plant operation and maintenance	814,264	868,636	929,124	926,076	944,197
Debt service	<u>26,976</u>	<u>26,976</u>	<u>26,976</u>	<u>5,384</u>	<u>0</u>
Total Expenditures	<u>6,369,279</u>	<u>7,821,289</u>	<u>8,337,197</u>	<u>8,244,841</u>	<u>8,010,944</u>
Excess (deficiency) of revenues over expenditures	<u>(567,830)</u>	<u>1,129,241</u>	<u>(1,436,256)</u>	<u>978,395</u>	<u>(787,739)</u>
Other Financing Sources (Uses)					
Gain (loss) on sale of investment	0	0	4,539	(19,580)	(22,150)
Transfer from other funds	211,570	144,347	69,622	236,188	215,194
Transfer to other funds ⁽¹⁾	<u>(385,990)</u>	<u>(11,212)</u>	<u>(16,526)</u>	<u>(2,037)</u>	<u>(2,443,125)</u>
Total Other Financing Sources (Uses)	<u>(174,420)</u>	<u>133,135</u>	<u>57,635</u>	<u>214,571</u>	<u>(2,250,081)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(742,250)</u>	<u>1,262,376</u>	<u>(1,378,621)</u>	<u>1,192,966</u>	<u>(3,037,820)</u>
Fund balance at beginning of year	4,912,226	4,169,976	5,432,352	4,053,729	5,246,695
Ending fund balance	<u>\$ 4,169,976</u>	<u>\$ 5,432,352</u>	<u>\$ 4,053,731</u>	<u>\$ 5,246,695</u>	<u>\$ 2,208,875</u>

(1) Transfers out in Fiscal Year 2011 included a \$2.3 million transfer to the General Operations Reserve Fund which was established July 1, 2010 to accumulate resources for future funding of general operations. Transfers are budgeted between the General Fund and the Reserve Fund to smooth the effects of the uneven CCS Fund payments.

Source: Columbia Gorge Community College Audited Financial Statements.

Budgetary Process

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

The District's administrative staff evaluates the budget requests of the various departments of the District to determine the funding levels of the operating programs. The budget is presented to the public through public

hearings held by a budget committee consisting of Board members and lay members. After giving due consideration to the input received from the citizens, the Board of Education adopts the budget, authorizes the levying of taxes and sets appropriations. The budget must be adopted no later than June 30 of each Fiscal Year.

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

General Fund Adopted Budget
(Fiscal Years)

Resources	2011	2012
State Sources	\$ 2,379,567	\$ 4,653,408
Local Sources - Property tax	1,015,752	1,070,038
Tuition	2,711,411	2,890,968
Instructional Fees	546,174	609,697
Special Fees	43,900	51,120
Other Revenue Sources	207,861	188,861
Sales and Services Revenue	2,700	2,700
Transfers In	217,402	135,501
Net working capital carryover	4,567,830	1,902,109
Total Resources	\$ 11,692,597	\$ 11,504,402
Expenditures		
Instruction	\$ 3,449,976	\$ 3,632,624
Academic Support	991,625	987,882
Student Services	852,651	920,992
Institutional Support	2,426,525	2,650,394
Student Financial Aid	34,792	62,864
Plant Operations and Maintenance	1,004,875	1,050,063
Contingency	5,187	810,976
Transfers	2,449,224	888,607
Unappropriated Ending Fund Balance	477,742	500,000
Total Expenditures	\$ 11,692,597	\$ 11,504,402

Source: District Adopted Fiscal Year 2012 Budget.

Investments

ORS 294.035 authorizes Oregon municipalities to invest in obligations, ranging from U.S. Treasury obligations and Agency securities to municipal obligations, bankers' acceptances, commercial paper, certificates of deposit, corporate debt and guaranteed investment contracts, all subject to certain size and maturity limitations. No municipality may have investments with maturities in excess of 18 months without adopting a written investment policy which has been reviewed and approved by the Oregon Short Term Fund Board. ORS 294.052 authorizes Oregon municipalities to invest proceeds of bonds or certificates of participation and amounts held in a fund or account for such bonds or certificates of participation under investment agreements if the agreements: (i) produce a guaranteed rate of return; (ii) are fully collateralized by direct obligations of, or obligations guaranteed by, the United States; and (iii) require that the collateral be held by the municipality, an agent of the municipality or a third-party safekeeping agent.

Municipalities are also authorized to invest approximately \$42.8 million (adjusted for inflation) in the Local Government Investment Pool of the Oregon Short-Term Fund, which is managed by the State Treasurer's office. Such investments are managed in accordance with the "prudent person rule" (ORS 293.726) and administrative regulations of the State Treasurer which may change from time to time. Eligible investments presently include all of those listed above, as well as repurchase agreements and reverse repurchase agreements. A listing of investments held by the Oregon Short-Term Fund is available on the Oregon State

Treasury website under "Other OSTF Reports - OSTF Detailed Monthly Reports" at www.ost.state.or.us/about/boards/OSTF/About.htm.

Pension System

General. The District participates in a retirement pension benefit program under the State of Oregon Public Employees Retirement System ("PERS" or the "System"). After six full months of employment, all District employees are required to participate in PERS.

T1/T2 Pension Programs. Employees hired before August 29, 2003 participate in the "Tier 1" and "Tier 2" pension programs (the "T1/T2 Pension Programs"). The benefits provided through the T1/T2 Pension Programs are based primarily on a defined benefit model and provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Different benefit structures apply to participants depending on their date of hire. Effective January 1, 2004, T1/T2 Pension Program participant contributions fund individual retirement accounts under the separate defined contribution program described below.

OPSRP. Employees hired on or after August 29, 2003 participate in the Oregon Public Service Retirement Plan ("OPSRP") unless membership was previously established in the T1/T2 Pension Programs. OPSRP is a hybrid defined contribution/defined benefit pension plan with two components. Employer contributions fund the defined benefit program and employee contributions fund individual retirement accounts under the separate defined contribution program.

Actuarial Valuation. Oregon statutes require an actuarial valuation of the System at least once every two years. Based on the biennial actuarial valuation as of December 31 of odd-numbered years the Public Employees Retirement Board ("PERB") establishes the contribution rates that employers will pay to fund the T1/T2 Pension Programs, OPSRP and the PERS-sponsored Retirement Health Insurance Account program ("RHIA") described herein. Actuarial valuations are performed annually as of December 31 of each year, with the valuations as of December 31 of even-numbered years (such as 2010) used for advisory purposes only and valuations as of December 31 of odd-number years (such as 2009) used to set payroll contribution rates. Actuarial valuations are performed for the entire System (the "System Valuation"), and for each participating employer, including the District (the "District Valuation"). Valuations are released nine to eleven months after the valuation date. PERS' current actuary is Mercer (US), Inc. ("Mercer").

Valuation Date	Release Date	Rates Effective
December 31, 2008	November 2009	Advisory only
December 31, 2009	October 2010	July 1, 2011 - June 30, 2013
December 31, 2010	November 2011	Advisory only

The 2010 System Valuation released on November 10, 2011 indicated that the funded status of the System increased from approximately 86 percent at December 31, 2009 to 87 percent at December 31, 2010.

Employer Assets, Liabilities, and Unfunded Actuarial Liabilities. An employer's unfunded actuarial liability ("UAL") is the excess of the actuarially determined present value of the employer's benefit obligations to employees over the existing actuarially determined assets available to pay those benefits.

District UAL. For the T1/T2 Pension Programs, the District is pooled with the State and Oregon local government and community college public employers (the "State and Local Government Rate Pool" or "SLGRP"). The District's portion of the SLGRP's assets and liabilities is based on the District's proportionate share of the SLGRP's pooled payroll (the "District Allocated T1/T2 UAL"). Changes in the District's relative growth in payroll will cause the District Allocated T1/T2 UAL to shift. The District Allocated T1/T2 UAL may increase if other pool participants fail to pay their full employer contributions.

OPSRP's assets and liabilities are pooled on a program-wide basis. These assets and liabilities are not tracked or calculated on an employer basis. The District's allocated share of OPSRP's assets and liabilities is based on

the District's proportionate share of OPSRP's pooled payroll (the "District Allocated OPSRP UAL"). Changes in the District's relative growth in payroll will cause the District Allocated OPSRP UAL to shift.

In April 2003, the District issued pension bonds to make a \$3,471,807 lump-sum payment to PERS. The payment was deposited in the PERS fund to finance the District's transition liability and all or a portion of the District Allocated T1/T2 UAL and District Allocated OPSRP UAL, reducing the District's contribution rates, although debt service payments are also due on the pension bonds.

The District's net unfunded pension UAL is the total of the District Allocated T1/T2 UAL, District Allocated OPSRP UAL, and District Side Account. The District's net unfunded pension UAL as of the 2009 Valuation and 2010 Valuation is shown in the following table:

**Columbia Gorge Community College
Net Unfunded Pension UAL**

	2009 Valuation	2010 Valuation
Allocated pooled SLGRP T1/T2 UAL	\$ 6,488,877	\$ 6,400,327
Allocated pre-SLGRP pooled liability (surplus)	1,088,491	1,089,769
Allocated OPSRP UAL	50,832	61,697
District Side account	<u>(3,421,255)</u>	<u>(3,383,930)</u>
Net unfunded pension actuarial accrued liability	<u>\$ 4,206,945</u>	<u>\$ 4,167,863</u>

Source: 2009 District Valuation and 2010 District Valuation.

The funded status of PERS and of the District as reported by Mercer, the PERS actuary, will change over time depending on a variety of factors, including the market performance of the securities in which the OPERF is invested, future changes in compensation and benefits of covered employees, demographic characteristics of members and methodologies and assumptions used by the actuary in estimating the assets and liabilities of PERS.

Significant actuarial assumptions and methods used in the valuations included: (a) Projected Unit Credit actuarial cost method, (b) asset valuation method based on market value, (c) rate of return on the investment of present and future assets of 8%, (d) payroll growth rate of 3.75%, (e) consumer price inflation of 2.75% per year, and (f) UAL amortization method of a level percentage of payroll over 21 years (fixed) for the T1/T2 Pension Programs and 16 years (fixed) for OPSRP.

Employer Contribution Rates. Employer contribution rates are calculated as a percent of covered payroll. The rates are based on the current and projected cost of benefits and the anticipated level of funding available from the OPERF, including anticipated investment performance of the fund. Contribution rates are subject to future adjustment based on factors such as the result of subsequent actuarial valuations and changes in benefits resulting from legislative modifications. Employees are required to contribute 6 percent of their annual salary to the respective programs. Employers are allowed to pay the employees' contribution in addition to the required employers' contribution. The District has not elected to make the employee contribution.

Contribution Rate Collar. In January 2010 the PERS Board adopted a revised implementation of the rate collar limiting increases in employer contribution rates from biennium to biennium (the "Rate Collar"). Under normal conditions, the Rate Collar is the greater of 3 percent of payroll or 20 percent of the current base rate. If the funded status of the SLGRP is below 80 percent, the Rate Collar increases by 0.3 percent for every percentage point under the 80 percent funded level until it reaches 6 percent at the 70 percent funded level. The 2009 System Valuation found that the SLGRP was 77 percent funded, resulting in a Rate Collar of 3.9 percent. The Rate Collar limits increases in employer contribution rates before rate reductions from side accounts are deducted, and does not cover charges associated with RHIA and RHIPA.

District Contribution Rates. The District's current contribution rates are based on the 2009 Valuation and are effective July 1, 2011 to June 30, 2013. The following table shows the District's current contribution rates (2009 Valuation) and the advisory only rates released in the most recent valuation (2010 Valuation):

**Columbia Gorge Community College
Pension Contribution Rates**

	<u>2009 Valuation</u>		<u>2010 Valuation</u>	
	T1/T2	OPSRP General	T1/T2	OPSRP General
Normal cost rate	7.70%	6.13%	7.91%	6.08%
T1/T2 UAL rate	6.10	6.10	9.34	9.34
OPSRP UAL rate	0.08	0.08	0.10	0.10
Pre-SLGRP pooled liability rate	1.80	1.80	1.81	1.81
Side account rate relief	(5.64)	(5.64)	(5.61)	(5.61)
Retiree Healthcare rate (RHIA) ⁽¹⁾	0.59	0.50	0.66	0.56
Total net contribution rate	<u>10.63%</u>	<u>8.97%</u>	<u>14.21%</u>	<u>12.28%</u>

(1) Contribution rates to fund RHIA benefits are included in the total District employer contribution rate, but are not a pension cost. See "Other Postemployment Benefits - Retirement Health Insurance Account" below.

Source: 2009 District Valuation and 2010 District Valuation.

Other Postemployment Benefits

Retirement Health Insurance Account. PERS retirees who receive benefits through the Tier 1 and Tier 2 plans and are enrolled in certain PERS administered health insurance programs, may receive a subsidy towards the payment of health insurance premiums. Under ORS 238.420, retirees may receive a subsidy for Medicare supplemental health insurance of up to \$60 per month towards the cost of their health insurance premium under the RHIA plan. The RHIA program's assets and liabilities are pooled on a system-wide basis and are not tracked or calculated on an employer basis. According to the 2010 System Valuation, this program had a UAL of approximately \$314.8 million. The District's allocated share of the RHIA program's assets and liabilities is based on the District's proportionate share of the program's pooled payroll. According to the 2010 District Valuation, the District's allocated share of the RHIA program's UAL is \$178,779.

GASB 45. GASB 45 requires the District to determine the extent of its liabilities for post employment benefits and record the liability in its financial statements on an actuarial basis. This includes the requirement under ORS 243.303 of offering the same healthcare benefits for current District employees to all retirees and their dependents until such time as the retirees are eligible for Medicare. GASB 45 refers to this as an "implicit subsidy" and requires that the corresponding liability be determined and reported. The District implemented GASB 45 for the fiscal year ended June 30, 2010.

The District's annual other postemployment benefit cost is calculated based on the annual required contribution of the employer ("ARC"), and the amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 30 years. An actuarial valuation is required every three years and the District's most recent valuation is dated June 30, 2010. The District does not have an ARC or unfunded actuarial liability ("UAL") as shown below.

**Columbia Gorge Community College
OPEB Obligation**

Fiscal Year	Annual OPEB Cost	Net OPEB Obligation
2011	\$ 0	\$ 0
2010	0	0

See Note 8 of the District's audited financial statements for fiscal year 2011, attached hereto as Appendix B, for more information.

Risk Management

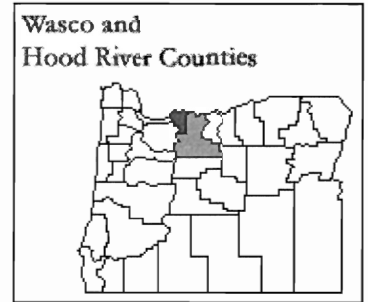
The District is exposed to various risks of loss. A description of the risks is provided in the District's audited financial statements. The audited financial statement for Fiscal Year 2011 is attached hereto as Appendix B.

Demographic Information

General

The District's boundaries are contiguous with Hood River County and Wasco County. Within the counties, the Confederated Tribes of the Warm Springs Indian Reservation and City of Cascade Locks are outside of the District's boundaries. Located in north-central Oregon, the District borders the Columbia River to the north.

Historical data have been collected from generally accepted standard sources, usually from public bodies. This statement bases information on Hood River County and Wasco County.



Population

The District's estimated population is currently 44,766. The following table shows the historical population for the State, Hood River County and Wasco County:

**Population
State of Oregon, Hood River and Wasco Counties**

July 1	State of Oregon	Hood River County	Wasco County
2011	3,856,815	22,630	25,300
2010	3,837,300	22,385	25,235
2009	3,823,465	21,725	24,230
2008	3,791,075	21,625	24,170
2007	3,745,455	21,470	24,125
2006	3,690,505	21,335	24,070
2005	3,631,440	21,180	23,935
2004	3,582,600	21,050	23,900
2003	3,541,500	20,500	23,550
April 1⁽¹⁾			
2010	3,831,074	22,346	25,213
2000	3,421,399	20,411	23,791
1990	2,842,321	16,903	21,683

(1) U.S. Census Count on April 1.

Source: Center for Population Research and Census, Portland State University.

Economic Overview

Hood River County's principal industries include: orchards and fruit packing, telecommunications, health care, timber, software design, and recreation (particularly windsurfing/kite boarding, hiking/biking, fishing and skiing). The City of Hood River also boasts several microbreweries and vineyards. Hood River County is responsible for the leading production of Anjou Pears in the world. Other agricultural commodities produced in the region include other pear varieties, sweet cherries, apples, and livestock.

Wasco County's employment has historically been stable with the exception of orchard harvesting between March and August, when the County experiences a sharp increase. The County has more than 137,000 acres of commercial forest, 83,000 acres of dry land grain, 5,800 acres of orchards, and 24,000 acres of other farmland. The County's economy includes agriculture, forest products, manufacturing, electric power, aluminum and transportation. The major agricultural product produced in The Dalles is sweet cherries which are produced for both domestic and overseas markets. Wheat is another important agricultural product with 50,000 acres currently in cultivation. Additional agricultural products produced include cattle, hay and fruits.

The number of acres harvested and gross farm sales in the County are as follows:

Harvested Acreage and Gross Farm Sales

Hood River County

Year	Harvested Acreage	Gross Farm Sales (\$ in thousands)		
		Crop Sales	Animal Products Sales	Total Gross Farm Sales
2010	15,468	\$ 87,198	\$ 400	\$ 87,598
2009	15,378	80,102	400	80,502
2008	15,398	72,259	1,200	73,459
2007	15,332	67,679	1,200	68,879
2006	15,522	56,501	1,200	57,701
2005	16,360	52,473	1,200	53,673

Wasco County

Year	Harvested Acreage	Gross Farm Sales (\$ in thousands)		
		Crop Sales	Animal Products Sales	Total Gross Farm Sales
2010	146,907	\$ 82,954	\$ 6,786	\$ 89,740
2009	141,950	58,921	7,081	66,002
2008	78,881	76,798	6,495	83,293
2007	73,481	69,622	6,998	76,619
2006	97,081	58,922	7,174	66,097
2005	89,352	52,201	6,967	59,169

Source: Oregon State University Extension Service's Oregon Agriculture Information Network, Harvested Acreage Summary Report, Gross Farm Sales Reports, Commodity Report.

Income. Historical personal income and per capita income levels for the County and the State are shown below:

Total Personal and Per Capita Income

State of Oregon				
Year	Personal Income (\$000 Omitted)	Dividends, Interest, Rent (\$000 Omitted)	Per Capita Income	Per Capita Dividends, Interest, Rent
2010	\$ 142,113,170	\$ 28,423,161	\$ 37,095	\$7,419
2009	138,453,340	28,181,017	36,191	7,366
2008	139,306,268	29,341,456	36,824	7,756
2007	133,821,268	27,217,289	35,849	7,291
2006	127,403,090	25,405,934	34,644	6,908
2005	117,634,076	21,988,587	32,515	6,078

Year ⁽¹⁾	Hood River County				Wasco County			
	Personal Income (\$000 Omitted)	Dividends, Interest, Rent (\$000 Omitted)	Per Capita Income	Per Capita Dividends, Interest, Rent	Personal Income (\$000 Omitted)	Dividends, Interest, Rent (\$000 Omitted)	Per Capita Income	Per Capita Dividends, Interest, Rent
2009	\$ 731,898	\$ 180,042	\$ 33,446	\$ 8,227	\$ 820,554	\$ 168,847	\$ 33,979	\$ 6,992
2008	729,889	189,277	33,997	8,816	809,985	175,204	34,004	7,355
2007	675,833	173,770	31,926	8,209	753,931	156,838	31,766	6,608
2006	638,823	163,435	30,260	7,742	715,034	143,982	30,371	6,116
2005	578,815	139,015	27,634	6,637	648,347	129,940	27,693	5,550

(1) 2010 data is not available at this time.

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

Employment. Non-farm employment within Hood River County and Wasco County is described in the following tables:

**Hood River County
Labor Force Summary ⁽¹⁾
(by place of residence)**

	2007	2008	2009	2010	2011	2011 Change from			
						2007	2008	2009	2010
Civilian Labor Force	12,901	13,261	13,952	14,333	14,683	1,782	1,422	731	350
Unemployment	580	701	1,106	1,162	1,132	552	431	26	-30
Percent of Labor Force	4.5%	5.3%	7.9%	8.1%	8.1%	xx	xx	xx	xx
Total Employment	12,321	12,560	12,846	13,171	13,554	1,233	994	708	383

Non-Agricultural Wage & Salary Employment ⁽²⁾

	2007	2008	2009	2010	2011	2011 Change from			
						2007	2008	2009	2010
Total Nonfarm Payroll Employment	10,210	10,380	10,100	10,070	10,330	120	-50	230	260
Total Private	8,810	8,970	8,680	8,660	8,970	160	0	290	310
Natural resources, mining, construction	510	490	410	360	330	-180	-160	-80	-30
Manufacturing	1,290	1,390	1,260	1,240	1,190	-100	-200	-70	-50
Trade, transportation, and utilities	2,030	2,010	1,940	1,950	1,970	-60	-40	30	20
Information	120	140	140	140	140	20	0	0	0
Financial activities	340	330	320	310	310	-30	-20	-10	0
Professional and business services	710	690	770	730	910	200	220	140	180
Educational and health services	1,640	1,730	1,810	1,830	1,960	320	230	150	130
Leisure and hospitality	1,910	1,920	1,790	1,850	1,900	-10	-20	110	50
Other services	270	270	260	260	270	0	0	10	10
Government	1,400	1,400	1,420	1,410	1,360	-40	-40	-60	-50

(1) Civilian labor force includes employed and unemployed individuals 16 years and older by place of residence. Employed includes nonfarm payroll employment, self-employed, unpaid family workers, domestics, agriculture and labor disputants. Data are adjusted for multiple job-holding and commuting.

(2) Nonfarm payroll data are based on the 1987 Standard Industrial Classification manual. The data are by place of work. Persons working multiple jobs are counted more than once. The data excludes the self-employed, volunteers, unpaid family workers, and domestics.

Source: State of Oregon Employment Department.

Wasco County
Labor Force Summary ⁽¹⁾
(by place of residence)

	2007	2008	2009	2010	2011	2011 Change from			
						2007	2008	2009	2010
Civilian Labor Force	13,258	13,396	14,125	14,522	14,474	1,216	1,078	349	-48
Unemployment	650	795	1,242	1,294	1,214	564	419	-28	-80
Percent of Labor Force	4.9%	5.9%	8.8%	8.9%	8.4%	xx	xx	xx	xx
Total Employment	12,608	12,601	12,883	13,228	13,260	652	659	377	32

Non-Agricultural Wage & Salary Employment ⁽²⁾

	2007	2008	2009	2010	2011	2011 Change from			
						2007	2008	2009	2010
Total Nonfarm Payroll Employment	9,600	9,620	9,430	9,500	9,410	-190	-210	-20	-90
Total Private	7,280	7,220	7,040	7,130	7,110	-170	-110	70	-20
Natural resources and mining	60	50	50	50	50	-10	0	0	0
Construction	420	390	340	310	300	-120	-90	-40	-10
Manufacturing	730	660	560	570	580	-150	-80	20	10
Trade, transportation, and utilities	2,090	2,040	1,890	1,900	1,900	-190	-140	10	0
Information	110	120	100	100	110	0	-10	10	10
Financial activities	390	370	350	360	400	10	30	50	40
Professional and business services	490	500	550	560	480	-10	-20	-70	-80
Educational and health services	1,560	1,660	1,720	1,790	1,860	300	200	140	70
Leisure and hospitality	1,090	1,100	1,160	1,170	1,110	20	10	-50	-60
Other services	320	330	320	330	320	0	-10	0	-10
Government	2,330	2,400	2,400	2,370	2,300	-30	-100	-100	-70

- (1) Civilian labor force includes employed and unemployed individuals 16 years and older by place of residence. Employed includes nonfarm payroll employment, self-employed, unpaid family workers, domestics, agriculture and labor disputants. Data are adjusted for multiple job-holding and commuting.
- (2) Nonfarm payroll data are based on the 1987 Standard Industrial Classification manual. The data are by place of work. Persons working multiple jobs are counted more than once. The data excludes the self-employed, volunteers, unpaid family workers, and domestics.

Source: State of Oregon Employment Department.

**Major Employers in the District
(2012)**

Company	Service	Location	No. Employees
Mid-Columbia Medical Center	Medical	The Dalles	801
Hood River County School District	Education	Hood River	550
North Wasco County School District	Education	The Dalles	400
Columbia Bancorp	Commercial banking	The Dalles	335
Columbia Gorge Community College	Education	The Dalles	315
Dukwall-Pooley Fruit Company	Agriculture - pears, fruit packing	Hood River	250
Maritime Services Corp	Builds & repairs fishing vessels, yachts	Hood River	250
Providence Hood River Memorial Hospital	Health care	Hood River	230
U.S. Army Corp of Engineers	Power Generation	The Dalles	220
Kmart Corp	Retail	The Dalles	200
Google	Computer Technology	The Dalles	200
PMD the Dalles, LLC	Restaurant	The Dalles	200
Oregon Cherry Growers	Cherry Growers/Food Processing	The Dalles	180
Wal-Mart	Retail	Hood River	180
Best Western Hood River Inn	Lodging	Hood River	180
Hood River County	Government	Hood River	180
Ljs Manufacturing Inc.	Fishing tackle	Hood River	180
Wasco County	Government	The Dalles	175
Oregon Veteran Home	Nursing Care Facility	The Dalles	170
Safeway	Grocery	The Dalles	170
Fred Meyer Stores Inc.	Retail	The Dalles	150
Home Depot	Building supplies	The Dalles	150
Columbia Gorge Center	Nonprofit-services for disabled	Hood River	150
Hood River Care Center	Nursing home	Hood River	130
DaKine Hawaii Inc.	Sporting goods manufacturer	Hood River	125
Stadelman Fruit, LLC	Agriculture	Hood River	120
Sprint International	Telecommunications	Hood River	110
City of The Dalles	Government	The Dalles	101
Rosauers Supermarkets Inc.	Grocery store	Hood River	100
Columbia Gorge Hospitality Co	Hotel and restaurant	Hood River	100
Diamond Fruit Growers, Inc.	Agriculture	Hood River	100
Columbia Basin Nursing Home	Nursing Care Facility	The Dalles	95
Northwest Aluminum Specialties	Aluminum Melting	The Dalles	92

Source: Oregon Employment Department; Hood River Chamber of Commerce; The Dalles Area Chamber of Commerce and Columbia Gorge Economic Development Association; Hoovers business database.

Building Permits. Residential building permits are an indicator of growth within a region. The number and valuation of new single-family and multi-family residential building permits in Hood River County are listed below. Information on a county-wide basis is not available for Wasco County:

Residential Building Permits

Hood River County

Year	New Single Family		New Multi Family			Total Construction Cost
	Number	Construction Cost	Number	Units	Construction Cost	
2010	48	\$ 9,682,098	6	40	\$ 5,314,816	\$ 14,996,914
2009	43	9,378,735	3	6	595,708	9,974,443
2008	54	10,123,816	1	5	600,000	10,723,816
2007	151	34,310,451	0	0	0	34,310,451
2006	141	32,058,388	21	44	6,390,277	38,448,665

Source: U.S. Census Bureau.

Healthcare. Healthcare services are available at the Mid-Columbia Medical Center located in the City of The Dalles and at the Providence Hood River Memorial Hospital in Hood River.

Transportation: The District is located along Interstate Highway 84, the major east-west highway beginning in Portland and following the Columbia River. U.S. Highway 197 runs north-south through the District

Commercial air transportation is available at Portland International Airport ("PDX"). PDX is operated by the Port of Portland, is served by 15 scheduled passenger air carriers and three charter services with an average of 506 daily arrivals and departures. There are approximately 241 additional daily arrivals and departures at PDX including military and freight carriers and general aviation flights. Fourteen cargo carriers service PDX.

The Initiative and Referendum Process

The Oregon Constitution, Article IV, Section 1, reserves to the people of the State the initiative and referendum power pursuant to which measures designed to amend the Oregon Constitution or enact legislation can be placed on the statewide general election ballot for consideration by the voters.

Pursuant to ORS 250.125, a five-member Committee composed of the Secretary of State, the State Treasurer, the Director of the Department of Revenue, the Director of the Department of Administrative Services, and a local government representative must prepare an estimate of the direct financial impact of each measure ("Financial Estimate Statements") to be printed in the voters' pamphlet and on the ballot.

Referendum

"Referendum" generally means measures that have been passed by a legislative body, such as the Legislative Assembly or the governing body of a district, county or other political subdivision and referred to the electors by the legislative body, or by petition prior to the measure's effective date.

In Oregon, both houses of the Legislative Assembly must vote to refer a statute or constitutional amendment for a popular vote. Such referrals cannot be vetoed by the governor. Any change to the Oregon Constitution passed by the Legislative Assembly requires referral to voters. In the case of a referendum by petition, proponents of the referendum must obtain a specified number of signatures from qualified voters. The required number of signatures is equal to four percent of the votes cast for all candidates for governor at the preceding gubernatorial election.

Recent Tax Increase Referenda. Opponents of legislation increasing personal and corporate income taxes passed by the 2009 Legislative Assembly submitted sufficient qualified signatures to refer the tax increases to a special

election held on January 26, 2010. The referendum of concerning personal income taxes appeared on the ballot as Measure 66. The referendum concerning corporate income taxes appeared on the ballot as Measure 67. Both measures were approved by voters and become effective for tax year 2009.

Other Recent Referenda. The Legislative Assembly referred three measures to the electors which appeared on the ballot at the November 2, 2010 election and were approved by voters (Measure 70, Measure 71 and Measure 72). Measure 70 expands the availability of home loans for veterans through the Oregon War Veterans' Fund. Measure 71 requires the legislature to meet annually and establishes limits to the length of legislative sessions. Measure 72 authorizes the State to issue general obligation bonds to finance real and personal property projects.

Initiatives

“Initiative” generally means a new measure placed before the voters as a result of a petition circulated by one or more private citizens.

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

Once the ballot title has been certified and the Secretary of State has authorized the petitioners, the proponents of the initiative may start gathering initiative petition signatures from qualified voters. The number of signatures required is determined by a fixed percentage of the votes cast for all candidates for governor at the preceding gubernatorial election. The signature requirements are eight percent for a constitutional measure (110,358 signatures for November 2010) and six percent for a statutory initiative (82,769 signatures for November 2010).

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

Historical Initiative Petitions. The number of initiatives that have been approved in general elections since 1998 are as follows:

Historical Initiative Petitions

Number of Year of General Election	Number of Initiatives that Qualified	Initiatives that were Approved
2010	4	2
2008	8	0
2006	10	3
2004	6	2
2002	7	3
2000	18	4
1998	10	6

NOTE: The Secretary of State posts a listing of initiatives on its web site: www.sos.state.or.us.

Source: Elections Division, Oregon Secretary of State, Initiative, Referendum and Referral Log, Elections Division.

Recent Initiative Petitions. Two initiative measures were approved at the November 2, 2010 election (Measure 73 and Measure 76). These measures may have a fiscal impact on the State's general fund which could have an impact on the District. The District cannot estimate at this time what such impact would be, if any.

Measure 73 requires increased minimum sentences for certain repeated sex crimes and incarceration for repeated driving under influence offenses. The financial estimate for Measure 73 estimates additional State spending of \$1.4 million in the first year, \$11.4 million to \$14.6 million in the second year, \$13.9 million to \$21.0 million in the third year, \$16.7 million to \$26.6 million in the fourth year and \$18.1 million to \$29.1 million in each year after that.

Measure 76 is a constitutional amendment which makes permanent the dedication of 15 percent of state lottery proceeds each year to parks and natural resources.

Legal Matters and Litigation

Legal Matters

Legal matters incident to the authorization, issuance and sale of Bonds are subject to the approving legal opinion of Bond Counsel, substantially in the form attached hereto as Appendix A. Bond Counsel has reviewed this document only to confirm that the portions of it describing the Bonds and the authority to issue them conform to the Bonds and the applicable laws under which they are issued.

Litigation

There is no litigation pending questioning the validity of the Bonds nor the power and authority of the District to issue the Bonds. There is no litigation pending which would materially affect the finances of the District or affect the District's ability to meet debt service requirements on the Bonds.

Under the Oregon law, Oregon local public bodies, such as the District, are subject to the following limits on liability. The State of Oregon is subject to different limits.

Personal Injury and Death Claim. The liability of a local public body and its officers, employees and agents acting within the scope of their employment or duties, to any *single claimant* for covered personal injury or death claims (and not property claims) arising out of a single accident or occurrence may not exceed \$500,000, for causes of action arising on or after July 1, 2009, and before July 1, 2010. From July 1, 2010 through June 30, 2015, this cap increases incrementally to \$666,700. The liability limits to *all claimants* for covered personal injury or death claims (and not property claims) arising from a single accident or occurrence increase from \$1 million, for causes of action arising on or after July 1, 2009, and before July 1, 2010, incrementally to \$1,333,300, for causes of action arising on or after July 1, 2014, and before July 1, 2015.

For causes of action arising on or after July 1, 2015, the liability limits for both a single claimant and all claimants will be adjusted based on a determination by a State Court Administrator of the percentage increase or decrease in the cost of living for the previous calendar year as provided in the formula in SB 311. The adjustment may not exceed 3% for any year.

Property Damage or Destruction Claim. The liability of a public body and its officers, employees and agents acting within the scope of their employment or duties, for covered claims for damage and destruction of property that arise from causes of action arising on or after July 1, 2009 are as follows: (a) \$100,000, adjusted as described below, to any single claimant, and (b) \$500,000, adjusted as described below, to all claimants.

Beginning in 2010, these liability limits shall be adjusted based on a determination by a State Court Administrator of the percentage increase or decrease in the cost of living for the previous calendar year as provided in the formula in SB 311. The adjustment may not exceed 3% for any year.

Tax Matters

Tax Exemption

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the execution and delivery of the Bonds in order for interest on the Bonds to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the issue date of the Bonds. These requirements include limitations on the use of proceeds of the Bonds, limitations on the investment of proceeds of the Bonds prior to expenditure and a requirement that excess arbitrage earned on the investment of proceeds of the Bonds be rebated on a periodic basis to the United States under certain circumstances and certain other matters. The District has covenanted to comply with all applicable requirements (the "Tax Covenants.")

In the opinion of Mersereau Shannon LLP, Bond Counsel, under existing law and assuming compliance by the District with certain tax covenants described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of determining the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is included in adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations.

Bond Counsel's opinion is subject to the condition that the District comply with applicable covenants and, in addition, will rely on representations by the District and its advisors with respect to matters solely within the knowledge of the District and its advisors, which Bond Counsel has not independently verified. If the District fails to comply with the Tax Covenants or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Bonds could be included in gross income for federal tax purposes retroactively to the date of issuance of the Bonds, regardless of the date on which the event causing taxability occurs.

Bond Counsel expresses no opinion on any other federal, state or local tax consequences arising of acquiring, carrying, owning or disposing of the Bonds. Bond Counsel has not undertaken to advise in the future whether any events after the date of execution and delivery of the Bonds may affect the tax status of the Bonds.

Although Bond Counsel has rendered an opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, property and casualty insurance companies, certain S corporations, recipients of Social Security and Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. Prospective purchasers of the Bonds should consult their tax advisors with respect to all such possible collateral consequences and as to the treatment of interest on the Bonds under the tax laws of any state other than Oregon.

Bond Counsel's opinion is not a guarantee of result and is not binding on the Internal Revenue Service ("IRS"); rather, the opinion represents Bond Counsel's legal judgment based on its review of existing law and in reliance on the representations made to Bond Counsel and the District's compliance with its covenants. Bond Counsel cannot predict whether the IRS will commence an audit of the Bonds. The commencement of an audit could adversely affect the market value and liquidity of the bonds, regardless of the ultimate outcome.

[Premium

An amount equal to the excess of the purchase price of a Bond over its stated redemption price at maturity constitutes premium on that Bond. A purchaser of a Bond must amortize any premium over that Bond's term using constant yield principals, based on the Bond's yield to maturity. As premium is amortized, the purchaser's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult

with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and the state and local tax consequences of owning such Bonds.]

[Original Issue Discount

The initial public offering price of certain Bonds (the "Original Issue Discount Bonds"), may be less than the stated redemption price at maturity. In such case, the difference between (i) the stated amount payable at the maturity of an Original Issue Discount Bond and (ii) the initial public offering price of that Original Issue Discount Bond constitutes original issue discount with respect to that Original Issue Discount Bond in the hands of the owner who purchased that Original Issue Discount Bond at the initial public offering price in the initial public offering of the Bonds. The initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to an Original Issue Discount Bond equal to that portion of the amount of the original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by the initial owner.

In the event of the redemption, sale or other taxable disposition of an Original Issue Discount Bond prior to its stated maturity, however, the amount realized by the initial owner in excess of the basis of the Original Issue Discount Bond in the hands of its initial owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Bond was held by the initial owner) is includable in gross income. Purchasers of Original Issue Discount Bonds should consult their tax advisors regarding the determination and treatment of original issue discount for federal income tax purposes and the state and local tax consequences of owning Original Issue Discount Bonds.]

Oregon State Tax Exemption

In the opinion of Bond Counsel, interest on the Bonds is exempt from Oregon personal income tax imposed under existing law.

Future and Proposed Federal Legislation

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, alter or amend the current federal and state tax status of the Bonds, adversely affect the marketability or market value of the Bonds or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of the interest on the Bonds. For example, on September 12, 2011, the Obama Administration announced a legislative proposal entitled the American Jobs Act of 2011. If enacted, the Jobs Bill could adversely impact the marketability and market value of the Bonds and prevent certain bondholders (depending on the financial and tax circumstances of the particular bondholder) from realizing the full benefit of the tax exemption of interest on the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. Other proposals have been made that could significantly reduce the benefit or otherwise affect the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such proposals, clarification of the Code or court decisions may also affect the market price for or marketability of the Bonds. It cannot be predicted whether any regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Continuing Disclosure

The Securities and Exchange Commission Rule 15c2-12 (the "Rule") requires at least annual disclosure of current financial information and timely disclosure of certain events with respect to the Bonds, if material. Pursuant to the Rule, the District has agreed to provide audited financial information and certain financial information or operating data at least annually, and timely notice of certain events (collectively, "Continuing Disclosure") to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market

Access system (so long as such method of disclosure continues to be approved by the Securities and Exchange Commission for such purposes).

Prior Undertakings. The District has entered into prior undertakings to provide Continuing Disclosure filings for its General Obligation Bonds, Series 1998 and 2005 and Pension Bonds, Series 2003A and 2003B. The District's undertaking for its General Obligation Bonds, Series 1998 is a limited undertaking and requires the District provide annual disclosure upon request. All of the District's other undertakings require annual Continuing Disclosure filings within 270 days of the end of the Fiscal Year (March 27). Prior to July 1, 2009, Continuing Disclosure filings were required to be made with four nationally recognized municipal securities information repositories ("NRMSIRs"). Beginning July 1, 2009, Continuing Disclosure is required to be filed with the MSRB's Electronic Municipal Market Access system.

Annual Compliance with Prior Undertakings. The District filed its audited financials for Fiscal Years 2007, 2008, 2010 and 2011 prior to the deadline. The District failed to file its Fiscal Year 2009 audited financials by the March 27, 2010 deadline and subsequently filed on May 6, 2010. The District failed to file certain financial information required by the undertaking for Fiscal Years 2007 through 2010 prior to the deadline and subsequently filed this information on February 2, 2012.

Material Event Filings. The District filed notification of all rating changes in association with its General Obligation Bonds, Series 2005 in a timely manner. The District failed to file material event notices in a timely manner for rating changes related to the insurer of its General Obligation Bonds, Series 1998. The District subsequently filed notification of rating changes on February 2, 2012.

The District has implemented new procedures to maintain compliance in the future. A copy of the form of the District's Continuing Disclosure Certificate is attached hereto as Appendix D.

Official Statement

The District has executed a "deemed final" letter that deems final the Official Statement as of its date pursuant to Securities and Exchange Commission Rule 15c2-12 (except for the omission of the following information: offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, credit enhancement, if any, ratings, insurance, and other terms of the securities depending on such matters). The District has also confirmed that the information in this Official Statement, except for matters relating to DTC, the State School Bond Guaranty, the Paying Agent, and the statement regarding the Underwriter in the italicized paragraph on the page immediately preceding the table of contents does not contain any untrue statement of a material fact or omit any statement or information which is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Underwriting

The Bonds are being purchased by the Underwriter. The purchase contract provides that the Underwriter will purchase all of the Bonds, if any are purchased, at a price of _____ percent of the par value of the Bonds. The purchase contract provides that the Bonds will be reoffered at an average price of _____ percent of the par value of the Bonds. After the initial public offering, the public offering prices may be varied from time to time.

The Underwriter has entered into a distribution agreement with UBS Financial Services Inc. for the retail distribution of certain municipal securities at the original issue prices. Pursuant to this agreement, the Underwriter will share a portion of its underwriting compensation with respect to the [Bonds] with UBS Financial Services Inc.

Concluding Statement

The information contained herein should not be construed as representing all conditions affecting the District or the Bonds. Additional information may be obtained from the District. The statements relating to the Resolution are in summarized form, and in all respects are subject to and qualified in their entirety by express reference to the provisions of such document in its complete form.

The information assembled herein is not to be construed as a contract with Owners of the Bonds.

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Appendix A

Form of Bond Counsel Opinion

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_____, 2012

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

Re: \$ _____ Columbia Gorge Community College District, Hood River and
Wasco Counties, Oregon, General Obligation Refunding Bonds, Series 2012

We have acted as bond counsel in connection with the issuance by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, (the "District") of \$ _____ General Obligation Refunding Bonds, Series 2012 (the "Bonds.") The Bonds are issued pursuant to the applicable provisions of Oregon Revised Statutes ("ORS") Chapters 287A and 341 and Resolution No. _____ of the District adopted by the Board of Education (the "Board") on _____ (the "Resolution").

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

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

As to questions of fact material to our opinion, we have relied upon the certified proceedings of the District and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. We have also relied on the covenants of the District to comply with certain requirements of the Internal Revenue Code of 1986, as amended, with respect to the investment and use of proceeds of the Bonds.

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

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

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

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

4. Assuming compliance with applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds, *[including any original issue discount properly allocable to the owner of the Bonds,]* is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. *[Any original issue premium properly allocable to the owner of the Bonds may not be deducted from federal gross income, but must be amortized actuarially on a constant interest rate basis over the term of such Bond, and the federal tax basis of such Bond will be decreased over its term by the amount of such amortized premium].* The

opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

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

Except as stated herein, we express no opinion regarding other federal, state or local tax consequences arising with respect to ownership of the Bonds or other matters not expressly included in items 1-5 above. The owner of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral tax consequences and each owner is advised to consult with its own tax advisor regarding such consequences.

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

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

Respectfully submitted,

MERSEREAU SHANNON LLP

Appendix B

Financial Statements

The District's Auditor has not performed any further review of the District's financial statements since the date of the audit contained herein. The Auditor was not requested to review this Official Statement and has not completed any additional auditing review procedures subsequent to the issuance of its report on the 2011 Fiscal Year.

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COLUMBIA GORGE COMMUNITY COLLEGE

TABLE OF CONTENTS

INTRODUCTORY SECTION

PAGE

**COLUMBIA GORGE COMMUNITY COLLEGE
REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2011**

Table of Contents	1-4
Board of Education and Administrative Staff	5
Organizational Chart	6
FINANCIAL SECTION	7
Independent Auditors' Report	8-9
Management's Discussion and Analysis	10-25
Basic Financial Statements:	26
Statement of Net Assets	27
Statement of Revenues, Expenses, and Changes in Net Assets	28
Statement of Cash Flows	29-30
Notes to Financial Statements	31-50
Required Supplementary Information:	51
Schedule of Funding Progress	52
History of Net OPEB Obligation	52
Schedule of Employer Contributions	52
Supplementary Information:	53
Individual Fund Financial Statements:	
General Fund:	
Schedule of Revenue, Expenditures and Changes in Fund Balance with Budget Comparison	55
Special Revenue Funds:	
Schedule of Revenue, Expenditures and Changes in Fund Balance with Budget Comparison:	
U.S. Department of Education Title III Grant	60
Carl D. Perkins Title I Grant	61
Health Occupations Customized Training	62
Carl D. Perkins Reserve Fund	63
U.S. Department of Labor Community Based Job Training Grant for Renewable Energy Technology	64
U.S. Department of Energy Grant	65
U.S. Department of Labor WIA Section 171 Grant	66
U.S. Department of Labor State Energy Sector Partnership Grant Customized Training	67
Small Business Development Center (SBDC) Program Income	68
	69

COLUMBIA GORGE COMMUNITY COLLEGE

TABLE OF CONTENTS (continued)

Supplementary Information (continued):

Special Revenue Funds (continued):	
Federal Small Business Administration SBDC Grant	70
State SBDC Grant	71
Fundamentals of Caregiving	72
Mid-Columbia Economic Development District	73
Title II AEFLA Comprehensive Grant	74
Accountability Grant	75
Program Improvement Grant	76
Tutoring Grant	77
English Language Civics Grant	78
Gorge Literacy	79
Non-Reimbursable Community Education	80
Elderhostel	81
Green Labor Market Information Implementation Grant	82
Career Readiness Certificate Implementation Grant	83
Oregon Student Assistance Commission Program	84
Career Pathways 2009-2011	85
First Year Persistence Development Project	86
Oregon Child Care Resource and Referral Network	87
Child Care Resource and Referral	88
Oregon Department of Human Services Integrated Child Care Grant	89
Co-Curricular Activities Fund	90
Career Pathways Program Income	91
Pathways Initiative State-Wide Director Grant	92
Insurance Fund	93
Pathways Initiative Projects & Technical Assistance Grant	94
Oregon Community Colleges Green Initiative 2009-2010 Grant	95
Oregon Council for the Humanities Grant	96
Infant/Toddler Project ARRA Grant	97
Pathways Green Labor Market Information (LMI) Initiative Grant	98
Technical Assistance – Completion Innovation Challenge Application Grant	99
Tri-County Recycling Grant	100
Building Lease Fund	101
Food Service	102
Environmental Club	103
Phi Theta Kappa	104
Student Council	105
Student Nurse Association	106
Japanese Club	107
Delta Energy Club	108

COLUMBIA GORGE COMMUNITY COLLEGE

TABLE OF CONTENTS (continued)

Supplementary Information (continued):

Reserve Fund:	109
Schedule of Revenue, Expenditures and Changes in Fund Balance with Budget Comparison:	
Facilities and Grounds Maintenance Reserve Fund	110
General Operations Reserve Fund	111
Debt Service Fund:	112
Schedule of Revenue, Expenditures and Changes in Fund Balance with Budget Comparison:	
Wasco County G.O. Bond Fund	113
District G.O. Bond Fund	114
Pension Bond Fund	115
Capital Projects Fund:	116
Schedule of Revenue, Expenditures and Changes in Fund Balance with Budget Comparison:	
Capital Projects Fund	117
State Capital Projects Fund	118
Deferred Maintenance Capital Projects Fund	119
Enterprise Fund:	120
Schedule of Revenue, Expenditures and Changes in Fund Balance with Budget Comparison:	
College Book Store	121
Other Financial Schedules:	122
Schedule of Wasco County Property Tax Transactions	123
Schedule of Hood River County Property Tax Transactions	124-125
Schedule of Insurance	126
Schedule of Future Wasco County G.O. Bond Requirements	127
Schedule of Future 2005 G.O. Bond Requirements	128
Schedule of Future Pension Bond Requirements	129
OTHER REQUIRED REPORTS	130
Schedule of Expenditures of Federal Awards	131
Notes to the Schedule of Expenditures of Federal Awards	132

COLUMBIA GORGE COMMUNITY COLLEGE

TABLE OF CONTENTS (continued)

OTHER REQUIRED REPORTS (continued)

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	133-134
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	135-136
Schedule of Findings and Questioned Costs	137
Independent Auditor's Report Required by Oregon State Regulations	138-139

COLUMBIA GORGE COMMUNITY COLLEGE

PRINCIPAL OFFICIALS
JUNE 30, 2011

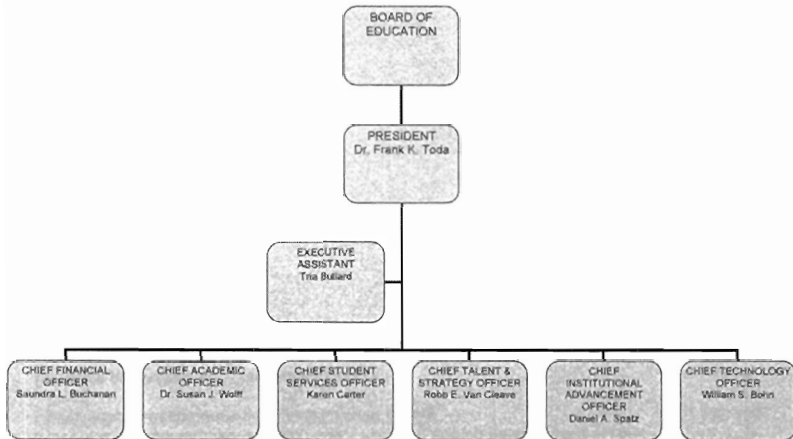
BOARD OF EDUCATION

<u>POSITION</u>	<u>DIRECTOR</u>	<u>CITY, STATE</u>	<u>TERM EXPIRES</u>
1	M.D. VanValkenburgh	The Dalles, Oregon	6-30-2013
2	Dr. James R. Willcox	The Dalles, Oregon	6-30-2013
3	David Fenwick	Hood River, Oregon	6-30-2011
4	Christie Reed	Hood River, Oregon	6-30-2011
5	Dr. Ernest Keller	The Dalles, Oregon	6-30-2013
6	Stuart Watson, Chair	Hood River, Oregon	6-30-2011
7	Charleen Cobb, Vice Chair	The Dalles, Oregon	6-30-2013

ADMINISTRATIVE OFFICERS

Dr. Frank K. Toda, President	The Dalles, Oregon
Sandra L. Buchanan, Chief Financial Officer	The Dalles, Oregon
Dr. Susan J. Wolff, Chief Academic Officer	Hood River, Oregon
Karen Carter, Chief Student Services Officer	The Dalles, Oregon
Robb E. Van Cleave, Chief Talent & Strategy Officer	The Dalles, Oregon
Daniel A. Spatz, Chief Institutional Advancement Officer	The Dalles, Oregon
William S. Bohn, Chief Technology Officer	Hood River, Oregon
Tria Bullard, Executive Assistant to the President & Board of Education	Lyle, Washington

COLUMBIA GORGE COMMUNITY COLLEGE
ORGANIZATIONAL CHART





FRIEND & REAGAN, P.C.
Certified Public Accountants

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The Dalles, OR 97058
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Carol D. Friend · Nathan R. Reagan · Ben G. Neumayer · Gary F. Bradford · Carolyn J. Rohde · John W. Byers, Retired

INDEPENDENT AUDITOR'S REPORT

Board of Education
Columbia Gorge Community College
The Dalles, Oregon 97058

We have audited the accompanying financial statements of Columbia Gorge Community College, as of and for the year then ended June 30, 2011, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Columbia Gorge Community College management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Columbia Gorge Community College, as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2011, 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 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 control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Education

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the postemployment benefit schedules on pages 10 through 25 and on page 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Columbia Gorge Community College's financial statements as a whole. The schedules listed in the table of contents as other supplementary information and other financial schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The individual fund budgetary financial statements, other financial schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Friend & Reagan P.C.
CERTIFIED PUBLIC ACCOUNTANTS

December 15, 2011

**COLUMBIA GORGE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of Columbia Gorge Community College's (the College) Financial Statements presents a comparative analysis of the financial activities of the College for the fiscal years ended June 30, 2011 and 2010. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with them. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. This discussion is designed to focus on current activities and known facts, and any resulting changes.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The entity-wide financial statements are designed to provide readers with a broad overview of the College's finances, in a manner similar to a private-sector business. These entity-wide statements consist of comparative Statements of Net Assets, Statements of Revenues, Expenses and Changes in Net Assets and Statements of Cash Flows which are described and analyzed in the following sections. Notes to the Financial Statements are required to complete the entity-wide statements, and are an integral component of the basic financial statements.

FINANCIAL AND ENROLLMENT HIGHLIGHTS

Financial and enrollment highlights for Columbia Gorge Community College for fiscal year ending June 30, 2011 are described below.

Financial Highlights

The College's financial position, as a whole, improved in some measures and declined in other measures during the fiscal year ended June 30, 2011 as evidenced by:

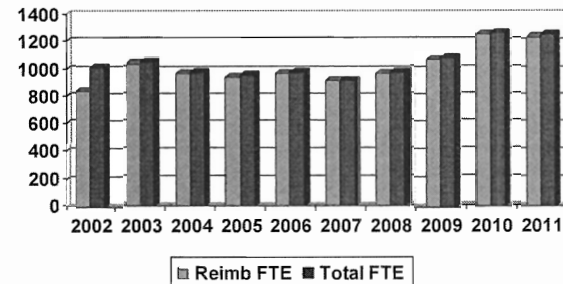
- The State of Oregon community college support revenue decreased by 48 percent from \$4,987,605 to \$2,593,282 due to the Oregon Legislature's deferral of its eighth quarter payment of the biennium from April 2011 to July 2011. Further explanation of the deferral and its impact is found in the revenue section of this analysis.
- Cash and cash equivalents of \$4,378,860 at the beginning of the year decreased by \$982,037 during the year to a total of \$3,396,823 at the close of the fiscal year, providing sufficient cash for use in operating and capital financing, of \$4,814,316 and \$2,160,069, respectively, and providing cash from non-capital financing activities and investing activities of \$5,535,110 and \$457,238, respectively.
- The College's investment in capital assets decreased by \$337,512 to \$32,429,910, net of accumulated depreciation, as the College's capital construction and improvement projects conclude and depreciation increases.
- Total liabilities decreased in 2011 by \$1,316,875 to \$22,188,729 primarily due to debt repayment of \$1,412,614 and an increase in current liabilities of \$95,739.

- Total net assets increased by \$358,208 to \$21,773,106, an increase of 1.7 percent from the prior year.
- Within net assets, capital assets less any related outstanding debt used to acquire those assets increased by \$900,480 to \$14,721,849 in 2011. The College uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- Unrestricted net assets decreased by \$608,319 to \$5,551,254.

Enrollment Highlights

The College experienced record enrollment levels in the 2009-10 with only a slight decrease in 2010-11 while awarding a record number of degrees. Reimbursable full-time equivalent enrollment (FTE) decreased by 1.1 percent to 1,247.46 FTE in fiscal year 2011. Total FTE decreased by 0.6 percent to 1,262.41. Unduplicated total headcount increased 3.2 percent to 5,063 students as more students were served than in 2010. The following chart shows reimbursable and total full-time equivalent enrollment levels for the past ten years.

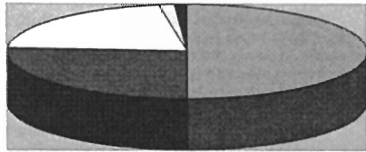
Reimbursable and Total Full-time Equivalent Enrollment



In 2011, the number of full-time credit students decreased by 2.6 percent to 777 who registered for a minimum of 12 credits for at least one quarter during the academic year. The average number of credits taken by full-time students was 13.3, a small decrease over the previous year. The number of part-time credit students decreased by 6.2 percent to 1,302 in 2011. Part-time credit students took an average of 6.1 credits, the same as last year.

In 2011, 49.9 percent of total FTE was from Lower Division Collegiate or college transfer courses, 26.2 percent of FTE was from Career and Technical Education courses, 21.5 percent of FTE was from Developmental or Pre-College courses, and Adult Continuing Education and Non-reimbursable courses each provided 1.2 percent of total FTE, as shown in the following chart.

Total FTE for 2011



■ Lower Division Collegiate	49.9%
■ Career & Technical Education	26.2%
□ Pre-College	21.5%
□ Adult Continuing Education	1.2%
■ Non-reimbursable	1.2%

Of the 0.6 percent decrease in total FTE, Lower Division Collegiate FTE increased 2.4 percent; Career and Technical Education FTE decreased 23.5 percent due to the reclassification of 100 level math courses to the Developmental FTE category per State guidelines*, Developmental (Pre-College) FTE increased 33.6 percent due to the reclassification of 100 level math courses*, Adult Continuing Education FTE increased by 42.8 percent and Non-reimbursable FTE increased by 79.7 percent. While the Adult Continuing Education and Non-Reimbursable FTE had significant increases, they each account for only 1.2 percent of total enrollment. The following table shows total FTE by classification and as a percent of total FTE and percent change from the prior year

Total FTE by Classification

	09-10 FTE	% of FTE	10-11 FTE	% of FTE	% Change
Lower Division Collegiate	614.69	48.4%	629.63	49.9%	2.4%
Career & Technical Education	432.77	34.1%	330.89	26.2%	-23.5%*
Developmental (Pre-College)	203.12	16.0%	271.32	21.5%	33.6%*
Adult Continuing Education	10.94	0.9%	15.62	1.2%	42.8%
Non-reimbursable	8.32	0.7%	14.95	1.2%	79.7%
Total FTE	1,269.84	100.0%	1,262.41	100.0%	-0.6%
Total Reimbursable FTE	1,261.52		1,247.46		-1.1%

ANALYSIS OF THE STATEMENT OF NET ASSETS FOR THE YEAR ENDED JUNE 30, 2011

The Statement of Net Assets presents information on all of the College's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets are indicators of the improvement or erosion of the College's financial health when considered along with non-financial facts such as enrollment levels and the condition of the facilities. The Statement of Net Assets includes all assets and liabilities of the College using the accrual basis of accounting, which is similar to the accounting presentation used by most private colleges. Assets and liabilities are categorized between current and noncurrent with current items maturing or becoming payable within the normal twelve month accounting and operating cycle.

Statement of Net Assets	2011	2010	Increase (Decrease)	% Change
Assets				
Current Assets:				
Cash and Cash Equivalents	\$3,396,823	\$4,378,860	(\$982,037)	-22.4%
Short-Term Investments	3,099,434	3,060,113	39,321	1.3%
Prepaid Expenditures	1,736	21,764	(20,028)	-92.0%
Receivables:				
Cash with County Treasurer	18,011	25,365	(7,354)	-29.0%
Taxes	219,891	204,504	15,387	7.5%
Accounts, net	793,096	513,027	280,069	54.6%
Grants and Contracts	352,713	446,856	(94,143)	-21.1%
Accrued Interest Paid on Investments	11,124	16,371	(5,247)	-32.1%
Publisher's and Vendor's Credits	8,803	20,025	(11,222)	-56.0%
Inventory – Textbooks and Supplies	353,367	304,637	48,730	16.0%
Total Current Assets	\$8,254,999	\$8,991,522	(\$736,523)	-8.2%
Non Current Assets:				
Pension Assets (Note 7)	\$3,276,927	\$3,161,558	\$115,369	3.6%
Non Depreciable Assets – Land (Note 5)	1,510,000	1,510,000	-	Na
Depreciable Assets, Net (Note 5)	30,919,910	31,257,422	(337,512)	-1.0%
Total Non Current Assets	\$35,706,837	\$35,928,980	(\$222,143)	-0.6%
Total Assets	\$43,961,836	\$44,920,502	(\$958,666)	-2.1%
Liabilities				
Current Liabilities:				
Accounts Payable	\$257,063	\$245,037	\$12,026	4.9%
Accrued Payroll and Withholdings	201,875	505,772	(303,897)	-60.1%
Accrued Interest Payable	35,160	38,147	(2,987)	-7.8%
Compensated Absences Payable	149,322	150,687	(1,365)	-0.9%
Due to Fiduciary Funds	0	4,624	(4,624)	-100.0%
Deferred Revenue:				
Tuition and Fees	879,014	583,460	295,554	50.7%
Grants and Contracts	15,000	0	15,000	Na
Current Portion of Long-Term Debt	1,412,614	1,326,583	86,031	6.5%
Total Current Liabilities	\$2,950,048	\$2,854,309	\$95,739	3.4%
Non Current Liabilities:				
General Obligation Bonds Payable	\$17,708,061	18,946,053	(1,237,992)	-6.5%
Pension Bonds Payable	2,943,234	3,031,825	(88,591)	-2.9%
Less Current Portion of Long-Term Debt (Note 9)	(1,412,614)	(1,326,583)	(86,031)	6.5%
Total Non Current Liabilities	\$19,238,681	\$20,651,295	(\$1,412,614)	-6.8%
Total Liabilities	\$22,188,729	\$23,505,604	(\$1,316,875)	-5.6%
Net Assets				
Invested in Capital Assets, Net of Related Debt	\$14,721,849	\$13,821,369	\$900,480	6.5%
Restricted for:				
Debt Service	1,500,004	1,398,094	101,910	7.3%
Capital Projects	0	35,861	(35,861)	-100.0%
Unrestricted	5,551,254	6,159,573	(608,319)	-9.9%
Total Net Assets	\$21,773,106	\$21,414,898	\$358,208	1.7%
Total Liabilities and Net Assets	\$43,961,835	\$44,920,502	(\$958,667)	-2.1%

Current Assets

Current assets of \$8,254,999 were more than sufficient to cover current liabilities of \$2,950,048. This represents a current ratio of 2.8 as compared to 3.2 in the prior year. Cash and cash equivalents decreased by \$982,037 to \$3,396,823 as compared to \$4,378,860 in the prior year due to cash of \$4,814,316 used by operating activities, cash of \$5,535,110 used by non-capital financing activities, cash of \$457,238 provided by investing activities and cash of \$5,535,110 provided by capital financing activities. Cash balances are managed to increase interest earnings and provide for working capital cash flow for clearing checks. Short term investments increased by \$39,321 as investments were made from available cash flows. Prepaid expenditures decreased by \$20,028. Receivables increased in total by \$193,959 due to an increase in taxes receivable of \$15,387, an increase in accounts receivable of \$280,069, a decrease in grants and contracts receivable of \$94,143 and a decrease in cash with county treasurer of \$7,354. Accrued interest paid on investments decreased by \$5,247 due to investing activities. The total credits due from publishers and vendors decreased by \$11,222 reflecting a decrease in outstanding credit memos to \$8,803 as of June 30, 2011. Textbook and supplies inventories increased by \$48,730 for bookstore operations.

Noncurrent Assets

The College's pension asset increased by \$115,369 to \$3,276,927 due to favorable investment returns of the Oregon Public Employees Retirement System of \$543,056 less contributions of \$426,688 transferred to the PERS contribution pool for employer rate relief less PERS administration fee of \$1,000.

The College's investment in capital assets decreased by \$337,512 to \$32,429,910, net of accumulated depreciation. Detailed changes to capital assets are shown in Note 5.

Current Liabilities

The College's current liabilities consist primarily of accrued payroll, various payables for operations, deferred revenue and the current portion of long-term debt. Current liabilities increased by \$95,739 to \$2,950,048. Accounts payable increased by \$12,026 due to the timing of expenditures at the close of the fiscal year. Deferred revenue from tuition and fees increased by \$295,554 to \$879,014 reflecting summer and fall registration activities prior to June 30, 2011. Deferred revenue from grants and contracts increased by \$15,000. Accrued payroll and withholdings decreased by \$303,897 to \$201,875 and represents payroll liabilities due as of June 30, 2011. Accrued interest payable decreased by \$2,987 to \$35,160. Compensated absences payable decreased by \$1,365 to \$149,322 as employees' accumulated vacation balances decreased. The current portion of long-term debt increased by \$86,031 to \$1,412,614.

Noncurrent Liabilities

Noncurrent liabilities consist of long-term debt from general obligation refunding bonds series 1998, general obligation bond series 2005, and pension bonds series 2003. Non-current liabilities decreased by \$1,412,614 to \$19,238,681 due to debt payments.

The debts used for the College's capital investment in real property, construction and improvements for The Dalles and Hood River campuses are funded by two general obligation bond property tax levies. The general obligation refunding bonds series 1998, which are funded by district property taxpayers of Wasco County, will mature in 2013. The general obligation bonds series 2005, which are funded by district property taxpayers of Hood River and Wasco County, will mature in 2025.

Net Assets

Total net assets increased by \$358,208 to \$21,773,106, an increase of 1.7 percent from the prior year. Within net assets, the "invested in capital assets" amount is \$14,721,849, an increase of \$900,480 as compared to the prior year due to progress of capital expansion and improvement projects. Restricted net assets for debt service increased by \$101,910 to \$1,500,004 and for capital projects decreased by \$35,861 to zero. Unrestricted net assets decreased by \$608,319 to \$5,551,254 and are used for the continuing operations of the College. The following chart shows the allocation of net assets of the College as of June 30, 2011

Net Assets



ANALYSIS OF THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2011

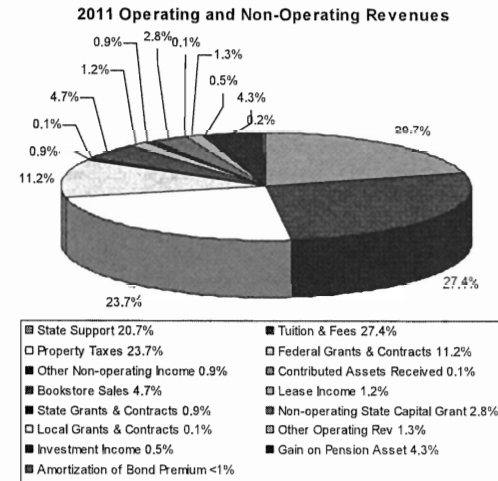
The Statement of Revenues, Expenses and Changes in Net Assets present the operating results of the College, as well as the non-operating revenues and expenses. All changes in net assets are reported under accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs, regardless of the timing when the cash is received or disbursed. Revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The utilization of long-lived assets is reflected in the financial statements as depreciation, which amortizes the cost of the capital asset over the expected useful life.

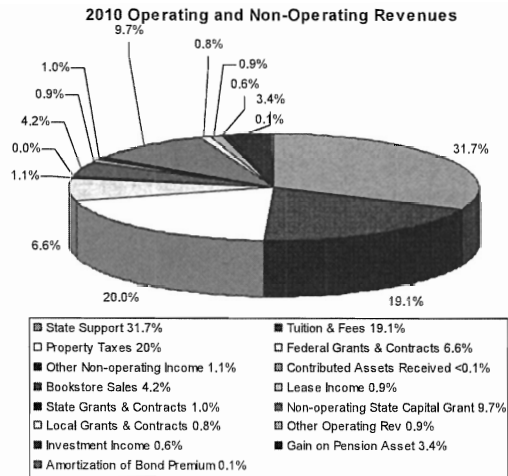
Revenues and expenses are reported as either operating or non-operating, with operating revenues of student tuition and fees, Bookstore sales, Federal, State and local grants and contracts. State appropriations, property taxes and State capital grants and contracts are classified as non-operating revenues. Annual state appropriations and property taxes, while budgeted for operations, are considered non-operating revenues according to accounting principles generally accepted in the United States of America (GAAP). Overall net assets remain positive, although this statement presents an operating loss due to the classification of State appropriations and property tax revenue.

Statement of Revenues, Expenses and Changes in Net Assets	2011	2010	Increase (Decrease)	% Change
Operating Revenues				
Student Tuition and Fees	\$3,431,661	\$3,000,643	\$431,018	14.4%
Operating Grants and Contracts				
Federal	1,401,800	1,034,045	367,755	35.6%
State	114,064	160,068	(46,004)	-28.7%
Local	9,200	118,265	(109,065)	-92.2%
Bookstore Sales	588,536	660,262	(71,726)	-10.9%
Other Operating Revenue	164,661	146,646	18,015	12.3%
Total Operating Revenues	\$5,709,923	\$5,119,929	\$589,993	11.5%
Operating Expenses				
Instruction	\$3,947,320	\$4,107,180	(\$159,860)	-3.9%
Academic Support	851,231	920,772	(69,541)	-7.6%
Student Services	838,858	785,180	53,678	6.8%
Public Services	441,676	380,674	61,002	16.0%
Institutional Support	2,436,536	2,240,944	195,592	8.7%
Financial Aid	11,440	32,552	(21,112)	-64.9%
Plant Operating and Maintenance	967,009	954,845	12,164	1.3%
Plant Improvements	128,901	0	128,901	Na
Bookstore	573,908	596,764	(22,856)	-3.8%
Depreciation	944,455	835,292	109,163	13.1%
Total Operating Expenses	\$11,141,333	\$10,854,203	\$287,131	2.6%
Operating Loss	(\$5,431,410)	(\$5,734,274)	\$302,862	-5.3%
Non-Operating Revenues (Expenses)				
State Community College Support	2,593,282	4,987,605	(2,394,323)	-48.0%
Non-operating State Capital Grant	347,486	1,521,884	(1,174,398)	-77.2%
Contributed Assets Received (Non-cash)	15,697	1,280	14,417	1126.3%
Property Taxes	2,968,507	3,139,598	(171,091)	-5.4%
Net Investment Income	63,624	86,934	(23,310)	-26.8%
Gain (Loss) on Pension Asset (Note 7)	543,057	527,098	15,959	3.0%
Lease Income	151,781	141,465	10,316	7.3%
Amortization of Bond Premium, Net	22,992	22,992	0	0.0%
Other Non-operating Income	109,074	165,498	(56,424)	-34.1%
Interest Expense	(983,723)	(1,018,927)	35,204	-3.5%
Lease Expenses	(44,487)	(34,541)	(9,946)	28.8%
Other Non-operating Expenses	(812)	(2,404)	1,592	-66.2%
Total Non-operating Revenues (Exp)	\$5,786,480	\$9,538,482	(\$3,752,004)	-39.3%
Increase (Decrease) in Net Assets	\$355,070	\$3,804,208	(\$3,449,138)	-90.7%
Net Assets - Beginning	21,414,898	17,610,688	(1,032,460)	21.6%
Change in Presentation Adjustment (Note 1.B)	3,139	0	3,139	Na
Net Assets - Ending	\$21,773,107	\$21,414,896	\$358,211	1.7%
Total Revenues	\$12,525,423	\$15,714,283	(\$3,188,860)	-20.3%
Total Expenses	12,170,356	11,910,075	260,281	2.2%
Increase (Decrease) in Net Assets	\$355,070	\$3,804,208	(\$3,449,141)	-90.7%

Revenues

The following graphs show the allocation of revenues for fiscal years 2011 and 2010.





Operating Revenues

The sources of operating revenue for the College are tuition and fees, Federal, State and local grants and contracts, bookstore sales and other operating revenue. Operating revenues increased by 11.5 percent as compared to 2010.

Tuition and fees, which include all amounts paid for educational purposes, increased 1.4 percent by \$431,018 to \$3,431,661 and represents 27.4 percent of total revenue. A tuition rate increase from \$70 to \$79 per credit hour contributed to the overall increase in tuition and fees even though enrollment decreased by 0.6 percent. The service fee increased by \$1 to \$9 per credit hour. Operating revenue from Federal grants and contracts increased by 35.6 percent by \$367,755 to \$1,401,800 due to the level of federal grant activity. Operating revenue from State grants and contracts decreased 28.7 percent by \$46,004 to \$114,064. Local grants and contracts totaled \$9,200 representing a decrease of \$109,065 as compared to the prior year. Bookstore sales decreased 10.9 percent by \$71,726 to \$588,536. Other operating revenue increased 12.3 percent by \$18,015 to \$164,661.

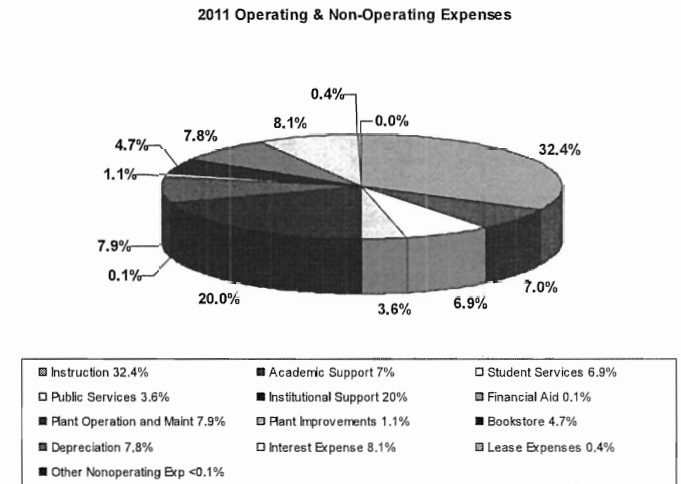
Non-operating Revenues

Non-operating revenues decreased overall by \$3,778,854 to \$6,815,500. One of the two largest non-operating revenue sources is the State of Oregon which funds FTE reimbursements through the Community College Support Fund and represents 20.7 percent of total revenue. State Community College Support revenue decreased by 48 percent to \$2,593,282 primarily due to the deferral of the College's fiscal year 2011 fourth quarter FTE reimbursement of \$943,829 to fiscal year 2012 and level of state appropriations. The \$2,593,282 received from the State represents three quarters distribution of the Community College Support Fund. The deferrals were enacted in 2003 by the Oregon Legislature and are scheduled to occur on alternate years so that the State could balance its biennial budget.

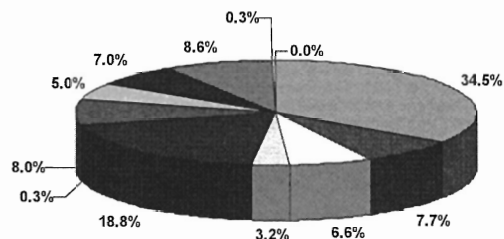
Property taxes decreased by 5.4 percent to \$2,968,507 and represents 23.7 percent of total revenue. Of the \$2,968,507 in property taxes received, approximately 67 percent is attributed to general obligation bond levies and 33 percent is from the permanent operating levy rate of \$0.2703 per thousand. Non-operating revenue from state capital grants totaled \$347,486 and represents a decrease of \$1,174,398 as compared to the prior year due primarily to the expenditure level of the State grant of State XIG bond proceeds for capital construction and improvements completed in 2011. Contributions received totaled \$15,697 and represents the value of donated equipment and books. Cash contributions are included in other non-operating revenue. Lease income totaled \$151,781, an increase of 7.3 percent. Other non-operating income decreased by \$56,424 to \$109,074 primarily due to restricted gifts for the nursing and renewable energy programs. Net investment income decreased 26.8 percent by \$23,310 to \$63,624. Gains on the pension asset increased 3 percent by \$15,959 to \$543,057

Expenses

The following graphs show the allocation of expenses for the College by functional classification for fiscal years 2011 and 2010:



2010 Operating & Non-Operating Expenses



■ Instruction 34.5%	■ Academic Support 7.7%	□ Student Services 6.6%
□ Public Services 3.2%	■ Institutional Support 18.8%	□ Financial Aid 0.3%
■ Plant Operation and Maint 8%	□ Bookstore 5%	■ Depreciation 7%
■ Interest Expense 8.6%	□ Lease Expenses 0.3%	□ Other Nonoperating Exp <0.1%

Operating Expenses

Operating expenses increased by 2.6 percent to \$11,141,333. Instruction, which represents the largest percentage of total expenses, decreased by 3.9 percent to \$3,947,320 as compared to the prior year or 32.4 percent of total expenses. Institutional support increased by 8.7 percent to \$2,436,536 or 20 percent of total expenses. Plant operation and maintenance increased by 1.3 percent to \$967,009 or 7.9 percent of total expenses. Depreciation increased 13.1 percent to \$944,455 or 7.8 percent of total expenses. Academic support decreased by 7.6 percent to \$851,231 or 7 percent of total expenses. Student services expense increased by 6.8 percent to \$838,858 and represents 6.9 percent of total expenses. Bookstore expense decreased by 3.8 percent to \$573,908 and represents 4.7 percent of total expenses. Public services increased by 16 percent to \$441,676 or 3.6 percent of total expenses. Financial aid expenses decreased 64.9 percent to \$11,440, as the College Foundation provides more scholarships, and represents 0.1 percent of total expenses.

Non-Operating Expenses

The largest non-operating expense was interest on debt of \$983,723 and represents 8.1 percent of total expenses. Plant improvement expenses totaled \$128,901 and represents 1.1 percent of total expenses. Lease expenses total \$44,487 or 0.4 percent of total expenses. Other non-operating expense total \$812.

ANALYSIS OF THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2011

The primary purpose of the Statement of Cash Flows is to provide relevant information about cash receipts and cash payments, which is a basis to assess the financial health of the College. The Statement of Cash Flows presents information on the cash flows from operating activities, non-capital financial activities, capital financing activities and investing activities. It provides the net increase or decrease in cash between the beginning and end of the fiscal year and assists in evaluation of financial viability, the College's ability to meet financial obligations as they become due, and the need for external financing.

Statement of Cash Flows	2011	2010	Increase (Decrease)	% Change
Cash Flows From Operating Activities				
Cash Received from Tuition and Fees	\$3,449,499	\$2,994,916	\$454,583	15.2%
Cash Received from Grants and Contracts	1,492,934	1,325,855	167,079	12.6%
Cash Received from Bookstore Sales	597,405	647,552	(50,147)	-7.7%
Other Operating Revenue	164,661	146,646	18,015	12.3%
Cash Paid for Operating Expenses	(10,518,815)	(10,062,097)	456,718	4.5%
Net Cash Provided (Used) by Operating Activities	(\$4,814,316)	(\$4,947,128)	\$132,812	-2.7%
Cash Flows from Non-capital Financing Activities				
Cash Received from Property Taxes	2,960,474	3,119,487	(159,013)	-5.1%
Cash Received from State FTE Reimbursement	2,593,282	4,987,605	(2,394,323)	-48.0%
Cash Received from Leases	151,781	141,465	10,316	7.3%
Other Non-operating Income	107,591	166,651	(59,060)	-35.4%
Cash Paid for Lease Expenses	(44,487)	(34,541)	(9,946)	28.8%
Payments for Pension Bonds	(88,591)	(87,401)	(1,190)	1.4%
Interest Paid on Pension Bonds	(144,128)	(135,319)	(8,809)	6.5%
Other Non-operating Expenses	(812)	(2,404)	1,592	-66.2%
Net Cash Provided (Used) by Non-capital Financing Activities	\$5,535,110	\$8,155,543	(\$2,620,433)	-32.1%
Cash Flows from Capital Financing Activities				
Purchase of Capital Assets	(\$591,246)	(\$3,364,854)	\$2,773,608	-82.4%
Cash Received from Capital Grants	488,759	1,599,112	(1,110,353)	-69.4%
Principal Paid on Long-Term Debt	(1,215,000)	(1,145,327)	(69,673)	6.1%
Interest Paid on Long-Term Debt	(842,582)	(886,228)	43,646	-4.9%
Net Cash Provided (Used) by Capital Financing Activities	(\$2,160,069)	(\$3,797,297)	\$1,637,228	-43.1%
Cash Flows from Investing Activities				
Earnings on Investments	\$510,327	\$534,745	(\$24,418)	-4.6%
Purchase of Investments	(2,895,998)	(3,042,718)	146,720	-4.8%
Proceeds from Sale of Investments	2,842,909	2,493,417	349,492	14.0%
Net Cash Provided (Used) by Investing Activities	\$457,238	(\$14,556)	\$471,794	-3241.2%
Net Increase (Decrease) in Cash & Cash Equivalents	(\$982,037)	(\$603,438)	(\$378,599)	62.7%
Cash - Beginning of year	4,378,860	4,982,298	(603,438)	-12.1%
Cash - End of year	\$3,396,823	\$4,378,860	(\$982,037)	-22.4%

Operating Activities

The College's major sources of cash included in operating activities were tuition and fees of \$3,449,499, grants and contracts of \$1,492,934, bookstore sales of \$597,405 and other operating revenue of \$164,661. Major operating uses of cash were payments to employees and suppliers, as well as for student financial aid, totaling \$10,518,815. The College used 2.7% or \$132,812 less in cash in its operating activities than in the prior year, due to an increase in cash from tuition and fees of \$454,583, an increase in cash from grants and contracts of \$167,079, an increase in cash from other operating revenue of \$18,015, a decrease in cash paid for operating activities of \$456,718 and a decrease in cash from Bookstore sales of \$50,147

Non-Capital Financing Activities

State appropriations and property taxes are the primary sources of non-capital financing. Other sources include leases and other non-operating income. Accounting standards require that these sources of revenue be reported as non-operating even though the College depends on these revenues to continue the current level of operations. Cash used by non-capital financing activities include cash paid for lease expenses, payments for pension bonds, interest paid on pension bonds and other non-operating expenses.

Cash provided from non-capital financing activities totaled \$5,535,110 primarily from cash received from State FTE reimbursement of \$2,593,282, and cash from property taxes of \$2,960,474. Cash from leases provided \$151,781 and cash from other non-operating income provided \$107,591

The net cash provided by non-capital financing activities was 32.1 percent or \$2,620,433 less than the prior year. Cash received from State appropriations decreased by \$2,394,323. Property taxes decreased by \$159,013. Other non-operating income decreased by \$59,060. Cash received from leases increased by \$10,316. Cash paid for lease expenses decreased by \$9,946. Pension bond payments decreased by \$1,190. Interest paid on pension bonds decreased by \$8,809. Other non-operating expenses increased by \$1,592.

Capital Financing Activities

The capital financing uses of cash were the purchase of capital assets of \$591,246, principal payments of \$1,215,000 and interest payments of \$842,582. Cash received from capital grants were \$488,759. The cash used by capital financing activities decreased by \$1,637,228 or 43.1 percent. Cash received from capital grants decreased by \$1,110,353. Purchases of capital assets decreased by \$2,773,608 compared to the prior year. Principal paid on long-term debt increased by \$69,673. Interest paid on long-term debt decreased by \$43,646.

Investing Activities

Investing activities provided \$457,238 in cash, resulting from earnings on investments of \$510,327, proceeds from the sale of investments of \$2,842,909 and purchase of investments of \$2,895,998. Cash provided from earnings on investments decreased by \$24,418 to \$510,327 as a result of investment activities. Purchases of investments used \$2,895,998 of cash as compared to \$3,042,718 in the prior year. Proceeds from the sale of investments provided \$2,842,909 in cash as compared to \$2,493,417 in the prior year

BUDGET

Columbia Gorge Community College adopts an annual budget at the fund level, which is under the modified accrual basis of accounting for governmental funds and on an accrual basis of accounting for enterprise funds. The College Board adopts budget modifications and makes contingency transfers as

needed for unanticipated expenditures in accordance with Oregon Local Budget Law. For more information, please refer to the budgetary statements as Supplementary Information in the Financial Section of this report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The College's investment in capital assets as of June 30, 2011, amounts to \$32,429,910, net of accumulated depreciation. Investment in capital assets includes land, buildings, improvements, equipment and furnishings, and library collections. Additional information on the College's capital assets can be found in Note 5 of this report.

Debt Administration

As of June 30, 2011, the College had total debt outstanding of \$20,333,234. Of this amount, \$1,435,000 is the outstanding general obligation refunding bond series 1998; \$15,955,000 is the outstanding general obligation bond series 2005; and \$2,943,234 is the outstanding pension obligation bond series 2003. The College made all scheduled payments to reduce total debt by \$1,326,583 in 2011.

ORS Chapter 341.675 limits the amounts of general obligation bonds which a community college district may have outstanding at any time to one and one-half percent of the Real Market Value of the taxable property within a college district. For fiscal year 2010-2011, the legal debt limit is \$82,131,090 or 1.5 percent of the College district Real Market Value of \$5,475,406,015. The College's outstanding general obligation bond debt of \$17,390,000 is 21.2 percent of the legal debt limit as shown in the table below.

Legal Debt Capacity

	Real Market Value 2010-2011
CGCC District - Hood River County RMV	\$2,852,004,714
CGCC District - Wasco County RMV	2,623,401,301
Total CGCC District RMV	\$5,475,406,015
Legal Debt Capacity 1.5 percent of RMV	\$82,131,090
Outstanding General Obligation Debt	\$17,390,000
Percent of Debt Capacity Used	21.2%

Bond levy rates for the current, past four years and the upcoming year are shown in the table below.

District General Obligation Bond Levy Rates (per thousand of Taxable Assessed Value)

Bond Levy Rates	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Wasco Co GO Bonds Series 1998 Refunding	0.5230	0.4069	0.4545	0.4770	0.4190	0.4151
District GO Bond Series 2005	0.4643	0.4022	0.4136	0.4259	0.3664	0.3650

Additional information on the College's long-term debt can be found in Note 9 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

With permanent campuses in Hood River and The Dalles, the Columbia Gorge Community College is positioned to serve students, the community, business and industry with its comprehensive community college mission. With prudent fiscal management and budgeting that links funding with strategic planning and core theme objectives, the College will sustain its mission while facing the realities of tough economic times. To assure sustainability, the College will continue to focus on protecting and developing the College's intellectual capital; serving students, the community, business and industry; developing resources; and maintaining infrastructure. This focus on financial sustainability will ensure our mission focus on access, education, and partnerships.

On June 14, 2011, the College adopted a balanced budget as required by the Oregon Local Budget Law. The following budget priorities are reflected in the 2011-2012 adopted budget.

Supports Building Dreams through Access

The budget supports the College's core theme objectives by providing a broad array of education and training programs through general academic instruction, career and technical education, adult continuing education, and customized training designed to meet regional workforce needs. The budget supports signature programs in health occupations and renewable energy technology through General Fund and grant support. The budget supports using multiple modes of effective teaching, learning and service strategies by providing campus locations in two counties and both in-person and online instructional and student support services. The budget supports serving the diversity of students in the district by providing outreach advising services in area high schools, disabilities advising, and providing training to English speakers of other languages.

Supports Transforming Lives through Education

The budget supports adapting curriculum and programs for careers by providing resources to support administrative structures to perform program reviews, assessments and provide continuing education. Distance learning resources will be primarily focused on assisting faculty in the use of instructional technologies, increase training for faculty in the use of Quality Matters Standards, and implementing an online class and faculty observation/evaluation process. The budget supports administration to provide partnerships to provide a seamless K-16 education. The budget provides public services through grants that support child care resource and referral programs. The budget supports state-wide career pathways activities by serving as the fiscal agent for the State-wide Director of Career Pathways who coordinates and provides technical assistance for pathways efforts at all 17 community colleges. The budget fosters student success through funding appropriate student services, student organizations and co-curricular activities. The budget supports administration of Federal and State student aid. The budget provides for business operations support to provide appropriate financial services that support college operations, grant activities and to meet legal requirements.

Supports Strengthening Our Communities through Partnerships

The budget supports business and industry with a quality workforce by providing customized training opportunities and providing Small Business Development Center services that provide technical assistance and specialized training to small businesses. The budget supports creating effective external relations through funding of the Governing Board, President's office, and Resource Development activities, and by funding public information and marketing activities. The College budget reflects the emphasis on fund-raising efforts to seek additional funding through a combination of partnership contributions, Federal and State sources, private foundations and through activities of the Columbia Gorge Community College Foundation. The U.S. Department of Education Title III developing institution grant will provide necessary funding to launch new processes, and add staffing infrastructure in support of candidacy of independent accreditation in the areas of institutional research, resource development, student services and information technology services.

Budget Summary

The adopted 2011-12 budget represents the financial plan of the College's key focus areas for the first year of the 2011-13 biennium. This budget supports the operations of The Dalles and Hood River campuses. This budget includes development of new processes, procedures and organizational structures to support the College's steps toward independent accreditation. Limited available resources and increased costs of operation will continue to challenge the College in providing high quality and comprehensive academic and support services to the district. The College expects to continue its successful fund-raising efforts to attract unrestricted and restricted gifts and to seek State and Federal grants that meet local and regional needs.

The difference between adopted budget total revenue and expenditures of \$1,165,886 is the same amount of total fund balance that is appropriated for use. The un-appropriated fund balance across all funds is \$548,724 (\$500,000 in General Fund working capital and \$48,724 in Bookstore Fund working capital). The amount reserved for future expenditures across all funds is \$4,283,950 (includes General Fund reserves for three payment year and amount reserved for the Pension Debt Service Fund).

REQUESTS FOR INFORMATION

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

Sandra Buchanan, M.B.A.
Chief Financial Officer
Columbia Gorge Community College
400 East Scenic Drive
The Dalles, OR 97058

BASIC FINANCIAL STATEMENTS

COLUMBIA GORGE COMMUNITY COLLEGE

STATEMENT OF NET ASSETS
JUNE 30, 2011

(all amounts are in dollars)

ASSETS:	
<u>Current Assets:</u>	
Cash and Cash Equivalents	3,396,823
Short-term Investments	3,089,434
Prepaid Expenditures	1,738
Receivables:	
Cash with County Treasurer	18,011
Taxes	219,891
Accounts, net	793,096
Grants and Contracts	952,713
Accrued Interest Paid on Investments	11,124
Publisher's and Vendor's Credits	8,803
Inventory-Textbooks and Supplies	353,367
Total Current Assets	<u>8,254,999</u>
<u>Non Current Assets:</u>	
Pension Asset (Note 7)	3,276,927
Non Depreciable Assets - Land	1,510,000
Depreciable Assets, net (Note 5)	30,919,910
Total Noncurrent Assets	<u>35,706,837</u>
TOTAL ASSETS	<u>43,961,836</u>
 <u>LIABILITIES:</u>	
<u>Current Liabilities:</u>	
Accounts Payable	257,063
Accrued Payroll and Withholdings	201,875
Accrued Interest Payable	35,180
Compensated Absences Payable	149,322
Deferred Revenue:	
Tuition and Fees	879,014
Grants and Contracts	15,000
Current Portion of Long-Term Debt (Note 9)	1,412,614
Total Current Liabilities	<u>2,950,048</u>
<u>Non Current Liabilities:</u>	
General Obligation Bonds Payable	17,708,061
Pension Bonds Payable	2,943,234
Less: Current Portion of Long-Term Debt	<u>(1,412,614)</u>
Total Noncurrent Liabilities	<u>19,238,681</u>
TOTAL LIABILITIES	<u>22,188,729</u>
 <u>NET ASSETS</u>	
Invested in capital assets, net of related debt	13,211,849
Restricted for:	
Debt Service	1,500,004
Unrestricted	5,551,254
TOTAL NET ASSETS	<u>20,263,106</u>

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011
(all amounts are in dollars)

<u>OPERATING REVENUES</u>	
Student Tuition and Fees, net	3,431,861
Operating Grants and Contracts:	
Federal	1,401,800
State	114,054
Local	9,200
Bookstore Sales	588,536
Other Operating Revenue	164,661
Total Operating Revenues	<u>5,709,923</u>
<u>OPERATING EXPENSES</u>	
Instruction	3,947,320
Academic Support	851,231
Student Services	838,858
Public Services	441,676
Institutional Support	2,436,536
Financial Aid	11,440
Plant Operation and Maintenance	967,009
Plant Improvements	128,901
Bookstore	573,908
Depreciation	944,455
Total Operating Expenses	<u>11,141,333</u>
Operating Income (Loss)	(5,431,410)
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
State Community College Support	2,593,282
Non-operating State Capital Grant	347,486
Contributed Assets Received	15,697
Property Taxes	2,968,507
Net Investment Income	63,624
Gain (Loss) on Pension Asset (Note 7)	543,057
Lease Income	151,781
Amortization of Bond Premium, Net of Costs	22,992
Other Nonoperating Income	109,074
Interest Expense	(983,723)
Lease Expenses	(44,487)
Other Nonoperating Expenses	(812)
Total Nonoperating Revenues (Expenses)	<u>5,786,480</u>
Increase (Decrease) in Net Assets	355,070
<u>NET ASSETS</u>	
Net Assets - beginning of year	21,414,898
Change in Presentation adjustment (Note 1.B)	3,139
Net Assets - end of year	<u>21,773,107</u>

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011
(all amounts are in dollars)

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash Received from Tuition and Fees	3,449,499
Cash Received from Grants and Contracts	1,402,934
Cash Received from Bookstore Sales	597,405
Other Operating Revenue	164,661
Cash Paid for Operating Expense	(10,516,815)
Net Cash Provided (Used) by Operating Activities	<u>(4,814,316)</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Cash Received from State FTE Reimbursement	2,593,282
Cash Received from Property Taxes	2,968,474
Cash Received from Leases	151,781
Other Nonoperating Income	107,531
Cash Paid for Lease Expenses	(44,487)
Payments for Pension Bonds	(88,591)
Interest Paid on Pension Bonds	(144,128)
Other Nonoperating Expenses	(812)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>5,635,110</u>
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</u>	
Purchase of Capital Assets	(591,246)
Cash Received from Capital Grants	488,759
Principal Paid on Long-Term Debt	(1,215,000)
Interest Paid on Long-Term Debt	(842,582)
Net Cash Provided (Used) by Capital Financing Activities	<u>(2,160,069)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Earnings on Investments	510,327
Purchase of Investments	(2,895,994)
Proceeds from Sale of Investments	2,842,909
Net Cash Provided (Used) by Investing Activities	<u>457,258</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(982,937)</u>
CASH AND CASH EQUIVALENTS- BEGINNING OF YEAR	<u>4,378,860</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>3,396,823</u>

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The College

Columbia Gorge Community College, (the College) is organized under the general laws of the State of Oregon and, as such, is a public institution under the general supervision of the State Board of Education through the Department of Community Colleges and Workforce Development. The College was originally organized as an "Area Education District," as described in Chapter 341 of the Oregon Statutes relating to Community Colleges. In 1977, Wasco Area Education Service District was formed. Later that year, the name was changed to Treaty Oak Education Service District. In 1989, a vote of the people of Wasco County allowed the Board of Education to drop the "Service District" designation and the College became Treaty Oak Community College. The name changed again in November of 1989 to Columbia Gorge Community College. On November 6, 2001, voters in Wasco County and Hood River County approved the annexation of a portion of Hood River County to the Columbia Gorge Community College District.

The College is an independent municipal corporation under the Oregon Revised Statutes. The seven-member board appoints a president to administer the activities of the College. As described in ORS 341.437, 341.440 and 341.445, the College may provide its courses through contracts with community college districts, other school districts, the Department of Higher Education or accredited private educational institutions. The College contracts with Portland Community College to provide courses and programs. The College maintains a main campus in Wasco County and a second campus in Hood River County.

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

A. Reporting Entity

In evaluating how to define the College, for financial reporting purposes, management has considered all potential component units. The criteria for including potential component units within the College's reporting entity, as set forth in GASB No. 14, "The Financial Reporting Entity," is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to, or impose a financial burden on, the primary government.

Based upon the application of the above criteria, the potential component unit, Columbia Gorge Community College Foundation, has been excluded from the College's reporting entity. The Foundation is a separate not-for-profit corporation. The Board of Education is elected

COLUMBIA GORGE COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011
(all amounts are in dollars)

RECONCILIATION OF OPERATING LOSS TO
CASH USED BY OPERATING ACTIVITIES

Operating Loss		(5,431,410)
Adjustments to Reconcile:		
Depreciation	944,465	
(Increase) Decrease in Prepaid Expenditures	20,028	
(Increase) Decrease in Accounts Receivable	(280,069)	
(Increase) Decrease in Operating Grants and Contracts Receivable	(47,130)	
(Increase) Decrease in Vendor's Credits	11,222	
(Increase) Decrease in Inventory	(48,730)	
Increase (Decrease) in Accounts Payable	12,028	
Increase (Decrease) in Accrued Payroll and Withholdings	(303,897)	
Increase (Decrease) in Accrued Compensated Absences	(1,385)	
Increase (Decrease) in Deferred Tuition and Fees	295,554	
Increase (Decrease) in Deferred Grants and Contracts	15,000	
Total Adjustments	817,054	
Net Cash Used by Operating Activities		(4,614,316)

See notes to basic financial statements:

independently of any College Foundation Board of Trustee's appointments. Each Board is responsible for approving its own budget, accounting and finance-related activities.

B. Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, issued in June and November 1999. The financial statement presentation required by GASB No. 34 and No. 35 provide a comprehensive entity-wide perspective of the College's financial activities. The entity-wide perspective replaces the fund-group perspective previously required. The College now follows the "business-type activities" reporting requirements of GASB Statement No. 35 that provides a comprehensive one-column look at the College's financial activities.

Student organizations' funds were formerly presented as Fiduciary funds, however, these funds are currently presented as other Special Revenue funds.

C. Basis of Accounting

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

Non-exchange transactions, in which the College receives value without directly giving equal value in return, includes property taxes, federal, state, and local grants, State appropriations, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, State appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the College must provide local resources to be used for a specific purpose, and expenditure requirements in which the resources are provided to the College on a reimbursement basis.

The College's basic financial statements have applied all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements.

D. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of

contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Cash and Cash Equivalents

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

F. Investments

Oregon Revised Statutes authorize investment in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, repurchase agreements and bankers' acceptances. As of June 30, 2011 and for the year then ended, the College was in compliance with the aforementioned State of Oregon statutes. Investments are stated at fair value, which is based on the individual investment's quoted market prices at year end.

G. Receivables

All accounts, student accounts, grants and property taxes receivable are shown net of an allowance for uncollectible accounts.

Property taxes are levied and become a lien on all taxable property on July 1. Taxes are payable on November 15, February 15 and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. Property taxes receivable are recognized as revenue when levied.

Student accounts receivables are recorded as tuition is assessed.

Non-reimbursed expenses from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenses are incurred. Grant funds received prior to the occurrence of qualifying expenses are recorded as deferred revenue.

H. Inventories

An inventory control is maintained on textbooks and supplies purchased for resale to students and, therefore, the inventory at June 30, 2011, has been recorded as an asset of the College. Inventory controls are also maintained by the College on expendable office and instructional supplies. This inventory of supplies is also recorded as an asset of the College. The inventories are stated at cost.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items.

J. Pension Asset

The pension asset is the result of the transfer of the College's pension bond proceeds to Oregon Public Employees Retirement System (OPERS) to cover a portion of the College's share of the plan's unfunded actuarial liability. This pension asset is separately reported by OPERS and is being used to pay a portion of the College's annual required contribution.

K. Capital Assets

Capital assets include land and land improvements; building and building improvements; furniture, equipment and machinery; works of art and historical treasures; infrastructure (which include utility systems); library collections; leasehold improvements; and construction in progress. The College's capitalization threshold is \$5,000, except for buildings and building improvements, infrastructure assets, land and land improvements and leasehold improvements, which have a capitalization amount of \$50,000. Such assets are recorded at historical cost or estimated historical cost if purchase or constructed. Library collections are capitalized regardless of cost. Donated capital assets are recorded at fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value or functionality of the assets' lives are not capitalized, but are expensed as incurred.

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

Building and building improvements	45-60 years
Furniture, equipment and machinery	5-20 years
Infrastructure	25-100 years
Land improvements	10-25 years
Leasehold improvements	10-12 years
Library collection	10 years

L. Compensated Absences

College employees accumulate vacation pay in varying amounts depending on years of continued service. It is the College's policy to permit employees to accumulate earned but unused vacation pay. All outstanding vacation time is payable upon termination of employment. Vacation pay is recorded as a liability and an expense when earned.

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

M. Deferred Revenue

Summer and fall term tuition and fee revenue is collected in part in the month of June; however, the revenue and expenditures of summer and fall terms are reflected in the budget for the

following fiscal year. Due to this timing difference, a liability account, "Deferred Revenue" has been established to record summer and fall term tuition and fees to be recognized as revenue in the month of July.

Grant or contract revenue which was received prior to the end of the fiscal year but was intended for expenditure in the following fiscal year has been deferred. It is recorded to the "Deferred Revenue" liability account.

N. Long-term Debt

Bond premiums and discounts, as well as issuance costs, when applicable are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

O. Retirement Plans

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

P. Other Postemployment Benefits Obligation

The College implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, for fiscal year ended June 30, 2010. The Net OPEB Obligation is recognized as a long term liability in the Statement of Net Assets, the amount of which is actuarially determined.

Q. Operating and Non-operating Revenues and Expenses

Operating revenues and expenses are distinguished from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the College's ongoing operations. The principal operating revenues of the College are charges to students for tuition and fees, grants and contracts for specific operating activities of the College, and sales of goods and services. Operating expenses include the cost of faculty, staff, administration and support expenses, bookstore operations, and depreciation on capital assets. All other revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

R. Net Assets

GASB Statement No. 34 reports equity as "Net Assets" rather than "Fund Balance". Net assets represent the difference between the College's total assets and total liabilities. Net assets are classified according to external donor restrictions or availability of assets for satisfaction of College obligations. Net assets are classified in the following components:

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

Restricted, expendable – This component of net assets consists of constraints imposed by

creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Restricted, nonexpendable – This component of net assets consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The College does not have any nonexpendable restricted net assets.

Unrestricted – This component of net assets consists of resources available to be used for transactions relating to the general obligations of the College, and may be used at the discretion of the governing board, as designated, to meet current expenses for specific future purposes. The College policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the total net assets of \$21,773,106 at June 30, 2011, the amount of net assets invested in capital assets, net of related debt is \$14,721,849; the amount of net assets restricted and expendable for debt service is \$1,500,004; and unrestricted net assets is \$5,551,254.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget and budgetary accounting:

Budgetary information is reported in the supplementary information in the individual fund financial statements.

The budget is prepared on the modified accrual method of accounting for each fiscal year July 1 to June 30. The budget process includes a series of notices and publications culminating with the budget hearing. After the public hearing has been held, the Board enacts the resolutions to adopt the budget, make appropriations and declare the ad valorem tax levy for all funds.

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

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

Budget amounts shown in the individual fund financial statements include appropriation transfers and appropriations increases pursuant to ORS 294.326(2), which allows for appropriations increases for unanticipated specific purpose grants. All appropriations transfers and increases are approved by the Board of Education.

Appropriations for all funds lapse at the end of each fiscal year

3. CASH AND INVESTMENTS

The primary investment objectives of the College's investment activities are preservation of capital, liquidity, diversification and yield. The College's cash and investments are comprised of the following at June 30, 2011:

Cash and Investments	June 30, 2011
Cash and Cash Equivalents	
Cash on Hand	\$1,232
Deposits with Financial Institutions	391,736
Brokerage Cash Account	3,898
Oregon Local Government Investment Pool	2,999,747
Cash with PERS Obligation Bond Paying Agent	210
Total Cash and Cash Equivalents	<u>\$3,396,823</u>
Investments	
Government and Agency Obligations	\$2,037,279
Corporate Bonds	1,062,155
Total Investments	<u>\$3,099,434</u>
Total Cash and Investments	<u>\$6,496,257</u>

Deposits with Financial Institutions

On June 30, 2011, the College held \$391,736 book balance in demand deposits with a bank balance of \$577,233. Insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Where balances exceed the Federal Deposit Insurance amount of \$250,000, the balances are covered by collateral held in a multiple financial institution collateral pool (ORS 295.015) administered by the Oregon State Treasury in the Public Funds Collateralization Program (PFCP). As of June 30, 2011, \$268,772 was covered by FDIC insurance and \$308,461 were collateralized under the PFCP.

Custodial credit risk - Deposits: Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College does not have a policy for deposits custodial credit risk. The College's bank deposits are not exposed to custodial credit risk, as they are covered by FDIC insurance of \$268,772 and the balance of \$308,461 is covered by a multiple financial institution collateral pool (ORS 295.015) administered by the Oregon State Treasury in the Public Funds Collateralization Program (PFCP).

Brokerage Cash Account

The College's brokerage cash account with Fidelity Investments is cash awaiting reinvestment by the College's investment advisor, Vision Capital Management, Inc. As of June 30, 2011, the College held \$3,898 in the Fidelity brokerage cash account.

Effective December 10, 2008, Fidelity Brokerage Services LLC (FBS) through National Financial Services LLC (NFS) provides its customers additional "excess SIPC" coverage from Lloyd's of London. This additional protection covers up to an aggregate limit of \$1 billion of which \$1.9 million may cover cash awaiting reinvestment at the individual account level. This protection becomes available in the event that SIPC limits are exhausted and is the highest level of excess

SIPC coverage currently available. No coverage protects against a decline in the market value of securities.

Oregon Local Government Investment Pool

The Oregon Local Government Investment Pool is an open-ended no-load diversified portfolio pool offered to any agency, political subdivision or public corporation of the state that by law is made the custodian of, or has control of, any fund. The fair value of the College's position in the pool is substantially the same as the value of the College's participant balance.

The Oregon Local Government Investment Pool is an external investment pool which is part of the Oregon Short-Term Fund. Investment policies are governed by the Oregon Revised Statutes and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council. Investments are further governed by the portfolio guidelines issued by the Oregon Short-Term Fund Board. The Oregon Short-Term Fund does not receive credit quality ratings from nationally recognized statistical rating organizations.

Interest Rate Risk: Interest rate risk is the risk that changes in the interest rates will adversely affect fair value. The Oregon Short-Term Fund manages this risk by limiting the maturity of the investments held by the fund. Weighted average maturities of investments in the Oregon Short-Term Fund at June 30, 2011 were: 58% mature within 93 days, 23% mature from 94 days to one year, and 19% mature from one to three years.

Investments

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

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

Credit Risk: Some government-sponsored obligations are unrated. Other investments held at June 30 are categorized by rating as follows:

Investments categorized by Moody's rating	June 30, 2011
Government sponsored (Treasury & Federal Agencies), (Aaa)	\$612,636
Corporate Bonds (Aa or better)	648,518
Corporate Bonds (A3 or better)	413,636
Total Investments categorized by Moody's rating	\$1,674,790

Concentration of Credit Risk: In accordance with GASB 40, the College is required to report all individual non-federal investments which exceed five percent of total invested funds. There is one investment that exceeds this threshold as of June 30, 2011 by 0.06% as listed below.

Non-Federal Investments exceeding 5% of Total Invested Funds	June 30, 2011	Percent
MBNA CORP SR MTN BE FR CUSIP #55263ECE3	\$156,791	5.06%

Interest Rate Risk: In accordance with ORS Chapter 294, the College's investments may not exceed a maturity of 18 months or the date of anticipated use of the funds, whichever period is shorter. As of June 30, 2011, the College's investments are within the 18 month maturity requirement.

Investments Maturing within 18 Months	Moody's Rating	Maturity Date	June 30, 2011
GOVERNMENT BONDS			
FEDERAL HOME LN MTG CORP	NR	7/15/2011	\$91,975
FEDERAL NATL MTG ASSN-DEB-CPN	NR	7/15/2011	22,994
INTERNATIONAL BK FOR RECON&DEV	NR	7/15/2011	4,999
FINANCING CORP CPN FICO STRIPS	NR	8/3/2011	39,979
FINANCING-FED BK ENTY CPN STRP	NR	8/3/2011	23,987
FEDERAL FARM CR BKS CONS	AAA	8/8/2011	14,880
FINANCING CORP CPN FICO STRIPS	NR	8/8/2011	21,987
FINANCING-FED BK ENTY CPN STRP	NR	8/8/2011	5,996
FEDERAL HOME LN BKS CONS BD	AAA	8/15/2011	9,959
FEDERAL FARM CR BKS CONS	AAA	9/1/2011	4,999
FINANCING CORP CPN FICO STRIPS	NR	9/7/2011	19,978
FINANCING-FED BK ENTY CPN STRP	NR	9/26/2011	5,992
FINANCING CORP CPN FICO STRIPS	NR	10/5/2011	100,844
FINANCING CORP CPN FICO STRIPS	NR	10/6/2011	2,995
FEDERAL NATL MTG ASSN MTN GEN	NR	10/8/2011	7,985
FEDERAL AGRIC MTG CORP	NR	10/14/2011	5,030
RESOLUTION FDG FED BK CPN STRP	NR	10/15/2011	999
TENNESSEE VALLEY AUTH FED BE	NR	10/15/2011	16,960
TENNESSEE VALLEY AUTH FED BE	NR	11/1/2011	5,984
FINANCING-FED BK ENTY CPN STRP	NR	11/2/2011	30,938
FEDERAL HOME LN MTG CORP	NR	11/15/2011	5,002
FINANCING CORP CPN FICO STRIPS	NR	11/30/2011	44,888
FINANCING CORP CPN FICO STRIPS	NR	12/6/2011	60,842
RESOLUTION FDG FED BK CPN STRP	NR	1/15/2012	6,980
FEDERAL NATL MTG ASSN STRIPS	NR	2/1/2012	12,921
FINANCING CORP CPN FICO STRIPS	NR	2/3/2012	37,861
FINANCING-FED BK ENTY CPN STRP	NR	2/3/2012	54,799
FINANCING CORP CPN FICO STRIPS	NR	2/8/2012	11,955
INTERNATIONAL BK FOR RECON&DEV	AAA	2/15/2012	312,763
FINANCING CORP CPN FICO STRIPS	NR	3/7/2012	19,913
FEDERAL HOME LN MTG CORP	NR	3/15/2012	26,859
FINANCING-FED BK ENTY CPN STRP	NR	3/26/2012	20,900
FINANCING CORP CPN FICO STRIPS	NR	4/5/2012	30,845
FINANCING CORP CPN FICO STRIPS	NR	4/6/2012	62,684

Investments Maturing within 18 Months (continued)	Moody's Rating	Maturity Date	June 30, 2011
TENNESSEE VALLEY AUTH FED BE	NR	4/15/2012	83,416
TENNESSEE VALLEY AUTH FED BE	NR	5/1/2012	19,852
FINANCING CORP CPN FICO STRIPS	NR	5/11/2012	60,643
FINANCING-FED BK ENTY CPN STRP	NR	5/11/2012	19,883
FEDL NL MTG ASSN DEB CPN STRIP	NR	5/15/2012	34,762
FEDERAL NATL MTG ASSN	AAA	5/21/2012	2,029
FINANCING-FED BK ENTY CPN STRP	NR	5/30/2012	39,748
FINANCING CORP CPN FICO STRIPS	NR	6/6/2012	5,963
FINANCING CORP CPN FICO STRIPS	NR	6/27/2012	7,951
FEDERAL HOME LOAN BANKS CONS	AAA	7/13/2012	20,000
FINANCING CORP CPN FICO STRIPS	NR	8/3/2012	55,615
FINANCING-FED BK ENTY CPN STRP	NR	8/3/2012	67,532
FEDL NL MTG ASSN DEB CPN STRIP	NR	8/7/2012	2,973
FINANCING CORP CPN FICO STRIPS	NR	8/8/2012	58,587
FINANCING-FED BK ENTY CPN STRP	NR	8/8/2012	24,825
FEDERAL HOME LOAN BANKS CONS BD	AAA	8/10/2012	24,880
INTERNATIONAL BK FOR RECON&DEV	AAA	8/15/2012	223,126
FEDERAL NATL MTG ASSN-DEB-CPN	NR	8/20/2012	9,906
FINANCING CORP CPN FICO STRIPS	NR	9/7/2012	37,706
FINANCING-FED BK ENTY CPN STRP	NR	9/26/2012	31,737
FINANCING CORP CPN FICO STRIPS	NR	10/5/2012	10,907
FINANCING CORP CPN FICO STRIPS	NR	10/6/2012	8,924
FINANCING-FED BK ENTY CPN STRP	NR	10/6/2012	5,949
RESOLUTION FDG FED BK CPN STRP	NR	10/15/2012	3,965
TENNESSEE VALLEY AUTH FED BE	NR	11/1/2012	3,947
FINANCING-FED BK ENTY CPN STRP	NR	11/2/2012	23,779
TOTAL GOVERNMENT BONDS			\$2,037,279
CORPORATE BONDS			
PROTECTIVE LIFE SECD TRS SECD	A2	7/15/2011	\$19,654
WELLS FARGO & CO NEW SUB	A2	8/01/2011	121,456
BP CAP MKTS PLC GTD NT	AA1	8/11/2011	74,762
CREDIT SUISSE USA	AA1	8/16/2011	74,538
WACHOVIA CORP NEW SR NT	A1	10/15/2011	24,861
CREDIT SUISSE FB USA NOTES	AA1	11/15/2011	70,381
HANCOCK JOHN LIFE INS CO SIGNA FR	A1	11/15/2011	25,008
GE CAPITAL INTERNOTES	AA2	2/15/2012	114,899
HANCOCK JOHN LIFE INS CO FR	A1	2/15/2012	25,378
MBNA CORP SR MTN BE FR	A2	3/15/2012	156,791
PRINCIPAL LIFE INCOME FUND	AA3	3/15/2012	40,877
BANK NEW YORK INC SUB NT	AA3	4/01/2012	127,658
GENERAL ELEC CAP CORP	AA2	4/10/2012	41,074
BERKSHIRE HATHAWAY FIN CORP	AA2	4/15/2012	30,712
WELLS FARGO & CO NEW SB NT	A2	9/01/2012	9,375
PROTECTIVE LIFE SECD TRS SECD	A2	9/28/2012	31,115
DEUTSCHE BANK AG MTN	AA3	10/12/2012	73,618
TOTAL CORPORATE BONDS			\$1,062,155
Total Investments Maturing within 18 Months			\$3,099,434

Custodial Credit Risk - Investments: Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College's investment securities are held in the College's name in custody at Fidelity Investments. As of June 30, 2011, the total investments held in custody were \$3,099,434.

4. PROPERTY TAX REVENUES AND RECEIVABLES

Property taxes are levied on July 1 pursuant to Oregon Revised Statute 310.030. Taxes are payable in full on November 15 or are payable in installments the last of which is due on May 15 of the year following the year in which imposed. Taxes become delinquent on personal property when any installment is not paid by its due date. Taxes become delinquent on real property if not paid by May 15. On January 1 and July 1 tax liens attach to personal and real property respectively to secure payment of all taxes, penalties and interest ultimately imposed. Personal property is subject to summary seizure and the responsible taxpayer is subject to warrant service 30 days after delinquency date. Foreclosure proceedings begin on real property after three years from the date taxes become delinquent.

Property taxes are collected by the Wasco and Hood River County Tax Collectors and credited monthly to the College's account. Funds are distributed to the College on request, and excess funds are invested for the College by the County Treasurer. Property taxes are recognized as revenue in the year levied. The budgetary basis financial statements reflect property taxes as revenue when collected by the Wasco and Hood River County Tax Collector and are available to the College to pay current period expenditures. Taxes collected within 60 days of the year end are considered available to pay current period expenditures.

Property taxes receivable at year end have been reported on the balance sheet. No allowance has been made for uncollectible taxes since past history has shown losses to be minimal.

5. CAPITAL ASSETS

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

Capital Assets	Land	Buildings	Equipment & Furnishings	Library Collections	Total
Balance – July 1, 2010	\$1,510,000	\$33,480,422	\$1,332,522	\$528,395	\$36,851,338
Additions	-	393,384	208,179	5,380	606,943
Deletions	-	-	-	(12,461)	(12,461)
Adjusted Balance	1,510,000	33,873,806	1,540,701	521,313	37,445,820
Less Accumulated Depreciation					
Current Depreciation	-	783,995	143,145	17,315	944,455
Prior Depreciation	-	3,184,909	439,510	447,035	4,071,454
Total Accumulated Depreciation	-	3,968,905	582,656	464,350	5,015,910
Balance – June 30, 2011	\$1,510,000	\$29,904,901	\$958,045	\$56,963	\$32,429,910

6. COLLEGE PAYROLL

The College's administrative, professional support staff, classified and instructional staff are employees of the College. This payroll function is handled by the College's accounting staff.

By amendment of contract with Portland Community College, instructional staff legally became employees of Columbia Gorge Community College on July 1, 1990. Their payroll is serviced by College's accounting staff; all decisions concerning hiring, firing and assignments are made by College administration. PCC reviews instruction qualifications and credentials for compliance with accrediting standards. The College is billed for this service.

7. DEFINED BENEFIT PENSION PLAN

PERS

Columbia Gorge Community College contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the College's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying College employees hired after August 29, 2003, and to inactive PERS members who return to qualifying employment following a six-month or greater break in service with some exceptions for school district employees. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS, PO Box 23700, Tigard, OR 97281-3700 or by calling 1-503-598-7377

Members of PERS are required to contribute 6.0% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The College is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP net employer rates in effect for the year ended June 30, 2010 were 2.88% and 3.52% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. The College's contributions to PERS for the fiscal years ending June 30, 2009, 2010 and 2011 were \$707,970, \$581,257, and \$591,638 respectively, equal to the required contributions for each year.

Pension Asset

In fiscal year 2002-03, the College issued limited tax pension bonds, the proceeds of which were used to finance a portion of its estimated unfunded actuarial liability (see Note 9).

The pension asset is the result of the transfer of the College's pension bond proceeds in 2003 to PERS to cover a portion of the College's share of the cost-sharing plan's unfunded actuarial

liability. This pension asset is being used to pay a portion of the College's annual required contribution. During fiscal year 2010-11, changes in the pension asset were as follows:

Pension Asset	Amount
Asset Balance – July 1, 2010	\$3,161,558
Investment Income	543,056
Contributions to Cost-Sharing Pool	(426,688)
PERS Administration Fee	(1,000)
Asset Balance – June 30, 2011	<u>\$3,276,927</u>

8. OTHER POSTEMPLOYMENT BENEFITS PLAN

The College implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension for the fiscal year ended June 30, 2010. This implementation allows the College to report its liability for other postemployment benefits (OPEB) consistent with newly established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

The College is a participating district in the Oregon Educators Benefit Board (OEBB) 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. All health, dental, vision and prescription coverage offered to the College's employees are community rated. This means that the premiums paid by the College and its employees are determined without regard to claims experience or demographic characteristics of the College's covered population. The College has 86 employees and retirees eligible for or receiving health care coverage through OEBB as of June 30, 2011.

Benefits and eligibility for faculty and classified staff are established and amended through collective bargaining with the respective bargaining unit for each group. Benefits and eligibility for administrative and confidential support staff are established and amended by the College's governing board.

The College is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. Retired employees who are eligible for the OEBB plan may continue enrollment in the health plans on a self-pay basis until age 65.

The College used the Alternative Measurement Method (AMM) in accordance with GASB methodology to calculate the unfunded actuarial liability (UAL) and the annual required contribution (ARC). A valuation is required at least every three years. The financial report must be updated every year. For the fiscal year ended June 30, 2011, the College had no annual required contribution for the OPEB obligation, therefore, has not reported any net OPEB liability in its financial statements.

Calculation of Net OPEB Obligation

Description	June 30, 2011	June 30, 2010
Annual Required Contribution (ARC)	\$0	\$0
Interest on Net OPEB Obligation (NOO)	0	0
Adjustment to Annual Required Contribution (ARC)	0	0
Annual OPEB Cost (Expense)	\$0	\$0
Age Adjusted Contributions Made	(0)	(0)
Change in Net OPEB Obligation (NOO)	\$0	\$0
Net OPEB Obligation (NOO) – Beginning of Year	\$0	\$0
Net OPEB Obligation (NOO) – End of Year	\$0	\$0

A schedule of funding progress, a history of the Net OPEB obligation, and the schedule of employer contributions are shown in the Required Supplementary Information section of this report. The schedules show data only for the years ended June 30, 2011 and 2010 since the College began reporting under GASB 45 in 2010.

Actuarial assumptions of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial methods and assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical matter of sharing benefit health costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

The following table lists the summary of inputs for the calculation of the Net OPEB obligation using the AMM method as of June 30, 2011

Summary of Inputs	
Description	Value
Actual Contribution	\$0
Total OPEB Retiree Premium	\$45,766
Age Adjustment Factor	1
Annual Required Contribution (ARC)	\$0
Payroll Growth Rate	3.10%
Discount Rate	2.00%
Net OPEB Obligation (NOO)	\$0
Actuarial Value of Assets	\$0
Amortization Period	30 years
Actuarial Accrued Liability (AAL)	\$0
Fiscal Year End Date	6/30/2011
Valuation Date	6/30/2010
Amortization Method	Level Percent of Payroll Amortization

9. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the College for the year ended June 30, 2011

	Original Issue	Balance		Additions	Reductions	Balance		Due In One Year
		July 1, 2010	June 30, 2011			June 30, 2011	Year	
General Obligation Bonds:								
Series 1998 (Refund Bonds) Interest ranges from 3.1% to 4.35%, Maturity June 1, 2013								
Principal	\$5,985,000	\$2,085,000	-	\$650,000	\$1,435,000	\$695,000		
Series 2005 Interest ranges from 3.00% to 5.00%, Maturity June 15, 2025								
Principal	18,500,000	16,520,000	-	565,000	15,955,000	625,000		
Deferred charges	(183,718)	(136,257)	-	(9,186)	(127,071)	(9,186)		
Bond Premium	643,565	477,312	-	32,178	445,134	32,178		
Total Series 2005	18,959,847	16,861,055	-	587,992	16,273,063	647,992		
Pension Obligation Bond:								
Series 2003 Interest ranges from 1.4% to 6.25%, Maturity June 30, 2028								
Principal	3,570,327	3,031,825	-	88,591	2,943,234	92,614		
Totals	\$28,515,174	\$21,977,880	-	\$1,326,583	\$20,651,297	\$1,435,606		

Future maturities of principal and interest of long-term debts are as follows:

Fiscal Year Ending June 30	General Obligation Bonds Payable				Pension Obligation Bonds Payable	
	Series 1998		Series 2005		Series 2003	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$695,000	\$62,075	\$625,000	\$733,756	\$92,614	\$155,105
2013	740,000	32,190	680,000	710,319	92,523	165,197
2014	-	-	740,000	684,819	94,178	178,541
2015	-	-	810,000	653,813	95,277	192,443
2016-2020	-	-	5,300,000	2,646,563	472,682	1,190,916
2021-2025	-	-	7,800,000	1,110,788	985,960	1,113,676
2026-2028	-	-	-	-	1,110,000	113,736
Total	\$1,435,000	\$94,265	\$15,955,000	\$6,540,058	\$2,943,234	\$3,109,614

General Obligation Bond Issues

In June 1993, the district voters of Wasco County approved the issuance of \$7,872,156 in general obligation bonds, the proceeds of which were utilized for the purchase, construction, renovation, and remodeling of the facilities at the college campus.

On November 1, 1998, the College advance refunded a portion of the 1993 general obligation bonds. The College issued \$5,985,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$261,961 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$205,000.

The issuance of \$18,500,000 general obligation bonds was approved by district voters of Hood River and Wasco Counties at a general election on November 2, 2004. Voters authorized issuance of \$18,500,000 of general obligation bonds with a maturity not to exceed 21 years to provide funds for construction, renovation, and infrastructure improvements on The Dalles campus, and for acquisition and development of a site for classroom and lab facilities in Hood River County.

A statement of future requirements is set forth in Schedule of Future Wasco County G.O. Bond Requirements and Schedule of Future 2005 G.O. Bond Requirements.

Pension Obligation Bond Issues

In April 2003, the College issued Limited Tax Pension Bonds, Series 2003 in the amount of \$3,570,327.10. The bonds were issued for the purpose of financing all or any portion of the College's pension liability to the Oregon Public Employees Retirement System. The College has covenanted to pay this bond from its available general funds. Available general funds include (1) all the College's ad valorem property tax revenues received from levies under its permanent rate limit, and (2) all other unrestricted taxes, fees, charges, revenues, including tuition charges, and receipts of the College which Oregon law allows or will allow to be spent to make the bond

payments.

A statement of future requirements is set forth in Schedule of Future Pension Bond Requirements.

10. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts, theft, damage, destruction of assets, errors and omissions; injuries to employees and natural disasters. The College is insured for the physical damage to vehicles and carries insurance for all risks of loss, including general and auto liability, property insurance, crime coverage, equipment breakdown coverage, and workers' compensation. General liability insurance generally covers casualty losses with a loss limit of \$10 million per occurrence and a \$20 million aggregate loss limit. The College's property insurance total loss limit is \$45,819,040 with a \$1,000 deductible. Earthquake and flood coverage has a loss limit of \$15 million. Crime coverage has a loss limit of \$100,000. Comprehensive equipment breakdown coverage has a total loss limit of \$50 million with a \$1,000 or \$5,000 deductible depending on motor size. Workers' compensation insurance provides statutory coverage and \$3 million employer's liability coverage. There was no significant reduction in the College's insurance coverage during the year ended June 30, 2011 and no insurance settlement exceeded insurance coverage for the past three years.

11. INTERFUND LOANS

All cash for the College is maintained in the General Fund, therefore, cash expenditures in excess of cash receipts for other governmental funds are in effect a short-term loan from the General Fund. At June 30, 2011, the net loans from the General Fund totaled \$4,289,576 as follows.

Due from/to General Fund	Amount
Due from General Fund	
Special Revenue Funds:	
US Education Title III	\$67,211
Cari D. Perkins	1,033
Health Occupations Customized Training	2,603
Customized Training	49,338
SBDC Program Income	2,755
Fundamentals of Caregiving	319
Mid-Columbia Economic Development District	96
Tutoring Grant	96
Gorge Literacy	140
Non-Reimbursable Community Education	6,589
Elderhostel	6,142
Career Pathways 2009-2011	2,158
First Year Persistence Development	15,000
Oregon Child Care Resource and Referral Network	177
Child Care Resource and Referral	1,687
DHS Integrated Child Care	1,165
Co-curricular Activities Fund	424
Career Pathways Program Income Fund	1,641
Pathways Initiative State-Wide Director Grant	1,759

Due from/to General Fund (continued)	Amount
Insurance Fund	2,207
Pathways Initiative Projects & Technical Assistance	3,794
Pathways Green Labor Market Grant	6,973
Building Leases	6,819
Food Service	9,627
Facilities and Grounds Maintenance Reserve Fund	343,965
Reserve Fund for General Operations	2,313,224
Environmental Club	664
Phi Theta Kappa	2,917
Student Council	45
Student Nurse Association	189
Japanese Club	304
Debt Service Funds:	
Wasco County G.O. Bonds	82,761
District G.O Bonds	142,800
Pension Bonds	1,257,745
Total Due from General Fund	<u>\$4,334,367</u>
Due To General Fund	
Special Revenue Funds:	
US Department of Labor CBJT Grant	\$85
Proprietary Funds:	
Bookstore	44,706
Total Due to General Fund	<u>\$44,791</u>
Total Net Due from General Fund	<u>\$4,289,576</u>

12. INTERFUND TRANSFERS

Funds are transferred from one fund to finance expenditures of other funds in accordance with the authority established for the individual fund. Transfers between funds during the fiscal year ended June 30, 2011 are shown in the following table.

Interfund Transfers	Transfers In	Transfers Out
General Fund	\$215,194	\$2,443,125
Co-curricular Activities Fund	1,000	-
Capital Projects Fund	128,901	-
General Operations Reserve Fund	2,313,224	-
Health Occupations Customized Training Fund	-	1,015
Customized Training Fund	-	27,511
Fundamentals of Caregiving Fund	-	12,483
Non-reimbursable Community Education Fund	-	2,500
Elderhostel Fund	-	2,000
Building Lease Fund	-	157,685
Food Service Fund	-	12,000
Total	<u>\$2,658,319</u>	<u>\$2,658,319</u>

13. LEASE REVENUE

The college has entered into the following lease agreements to other entities for offices, equipment space or land:

LEASE SCHEDULE

Lessee	Columbia Gorge Education Service District
Lease Term	July 1, 2005 to June 30, 2015
Rent	\$4,631.98 per month
Termination	Upon 90-day prior written notice by either party
Lessee	Oregon Department of Environmental Quality
Lease Term	June 1, 2004 to May 31, 2009, with an option to extend for two additional terms of 5 years
Rent	\$4,704.65 per month effective June 2009
Termination	Upon 180-day prior written notice
Lessee	Oregon Military Department
Lease Term	February 1, 2008 to January 31, 2058 (with automatic extension to renew for 50 years)
Rent	\$1 for entire lease term
Termination	Upon failure to begin construction within 5 years of commencement date or upon 60 days written notice prior to expiration of term
Lessee	Oregon State University Extension Service
Lease Term	July 1, 2008 to June 30, 2013
Rent	\$18,540 annual
Termination	Upon 60-day prior written notice by either party
Lessee	Eastern Oregon Center for Independent Living
Lease Term	November 15, 2010 to October 31, 2013
Rent	\$480 per month
Termination	Upon 45 days prior written notice
Lessee	Norman Chance
Lease Term	June 30, 2009 to June 30, 2012
Rent	\$128 per month
Termination	Upon 30-90 days prior written notice by either party
Lessee	Gorge NetWorks
Lease Term	April 1, 2009 to April 1, 2014
Rent	\$265 per month
Termination	Upon 180-day prior written notice
Lessee	T-Mobile
Lease Term	December 1, 2001, with right to extend 5 additional 5-year terms

Rent \$13,660.82 annual
Termination Upon 30-day prior written notice

REQUIRED SUPPLEMENTARY INFORMATION

14. CONTRACTUAL AGREEMENT

The college has entered into an instructional master contract with Portland Community College to provide courses and programs as follows:

Contractor: Portland Community College
Contract Term: June 25, 1990, to run continuously
Contract Price: Negotiated annually (F.Y. 2009-10 \$282,455)
Termination: One fiscal year notice by either party. Ninety days written notice upon breach of contract.

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no known contingent liabilities at June 30, 2011.

16. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of this financial statement with management. The issuance date is the same as the date of the financial statement.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS SCHEDULES**

**SUPPLEMENTARY INFORMATION
INDIVIDUAL FUND FINANCIAL STATEMENTS**

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2011	6/30/2010	\$0	\$0	\$0	0%	\$3,607,311	0%
6/30/2010	6/30/2010	\$0	\$0	\$0	0%	\$3,645,558	0%

History of Net OPEB Obligation

Fiscal Year Ended	Annual OPEB Cost	Age Adjusted Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$0	\$0	0%	\$0
6/30/2010	\$0	\$0	0%	\$0

Schedule of Employer Contributions*

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
6/30/2011	\$0	0%
6/30/2010	\$0	0%

*The Schedule of Employer Contributions is not a required supplementary exhibit but is shown for information.

GENERAL FUND

The activities relating to the operation of the College are accounted for in this fund. Major sources of revenue are local property taxes, state operational reimbursement based on full-time equivalent enrollment and tuition and fees collected from students. Expenditures are for contracted instructional services including instructors' and administrative salaries and benefits, supplies, administrative costs, plant operations and capital outlay.

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WITH BUDGET COMPARISON - BUDGETARY BASIS

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE</u> <u>(UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
State Sources	2,828,578	2,370,867	2,583,282	213,715
Local Sources	1,015,752	1,015,752	989,520	(26,232)
Tuition	2,711,411	2,711,411	2,708,814	(2,597)
Instructional Fees	546,174	546,174	557,763	51,589
Special Fees	43,900	43,800	78,191	34,291
Other Revenue Sources	197,678	207,801	247,827	39,766
Sales and Services Revenue Sources	2,700	2,700	8,008	5,308
TOTAL REVENUES	7,346,191	6,807,965	7,223,205	315,840
EXPENDITURES:				
Instruction	3,458,808	3,449,976	3,120,104	329,872
Academic Support	996,971	991,625	859,749	131,876
Student Services	888,521	852,851	788,986	103,865
Institutional Support	2,524,596	2,428,525	2,286,488	140,037
Financial Aid	34,792	34,792	11,440	23,352
Plant Operation and Maintenance	996,656	1,005,375	944,197	61,178
Debt Service	-	-	-	-
Contingencies	450,000	5,187	-	5,187
TOTAL EXPENDITURES	9,350,142	8,766,131	8,010,945	755,188
Excess of Revenues Over (Under) Expenditures	(2,003,951)	(1,858,768)	(787,740)	1,071,028
OTHER FINANCING SOURCES (USES):				
Gain/(Loss) on Sale of Investments	-	-	(22,150)	(22,150)
Transfer From Other Funds	217,802	217,402	215,194	(2,208)
Transfer to Other Funds	(2,314,224)	(2,449,224)	(2,443,125)	6,099
TOTAL OTHER FINANCING SOURCES (USES)	(2,096,322)	(2,231,822)	(2,260,082)	(18,280)
Net Change in Fund Balance	(4,100,273)	(4,090,588)	(3,037,822)	1,052,766
FUND BALANCE - BEGINNING OF YEAR	4,667,830	4,587,830	5,246,698	678,868
FUND BALANCE - END OF YEAR	467,557	477,242	2,208,876	1,731,634

SPECIAL REVENUE FUNDS

U.S. DEPARTMENT OF EDUCATION TITLE III GRANT: This fund accounts for the U.S. Department of Education Title III developing institutions grant awarded in 2010-11 for five years.

CARL D. PERKINS TITLE I GRANT: This fund accounts for the Carl D. Perkins grant which support the enhancement of Technical Education programs to better prepare students for a future in the workforce.

HEALTH OCCUPATIONS CUSTOMIZED TRAINING: This fund is used to record revenues and expenditures relating to specialized health occupations training programs offered under customized training contracts.

CARL D. PERKINS RESERVE FUND: This fund accounts for regional Career Technical Education activities as CGCC serves as fiscal agent for the Perkins Reserve Fund in collaboration with the Oregon Department of Education and regional school districts.

U.S. DEPARTMENT OF LABOR CBJT RENEWABLE ENERGY TECHNOLOGY GRANT: This fund accounts for the U.S. Department of Labor Community-Based Job Training Renewable Energy Technology grant which supports the Renewable Energy Technology Training Program. A one-year no-cost extension was approved to extend the grant through March 31, 2012.

U.S. DEPARTMENT OF ENERGY GRANT: This fund accounts for a federal appropriation for a nacelle for the renewable energy technology program.

U.S. DEPARTMENT OF LABOR WORKFORCE INVESTMENT ACT SECTION 171 GRANT: This fund will account for a new earmark grant from the U.S. Department of Labor to infuse other renewable energy technology in the RET curriculum.

U.S. DEPARTMENT OF LABOR STATE ENERGY SECTOR PARTNERSHIP GRANT: The U.S. Department of Labor State Energy Sector Partnership Grant Fund will account for the launch of the Oregon Green Tech Certificate which will prepare entry level workers in industries that are associated with or support green jobs.

CUSTOMIZED TRAINING: This fund is used to record revenues and expenditures relating to specialized training programs offered to businesses and organizations.

SMALL BUSINESS DEVELOPMENT CENTER PROGRAM INCOME: This fund accounts for Small Business Development Center program income and expenditures.

FEDERAL SMALL BUSINESS ADMINISTRATION SMALL BUSINESS DEVELOPMENT CENTER GRANT: This fund accounts for Federal Small Business Administration Small Business Development Center Grant.

STATE SMALL BUSINESS DEVELOPMENT CENTER GRANT: This fund accounts for the State of Oregon Small Business Development Center Grant.

FUNDAMENTALS OF CAREGIVING: This fund accounts for the contract with the State of Washington to provide fundamentals of caregiving training.

SPECIAL REVENUE FUNDS (continued)

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT: The Mid-Columbia Economic Development District Intergovernmental Agreement Fund accounts for the SBDC activity to provide technical assistance to individuals meeting income specification through the Klickitat-Skamania Loan fund and the Klickitat Microenterprise project.

TITLE II AEFLA COMPREHENSIVE GRANT: This fund accounts for the Title II Adult Education and Family Literacy Act Comprehensive Grant received through the Department of Community Colleges and Workforce Development.

ACCOUNTABILITY GRANT: This fund accounts for the Accountability grant received through the Department of Community Colleges and Workforce Development for the assessment and accountability activities related to Basic Skills programs.

PROGRAM IMPROVEMENT GRANT: This fund accounts for the Program Improvement Grant from the Department of Community Colleges and Workforce Development.

TUTORING GRANT: This fund accounts for the outreach tutoring grant through the Department of Community Colleges and Workforce Development to provide outreach project tutoring services for adult literacy students.

ENGLISH LANGUAGE CIVICS GRANT: This fund accounts for the English Languages Civics Grant from the Department of Community Colleges and Workforce Development.

GORGE LITERACY: This fund accounts for Columbia Gorge Community College literacy activities.

NON-REIMBURSABLE COMMUNITY EDUCATION: This fund accounts for revenue and expenses of self-supporting community education classes.

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

GREEN LABOR MARKET INFORMATION IMPLEMENTATION GRANT: This fund accounts for the grant from the Oregon Department of Community Colleges and Workforce Development to support the implementation of the "Greening of Oregon's Workforce" state-wide project.

CAREER READINESS CERTIFICATE IMPLEMENTATION GRANT: This fund accounts for the grant from the Oregon Department of Community Colleges and Workforce Development to support the overall state-wide effort by Oregon's community colleges and Local and Regional Workforce Investment Boards Centers to implement the career Readiness Certificate on college campuses and WorkSource Centers.

OREGON STUDENT ASSISTANCE COMMISSION PROGRAM: This fund accounts for the agreements between CGCC and the Oregon Student Assistance Commission to coordinate the College Goal Oregon program on The Dalles and Hood River campuses. College Goal Oregon is a free event designed to help Oregon college-bound students and their families with the financial aid application process.

SPECIAL REVENUE FUNDS (continued)

CAREER PATHWAYS 2009-11 GRANT: This fund accounts for the Community college Strategic Fund 09-11 and Federal Carl D. Perkins Grant Funds to support the career pathways initiative.

FIRST YEAR PERSISTENCE DEVELOPMENT PROJECT: This fund accounts for the grant from the Oregon Department of Community Colleges and Workforce Development for the "First Term to First Year Persistence" Development project.

OREGON CHILD CARE RESOURCE AND REFERRAL NETWORK: This fund accounts for the contract with the Oregon Child Care Resource and Referral Network which supports the Child Care Resource and Referral Program at the College.

CHILD CARE RESOURCE AND REFERRAL. The College manages a child care resource and referral project and acts as the fiscal agent for various grantors and donors, including State, Wasco County, non-profit agencies and the private sector. The College does not operate a child care facility, but only coordinates the connection between the needs for such services and the providers. Referral is made available to students and community.

OREGON DEPARTMENT OF HUMAN SERVICES INTEGRATED CHILD CARE GRANT: This fund accounts for the contract from the Oregon Department of Human Services for the integrated child care program.

CO-CURRICULAR ACTIVITIES FUND: This fund accounts for program income for the Spring Humanities Series and other co-curricular activities sponsored by Columbia Gorge Community College and related expenditures.

CAREER PATHWAYS PROGRAM INCOME: This fund accounts for Career Pathways Program Income related to the Pathways to Advancement Statewide Initiative.

PATHWAYS INITIATIVE STATE-WIDE DIRECTOR GRANT: This fund accounts for the contract with the State of Oregon through the Department of Community Colleges and Workforce Development to provide a state-wide director and related expenditures in support of the career pathways state-wide initiative.

INSURANCE FUND: This fund accounts for the unanticipated receipt of insurance claim proceeds and expenditures.

PATHWAYS INITIATIVE PROJECTS & TECHNICAL ASSISTANCE GRANT: This fund accounts for the contract with the State of Oregon through the Department of Community Colleges and Workforce Development to provide technical assistance for career pathways state-wide initiative.

OREGON COMMUNITY COLLEGES GREEN INITIATIVE 2009-2010: This fund accounts for the contract with the State of Oregon through the Department of Community Colleges and Workforce Development to provide students, prospective students, job seekers, workers and advisors/counselors with career pathway statewide roadmaps for 5 to 7 "green" occupations to assist Oregonians in developing education and career plans for emerging and existing "green" occupations.

SPECIAL REVENUE FUNDS (continued)

OREGON COUNCIL FOR THE HUMANITIES GRANT: This fund accounts for a National Endowment for the Humanities grant through the Oregon Council for the Humanities in support of the Spring Humanities Series sponsored by Columbia Gorge Community College.

INFANT/TODDLER PROJECT ARRA GRANT: This fund accounts for the American Recovery and Reinvestment Act contract with Oregon Child Care Resource and Referral Network which supports the initiative of Child Care Partners at the College.

PATHWAYS GREEN LABOR MARKET INFORMATION (LMI) INITIATIVE GRANT: This fund accounts for a partnership effort by the Oregon Department of Community Colleges and Workforce Development and the College to assist with implementing the Oregon Employment Department's "Green LMI" project and funded by the American Recovery and Reinvestment Act of 2009 administered by the U.S. Department of Labor

TECHNICAL ASSISTANCE – COMPLETION INNOVATION CHALLENGE APPLICATION GRANT: This fund accounts for the contract with the State of Oregon through the Department of Community Colleges and Workforce Development to provide funding support to develop and complete the Complete College America's "Completion Innovation Challenge" grant application.

TRI-COUNTY RECYCLING GRANT: This fund accounts for the grant from the Tri-County Hazardous Waste and Recycling Program to provide funding for the purchase of outdoor recycling units for the CGCC Hood River-Indian Creek campus and The Dalles campus.

BUILDING LEASE FUND: This fund is used to record the revenues and expenditures relating to leasing office space to various agencies.

FOOD SERVICE: This fund accounts for the revenues and expenditures of the campus food service contract.

ENVIRONMENTAL CLUB: This fund accounts for the activities of the student-organized Environmental Club.

PHI THETA KAPPA: This fund accounts for the student honor society activities.

STUDENT COUNCIL FUND: This fund was established to record the receipts and disbursements for student activities and fund raisers. Receipts are generally from fund raisers. Disbursements are for supplies and various student activities.

STUDENT NURSE ASSOCIATION: This fund accounts for the activities of the Student Nurse Association.

JAPANESE CLUB: This fund accounts for the student organization activities of the Japanese Visual Culture Club.

DELTA ENERGY CLUB: This fund accounts for the student organization activities of the Delta Energy Club for students of the Renewable Energy Training program.

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

U.S. DEPARTMENT OF EDUCATION TITLE III GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	-	400,000	160,700	(239,300)
TOTAL REVENUES	-	400,000	160,700	(239,300)
EXPENDITURES:				
Personal Services	-	231,840	32,945	198,895
Materials and Services	-	156,602	127,755	28,847
Capital Outlay	-	11,558	-	11,558
TOTAL EXPENDITURES	-	400,000	160,700	239,300
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

CARL D. PERKINS TITLE I GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	77,000	86,614	63,562	(23,052)
TOTAL REVENUES	77,000	86,614	63,562	(23,052)
EXPENDITURES:				
Personal Services	51,521	67,078	46,385	20,693
Materials and Services	25,479	19,538	17,178	2,368
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	77,000	86,614	63,562	23,052
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

HEALTH OCCUPATIONS CUSTOMIZED TRAINING

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Instructional Fees	4,800	-	-	-
Sales and Services	30,000	34,800	3,079	(31,722)
TOTAL REVENUES	34,800	34,800	3,079	(31,722)
EXPENDITURES:				
Personal Services	22,080	22,060	242	21,838
Materials and Services	11,705	11,705	3,114	8,591
TOTAL EXPENDITURES	33,785	33,785	3,356	30,429
Excess of Revenues Over (Under) Expenditures	1,015	1,015	(277)	(1,292)
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(1,015)	(1,015)	(1,015)	-
TOTAL OTHER FINANCE SOURCES (USES)	(1,015)	(1,015)	(1,015)	-
Net Change in Fund Balance	-	-	(1,292)	(1,292)
FUND BALANCE - BEGINNING OF YEAR	-	-	3,895	3,895
FUND BALANCE - END OF YEAR	-	-	2,603	2,603

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

CARL D. PERKINS RESERVE FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	37,500	49,024	39,483	(9,541)
TOTAL REVENUES	37,500	49,024	39,483	(9,541)
EXPENDITURES:				
Personal Services	14,720	9,957	8,936	1,021
Materials and Services	22,780	39,067	30,547	8,520
TOTAL EXPENDITURES	37,500	49,024	39,483	9,541
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 U.S. DEPARTMENT OF LABOR COMMUNITY BASED JOB TRAINING
 GRANT FOR RENEWABLE ENERGY TECHNOLOGY
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	812,415	812,415	357,334	(455,081)
TOTAL REVENUES	<u>812,415</u>	<u>812,415</u>	<u>357,334</u>	<u>(455,081)</u>
EXPENDITURES:				
Personal Services	666,989	666,989	278,041	388,948
Materials and Services	120,184	120,184	79,292	40,892
Capital Outlay	25,242	25,242	-	25,242
TOTAL EXPENDITURES	<u>812,415</u>	<u>812,415</u>	<u>357,334</u>	<u>455,081</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 U.S. DEPARTMENT OF ENERGY GRANT
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	237,575	237,108	185,678	(51,428)
TOTAL REVENUES	<u>237,575</u>	<u>237,108</u>	<u>185,678</u>	<u>(51,428)</u>
EXPENDITURES:				
Materials and Services	97,575	68,307	38,678	49,629
Capital Outlay	140,000	148,799	147,000	1,799
TOTAL EXPENDITURES	<u>237,575</u>	<u>237,106</u>	<u>185,678</u>	<u>51,428</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 U.S. DEPARTMENT OF LABOR WIA SECTION 171 GRANT
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	175,000	175,000	-	(175,000)
TOTAL REVENUES	175,000	175,000	-	(175,000)
EXPENDITURES:				
Personal Services	132,800	132,800	-	132,800
Materials and Services	42,200	42,200	-	42,200
TOTAL EXPENDITURES	175,000	175,000	-	175,000
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 U.S. DEPARTMENT OF LABOR STATE ENERGY SECTOR PARTNERSHIP GRANT
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	-	57,055	18,610	(38,445)
TOTAL REVENUES	-	57,055	18,610	(38,445)
EXPENDITURES:				
Personal Services	-	26,024	16,948	9,076
Materials and Services	-	31,031	1,662	29,369
TOTAL EXPENDITURES	-	57,055	18,610	38,445
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

CUSTOMIZED TRAINING

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Special Fees	-	-	1,920	1,920
Sales and Services	46,498	46,498	41,439	(5,059)
TOTAL REVENUES	46,498	46,498	43,359	(3,139)
EXPENDITURES:				
Personal Services	20,855	20,855	11,498	9,357
Materials and Services	43,132	43,132	22,548	20,584
TOTAL EXPENDITURES	63,987	63,987	34,046	29,941
Excess of Revenue Over (Under) Expenditures	(17,489)	(17,489)	9,315	26,804
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(27,511)	(27,511)	(27,511)	-
TOTAL OTHER FINANCE SOURCES (USES)	(27,511)	(27,511)	(27,511)	-
Net Change in Fund Balance	(45,000)	(45,000)	(18,196)	26,804
FUND BALANCE - BEGINNING OF YEAR	45,000	45,000	67,827	22,827
FUND BALANCE - END OF YEAR	-	-	49,631	-49,631

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

SMALL BUSINESS DEVELOPMENT CENTER PROGRAM INCOME

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Tuition	25,000	25,000	5,084	(19,916)
Instructional Fees	3,700	3,700	1,580	(2,140)
Sales and Services	3,500	3,500	2,233	(1,268)
TOTAL REVENUES	32,200	32,200	8,897	(23,324)
EXPENDITURES:				
Personal Services	8,211	8,211	3,858	4,353
Materials and Services	28,989	27,540	6,071	21,489
TOTAL EXPENDITURES	37,200	35,751	9,929	25,822
Excess of Revenues Over (Under) Expenditures	(5,000)	(3,551)	(1,033)	2,498
FUND BALANCE - BEGINNING OF YEAR	5,000	3,551	3,552	-
FUND BALANCE - END OF YEAR	-	-	2,499	2,499

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 FEDERAL SMALL BUSINESS ADMINISTRATION
 SMALL BUSINESS DEVELOPMENT CENTER GRANT
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	35,250	35,304	35,304	-
TOTAL REVENUES	35,250	35,304	35,304	-
EXPENDITURES:				
Personal Services	30,249	30,304	30,304	-
Materials and Services	5,001	5,000	5,000	-
TOTAL EXPENDITURES	35,250	35,304	35,304	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 STATE SMALL BUSINESS DEVELOPMENT CENTER GRANT
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
State Sources	29,769	29,769	29,769	-
TOTAL REVENUES	29,769	29,769	29,769	-
EXPENDITURES:				
Personal Services	29,769	29,769	29,769	-
Materials and Services	-	-	-	-
TOTAL EXPENDITURES	29,769	29,769	29,769	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

FUNDAMENTALS OF CAREGIVING

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Tuition	1,500	-	-	-
Sales and Services	14,500	24,820	21,864	(2,956)
TOTAL REVENUES	16,000	24,820	21,864	(2,956)
EXPENDITURES:				
Personal Services	11,042	11,042	9,447	1,595
Materials and Services	2,475	2,936	1,257	1,679
TOTAL EXPENDITURES	13,517	13,978	10,704	3,274
Excess of Revenues Over (Under) Expenditures	2,483	10,842	11,160	318
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(12,483)	(12,483)	(12,483)	-
TOTAL OTHER FINANCE SOURCES (USES)	(12,483)	(12,483)	(12,483)	-
Net Change in Fund Balance	(10,000)	(1,641)	(1,323)	318
FUND BALANCE - BEGINNING OF YEAR	10,000	1,641	1,642	1
FUND BALANCE - END OF YEAR	-	-	319	319

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Local Grant/Contract Sources	-	15,000	5,836	(9,164)
TOTAL REVENUES	-	15,000	5,836	(9,164)
EXPENDITURES:				
Personal Services	-	12,230	4,180	8,050
Materials and Services	-	2,770	1,655	1,115
TOTAL EXPENDITURES	-	15,000	5,836	9,164
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

TITLE II AEFLA COMPREHENSIVE GRANT
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	82,730	83,571	83,571	-
TOTAL REVENUES	82,730	83,571	83,571	-
EXPENDITURES:				
Personal Services	82,730	83,571	83,571	-
Materials and Services	-	-	-	-
TOTAL EXPENDITURES	82,730	83,571	83,571	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

ACCOUNTABILITY GRANT
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	10,000	11,500	11,024	(476)
TOTAL REVENUES	10,000	11,500	11,024	(476)
EXPENDITURES:				
Personal Services	8,016	8,016	8,013	3
Materials and Services	1,984	3,484	3,011	473
TOTAL EXPENDITURES	10,000	11,500	11,024	476
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

PROGRAM IMPROVEMENT GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	5,000	5,000	5,000	-
TOTAL REVENUES	5,000	5,000	5,000	-
EXPENDITURES:				
Personal Services	5,000	5,000	5,000	-
TOTAL EXPENDITURES	5,000	5,000	5,000	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

TUTORING GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	14,680	15,000	14,972	(27,990)
TOTAL REVENUES	14,680	15,000	14,972	(27,990)
EXPENDITURES:				
Personal Services	13,766	14,086	14,058	27,530
Materials and Services	914	914	914	0,460
TOTAL EXPENDITURES	14,680	15,000	14,972	27,990
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

ENGLISH LANGUAGE CIVICS GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	29,874	30,849	30,721	128,270
TOTAL REVENUES	29,874	30,849	30,721	128,270
EXPENDITURES:				
Personal Services	28,213	27,188	27,188	-
Materials and Services	3,661	3,661	3,533	128,270
TOTAL EXPENDITURES	29,874	30,849	30,721	128,270
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

GORGE LITERACY

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Contributions	2,000	2,000	330	(1,670)
TOTAL REVENUES	2,000	2,000	330	(1,670)
EXPENDITURES:				
Materials and Services	3,000	2,285	475	1,810
TOTAL EXPENDITURES	3,000	2,285	475	1,810
Excess of Revenues Over (Under) Expenditures	(1,000)	(285)	(145)	140
FUND BALANCE - BEGINNING OF YEAR	1,000	285	285	-
FUND BALANCE - END OF YEAR	-	-	140	140

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

NON-REIMBURSABLE COMMUNITY EDUCATION

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Tuition	10,000	10,000	5,370	(4,630)
Instructional Fees	1,500	1,500	1,095	(405)
TOTAL REVENUES	11,500	11,500	6,465	(5,035)
EXPENDITURES:				
Personal Services	3,681	3,681	2,672	1,009
Materials and Services	6,819	6,819	1,862	5,158
TOTAL EXPENDITURES	10,500	10,500	4,333	6,167
Excess of Revenues Over (Under) Expenditures	1,000	1,000	2,132	1,132
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(2,500)	(2,500)	(2,500)	-
TOTAL OTHER FINANCE SOURCES (USES)	(2,500)	(2,500)	(2,500)	-
Net Change in Fund Balance	(1,500)	(1,500)	(368)	1,132
FUND BALANCE - BEGINNING OF YEAR	1,500	1,500	5,346	3,846
FUND BALANCE - END OF YEAR	-	-	4,978	4,978

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

ELDERHOSTEL

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Tuition	26,894	26,894	30,375	3,481
TOTAL REVENUES	26,894	26,894	30,375	3,481
EXPENDITURES:				
Personal Services	1,834	1,834	923	911
Materials and Services	27,580	27,580	27,266	294
TOTAL EXPENDITURES	29,394	29,394	28,189	1,205
Excess of Revenues Over (Under) Expenditures	(2,500)	(2,500)	2,185	4,685
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(2,000)	(2,000)	(2,000)	-
TOTAL OTHER FINANCE SOURCES (USES)	(2,000)	(2,000)	(2,000)	-
Net Change in Fund Balance	(4,500)	(4,500)	185	4,685
FUND BALANCE - BEGINNING OF YEAR	4,500	4,500	4,956	456
FUND BALANCE - END OF YEAR	-	-	5,142	5,142

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

GREEN LABOR MARKET INFORMATION IMPLEMENTATION GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	-	5,000	5,000	-
TOTAL REVENUES	-	5,000	5,000	-
EXPENDITURES:				
Personal Services	-	5,000	5,000	-
TOTAL EXPENDITURES	-	5,000	5,000	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

CAREER READINESS CERTIFICATE IMPLEMENTATION GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	14,989	12,001	2,826	(9,175)
TOTAL REVENUES	14,989	12,001	2,826	(9,175)
EXPENDITURES:				
Personal Services	4,246	4,246	2,758	1,488
Materials and Services	10,743	7,755	87,610	7,587
TOTAL EXPENDITURES	14,989	12,001	2,826	9,175
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

OREGON STUDENT ASSISTANCE COMMISSION PROGRAM

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
State Sources	-	1,600	1,600	-
TOTAL REVENUES	-	1,600	1,600	-
EXPENDITURES:				
Personal Services	-	-	-	-
Materials and Services	-	1,600	1,600	-
TOTAL EXPENDITURES	-	1,600	1,600	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

CAREER PATHWAYS 2009-2011

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	15,856	15,304	2,889	(12,415)
State Sources	15,855	15,305	27,719	12,414
TOTAL REVENUES	31,711	30,609	30,608	(1)
EXPENDITURES:				
Personal Services	15,753	18,253	18,253	-
Materials and Services	15,958	12,356	12,355	1
TOTAL EXPENDITURES	31,711	30,609	30,608	1
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 FIRST YEAR PERSISTENCE DEVELOPMENT PROJECT
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	-	5,858	-	(5,858)
State Sources	-	9,342	-	(9,342)
TOTAL REVENUES	-	15,000	-	(15,000)
EXPENDITURES:				
Materials and Services	-	15,000	-	15,000
TOTAL EXPENDITURES	-	15,000	-	15,000
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 OREGON CHILD CARE RESOURCE AND REFERRAL NETWORK
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	101,109	121,793	104,889	(16,924)
TOTAL REVENUES	101,109	121,793	104,889	(16,924)
EXPENDITURES:				
Personal Services	97,532	74,266	72,711	1,555
Materials and Services	3,577	47,527	32,158	15,369
TOTAL EXPENDITURES	101,109	121,793	104,869	16,924
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

CHILD CARE RESOURCE AND REFERRAL

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Tuition	-	-	1,320	1,320
Instructional Fees	-	-	120	120
Special Fees	250	250	50	(200)
Other Sources	500	500	-	(500)
TOTAL REVENUES	<u>750</u>	<u>750</u>	<u>1,490</u>	<u>740</u>
EXPENDITURES:				
Materials and Services	1,250	1,003	94	909
TOTAL EXPENDITURES	<u>1,250</u>	<u>1,003</u>	<u>94</u>	<u>909</u>
Excess of Revenues Over (Under) Expenditures	(500)	(253)	1,396	1,649
FUND BALANCE - BEGINNING OF YEAR	<u>500</u>	<u>253</u>	<u>253</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>1,649</u>	<u>1,649</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

OREGON DEPARTMENT OF HUMAN SERVICES INTEGRATED CHILD CARE GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Federal Sources	24,217	26,437	23,694	(2,743)
TOTAL REVENUES	<u>24,217</u>	<u>26,437</u>	<u>23,694</u>	<u>(2,743)</u>
EXPENDITURES:				
Personal Services	23,528	16,585	15,855	730
Materials and Services	669	9,852	7,840	2,012
TOTAL EXPENDITURES	<u>24,217</u>	<u>26,437</u>	<u>23,694</u>	<u>2,743</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

CO-CURRICULAR ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Local Grant/Contract Sources	-	-	500	500
Other Sources	5,700	5,700	100	(5,600)
Sales and Services	600	600	302	(298)
TOTAL REVENUES	6,300	6,300	902	(5,398)
EXPENDITURES:				
Materials and Services	7,300	7,300	1,478	5,822
TOTAL EXPENDITURES	7,300	7,300	1,478	5,822
Excess of Revenues Over (Under) Expenditures	(1,000)	(1,000)	(576)	424
OTHER FINANCE SOURCES (USES):				
Transfer from General Fund	1,000	1,000	1,000	-
TOTAL OTHER FINANCE SOURCES (USES)	1,000	1,000	1,000	-
Net Change in Fund Balance	-	-	424	424
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	424	424

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

CAREER PATHWAYS PROGRAM INCOME

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Sales and Services	-	-	1,641	1,641
TOTAL REVENUES	-	-	1,641	1,641
EXPENDITURES:				
Personal Services	-	-	-	-
Materials and Services	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	1,641	1,641
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	1,641	1,641

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

PATHWAYS INITIATIVE STATE-WIDE DIRECTOR GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	105,250	100,000	152,086	52,086
State Sources	52,625	52,173	0	(52,173)
TOTAL REVENUES	157,875	152,173	152,086	(52,173)
EXPENDITURES:				
Personal Services	102,392	101,293	101,219	74
Materials and Services	55,483	50,880	50,867	13
TOTAL EXPENDITURES	157,875	152,173	152,086	87
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

INSURANCE FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Other Sources	-	908	908	-
TOTAL REVENUES	-	908	908	-
EXPENDITURES:				
Materials and Services	2,707	1,408	1,408	-
TOTAL EXPENDITURES	2,707	1,408	1,408	-
Excess of Revenues Over (Under) Expenditures	(2,707)	(500)	(500)	
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	-	(2,207)	-	2,207
TOTAL OTHER FINANCE SOURCES (USES)	-	(2,207)	-	2,207
Net Change in Fund Balance	(2,707)	(2,707)	(600)	2,207
FUND BALANCE - BEGINNING OF YEAR	2,707	2,707	2,707	-
FUND BALANCE - END OF YEAR	-	-	2,207	2,207

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 PATHWAYS INITIATIVE PROJECTS & TECHNICAL ASSISTANCE GRANT
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
State Sources	85,200	41,251	41,005	(246)
TOTAL REVENUES	<u>85,200</u>	<u>41,251</u>	<u>41,005</u>	<u>(246)</u>
EXPENDITURES:				
Materials and Services	85,200	41,251	41,005	246
TOTAL EXPENDITURES	<u>85,200</u>	<u>41,251</u>	<u>41,005</u>	<u>246</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 OREGON COMMUNITY COLLEGES GREEN INITIATIVE 2009-2010
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
State Sources	44,755	30,040	172	(29,868)
TOTAL REVENUES	<u>44,755</u>	<u>30,040</u>	<u>172</u>	<u>(29,868)</u>
EXPENDITURES:				
Personal Services	8,780	8,780	-	8,780
Materials and Services	37,975	23,260	172	23,088
TOTAL EXPENDITURES	<u>44,755</u>	<u>30,040</u>	<u>172</u>	<u>29,888</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 OREGON COUNCIL FOR THE HUMANITIES GRANT
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	2,000	3,000	3,000	-
TOTAL REVENUES	<u>2,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
EXPENDITURES:				
Materials and Services	2,000	3,000	3,000	-
TOTAL EXPENDITURES	<u>2,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 INFANT/TODDLER PROJECT ARRA GRANT
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	-	23,912	23,860	(52)
TOTAL REVENUES	<u>-</u>	<u>23,912</u>	<u>23,860</u>	<u>(52)</u>
EXPENDITURES:				
Personal Services	-	9,391	9,339	52
Materials and Services	-	14,521	14,521	-
TOTAL EXPENDITURES	<u>-</u>	<u>23,912</u>	<u>23,860</u>	<u>52</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
PATHWAYS GREEN LABOR MARKET INFORMATION INITIATIVE GRANT
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	92,480	83,944	77,618	(6,326)
TOTAL REVENUES	92,480	83,944	77,618	(6,326)
EXPENDITURES:				
Materials and Services	92,480	83,944	77,618	6,326
TOTAL EXPENDITURES	92,480	83,944	77,618	6,326
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
TECHNICAL ASSISTANCE-COMPLETION INNOVATION CHALLENGE APPLICATION GRANT
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
State Sources	-	13,800	13,800	-
TOTAL REVENUES	-	13,800	13,800	-
EXPENDITURES:				
Materials and Services	-	13,800	13,800	-
TOTAL EXPENDITURES	-	13,800	13,800	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

TRI-COUNTY RECYCLING GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Local Grant/Contract Sources	-	2,865	2,865	-
TOTAL REVENUES	-	2,865	2,865	-
EXPENDITURES:				
Materials and Services	-	2,865	2,865	-
TOTAL EXPENDITURES	-	2,865	2,865	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

BUILDING LEASES

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Other Sources	149,215	149,215	151,761	2,566
Sales and Services	33,360	33,360	17,212	(16,148)
TOTAL REVENUES	182,575	182,575	168,993	(13,582)
EXPENDITURES:				
Personal Services	25,719	25,719	25,706	13
Materials and Services	24,171	24,171	18,782	5,389
TOTAL EXPENDITURES	49,890	49,890	44,487	5,403
Excess of Revenues Over (Under) Expenditures	132,685	132,685	124,506	(8,179)
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(157,685)	(157,685)	(157,685)	-
TOTAL OTHER FINANCE SOURCES (USES)	(157,685)	(157,685)	(157,685)	-
Net Change in Fund Balance	(25,000)	(25,000)	(33,179)	(8,179)
FUND BALANCE - BEGINNING OF YEAR	25,000	25,000	39,670	14,670
FUND BALANCE - END OF YEAR	-	-	6,491	6,491

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

FOOD SERVICE

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Other Sources	4,000	4,000	4,839	839
TOTAL REVENUES	4,000	4,000	4,839	839
EXPENDITURES:				
Materials and Services	2,000	2,000	812	1,188
Capital Outlay	7,000	7,000	-	7,000
TOTAL EXPENDITURES	9,000	9,000	812	8,188
Excess of Revenues Over (Under) Expenditures	(5,000)	(5,000)	4,027	9,027
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(12,000)	(12,000)	(12,000)	-
TOTAL OTHER FINANCE SOURCES (USES)	(12,000)	(12,000)	(12,000)	-
Net Change in Fund Balance	(17,000)	(17,000)	(7,973)	9,027
FUND BALANCE - BEGINNING OF YEAR	17,000	17,000	17,525	525
FUND BALANCE - END OF YEAR	-	-	9,552	9,552

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

ENVIRONMENTAL CLUB

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Fundraising	-	-	242	242
TOTAL REVENUES	-	-	242	242
EXPENDITURES:				
Materials and Services	477	477	55	422
TOTAL EXPENDITURES	477	477	55	422
Excess of Revenues Over (Under) Expenditures	(477)	(477)	187	664
FUND BALANCE - BEGINNING OF YEAR	477	477	477	-
FUND BALANCE - END OF YEAR	-	-	664	664

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

PHI THETA KAPPA

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Membership Dues	3,500	3,500	5,305	1,805
Fundraising	5,000	5,000	3,006	(1,995)
TOTAL REVENUES	<u>8,500</u>	<u>8,500</u>	<u>8,311</u>	<u>(190)</u>
EXPENDITURES:				
Materials and Services	11,500	11,500	7,334	4,166
TOTAL EXPENDITURES	<u>11,500</u>	<u>11,500</u>	<u>7,334</u>	<u>4,166</u>
Excess of Revenues Over (Under) Expenditures	(3,000)	(3,000)	977	3,977
FUND BALANCE - BEGINNING OF YEAR	<u>3,000</u>	<u>3,000</u>	<u>1,907</u>	<u>(1,093)</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>2,884</u>	<u>2,884</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

STUDENT COUNCIL

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Other Fund Raising	1,442	1,442	29	(1,413)
TOTAL REVENUES	<u>1,442</u>	<u>1,442</u>	<u>29</u>	<u>(1,413)</u>
EXPENDITURES:				
Materials and Services	1,500	1,500	41	1,459
TOTAL EXPENDITURES	<u>1,500</u>	<u>1,500</u>	<u>41</u>	<u>1,459</u>
Excess of Revenues Over (Under) Expenditures	(58)	(58)	(12)	46
FUND BALANCE - BEGINNING OF YEAR	<u>58</u>	<u>58</u>	<u>58</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>46</u>	<u>46</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

STUDENT NURSE ASSOCIATION

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Fundraising	2,000	2,000	-	(2,000)
TOTAL REVENUES	<u>2,000</u>	<u>2,000</u>	-	<u>(2,000)</u>
EXPENDITURES:				
Materials and Services	2,415	2,415	204	2,211
TOTAL EXPENDITURES	<u>2,415</u>	<u>2,415</u>	<u>204</u>	<u>2,211</u>
Excess of Revenues Over (Under) Expenditures	(415)	(415)	(204)	211
FUND BALANCE - BEGINNING OF YEAR	<u>415</u>	<u>415</u>	<u>393</u>	<u>(22)</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>189</u>	<u>189</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

JAPANESE CLUB

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Fundraising	3,000	3,000	91	(2,909)
TOTAL REVENUES	<u>3,000</u>	<u>3,000</u>	<u>91</u>	<u>(2,909)</u>
EXPENDITURES:				
Materials and Services	3,000	3,000	91	2,909
TOTAL EXPENDITURES	<u>3,000</u>	<u>3,000</u>	<u>91</u>	<u>2,909</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>304</u>	<u>304</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>304</u>	<u>304</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

DELTA ENERGY CLUB

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUES:				
Restricted Gifts	40,000	40,000	2,827	(37,173)
Fundraising	2,000	2,000	-	(2,000)
TOTAL REVENUES	<u>42,000</u>	<u>42,000</u>	<u>2,827</u>	<u>(39,173)</u>
EXPENDITURES:				
Materials and Services	42,000	42,000	2,827	39,173
TOTAL EXPENDITURES	<u>42,000</u>	<u>42,000</u>	<u>2,827</u>	<u>39,173</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

RESERVE FUND

FACILITIES AND GROUND MAINTENANCE RESERVE FUND: This Reserve Fund was established July 1, 2005 to accumulate resources for financing facilities and ground maintenance.

GENERAL OPERATIONS RESERVE FUND: This Reserve Fund was established July 1, 2010 to accumulate resources for future funding of general operations. Transfers are budgeted between the General Fund and the Reserve Fund to smooth the effects of the uneven community college support fund payments in each year of the biennium. The remaining balance is expected to be depleted in the following biennium.

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

FACILITIES AND GROUNDS MAINTENANCE RESERVE FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Materials and Services	150,000	150,000	3,507	146,493
Capital Outlay	251,137	251,137	58,172	192,965
TOTAL EXPENDITURES	401,137	401,137	61,679	339,458
Excess of Revenues Over (Under) Expenditures	(401,137)	(401,137)	(61,679)	339,458
OTHER FINANCE SOURCES (USES):				
Transfer from General Fund	-	-	-	-
TOTAL OTHER FINANCE SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(401,137)	(401,137)	(61,679)	339,458
FUND BALANCE - BEGINNING OF YEAR	401,137	401,137	401,137	-
FUND BALANCE - END OF YEAR	-	-	339,458	339,458

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

GENERAL OPERATIONS RESERVE FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Materials and Services	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCE SOURCES (USES):				
Transfer from General Fund	2,313,224	2,313,224	2,313,224	-
TOTAL OTHER FINANCE SOURCES (USES)	2,313,224	2,313,224	2,313,224	-
Net Change in Fund Balance	2,313,224	2,313,224	2,313,224	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	2,313,224	2,313,224	2,313,224	-

DEBT SERVICE FUNDS

WASCO COUNTY G.O. BOND: This debt service fund is used to account for the accumulation of resources to pay the principal and interest on General Obligation Bonds, Series 1993 approved by Wasco County voters and refunding General Obligation Bonds, Series 1998.

DISTRICT G.O. BOND: This debt service fund accounts for the accumulation of resources to pay the principal and interest on General Obligation Bonds, Series 2005 approved by district voters of Hood River and Wasco Counties.

PENSION BOND: This fund is established to account for the accumulation of resources to pay the principal and interest on pension obligation bonds issued by the College in 2003 and is funded by a credit to the College's PERS employer rate beginning May 1, 2003.

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WITH BUDGET COMPARISON - BUDGETARY BASIS

WASCO COUNTY G.O. BONDS DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	679,050	679,050	709,795	30,745
Other Sources	-	-	2,078	2,078
TOTAL REVENUES	679,050	679,050	711,873	32,823
EXPENDITURES:				
Debt Service	739,050	739,050	739,050	-
TOTAL EXPENDITURES	739,050	739,050	739,050	-
Excess of Revenues Over (Under) Expenditures	(60,000)	(60,000)	(27,177)	32,823
FUND BALANCE - BEGINNING OF YEAR	80,000	80,000	118,142	56,142
FUND BALANCE - END OF YEAR	-	-	88,966	88,966

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

DISTRICT G.O. BONDS DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Local Sources	1,198,532	1,198,532	1,250,180	51,648
Other Sources	-	-	3,259	3,259
TOTAL REVENUES	<u>1,198,532</u>	<u>1,198,532</u>	<u>1,253,439</u>	<u>54,907</u>
EXPENDITURES:				
Debt Service	1,318,532	1,318,532	1,318,531	1
TOTAL EXPENDITURES	<u>1,318,532</u>	<u>1,318,532</u>	<u>1,318,531</u>	<u>1</u>
Excess of Revenues Over (Under) Expenditures	(120,000)	(120,000)	(65,092)	54,908
FUND BALANCE - BEGINNING OF YEAR	<u>120,000</u>	<u>120,000</u>	<u>218,175</u>	<u>98,175</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>153,083</u>	<u>153,083</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

PENSION BONDS DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Other Sources	232,722	232,722	426,898	194,176
TOTAL REVENUES	<u>232,722</u>	<u>232,722</u>	<u>426,898</u>	<u>194,176</u>
EXPENDITURES:				
Debt Service	232,721	232,721	232,720	-
TOTAL EXPENDITURES	<u>232,721</u>	<u>232,721</u>	<u>232,720</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	1	1	194,178	194,177
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(1)	(1)	-	1
TOTAL OTHER FINANCE SOURCES (USES)	<u>(1)</u>	<u>(1)</u>	<u>-</u>	<u>1</u>
Net Change in Fund Balance	-	-	194,178	194,178
FUND BALANCE - BEGINNING OF YEAR	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,063,777</u>	<u>63,777</u>
FUND BALANCE - END OF YEAR	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,257,955</u>	<u>257,955</u>

CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUND: This fund is used to account for proceeds received from the general obligation bonds and other resources to support district capital projects. Proceeds from the 1993 general obligation bonds were used to acquire the 59.38-acre campus at 400 E. Scenic Drive, The Dalles, and to pay for direct construction costs and indirect construction costs to remodel the facilities of the existing 59.38-acre campus. On May 25, 2005, the College issued \$18,500,000 general obligation bonds which were approved by District voters of Hood River and Wasco Counties at a general election on November 2, 2004. Voters authorized issuance of \$18,500,000 of general obligation bonds with a maturity not to exceed 21 years to finance the costs of capital construction and improvements for health science and training facilities, renovate existing facilities, demolish unusable buildings, purchase land and pay the costs of issuance of the bonds.

STATE CAPITAL PROJECTS FUND: This capital projects fund accounts for the state construction aid granted to Columbia Gorge Community College from the sale of State of Oregon Article XI G Bonds.

DEFERRED MAINTENANCE CAPITAL PROJECTS FUND: This capital projects fund accounts for a grant from the Oregon Department of Community Colleges and Workforce Development for the "Go Oregon" stimulus projects for deferred maintenance, capital renewal, code compliance and safety, as authorized by the 2009 Oregon Legislature and funded by Oregon lottery bonds.

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WITH BUDGET COMPARISON - BUDGETARY BASIS

CAPITAL PROJECTS FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>FINAL BUDGET</u>
				<u>FAVORABLE</u>
				<u>(UNFAVORABLE)</u>
REVENUES:				
Other Sources	8,000,000	-	87	67
TOTAL REVENUES	8,000,000	-	87	67
EXPENDITURES:				
Materials and Services	37,491	8,051	8,056	1
Capital Outlay	8,120,958	27,878	27,878	1
Debt Service	-	134,932	129,901	6,031
Contingency	-	-	-	-
TOTAL EXPENDITURES	8,158,449	170,862	164,829	6,033
Excess of Revenues Over (Under) Expenditures	(158,449)	(170,862)	(164,762)	6,100
OTHER FINANCE SOURCES (USES):				
Transfer from General Fund	-	136,000	128,900	(6,100)
TOTAL OTHER FINANCE SOURCES (USES)	-	136,000	128,900	(6,100)
Net Change in Fund Balance	(158,449)	(35,862)	(35,862)	-
FUND BALANCE - BEGINNING OF YEAR	158,449	35,862	35,862	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

STATE CAPITAL PROJECTS FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
State Sources	8,376,785	330,340	330,340	-
TOTAL REVENUES	8,376,785	330,340	330,340	-
EXPENDITURES:				
Materials and Services	15,500	24,072	24,072	-
Capital Outlay	6,361,285	306,268	306,268	-
TOTAL EXPENDITURES	8,376,785	330,340	330,340	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

DEFERRED MAINTENANCE CAPITAL PROJECTS FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
State Sources	355,863	36,782	17,146	(19,636)
TOTAL REVENUES	355,863	36,782	17,146	(19,636)
EXPENDITURES:				
Materials and Services	8,489	5,000	-	5,000
Capital Outlay	347,394	31,782	17,146	14,636
TOTAL EXPENDITURES	355,863	36,782	17,146	19,636
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

ENTERPRISE FUND

COLLEGE BOOK STORE: This fund is used to record revenues and expenditures relating to texts and supplies made available to the students. Revenues are text and supply sales, and transfers from the General Fund. Expenditures are for purchases of resale items.

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 WITH BUDGET COMPARISON - BUDGETARY BASIS

COLLEGE BOOK STORE

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				FAVORABLE
				(UNFAVORABLE)
OPERATING REVENUES:				
Gross Sales, Text Books	650,000	650,000	592,858	(57,142)
Bank Card Discount Fees	(4,000)	(4,000)	(4,321)	(321)
TOTAL OPERATING REVENUES	646,000	646,000	588,536	(57,464)
PURCHASES:				
Purchases, Text Books	500,000	500,000	532,830	(32,830)
Publishers Credits	(20,000)	(20,000)	(65,230)	45,230
NET PURCHASES	480,000	480,000	467,600	12,400
GROSS PROFIT	166,000	166,000	120,936	(45,064)
OPERATING EXPENSES:				
Personal Services	100,310	100,310	68,343	31,967
Materials and Services	232,275	232,275	38,480	193,795
Capital Outlay	35,000	35,000	-	35,000
TOTAL OPERATING EXPENSES	367,585	367,585	106,823	260,762
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	-	-	-	-
TOTAL OTHER FINANCE SOURCES (USES)	-	-	-	-
Net Income (Loss)	(201,585)	(201,585)	14,114	(305,826)
RETAINED EARNINGS - BEGINNING OF YEAR	210,000	210,000	264,081	54,081
RETAINED EARNINGS - END OF YEAR	8,415	8,415	278,195	269,780

OTHER FINANCIAL SCHEDULES

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF WASCO COUNTY PROPERTY TAX TRANSACTIONS
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

TAX CONTROL RECORDS

TAX YEAR	TAXES RECEIVABLE 7/01/10	CURRENT YEAR LEVY	NET ADJUSTMENTS	DEDUCT TAX COLLECTIONS	TAXES RECEIVABLE 6/30/11
2010-11	-	1,852,437	(44,902)	(1,723,696)	83,839
2009-10	80,793	-	3,436	(42,416)	41,815
2008-09	39,063	-	3,474	(19,072)	24,385
2007-08	18,241	-	4,557	(16,092)	4,706
2006-07	4,921	-	1,510	(5,365)	1,066
2005-06	993	-	205	(892)	516
2004-05	73	-	-	-	73
2003-04	11	-	-	-	11
2002-03	11	-	-	-	11
2001-02	12	-	-	-	12
2000-01	12	-	-	-	12
1999-00	10	-	-	-	10
1998-99	13	-	-	-	11
1997-98	11	-	-	-	11
1996-97	64	-	27	(44)	47
1995-96	53	-	-	-	53
1994-95	53	-	-	-	53
1993-94	28	-	-	-	28
1992-93	2	-	-	-	2
TOTALS	145,262	1,852,437	(31,691)	(1,608,367)	156,641

RECONCILIATION TO COUNTY TREASURER

TREASURER'S BALANCE - JULY 1, 2010	14,153
<u>RECEIPTS:</u>	
<u>CURRENT YEAR LEVY:</u>	
Tax Collections	1,722,474
Unsegregated Interest	33
ADD: Interest	1,222
TOTAL RECEIPTS - CURRENT YEAR LEVY	1,723,729
<u>PRIOR YEARS' LEVIES:</u>	
Tax Collections	72,330
ADD: Interest	13,341
TOTAL RECEIPTS - PRIOR YEARS' LEVIES	85,671
TOTAL RECEIPTS AND BEGINNING BALANCE	1,823,583
ADD: Other Collections	15
Charter Appeal	(9,755)
DEDUCT: Payments to the College	(1,601,719)
TREASURER'S BALANCE - JUNE 30, 2011	12,124

Note - Years that are not listed above have been paid in full.

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF HOOD RIVER COUNTY PROPERTY TAX TRANSACTIONS
ACCOUNT 659

FOR THE YEAR ENDED JUNE 30, 2011
(all amounts are in dollars)

TAX CONTROL RECORDS

TAX YEAR	TAXES RECEIVABLE 7/1/10	CURRENT YEAR LEVY	NET ADJUSTMENTS	DEDUCT. TAX COLLECTIONS	TAXES RECEIVABLE 6/30/11
2010-11	-	440,190	(14,221)	(411,766)	14,203
2009-10	14,488	-	3,152	(11,071)	6,569
2008-09	5,657	-	1,388	(3,499)	3,546
2007-08	1,827	-	711	(1,745)	783
2006-07	735	-	369	(934)	170
2005-06	60	-	(1)	(3)	56
2004-05	125	-	(89)	-	36
2003-04	148	-	(88)	-	60
2002-03	87	-	(60)	-	27
TOTALS	23,127	440,190	(8,839)	(428,018)	25,460

RECONCILIATION TO COUNTY TREASURER

TREASURER'S BALANCE - JULY 1, 2010	4,323
<u>RECEIPTS:</u>	
<u>CURRENT YEAR LEVY:</u>	
Tax Collections	413,895
ADD: Interest	146
<u>TOTAL RECEIPTS - CURRENT YEAR LEVY</u>	414,041
<u>PRIOR YEARS' LEVIES:</u>	
Tax Collections	13,224
<u>TOTAL RECEIPTS - PRIOR YEARS' LEVIES</u>	13,224
<u>TOTAL RECEIPTS AND BEGINNING BALANCE</u>	431,588
ADD: Enterprise Zone Abatement	13,632
Electric co-op in Lieu	1,621
DEDUCT: Payments to the College	(444,425)
<u>TREASURER'S BALANCE - JUNE 30, 2011</u>	<u>2,416</u>

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF HOOD RIVER COUNTY PROPERTY TAX TRANSACTIONS
ACCOUNT 685 - BONDS

FOR THE YEAR ENDED JUNE 30, 2011
(all amounts are in dollars)

TAX CONTROL RECORDS

TAX YEAR	TAXES RECEIVABLE 7/1/10	CURRENT YEAR LEVY	NET ADJUSTMENTS	DEDUCT. TAX COLLECTIONS	TAXES RECEIVABLE 6/30/11
2010-11	-	624,573	(20,178)	(584,243)	20,152
2009-10	23,006	-	5,005	(17,580)	10,431
2008-09	8,916	-	2,188	(5,515)	5,589
2007-08	2,835	-	1,102	(2,707)	1,230
2006-07	1,258	-	672	(1,638)	292
2005-06	99	-	(1)	(5)	93
TOTALS	36,114	624,573	(11,212)	(611,888)	37,767

RECONCILIATION TO COUNTY TREASURER

TREASURER'S BALANCE - JULY 1, 2010	6,859
<u>RECEIPTS:</u>	
<u>CURRENT YEAR LEVY:</u>	
Tax Collections	587,264
ADD: Interest	199
<u>TOTAL RECEIPTS - CURRENT YEAR LEVY</u>	587,463
<u>PRIOR YEARS' LEVIES:</u>	
Tax Collections	21,042
<u>TOTAL RECEIPTS - PRIOR YEARS' LEVIES</u>	21,042
<u>TOTAL RECEIPTS AND BEGINNING BALANCE</u>	615,364
ADD: Electric Co-op in Lieu	2,300
DEDUCT: Payments to the College	(614,192)
<u>TREASURER'S BALANCE - JUNE 30, 2011</u>	<u>3,472</u>

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF FUTURE WASCO COUNTY G.O. REFUNDING BOND SERIES 1998
REQUIREMENTS

FOR THE YEAR ENDED JUNE 30, 2011
(all amounts are in dollars)

Payment Date	Principal	Coupon	Interest	Total Requirement
12/1/2011			\$31,037.50	\$31,037.50
6/1/2012	\$695,000.00	4.30%	31,037.50	726,037.50
12/1/2012			16,095.00	16,095.00
6/1/2013	740,000.00	4.35%	16,095.00	756,095.00
Totals	\$1,435,000.00		\$94,265.00	\$1,529,265.00

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF INSURANCE
JUNE 30, 2011
(all amounts are in dollars)

POLICY NUMBER	COMPANY	AMOUNT	COVERAGE	PREMIUM	EXPIRATION
24P60253-368	PACE - Property & Casualty Coverage for Education	10,000,000/20,000,000	Liability	13,894	6/30/11
		50,000	Auto Damage Deductible: Collision - \$500 Comprehensive - \$100	282	6/30/11
		300,000,000	Property Deductible: Building/Contents - \$1,000 Earthquake & Flood - 5%, \$25,000 min., \$100,000 max.	30,993	6/30/11
		50,000,000	Boiler & Machinery	2,878	6/30/11
		100,000	Crime Coverage	2,484	6/30/11
995641	City County Insurance Services	3,000,000	Worker's Compensation	25,430	6/30/11

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF FUTURE DISTRICT G.O. BOND SERIES 2005 REQUIREMENTS

FOR THE YEAR ENDED JUNE 30, 2011
(all amounts are in dollars)

Payment Date	Principal	Coupon	Interest	Total Requirement
12/15/2011			\$366,878.13	\$366,878.13
6/15/2012	\$625,000.00	3.75%	366,878.13	991,878.13
12/15/2012			355,159.38	355,159.38
6/15/2013	680,000.00	3.75%	355,159.38	1,035,159.38
12/15/2013			342,409.38	342,409.38
6/15/2014	740,000.00	**	342,409.38	1,082,409.38
12/15/2014			326,906.25	326,906.25
6/15/2015	810,000.00	4.00%	326,906.25	1,136,906.25
12/15/2015			310,706.25	310,706.25
6/15/2016	875,000.00	**	310,706.25	1,185,706.25
12/15/2016			291,956.25	291,956.25
6/15/2017	1,000,000.00	5.00%	291,956.25	1,291,956.25
12/15/2017			266,956.25	266,956.25
6/15/2018	1,040,000.00	5.00%	266,956.25	1,306,956.25
12/15/2018			240,956.25	240,956.25
6/15/2019	1,130,000.00	5.00%	240,956.25	1,370,956.25
12/15/2019			212,706.25	212,706.25
6/15/2020	1,255,000.00	**	212,706.25	1,467,706.25
15/15/2020			181,968.75	181,968.75
6/15/2021	1,330,000.00	5.00%	181,968.75	1,511,968.75
15/15/2021			148,718.75	148,718.75
6/15/2022	1,440,000.00	5.00%	148,718.75	1,588,718.75
12/15/2022			112,718.75	112,718.75
6/15/2023	1,555,000.00	5.00%	112,718.75	1,667,718.75
12/15/2023			73,843.75	73,843.75
6/15/2024	1,680,000.00	4.25%	73,843.75	1,753,843.75
12/15/2024			38,143.75	38,143.75
6/15/2025	1,795,000.00	4.25%	38,143.75	1,833,143.75
Totals	\$15,955,000.00		\$6,540,056.28	\$22,495,056.28

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF FUTURE PENSION BOND REQUIREMENTS

FOR THE YEAR ENDED JUNE 30, 2011
(all amounts are in dollars)

Payment Date	Principal	Coupon	Interest	Total Requirement
12/30/2011			\$51,359.75	\$51,359.75
6/30/2012	\$92,614.40	4.94%	103,745.35	196,359.75
12/30/2012			51,359.75	51,359.75
6/30/2013	92,522.60	5.13%	113,837.15	206,359.75
12/30/2013			51,359.75	51,359.75
6/30/2014	94,178.30	5.35%	127,181.45	221,359.75
12/30/2014			51,359.75	51,359.75
6/30/2015	95,276.85	5.52%	141,082.90	236,359.75
12/30/2015			51,359.75	51,359.75
6/30/2016	95,808.00	5.66%	155,551.75	251,359.75
12/30/2016			51,359.75	51,359.75
6/30/2017	95,670.70	5.79%	170,689.05	266,359.75
12/30/2017			51,359.75	51,359.75
6/30/2018	94,971.60	5.91%	186,388.15	281,359.75
12/30/2018			51,359.75	51,359.75
6/30/2019	93,658.60	6.03%	202,701.15	296,359.75
12/30/2019			51,359.75	51,359.75
6/30/2020	92,573.00	6.10%	218,786.75	311,359.75
12/30/2020			51,359.75	51,359.75
6/30/2021	92,562.40	6.18%	238,797.35	331,359.75
12/30/2021			51,359.75	51,359.75
6/30/2022	92,454.00	6.23%	258,905.75	351,359.75
12/30/2022			51,359.75	51,359.75
6/30/2023	90,943.65	6.25%	275,416.10	366,359.75
12/30/2023			51,359.75	51,359.75
6/30/2024	335,000.00	5.66%	51,359.75	386,359.75
12/30/2024			41,879.25	41,879.25
6/30/2025	375,000.00	5.67%	41,879.25	416,879.25
12/30/2025			31,248.00	31,248.00
6/30/2026	420,000.00	5.68%	31,248.00	451,248.00
12/30/2026			19,320.00	19,320.00
6/30/2027	465,000.00	5.60%	19,320.00	484,320.00
12/30/2027			6,300.00	6,300.00
6/30/2028	225,000.00	5.60%	6,300.00	231,300.00
Totals	\$2,943,234.10		\$3,109,613.90	\$6,052,848.00

OTHER REQUIRED REPORTS

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA* NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF EDUCATION:			
<i>Passed through State Department of Community Colleges and Workforce Development:</i>			
Adult Basic Education	84-002	375.01	\$ 145,288
Higher Education Institutional Aid	84-031	P031A100182	180,700
Vocational Education - Perkins	84-048	364.07	99,184
Vocational Education - Perkins Supplement	84.243	364.07	7,750
TOTAL U.S. DEPARTMENT OF EDUCATION			411,922
U.S. SMALL BUSINESS ADMINISTRATION:			
<i>Passed through Oregon Department of Economic Development and Labor Community College:</i>			
Small Business Development Center	59.037	16-149	20,179
Small Business Development Center	59.037	11-145	15,125
TOTAL U.S. SMALL BUSINESS ADMINISTRATION			35,304
U.S. DEPARTMENT OF LABOR:			
Community Based Job Training Grant	17.269	CB17297	357,333
<i>Passed through The Oregon Consortium:</i>			
ARRA Worker Training & Placement - State Energy Sector Partnership	17.275	PY09-35-SESP	18,810
<i>Passed through Oregon Department of Community Colleges and Workforce Development:</i>			
WIA Adult Program - Pathways Initiative Project Director	17.258	264	140,882
ARRA WIA Dislocated Workers - Pathways Initiative Project Director	17.250	264	11,204
ARRA WIA Dislocated Workers - Career Readiness	17.260	243	2,828
ARRA Worker Training & Placement - Green LMI Improvement	17.275	366	5,000
ARRA Worker Training & Placement - LMI Improvement	17.275	331	77,618
TOTAL U.S. DEPARTMENT OF LABOR			613,473
U.S. DEPARTMENT OF ENERGY:			
Renewable Energy - Wind Energy Workforce Training Nacelle	81.057	320	185,678
TOTAL U.S. DEPARTMENT OF ENERGY			185,678
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
<i>Passed through Oregon Child Care Resource & Referral Network:</i>			
ARRA Child Care and Development Block Grant	93.713	10RR10	14,800
Child Care and Development Block Grant	93.675	10RR10	9,060
Child Care and Development Block Grant - CCR&R	93.575	11RR10	104,869
Child Care Mandatory & Matching Funds - CCR&R	93.096	11RR10	23,894
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			162,423
NATIONAL ENDOWMENT FOR THE ARTS:			
<i>Passed through The Oregon Council for the Humanities</i>			
Promotion of the Arts - 2011 Spring Humanities Series	45.024	323	3,000
TOTAL NATIONAL ENDOWMENT FOR THE ARTS			3,000
TOTAL FEDERAL ASSISTANCE			\$ 1,401,800

*Catalog of Federal Domestic Assistance

(See Notes to the Schedule of Expenditures of Federal Awards)

COLUMBIA GORGE COMMUNITY COLLEGE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – Summary of Certain Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Columbia Gorge Community College and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 – Subrecipients

No amounts were provided to subrecipients.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL

OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER

MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS

PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Education
Columbia Gorge Community College
The Dalles, Oregon 97058

We have audited the financial statements of Columbia Gorge Community College as of and for the year ended June 30, 2011, which collectively comprise the Columbia Gorge Community College's basic financial statements and have issued our report thereon dated December 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 our 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 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.

Board of Education
Page 2

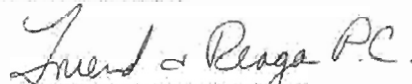
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

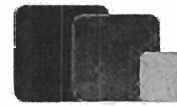
As part of obtaining reasonable assurance about whether Columbia Gorge Community College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Columbia Gorge Community College in a separate letter dated December 15, 2011.

This report is intended solely for the information and use of management, Columbia Gorge Community College's Board of Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


CERTIFIED PUBLIC ACCOUNTANTS

December 15, 2011



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

Board of Education
Columbia Gorge Community College
The Dalles, Oregon 97058

Compliance

We have audited Columbia Gorge Community College's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Columbia Gorge Community College's major federal programs for the year ended June 30, 2011. Columbia Gorge Community College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Columbia Gorge Community College's management. Our responsibility is to express an opinion on Columbia Gorge Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Columbia Gorge Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Columbia Gorge Community College's compliance with those requirements.

In our opinion, Columbia Gorge Community College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Columbia Gorge Community College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Columbia Gorge Community College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Columbia Gorge Community College's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Columbia Gorge Community College's Board of Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


CERTIFIED PUBLIC ACCOUNTANTS

December 15, 2011

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Section 1</u> <u>Financial Statements:</u>	<u>Summary of Auditor's Results</u>
1. Type of auditor's report issued:	Unqualified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
3. Noncompliance material to financial statements noted?	No
<u>Federal Awards:</u>	
1. Internal Controls over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major programs?	Unqualified
3. Any audit findings disclosed which as required to be reported in accordance with OMB Circular A-133, Section 510(a)?	No
4. Identification of major programs:	<u>CFDA#</u>
a. Community-Based Job Training	17.269
5. The dollar threshold used to distinguish between Type A and Type B programs?	\$300,000
6. The College was qualified as a low-risk auditee.	
<u>Section 2</u> <u>Financial Statement Findings</u>	None
<u>Section 3</u> <u>Federal Award Findings and Questioned Costs</u>	None
<u>Section 4</u> <u>Summary Schedule of Prior Audit Findings</u>	None



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INDEPENDENT AUDITOR'S REPORT

REQUIRED BY OREGON STATE REGULATIONS

FOR THE YEAR ENDED JUNE 30, 2011

We have audited the basic financial statements of Columbia Gorge Community College as of and for the year ended June, 30, 2011, and have issued our report thereon dated December 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

- Deposit of public funds with financial institutions (ORS Chapter 295).**
- Indebtedness limitations, restrictions and repayment.**
- Budgets legally required (ORS Chapter 294).**
- Insurance and fidelity bonds in force or required by law.**
- Programs funded from outside sources.**
- Authorized investment of surplus funds (ORS 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 grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

ORS 162-10-0230 Internal Control

In planning and performing our audit, we considered 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 Columbia Gorge Community College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Columbia Gorge Community College's internal control over financial reporting. In separate reports dated December 15, 2011, we reported 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*, and on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133.

This report is intended solely for the information and use of the board of directors 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.

Friend & Reagan P.C.
CERTIFIED PUBLIC ACCOUNTANTS

December 15, 2011

Appendix C

Book Entry Only System

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**SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC--bracketed material may apply only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Appendix D

Form of Continuing Disclosure Certificate

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[Form of]
CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate") is executed and delivered by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "Issuer") in connection with the sale and issuance of the Issuer's \$ _____ General Obligation Refunding Bonds Series 2012 (the "Bonds"). The Bonds are being executed and delivered pursuant to Resolution No. _____ adopted by the Board of Education of the Issuer on _____, 2012 (the "Resolution"). Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Resolution. The Issuer covenants as follows:

Section 1. Purpose of Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of Holders and Beneficial Owners of the Bonds and to assist the Underwriter in complying with Securities and Exchange Commission ("SEC") Rule 15c2-12 (the "Rule").

Section 2. Definitions. In addition to the definitions set forth the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Certificate.

"Beneficial Owner" means any person who has or shares the power, directly or indirectly, to vote or to consent with respect to, or dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" means the Issuer, or any successor Dissemination Agent designated in writing by the Issuer which has filed with the Issuer a written acceptance of such designation.

"Holder" means the registered holders of the Bonds, as recorded in the registration books of the Registrar.

"Listed Events" means any of the events listed in Section 5(a) of this Certificate.

"MSRB" means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, located at <http://emma.msrb.org> as of the date of this Certificate.

"Official Statement" means the Official Statement dated _____, 2012, prepared and distributed in connection with the initial sale of the Bonds.

"Rule" means Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Underwriter" means the original underwriter(s) of the Obligations required to comply with the Rule in connection with the offering of the Obligations.

Section 3. Provisions of Annual Reports.

a. As soon as available but not later than 270 days after the end of the Issuer's fiscal year

(presently June 30), commencing with the report for the 2011-2012 fiscal year, the Issuer shall, or shall cause the Dissemination Agent (if any) to, provide to the MSRB an electronic copy of its Annual Report which is consistent with the requirements of Section 4 of this Certificate and which Annual Report is in a format accompanied by such identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

b. If the Issuer has designated a Dissemination Agent, then not later than fifteen (15) business days prior the filing date in Section 3.a., the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Dissemination Agent (if other than the Issuer) shall file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Certificate, and stating the date it was provided to the MSRB.

c. If the Issuer does not provide (or cause the Dissemination Agent to provide) an Annual Report to the MSRB by the date required in Section 3.a., the Issuer shall provide in a timely manner (or cause the Dissemination Agent to provide in a timely manner) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

a. Audited financial statements of the Issuer for the preceding fiscal year prepared in accordance with the laws of the State of Oregon. If the Issuer's audited financial statements are not available by the by the time the Annual Report is required to be filed pursuant to Section 3.a., the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

b. To the extent not provided in the audited financial statements incorporated in the Annual Report pursuant to Section 4.a. above, financial information and operating data with respect to the Issuer for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement under the following captions:

BONDED INDEBTEDNESS

- Outstanding Long-Term Debt

REVENUE SOURCES

- Taxable Property Values
- Fiscal Year 2012 Representative Levy Rate
- Tax Collection Record
- Major Taxpayers

FINANCIAL FACTORS

- Statement of Net Assets
- Statement of Revenues, Expenses and Changes in Net Assets
- General Fund Statement of Revenues, Expenditures and Changes in Fund Balance
- General Fund Adopted Budget

c. In addition to any of the information expressly required to be provided under paragraphs a. and b. of this Section, the Issuer shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

d. Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been made available to the public on the MSRB's website. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

a. The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the Listed Event, to the MSRB, notice of the occurrence of any of the following with respect to the Bonds:

- i. Principal and interest payment delinquencies;
- ii. Non-payment related defaults, if material;
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. Unscheduled draws on credit enhancements reflecting financial difficulties;
- v. Substitution of credit or liquidity providers, or their failure to perform;
- vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Obligations, or other events affecting the tax status of the Bonds;
- vii. Modifications to rights of Bond holders, if material;
- viii. Bond calls, if material, and tender offers;
- ix. Defeasances;
- x. Release, substitution or sale of property securing repayment of the Bonds, if material;
- xi. Rating changes;
- xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;*

* For the purposes of the event identified in paragraph 5.a.xii., the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or government authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer

- xiii. The consummation of a merger, consolidation, or acquisition involving the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

b. The Issuer may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the Issuer, such other event is material with respect to the Obligations, but the Issuer does not undertake any commitment to provide such notice of any event except those events listed above.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Dissemination Agent. The Issuer may, from time to time, engage or appoint an agent to assist the Issuer in disseminating information hereunder (the "Dissemination Agent"). The Issuer may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 8. Form of Information and Filing. All information required to be provided under this certificate will be provided in electronic format and with the identifying information prescribed by the MSRB. So long as the MSRB continues to approve the use of the Electronic Municipal Market Access ("EMMA") continuing disclosure service, any information required to be provided to the MSRB under this Certificate may be provided through EMMA. As of the date of this Certificate, the web portal for EMMA is www.emma.msrb.org.

Section 9. Amendment or Waiver. Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate, and any provisions of this Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3.a., 4, or 5, it may only be made in accordance with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person with respect to the Obligations, or type of business conducted;
- (b) This Certificate, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating date being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a

Listed Event under Section 5.a., and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Choice of Law. This Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 11. Enforceability and Remedies. The Issuer agrees that this Certificate is intended to be for the benefit of the Holders and Beneficial Owners of the Obligations and shall be enforceable by or on behalf of such Holders and Beneficial Owners; provided that, the right of Holders to challenge the adequacy of the information furnished hereunder shall be limited to an action by or on behalf of Holders representing twenty-five percent (25%) of the aggregate outstanding principal amount of Obligations. Any failure by the Issuer to comply with the provisions of this undertaking shall not be an Event of Default under the Resolution. This Certificate confers no rights on any person or entity other than the Issuer, Holders and Beneficial Owners of the Obligations, and any Dissemination Agent.

Section 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

[Signature follows on the next page]

Dated this _____ day of _____ 2012.

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

By: _____
Authorized Representative

EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO
FILE ANNUAL REPORT

Name of Issuer: Columbia Gorge Community College District, Hood River and Wasco Counties,
Oregon

Name of Issue: _____

Date of Issuance _____, 2012

NOTICE IS HEREBY GIVEN that Columbia Gorge Community College District, Hood River
and Wasco Counties, Oregon (the "Issuer") has not provided an Annual Report with respect to the above-
named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the Issuer, dated
_____, 2012. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____.

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

By: _____
Authorized Representative

10

AMENDMENT

OFFICIAL STATEMENT DATED FEBRUARY 22, 2012

\$13,790,000

Columbia Gorge Community College District Hood River and Wasco Counties, Oregon General Obligation Refunding Bonds, Series 2012

DATED: March 15, 2012 ("Date of Delivery")

DUE: June 15, as shown on the inside cover

This Amendment to the Official Statement for the above-named bond issue, dated February 22, 2012, is issued to revise the "Purpose and Use of Proceeds - Refunding Procedure" and "Source and Uses of Funds" sections:

Refunding Procedure

From the proceeds of the Bonds, and with other monies available, the District will purchase certain direct United States government obligations (referred to herein as "Government Obligations"). These Government Obligations will be deposited in the custody of the Escrow Agent. The maturing principal of the Government Obligations, interest earned thereon, and necessary cash balance, will provide funds sufficient to pay interest on the Refunded Bonds beginning June 15, 2012, and provide funds sufficient to redeem all remaining principal of the Refunded Bonds on June 15, 2015.

Sources and Uses of Funds

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

Estimated Sources and Uses of Funds

Sources of Funds	
Par Amount of Bonds	\$ 13,790,000
Net Original Issue Premium	1,125,553
District Cash Contribution	310,706
Total Sources of Funds	<u>\$ 15,226,259</u>
Uses of Funds	
Escrow Requirements	\$ 15,058,833
Underwriting, Credit Enhancement and Costs of Issuance	167,426
Total Uses of Funds	<u>\$ 15,226,259</u>

Dated: March 13, 2012

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OFFICIAL STATEMENT DATED FEBRUARY 22, 2012

\$13,790,000

**Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds, Series 2012**

DATED: March 15, 2012 (estimated "Date of Delivery")

DUE: June 15, as shown on the inside cover

PURPOSE— The \$13,790,000 General Obligation Refunding Bonds, Series 2012 (the "Bonds") are being issued by the Columbia Gorge Community College District in Hood River and Wasco Counties, Oregon (the "District"). The Bonds are being issued to refinance certain outstanding bonds that financed capital construction and improvements and to pay the costs of issuance of the Bonds. See "Purpose and Use of Proceeds" herein.

MOODY'S RATING—"Aa3" underlying; "Aa1" enhanced. See "Oregon School Bond Guaranty" and "Ratings" herein.

NOT BANK QUALIFIED— The District has not designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code").

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

PRINCIPAL AND INTEREST PAYMENTS— Interest on the Bonds will be paid on December 15, 2012 and semiannually thereafter on June 15 and December 15 of each year to the maturity or earlier redemption of the Bonds. Principal of and interest on the Bonds will be payable by the District's Paying Agent, initially U.S. Bank National Association, to DTC which, in turn, will remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Bonds at the address appearing upon the registration books on the last business day (the "Record Date") of the month preceding a payment date.

MATURITY SCHEDULE — SEE INSIDE COVER

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

SECURITY— The Bonds are general obligations of the District. The full faith and credit and taxing powers of the District are pledged to the successive owners of each of the Bonds (the "Bondowners") for the punctual payment of such obligations, when due. The District covenants with the Bondowners to levy annually a direct ad valorem tax upon all of the taxable property within the District without limitation as to rate or amount, and outside of the limitations of sections 11 and 11b, Article XI of the Oregon Constitution, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, and any other funds available to pay interest accruing and the principal maturing on the Bonds promptly when and as they become due. The Bonds do not constitute a debt or indebtedness of Hood River County, Wasco County, the State of Oregon, or any political subdivision thereof other than the District.

Payment of the principal of and interest on the Bonds when due is guaranteed by the full faith and credit of the
State of Oregon

under the provisions of the Oregon School Bond Guaranty Act. See "Oregon School Bond Guaranty" within.

TAX MATTERS— *In the opinion of Mersereau Shannon LLP, Bond Counsel to the District ("Bond Counsel"), assuming compliance with certain covenants of the District, interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes under existing law. Interest on the Bonds is not an item of tax preference for purposes of either individual or corporate alternative minimum tax. Interest on the Bonds may be indirectly subject to corporate alternative minimum tax and certain other taxes imposed on certain corporations. See "Tax Matters" herein for a discussion of the opinion of Bond Counsel. In the opinion of Bond Counsel, interest on the Bonds is exempt from Oregon personal income tax under existing law.*

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

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



Columbia Gorge Community College District

Hood River and Wasco Counties, Oregon

General Obligation Refunding Bonds, Series 2012

DATED: Date of Delivery

DUE: June 15, as shown below

MATURITY SCHEDULE —

Due June 15	Amounts	Interest Rates	Yields	CUSIP® 197659	Due June 15	Amounts	Interest Rates	Yields	CUSIP® 197659
2013	\$ 30,000	2.000%	0.280%	CF0	2022	\$ 375,000	2.000%	2.200%	CS2
2014	135,000	2.000	0.430	CG8	2022	200,000	2.750	2.200	CT0
2015	140,000	2.000	0.640	CH6	2022	865,000	4.000	2.200	CU7
2016	1,015,000	2.000	0.780	CJ2	2023	1,220,000	3.000	2.350 ⁽¹⁾	CV5
2017	1,125,000	2.000	0.920	CK9	2023	310,000	5.000	2.350 ⁽¹⁾	CW3
2018	1,135,000	3.000	1.260	CL7	2024	370,000	2.500	2.670	CX1
2019	1,210,000	2.500	1.530	CM5	2024	1,000,000	4.000	2.470 ⁽¹⁾	CY9
2020	1,305,000	3.000	1.840	CN3	2024	260,000	5.000	2.440 ⁽¹⁾	CZ6
2021	865,000	2.500	2.010	CP8	2025	450,000	2.500	2.840	DA0
2021	250,000	3.000	2.010	CQ6	2025	550,000	3.000	2.800 ⁽¹⁾	DB8
2021	245,000	4.000	2.010	CR4	2025	530,000	4.000	2.580 ⁽¹⁾	DC6
					2025	205,000	5.000	2.510 ⁽¹⁾	DD4

(1) Yield reflects pricing to the first optional redemption date of June 15, 2022.

Certain statements contained in this Official Statement do not reflect historical facts, but are forecasts and "forward-looking statements." No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts described herein. In this respect, words such as "estimated," "projected," "anticipate," "expect," "intend," "plan," "believe" and similar expressions are intended to identify forward-looking statements. All projections, assumptions and other forward-looking statements are expressly qualified in the entirety by the cautionary statements set forth in this Official Statement.

Certain information contained herein has been obtained from the District and other sources which are believed to be reliable, but the accuracy or completeness of such information is not guaranteed and such information is not to be construed to be a representation of the District, or Seattle-Northwest Securities Corporation (the "Underwriter"). The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

The CUSIP® numbers herein are provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by Standard and Poor's, a division of The McGraw-Hill Companies, Inc. CUSIP is a registered trademark of the American Bankers Association. CUSIP numbers are provided for convenience of reference only. CUSIP numbers are subject to change. Neither the District nor the Underwriter take any responsibility for the accuracy of such CUSIP numbers.

Web addresses contained in this Official Statement are inactive textual references, not hyperlinks, and any websites, by such reference, are not incorporated herein.

No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give information or to make any representations with respect to the Bonds, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The prices at which the Bonds are offered to the public by the Underwriter (and the yields resulting therefrom) may vary from the initial public offering prices appearing on this inside cover page hereof. In addition, the Underwriter may allow concessions or discounts from such initial public offering prices to dealers and others. In connection with the offering of the Bonds, the Underwriter may effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

Columbia Gorge Community College District

400 East Scenic Drive
The Dalles, Oregon 97058-3434
(541) 506-6000

Board of Education

Charleen Cobb
Dr. Ernest Keller
Charlotte Arnold
David Fenwick
M.D. Van Valkenburgh
Stuart Watson
Dr. James R. Willcox

Chair
Vice-Chair
Board Member
Board Member
Board Member
Board Member
Board Member

College Administrators

Dr. Frank K. Toda
Saundra L. Buchanan
Dr. Susan Wolff
Karen Carter
Robb Van Cleave
Bill Bohn
Daniel Spatz

President
Chief Financial Officer
Chief Academic Officer
Chief Student Services Officer
Chief Talent and Strategy Officer
Chief Technology Officer
Chief Institutional Advancement Officer

Bond Counsel

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

Paying Agent

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

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Table of Contents

	Page
Description of the Bonds	1
Principal Amount, Date, Interest Rates and Maturities.....	1
Paying Agent and Registration Features	1
Redemption Provisions	2
Authorization for Issuance	2
Purpose and Use of Proceeds.....	3
Purpose.....	3
Refunding Procedure	3
Verification of Mathematical Calculations	3
Sources and Uses of Funds	4
Security for the Bonds	4
General	4
Oregon School Bond Guaranty	4
Ratings.....	7
Bonded Indebtedness.....	7
Obligation to Pay	7
District Debt Liability	7
Debt Limitation	8
Outstanding Long-Term Debt.....	9
Projected Debt Service Requirements	9
Summary of Overlapping Debt	10
Debt Ratios.....	11
Debt Payment Record.....	11
Future Financings	11
Revenue Sources	11
Community College District Funding	11
Property Taxes.....	12
Fiscal Year 2012 Representative Levy Rate	15
Major Taxpayers	17
State of Oregon Community College Funding	18
Tuition and Fees.....	21
Federal Funding.....	21
The District	22
Oregon Community Colleges	22
General Description.....	22
Historical and Projected FTE Enrollment and Headcount.....	23
Key Administrative Officials.....	24
Financial Factors	25
Financial Reporting and Accounting Policies	25
Auditing.....	25
Statement of Net Assets	26
Statement of Revenues, Expenses and Changes in Net Assets.....	27
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance	28
Budgetary Process	28
General Fund Adopted Budget.....	29
Investments.....	29
Pension System	30
Other Postemployment Benefits	32
Risk Management	33
Demographic Information.....	33
The Initiative and Referendum Process.....	39
Referendum	39
Initiatives.....	40

Table of Contents, Continued

	Page
Legal Matters and Litigation.....	41
Legal Matters.....	41
Litigation.....	41
Tax Matters.....	42
Tax Exemption	42
Premium.....	42
Original Issue Discount.....	43
Oregon State Tax Exemption.....	43
Future and Proposed Federal Legislation	43
Continuing Disclosure	43
Underwriting.....	44
Concluding Statement.....	44
Appendices:	
Form of Bond Counsel Opinion.....	Appendix A
Financial Statements.....	Appendix B
Book-Entry Only System	Appendix C
Form of Continuing Disclosure Certificate	Appendix D

OFFICIAL STATEMENT

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

\$13,790,000

General Obligation Refunding Bonds, Series 2012

Columbia Gorge Community College District in Hood River and Wasco Counties, Oregon (the "District"), a political subdivision duly organized and existing under and by virtue of the laws of the State of Oregon (the "State") furnishes this Official Statement in connection with the offering of \$13,790,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2012 (the "Bonds"), dated the Date of Delivery. This Official Statement, which includes the cover page, inside cover page, and appendices, provides information concerning the District and the Bonds.

The information set forth herein has been obtained from the District and other sources that are believed to be reliable. Seattle-Northwest Securities Corporation (the "Underwriter") has relied on the District with respect to the accuracy and sufficiency of such information and such information is not to be construed as a representation, warranty or guarantee by the Underwriter. So far as any statement herein includes matters of opinion, or estimates of future expenses and income, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

Description of the Bonds

Principal Amount, Date, Interest Rates and Maturities

The Bonds will be issued in the aggregate principal amount posted on the cover of this Official Statement and will be dated and bear interest from the Date of Delivery. The Bonds will mature on the dates and in the principal amounts set forth on the inside cover of this Official Statement. Interest on the Bonds is payable semiannually on December 15 and June 15 of each year, commencing December 15, 2012, until the maturity or earlier redemption of the Bonds and will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Paying Agent and Registration Features

Paying Agent. The principal of and interest on the Bonds will be payable by U.S. Bank National Association (the "Paying Agent" and "Bond Registrar") to the Depository Trust Company ("DTC"), which, in turn, is obligated to remit such principal and interest to its participants ("DTC Participants") for subsequent disbursement to the persons in whose names such Bonds are registered (the "Beneficial Owners") of the Bonds, as further described in Appendix C attached hereto.

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

Procedure in the Event of Revisions of Book-Entry Transfer System. If DTC resigns as the securities depository and the District is unable to retain a qualified successor to DTC, or the District has determined that it is in the best interest of the District not to continue the book-entry system of transfer or that interests of the Beneficial Owners of the Bonds might be adversely affected if the book-entry system of transfer is continued, the District will cause the Paying Agent to authenticate and deliver to the Beneficial Owners of the Bonds or their nominees, replacement Bonds in fully registered form, in the denomination of \$5,000 or any integral multiple

thereof within a maturity. Thereafter, the principal of the Bonds will be payable upon due presentment and surrender thereof at the principal office of the Bond Registrar; interest on the Bonds will be delivered to the persons in whose names such Bonds are registered, at the address appearing upon the registration books on the last business day of the month preceding a payment date (the "Record Date"), and the Bonds will be transferable as provided in the Resolution (as defined herein).

Redemption Provisions

Optional Redemption. The Bonds maturing in years 2013 through 2022, inclusive, are not subject to optional redemption prior to maturity. The Bonds maturing on June 15, 2023 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15 2022, as a whole or in part, and if in part, with maturities to be selected by the District and by DTC or by lot within a maturity at a price of par, plus accrued interest, if any, to the date of redemption.

For as long as the Bonds are in book-entry only form, if fewer than all of the Bonds of a maturity are called for redemption, the selection of Bonds within a maturity to be redeemed shall be made by DTC in accordance with its operational procedures then in effect. See Appendix C attached hereto. If the Bonds are no longer held in book-entry only form, then the Paying Agent would select Bonds for redemption by lot.

Notice of Redemption (Book-Entry). So long as the Bonds are in book-entry only form, the Paying Agent shall notify DTC of an early redemption no fewer than 20 calendar days nor more than 60 calendar days prior to the date fixed for redemption, and shall provide such information as required by a letter of representation submitted to DTC in connection with the issuance of the Bonds. The District reserves the right to rescind any redemption notice as allowed in the Bond Resolution.

Notice of Redemption (No Book-Entry). During any period in which the Bonds are not in book-entry only form, unless waived by any Owner of the Bonds (as defined herein) to be redeemed, official notice of any redemption of Bonds shall be given by the Paying Agent on behalf of the District by mailing a copy of an official redemption notice by first class mail, postage prepaid, no fewer than 20 calendar days nor more than 60 calendar days prior to the date fixed for redemption, to the Owners of the Bonds to be redeemed at the address shown on the bond register or at such other address as is furnished in writing by such Owner to the Paying Agent. The District reserves the right to rescind any redemption notice as allowed in the Bond Resolution.

Authorization for Issuance

The District previously issued its General Obligation Bonds, Series 2005, dated May 25, 2005, in the original aggregate principal amount of \$18,500,000 (the "Series 2005 Bonds") pursuant to a resolution adopted by the District's Board of Education on April 12, 2005. The Series 2005 Bonds were issued to finance capital construction and improvements for health science training and classroom facilities, renovate existing facilities, demolish unusable buildings, purchase land and to pay costs of issuance of the Series 2005 Bonds. The Series 2005 Bonds are payable from taxes levied on property within the District located in Hood River and Wasco Counties.

The proceeds of the Bonds will be used to advance refund all or a portion of the outstanding Series 2005 Bonds (the "Refunded Bonds") and to pay the costs of issuance of the Bonds. The advance refunding of the Series 2005 Bonds is contingent upon the District's receipt of actual, cumulative debt service savings of not less than the amount required under Oregon law and advance refunding plan approval by the State Treasurer.

Under and in accordance with State laws and provisions, specifically Oregon Revised Statutes ("ORS") Chapter 287A and Chapter 341, the Bonds are being issued pursuant to a resolution (the "Resolution") adopted by the District's Board of Education (the "Board") on December 13, 2011. The Bonds may be issued without voter approval.

Purpose and Use of Proceeds

Purpose

The Bonds are being issued so that the District can obtain a benefit of a savings in total debt service requirements.

Refunding Procedure

A portion of the proceeds of the Bonds will be used to provide funds to establish an irrevocable trust escrow pursuant to an escrow deposit agreement (the "Escrow Deposit Agreement") between the District and U.S. Bank National Association, as escrow agent thereunder (the "Escrow Agent") to refund the Refunded Bonds, as shown below:

Refunded Bonds

Series		Total Amount Outstanding	Amount Refunded	Call Date	Call Price ⁽¹⁾		
Series 2005 Bonds		\$ 15,955,000	\$ 13,100,000	06/15/15	100%		
Outstanding Maturities	Maturity Amount	Amount Refunded	CUSIP 197659	Outstanding Maturities	Maturity Amount	Amount Refunded	CUSIP 197659
6/15/12	\$ 625,000	\$ -	BN4	6/15/18	\$ 1,040,000	\$ 1,040,000	BU8
6/15/13	680,000	-	BP9	6/15/19	1,130,000	1,130,000	BV6
6/15/14	225,000	-	BQ7	6/15/20	1,000,000	1,000,000	BW4
6/15/14	515,000	-	CA1	6/15/20	255,000	255,000	CD5
6/15/15	810,000	-	BR5	6/15/21	1,330,000	1,330,000	BX2
6/15/16	250,000	250,000	BS3	6/15/22	1,440,000	1,440,000	BY0
6/15/16	625,000	625,000	CC7	6/15/23	1,555,000	1,555,000	BZ7
6/15/17	1,000,000	1,000,000	BT1	6/15/25	3,475,000	3,475,000	CB9

(1) Call price is expressed as a percentage of the principal amount.

From the proceeds of the Bonds, the District will purchase certain direct United States government obligations (referred to herein as "Government Obligations"). These Government Obligations will be deposited in the custody of the Escrow Agent. The maturing principal of the Government Obligations, interest earned thereon, and necessary cash balance, if any, will provide funds sufficient to pay interest on the Refunded Bonds beginning December 15, 2012, and provide funds sufficient to redeem all remaining principal of the Refunded Bonds on June 15, 2015.

The Government Obligations, interest earned thereon, and necessary cash balance, if any, will irrevocably be pledged to and held in trust for the benefit of the Owners of the Refunded Bonds by the Escrow Agent, pursuant to the Escrow Agreement.

Verification of Mathematical Calculations

Grant Thornton LLP, a firm of independent public accountants (the "Verification Agent"), will deliver to the District, on or before the Date of Delivery, its verification report indicating that it has verified, in accordance with attestation standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Government Obligations, to pay, when due, the maturing principal of, interest on and related call premium requirements of the Refunded Bonds and (b) the mathematical computations of yield used by Bond Counsel to support its opinion that interest on the Bonds will be excluded from gross income for federal income tax purposes.

The verification performed by the Verification Agent will be solely based upon data, information and documents provided to the Verification Agent by the District and its representatives. The Verification Agent

has restricted its procedures to recalculating the computations provided by the District and its representatives and has not evaluated or examined the assumptions or information used in the computations.

Sources and Uses of Funds

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

Estimated Sources and Uses of Funds

Sources of Funds	
Par Amount of Bonds	\$ 13,790,000
Net Original Issue Premium	1,125,553
Total Sources of Funds	<u>\$ 14,915,553</u>
Uses of Funds	
Escrow Requirements	\$ 14,748,127
Underwriting, Credit Enhancement and Costs of Issuance	167,426
Total Uses of Funds	<u>\$ 14,915,553</u>

Security for the Bonds

General

The Bonds are general obligations of the District. The full faith and credit of the District are pledged to the successive owners of each of the Bonds (the “Bondowners”) for the punctual payment of such obligations, when due. The District covenants with the Bondowners to levy annually a direct ad valorem tax upon all of the taxable property within the District without limitation as to rate or amount, and outside of the limitations of sections 11 and 11b, Article XI of the Oregon Constitution, after taking into consideration discounts taken and delinquencies that may occur in the payment of such taxes, and any other funds available to pay interest accruing and the principal maturing on the Bonds promptly when and as they become due. The taxes, when collected, are required to be applied solely for the purpose of payment of principal and interest on the Bonds and for no other purpose until the Bonds have been fully paid, satisfied and discharged.

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

The Bonds do not constitute a debt or indebtedness of Hood River County or Wasco County (the “Counties”), the State, or any political subdivision thereof other than the District.

Oregon School Bond Guaranty

Guaranty Provisions. Article XI-K of the Constitution of the State of Oregon allows the State to guarantee the general obligation bonded indebtedness of school districts, education service districts, and community college districts (generally “school district” or “school districts”) in order to secure lower interest costs on general obligation bonds of such districts. Payment of the principal of and interest on the Bonds when due is guaranteed by the full faith and credit of the State under the provisions of the Oregon School Bond Guaranty Act – Oregon Revised Statutes (ORS) 328.321 to 328.356 (the “Act”). As provided for in Section 328.326(1)(a) of the Act:

The State Treasurer may, by issuing a certificate of qualification to a school district, pledge the full faith and credit and taxing power of the state to guarantee full and timely payment of the principal of, either at the stated maturity or by advancement of maturity pursuant to a mandatory sinking fund payment, and interest on school bonds as such payments shall become due, except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the

payments guaranteed shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration.

The Act further provides that (i) the guaranty of the State does not extend to the payment of any redemption premium due on any bonds guaranteed under the Guaranty Act and (ii) any bond guaranteed by the State under the Act that is refunded no longer has the benefit of the guaranty from and after the date on which that bond is considered to be paid.

Regularly Scheduled Debt Service Payments. Each school district with outstanding, unpaid bonds guaranteed under the Act shall transfer moneys sufficient for the scheduled debt service payment to its paying agent at least 15 days before any principal or interest payment date for the bonds. The paying agent may invest the moneys for the benefit of the school district until the payment date. A school district that is unable to transfer the scheduled debt service payment to the paying agent 15 days before the payment date shall immediately notify the paying agent and the State Treasurer. Such notification shall be made to the Office of the State Treasurer as prescribed in the Act. The Act further provides that if sufficient funds are not transferred to the paying agent as required above, the paying agent shall notify the State Treasurer of that failure at least 10 days before the scheduled debt service payment in the manner prescribed in the Act.

Monitoring. Beginning with bonds issued with the guaranty of the State on and after October 30, 2009, a school district with outstanding, unpaid bonds which are guaranteed under the Act, must enter into an agreement with a paying agent under which the paying agent provides the district with notice by January 15 of each year of any required debt service amounts (including any scheduled deposits to a sinking fund for the bonds) due during the following fiscal year. The paying agent must also notify the district of any debt service amounts (including any scheduled deposits to a sinking fund) that must be paid or deposited over the next two fiscal years. In addition, for bonds originally issued as tax credit bonds under the Internal Revenue Code and any bonds resulting from conversion of such bonds ("Qualified Bonds"), the district must provide written verification by May 1 of each year to its paying agent that it has made any required sinking fund deposits. The paying agent must notify the State Treasurer if it does not receive such verification. Further, the district must report to the State Treasurer, at least annually, the amount of moneys paid into its debt service fund to pay the Qualified Bonds and a calculation demonstrating that such deposits are projected to be sufficient to repay the Qualified Bonds in full when payment is due. If annual payments are not made to the debt service fund, the district must demonstrate that the current balance in the fund, plus any scheduled future deposits, will be sufficient to repay the Qualified Bonds when due.

Payment under the Guarantee. If sufficient moneys to pay the scheduled debt service payment have not been transferred to the paying agent, the State Treasurer shall, on or before the scheduled payment date, transfer sufficient moneys to the paying agent to make the scheduled debt service payment. If sufficient moneys of the State are not on hand and available at the time the State is required to make a debt service payment under its guaranty on behalf of the school district, the State Treasurer may singly or in combination:

- Obtain from the Common School Fund or from any other State funds that qualify to make a loan under ORS 293.205 to 293.225, a loan sufficient to make the required payment;
- Borrow money, if economical and convenient, as authorized by ORS 286A.045;
- Issue State general obligation bonds as provided for in Article XI-K of the Constitution and the process for which is defined in the Act; and,
- With the approval of the Legislative Assembly, or the Emergency Board if emergency funds are lawfully available for making the required payment in the interim between sessions of the Legislative Assembly, pay moneys from the General Fund or any other funds lawfully available for the purpose or from emergency funds amounts sufficient to make the required payment.

Any payment of scheduled debt service payments by the State Treasurer on behalf of a school district (i) discharges the obligation of the issuing school district to its bondholders for the payment, and (ii) transfers the rights represented by the general obligation of the school district from the bondholders to the State. If one or more payments are made by the State Treasurer as provided for in the Act, the State Treasurer shall pursue recovery from the school district of all moneys necessary to reimburse the State. In seeking recovery, the State Treasurer may (i) intercept any payments from the General Fund, the State School Fund, the income of the

Common School Fund and any other source of operating moneys provided by or through the State to the school district that issued the bonds that would otherwise be paid to the school district by the State, and (ii) apply any intercepted payments to reimburse the State for payments made pursuant to the State’s guaranty until all obligations of the school district to the State arising from those payments, including any interest and penalties, are paid in full. The State has no obligation to the school district or to any person or entity to replace any moneys intercepted under the Act. The authority of the Treasurer to intercept payments under the Act has priority over all claims against money provided by the State to a school district, including a claim based on a funds diversion agreement under ORS 238.698. Additionally, in accordance with the Act, if the State Treasurer determines that it is necessary the State Treasurer shall pursue any legal action, including but not limited to mandamus, against the school district or school district board to compel the school district to (i) levy and provide property tax revenues to pay debt service on its bonds and other obligations when due, and (ii) meet its repayment obligations to the State. The Attorney General shall assist the State Treasurer in pursuing such rights of recovery under the Act.

At all times, the school district shall continue to be responsible for the payment of all debt service payments on its bonds. A school district that issued bonds for which the State makes all or part of a debt service payment shall be responsible for reimbursing all moneys drawn or paid by the State Treasurer on its behalf. In addition the school district shall pay interest to the State on all moneys paid by the State from the date the moneys were drawn to the date they are repaid at a rate to be determined by the State Treasurer, in the State Treasurer’s discretion, to be sufficient to cover the costs of funds to the State plus the costs of administration of the guaranty obligation and of collection of reimbursement.

Guaranty Limit. Under Article XI-K of the State Constitution, the amount of debt that the State may incur in honoring its guaranty of school bonds may not exceed, at any one time, one-half of one percent of the real market value (RMV) of all taxable property in the State. The State of Oregon has not issued bonds to provide money to satisfy its guaranty of school bonds participating in the program and does not anticipate the need to issue bonds for this purpose in the future.

As of February 9, 2012 the State had guaranteed the following (not including this bond issue or those issues guaranteed between the date identified above and the date of this issue) under the Guaranty Act:

Number of school districts with Certificates of Qualification:	15
Number of bond issues guaranteed under the Guaranty Program:	273
Aggregate total principal amount outstanding of bonds guaranteed at	\$3,362,680,308
Aggregate debt service amount outstanding of bond issues guaranteed at:	\$4,913,288,322

Guaranty Contact Person. As of the date of this Official Statement, requests for information regarding the Guaranty Program may be directed to:

Ted Wheeler, Oregon State Treasurer
 Oregon School Bond Guaranty Program
 Office of the State Treasurer
 Debt Management Division
 350 Winter Street NE, Suite 100
 Salem, OR 97301-3896
 Phone (503) 378-4930 – Fax (503) 378-2870

State of Oregon – Financial and Operating Information. The most recent Comprehensive Annual Financial Report (the “CAFR”) of the State, and its most recent Official Statement for its general obligation debt, are currently on file with the Electronic Municipal Market Access (“EMMA”), operated by the Municipal Securities Rulemaking Board (“MSRB”). The financial and operating information with respect to the State contained in the CAFR, and such OFFICIAL STATEMENT, are hereby included by reference in this OFFICIAL STATEMENT. Additionally, the CAFR and the most recent OFFICIAL STATEMENT for its general obligation debt are available upon request from the State’s contact person as indicated under Guaranty Contact Person above.

As of the date of this Official Statement, the outstanding general obligation bonds of the State are rated “AA+” by Fitch, “Aa1” by Moody’s Investors Service, and “AA+” by Standard & Poor’s Ratings Group.

State of Oregon – Continuing Disclosure. The State has executed a Master Disclosure Certificate (the “Certificate”) for the benefit of registered and beneficial holders of bonds guaranteed under the Guaranty Program and to assist Underwriters of such bonds in complying with paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12) (the “Rule”). The State, in accordance with the Certificate, will provide annually copies of its most recent CAFR of the State to the Municipal Securities Rulemaking Board through depositing such information with EMMA and to the state information depository, if any, located in the State of Oregon (the “SID”). In addition, the State will provide the MSRB, through EMMA, with any material event notices pertaining to the State of Oregon required under the Rule and pursuant to the Certificate.

Ratings

As noted on the cover page of this Official Statement, the District has been assigned an underlying rating of “Aa3” for the Bonds from Moody’s Investors Service (“Moody’s”). Further, Moody’s will assign its rating of “Aa1” based on the District’s participation in the Oregon School Bond Guaranty program described above. The ratings reflect only the views of the rating agency and an explanation of the significance of the rating may be obtained from the rating agency. There is no assurance that the rating will be retained for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating will be likely to have an adverse effect on the market price of the Bonds.

Bonded Indebtedness

Obligation to Pay

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

District Debt Liability

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

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

Debt Limitation

General Obligation Bonds. ORS 341.675 establishes a parameter of general obligation bonded indebtedness for community college districts. Community colleges may issue an aggregate principal amount up to 1.5 percent of the Real Market Value of all taxable properties within the district. **The Bonds are general obligation bonds and are subject to this debt limitation, as shown below:**

**Columbia Gorge Community College
General Obligation Debt Capacity**

Real Market Value (Fiscal Year 2012) ⁽¹⁾	\$ 5,628,976,016
Debt Capacity	
General Obligation Debt Capacity (1.50% of Real Market Value)	\$ 84,434,640
Less: Outstanding Debt Subject to Limit ⁽²⁾	(18,080,000)
Remaining General Obligation Debt Capacity	\$ 66,354,640
Percent of Capacity Issued	21.4%

- (1) The District’s fiscal year commences July 1 and ends on June 30 of the following year (the “Fiscal Year”). *Source: Hood River and Wasco Counties Department of Assessment and Taxation.*
- (2) Represents voter-approved, unlimited-tax general obligations of the District, including the Bonds. Payment of principal and interest on the District’s Series 1998 Bonds are the obligation of property owners in the portion of the District located within Wasco County only. Payment of principal and interest on the Bonds is the obligation of property owners throughout the District. See “District Debt Liability” above. *Source: Columbia Gorge Community College District Audited Financial Reports for the Fiscal Year Ended June 30, 2011, and this issue.*

Full Faith and Credit Obligations. School districts, education service districts, community colleges and local governments may pledge their full faith and credit for “limited tax bonded indebtedness” or “full faith and credit obligations.” The Oregon Constitution and statutes do not limit the amount of limited tax bonded indebtedness that a community college, or city may issue. Full faith and credit obligations can take the form of bonds, certificates of participation, notes or capital leases. Collection of property taxes to pay principal and interest on such limited-tax debt is subject to the limitations of Article XI, Sections 11 and 11b. **The Bonds are not limited-tax debt.**

Pension Bonds. ORS 238.694 authorizes school districts, education service districts, community colleges and local governments to issue full faith and credit obligations to pay pension liabilities without limitation as to principal amount. Pension bonds are not general obligations as defined under State law and the District is not authorized to levy additional taxes to make pension bond payments. **The Bonds are not pension bonds.**

Revenue Bonds. The District may issue revenue bonds for any public purpose, which are secured by revenues pursuant to ORS 287A.150. **The Bonds are not revenue bonds.**

Notes. Subject to any applicable limitations imposed by the Oregon Constitution or laws of the State or the resolution of an individual community college, ORS 287A.180 provides that the District may borrow money in anticipation of tax revenues or other monies and to provide interim financing (“notes”). **The Bonds are not notes.**

Outstanding Long-Term Debt

Governmental Activities	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding
<i>General Obligation Bonds:</i>				
Series 1998 Bonds ⁽¹⁾	11/12/98	06/01/13	\$ 5,985,000	\$ 1,435,000
Series 2005 Bonds	05/25/05	06/15/15 ⁽²⁾	18,500,000	15,955,000
Less: Refunded Bonds ⁽³⁾				(13,100,000)
Series 2012 Refunding Bonds ⁽³⁾	03/15/12	06/15/25	13,790,000	13,790,000
Total General Obligation Bonds				<u>18,080,000</u>
<i>Pension Bonds:</i>				
Series 2003	04/09/03	06/30/28	\$ 3,570,327	<u>\$ 2,943,234</u>
Total Long-Term Debt				<u><u>\$ 21,023,234</u></u>

(1) Payment of principal and interest on the District's Series 1998 Bonds are the obligation of property owners in the portion of the District located within Wasco County only. Payment of principal and interest on the Bonds is the obligation of property owners throughout the District. See "District Debt Liability" above.

(2) Final maturity following redemption of the Refunded Bonds.

(3) This issue.

Source: Columbia Gorge Community College District Audited Financial Reports for the Fiscal Year Ended June 30, 2011.

General Obligation Bonds Projected Debt Service Requirements

Fiscal Year	Outstanding Bonds		Less: Refunded Bonds		The Bonds		Total Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	
2012	\$ 1,320,000	\$ 795,831	\$ -	\$ -	\$ -	\$ -	\$ 2,115,831
2013	1,420,000	742,509	-	621,413	30,000	515,531	2,086,628
2014	740,000	684,819	-	621,413	135,000	411,825	1,350,231
2015	810,000	653,813	-	621,413	140,000	409,125	1,391,525
2016	875,000	621,413	875,000	621,413	1,015,000	406,325	1,421,325
2017	1,000,000	583,913	1,000,000	583,913	1,125,000	386,025	1,511,025
2018	1,040,000	533,913	1,040,000	533,913	1,135,000	363,525	1,498,525
2019	1,130,000	481,913	1,130,000	481,913	1,210,000	329,475	1,539,475
2020	1,255,000	425,413	1,255,000	425,413	1,305,000	299,225	1,604,225
2021	1,330,000	363,938	1,330,000	363,938	1,360,000	260,075	1,620,075
2022	1,440,000	297,438	1,440,000	297,438	1,440,000	221,150	1,661,150
2023	1,555,000	225,438	1,555,000	225,438	1,530,000	173,550	1,703,550
2024	1,680,000	147,688	1,680,000	147,688	1,630,000	121,450	1,751,450
2025	1,795,000	76,288	1,795,000	76,288	1,735,000	59,200	1,794,200
	<u>\$ 17,390,000</u>	<u>\$ 6,634,321</u>	<u>\$ 13,100,000</u>	<u>\$ 5,621,588</u>	<u>\$ 13,790,000</u>	<u>\$ 3,956,481</u>	<u>\$ 23,049,215</u>

**Summary of Overlapping Debt
(As of December 18, 2011)**

Overlapping Issuer Name	Real Market Value	Percent Overlapping	Gross Direct Debt ⁽¹⁾	Net Direct Debt ⁽²⁾
City of Dufur	\$ 43,055,837	100.00%	\$ 73,807	\$ 73,807
City of Hood River	1,067,353,943	100.00%	21,499,000	18,724,000
City of Maupin	70,144,828	100.00%	91,478	91,478
City of Mosier	63,963,167	100.00%	22,522	0
City of The Dalles	1,274,364,910	100.00%	14,230,000	14,230,000
Ice Fountain Water District	795,389,912	100.00%	1,405,000	1,405,000
Mid Columbia Fire And Rescue	1,777,448,551	100.00%	1,190,000	1,190,000
Odell Sanitary District	224,239,474	100.00%	3,500,000	0
Port of Hood River	2,852,004,714	100.00%	280,000	280,000
Wasco County SD 12 (The Dalles) Bonds	1,356,681,633	100.00%	24,643,215	24,643,215
Wasco County SD 21 (The Dalles-Wahtonka)	1,978,523,464	100.00%	4,310,000	4,310,000
Wasco County SD 29 (Dufur)	257,514,825	100.00%	3,135,000	3,135,000
White River Health	381,971,036	100.00%	140,000	140,000
Wasco County	2,655,477,403	99.69%	1,194,262	827,452
Hood River Valley Parks & Rec District	3,191,380,542	89.37%	2,046,479	1,014,303
Hood River County	3,302,842,218	86.35%	5,681,830	1,100,962
Hood River County SD (Hood River)	3,302,842,218	86.35%	42,607,555	42,607,555
Northern Oregon Regional Corrections	7,609,745,738	72.27%	4,234,840	0
Jefferson County SD 509J (Madras)	1,190,564,638	1.77%	449,422	449,422
Sherman County SD	505,531,348	0.07%	23	23
			<u>\$ 130,734,433</u>	<u>\$ 114,222,217</u>

(1) Gross Direct Debt includes all unlimited (general obligation bonds) and limited (full faith and credit obligations) tax supported debt. Limited tax pension obligations are included.

(2) Net Debt is Gross Direct Debt less self-supporting limited and unlimited tax supported debt.

Source: Debt Management Division, The Office of the State Treasurer.

Debt Ratios

The following table presents information regarding the District's Direct Debt, including the effect of this refunding and the Bonds, and the estimated portion of the debt of overlapping taxing districts allocated to the District's property owners.

Debt Ratios

Real Market Value	\$ 5,628,976,016	
Estimated Population	44,766	
Per Capita Real Market Value	\$ 125,741	
	Gross Direct Debt⁽¹⁾	Net Direct Debt⁽²⁾
Debt Information		
District Direct Debt ⁽³⁾	\$ 21,023,234	\$ 21,023,234
Overlapping Direct Debt	130,734,433	114,222,217
Total Direct Debt ⁽³⁾	<u>\$ 151,757,667</u>	<u>\$ 135,245,451</u>
Bonded Debt Ratios⁽³⁾		
District Direct Debt to Real Market Value	0.37%	0.37%
Total Direct Debt to Real Market Value	2.70%	2.40%
Per Capita District Direct Debt	\$ 470	\$ 470
Per Capita Total Direct Debt	\$ 3,390	\$ 3,021

(1) Gross Direct Debt includes all unlimited (general obligation bonds) and limited (full faith and credit obligations) tax supported debt.

(2) Net Debt is Gross Direct Debt less self-supporting limited and unlimited tax supported debt.

(3) Includes the Bonds.

Sources: Debt Management Division, The Office of the State Treasurer and Columbia Gorge Community College District Audited Financial Reports for the Fiscal Year Ended June 30, 2011.

Debt Payment Record

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

Future Financings

Capital Projects. Other than the Bonds, the District has no authorized but unissued bonds outstanding, nor does it anticipate issuing additional long-term debt within calendar year 2012.

Short-term Notes. The District does not anticipate issuing short-term debt within calendar year 2012.

Revenue Sources

Community College District Funding

Community colleges receive General Fund revenue from three primary sources: State aid, *ad valorem* property taxes and tuition and fees. Tuition and fees provided 45 percent of the District's revenues in Fiscal Year 2011, followed by State sources (36 percent) and property taxes (14 percent). See "General Fund Statement of Revenues, Expenses and Changes in Net Assets" herein. The following section summarizes certain of the major revenue sources of the District.

Property Taxes

Most local governments, school districts, education service districts and community college districts (“local governments”) have permanent authority to levy property taxes for operations (“Permanent Rates”) up to a maximum rate (the “Operating Tax Rate Limit”). Local governments that have never levied property taxes may request that the voters approve a new Operating Tax Rate Limit.

Local governments may not increase their Operating Tax Rate Limits; rather they may only request that voters approve limited term levies for operations or capital expenditures (“Local Option Levies”) or levies to repay general obligation bonded indebtedness (“General Obligation Bond Levies”).

Local Option Levies that fund operating expenses are limited to five years, and Local Option Levies that are dedicated to capital expenditures are limited to ten years.

The District does not currently have a Local Option Levy and has no plans at this time to seek voter approval of a Local Option Levy.

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

Valuation of Property – Real Market Value. “Real Market Value” is the minimum amount in cash which could reasonably be expected by an informed seller acting without compulsion, from an informed buyer acting without compulsion, in an “arms-length” transaction during the period for which the property is taxed.

Property subject to taxation includes all privately owned real property (land, buildings and improvements) and personal property (machinery, office furniture and equipment) for non-residential taxpayers. There is no property tax on household furnishings (exempt since 1913), personal belongings, automobiles (exempt since 1920), crops, orchards, business inventories or intangible property such as stocks, bonds or bank accounts, except for centrally assessed utilities, for which intangible personal property is subject to taxation.

Property used for charitable, religious, fraternal and governmental purposes is exempt from taxation. Special assessments that provide a reduction in the taxable Real Market Value may be granted (upon application) for veterans’ homesteads, farm and forest land, open space and historic buildings. The Real Market Value of specially assessed properties is often called the “Taxable Real Market Value” or “Measure 5 Real Market Value.” The assessment roll, a listing of all taxable property, is prepared as of January 1 of each year.

Valuation of Property – Assessed Value. Property taxes are imposed on the assessed value of property. The assessed value of each parcel cannot exceed its Taxable Real Market Value, and ordinarily is less than its Taxable Real Market Value. The assessed value of property was initially established in 1997 as a result of a constitutional amendment. That amendment (now Article XI, Section 11, often called “Measure 50”) assigned each property a value and limited increases in that assessed value to three percent per year, unless the property is improved, rezoned, subdivided, or ceases to qualify for exemption. When property is newly constructed or reassessed because it is improved, rezoned, subdivided, or ceases to qualify for exemption, it is assigned an assessed value that is comparable to the assessed value of similar property.

The Oregon Department of Revenue (“ODR”) appraises and establishes values for utility property, forestland and most large industrial property for county tax rolls. It collects taxes on harvested timber for distribution to schools, county taxing districts, and State programs related to timber. Certain properties, such as utilities, are valued on the unitary valuation approach. Under the unitary valuation approach, the taxpaying entity’s operating system is defined and a value is assigned for the operating unit using the market value approach (cost, market value and income appraisals). Values are then allocated to the entities’ operations in Oregon, and then to each county the entity operates in and finally to site locations.

Generally speaking, industrial properties are valued using an income approach, but ODR may apply additions or retirements to the property value through a cost of materials approach. Under the income and cost of materials approaches, property values fluctuate from year-to-year.

Tax Rate Limitation – Measure 5. A tax rate limitation was established in 1990 as the result of a constitutional amendment. That amendment (now Article XI, Section 11b, often called “Measure 5”) separates property taxes into two categories: one to fund the public school system (kindergarten through grade twelve school districts, education service districts and community college districts, collectively, “Education Taxes”) and one to fund government operations other than the public school system (“General Government Taxes”). Education Taxes are limited to \$5 per \$1,000 and General Government taxes are limited to \$10 per \$1,000 of the Taxable Real Market Value of property (the “Measure 5 Limits”). If the taxes on a property exceed the Measure 5 Limit for Education or General Government, then tax rates are compressed to the Measure 5 Limit. Local Option Levy rates compress to zero before there is any compression of Permanent Rates. In Fiscal Year 2012, there was \$10,533 of compression of the District’s Permanent Rate due to the tax rate limitation.

Taxes imposed to pay the principal and interest on the following bonded indebtedness are not subject to Measure 5 Limits: (1) bonded indebtedness authorized by a specific provision of the Oregon Constitution; and (2) general obligation bonded indebtedness incurred for capital costs approved by the electors of the issuer and bonds issued to refund such bonds. **Property taxes imposed to pay the principal of and interest on the Bonds are not subject to the limitations of Article XI, Sections 11 and 11b.**

In 2007 the Oregon Supreme Court determined that taxes levied by general purpose governments (such as cities and counties) may be subject to the \$5 per \$1,000 limit if those taxes are used for educational services provided by public schools.

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

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

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

The following tables represent historical tax information for the District.

Taxable Property Values
Columbia Gorge Community College District

Fiscal Year	Real Market Value ⁽¹⁾	Total Assessed Valuation	Urban Renewal Excess	AV Used to Calculate Rates ⁽²⁾
2012	\$ 5,628,976,016	\$ 3,650,157,998	\$ 141,806,390	\$ 3,508,351,608
2011	5,459,861,322	3,502,246,122	128,888,650	3,373,357,472
2010	6,021,405,972	3,372,992,075	123,727,384	3,249,264,691
2009	5,993,649,230	3,200,892,613	111,658,497	3,089,234,116
2008	5,708,540,980	3,046,300,444	100,011,941	2,946,288,503
2007	4,649,071,011	2,848,324,419	51,577,710	2,796,746,709

Hood River County

Fiscal Year	Real Market Value ⁽¹⁾	Total Assessed Valuation	Urban Renewal Excess	AV Used to Calculate Rates ⁽²⁾
2012	\$ 2,902,468,840	\$ 1,791,465,015	\$ 79,110,486	\$ 1,712,354,529
2011	2,836,460,021	1,701,967,506	63,458,819	1,638,508,687
2010	2,985,916,568	1,647,886,543	60,136,370	1,587,750,173
2009	3,033,300,949	1,544,421,486	50,191,762	1,494,229,724
2008	2,970,932,438	1,471,491,654	43,662,138	1,427,829,516
2007	2,385,510,247	1,354,848,295	0	1,354,848,295

Wasco County

Fiscal Year	Real Market Value ⁽¹⁾	Total Assessed Valuation	Urban Renewal Excess	AV Used to Calculate Rates ⁽²⁾
2012	\$ 2,726,507,176	\$ 1,858,692,983	\$ 62,695,904	\$ 1,795,997,079
2011	2,623,401,301	1,800,278,616	65,429,831	1,734,848,785
2010	3,035,489,404	1,725,105,532	63,591,014	1,661,514,518
2009	2,960,348,281	1,656,471,127	61,466,735	1,595,004,392
2008	2,737,608,542	1,574,808,790	56,349,803	1,518,458,987
2007	2,263,560,764	1,493,476,124	51,577,710	1,441,898,414

(1) Value represents the Real Market Value of taxable properties, including the reduction in Real Market Value of specially assessed properties such as farm and forestland. This value is also commonly referred to as the Measure 5 Real Market Value by county assessors.

(2) Assessed value of property in the District on which the permanent rate is applied to derive *ad valorem* property taxes, excluding urban renewal and any other offsets.

Source: Hood River and Wasco Counties Department of Assessment and Taxation.

The following table presents the Fiscal Year 2012 tax rates for the District and other taxing jurisdictions within Hood River County and Wasco County that overlap the District. The District's Operating Tax Rate Limit is \$0.2703 per \$1,000 of assessed property value. The Operating Tax Rate Limit was calculated in conjunction with the implementation of Measure 50 in 1997. The Permanent Rates shown in the following table are the rates that are actually applied to the assessed value of the taxing district. The Permanent Rates may be different from the Operating Tax Rate Limit of the taxing district due to the decision by the taxing district to levy less than its Operating Tax Rate Limit.

**Fiscal Year 2012 Representative Levy Rate
(Rates Per \$1,000 of Assessed Value)**

Hood River County

General Government	Billing Rate	Bond Levy Rate	Local Option Rate⁽¹⁾	Consolidated Rate	Urban Renewal Portion of the Consolidated Rate⁽²⁾
Hood River County	\$ 1.4171	\$ 0.1857	\$ 0.0000	\$ 1.6028	\$ 0.1657
911 Communications District	0.5644	0.0000	0.0000	0.5644	0.0583
City of Hood River	2.8112	0.7851	0.0000	3.5963	0.2777
Port of Hood River	0.0332	0.0000	0.0000	0.0332	0.0032
Norcor	0.0000	0.2749	0.0000	0.2749	0.0283
Hood River County Transportation	0.0723	0.0000	0.0000	0.0723	0.0073
Hood River Park and Rec	0.3498	0.1061	0.0000	0.4559	0.0470
Library District	0.3900	0.0000	0.0000	0.3900	0.0402
Total General Government	5.6380	1.3518	0.0000	6.9898	0.6277
Education					
Columbia Gorge Community College	0.2703	0.3650	0.0000	0.6353	0.0279
Columbia Gorge ESD	0.4678	0.0000	0.0000	0.4678	0.0484
Hood River County School District	4.8119	1.8406	1.2500	7.9025	0.5514
Total Education	5.5500	2.2056	1.2500	9.0056	0.6277
Total Tax Rate	\$ 11.1880	\$ 3.5574	\$ 1.2500	\$ 15.9954	\$ 1.2554

NOTE: County assessors report levy rates by tax code. Levy rates apply to the assessed property value. Measure 5 Limits are based on the Taxable Real Market Value and are only reported in total dollar amount of compression, if any, for each taxing jurisdiction (see "Property Taxes - Tax Rate Limitation - Measure 5" herein).

- (1) Local Option Levies are voter-approved serial levies. They are limited by ORS 280.060 to five years for operations or ten years for capital construction. Local Option Levy rates compress to zero before there is any compression of district billing rates (see "Property Taxes - Tax Rate Limitation - Measure 5" herein).
- (2) A portion of a taxing district's consolidated rate is contributed to the City of Hood River Urban Renewal Agency through tax increment financing.

Source: Hood River County Department of Assessment and Taxation. Note that there are 13 tax codes in Hood River County that overlap the District and Tax Code 1 has the highest property value of these tax codes. Total tax levies in the District range from \$12.3991 to \$15.9954 per \$1,000 of assessed property value.

Wasco County

General Government	Billing Rate	Bond Levy Rate	Consolidated Rate
Wasco County	\$ 4.2523	\$ 0.2559	\$ 4.5082
Norcor	0.0000	0.2750	0.2750
Port of The Dalles	0.2007	0.0000	0.2007
Parks District	0.6799	0.0000	0.6799
Library District	0.6800	0.0000	0.6800
RFPD	2.1004	0.1529	2.2533
Soil District	0.2247	0.0000	0.2247
4-H Extension Services	0.2500	0.0000	0.2500
City of The Dalles	3.0155	0.0000	3.0155
Total General Government	11.4035	0.6838	12.0873
Education			
Columbia Gorge Community College	0.2703	0.7801	1.0504
Region 9 ESD	0.4678	0.0000	0.4678
North Wasco County School District	5.2399	1.8238	7.0637
Total Education	5.9780	2.6039	8.5819
Total Tax Rate	\$ 17.3815	\$ 3.2877	\$ 20.6692

NOTE: County assessors report levy rates by tax code. Levy rates apply to the assessed property value. Measure 5 Limits are based on the Taxable Real Market Value and are only reported in total dollar amount of compression, if any, for each taxing jurisdiction (see "Property Taxes – Tax Rate Limitation – Measure 5" herein).

Source: Wasco County Department of Assessment and Taxation. Note that there are 34 tax codes in Wasco County that overlap the District and Tax Code 12.1 has the highest property value of these tax codes. Total tax levies in the District range from \$12.1212 to \$20.6692 per \$1,000 of assessed property value.

Tax Collection Record⁽¹⁾

Hood River County

Fiscal Year	Percent Collected as of Levy Year ⁽²⁾	6/30/2011 ⁽³⁾
2011	96.77%	96.77%
2010	96.73%	98.52%
2009	96.41%	99.12%
2008	97.13%	99.79%
2007	97.62%	99.95%

Wasco County

Fiscal Year	Percent Collected as of Levy Year ⁽²⁾	6/30/2011 ⁽³⁾
2011	95.47%	95.47%
2010	95.85%	97.85%
2009	95.79%	98.66%
2008	96.13%	99.71%
2007	96.75%	99.94%

- (1) Percentage of total tax levy collection in Hood River and Wasco Counties. Pre-payment discounts are considered to be collected when outstanding taxes are calculated. The tax rates are before offsets.
- (2) The percentage of taxes collected in the "year of the levy" represents taxes collected in a single levy year, beginning July 1 and ending June 30.
- (3) The percentage of taxes shown in the column represents taxes collected cumulatively from July 1 of a given levy year through June 30, 2011.

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

Major Taxpayers
(As of Fiscal Year 2012)
Columbia Gorge Community College

Taxpayer	Business/Service	Tax ⁽¹⁾	Assessed Value ⁽²⁾	Percent of Value
Union Pacific Railroad Co	Transportation	\$ 583,660	\$ 36,744,323	1.01%
CenturyLink	Telecommunications	570,324	38,625,100	1.06%
Cardinal LG Company	Laminated glass production	415,476	28,564,820	0.78%
BNSF Railway Company	Rail Transportation	389,839	27,184,000	0.74%
Northern Wasco Co PUD	Electrical Utility	349,822	20,299,622	0.56%
Diamond Fruit Growers Inc	Fruit products	344,248	26,182,060	0.72%
Gas Transmission Northwest	Natural Gas Utility	292,405	23,104,300	0.63%
Metropolitan Life Insurance Co.	Insurance	234,308	11,336,105	0.31%
Oregon Cherry Growers Inc	Cherry Farm	212,821	11,669,171	0.32%
Home Depot USA Inc.	Retail/Building Supplies	201,024	10,823,036	0.30%
Subtotal - ten of College's largest taxpayers			197,788,214	5.42%
All other District's taxpayers			3,452,369,784	94.58%
Total District			\$ 3,650,157,998	100.00%

Source: Hood River County and Wasco County Departments of Assessment and Taxation.

Hood River County

Taxpayer	Business/Service	Tax ⁽¹⁾	Assessed Value ⁽²⁾	Percent of Value
Cardinal LG Company	Laminated Glass Production	\$ 415,476	\$ 28,564,820	1.50%
CenturyLink	Telecommunications	382,429	28,034,400	1.47%
Diamond Fruit Growers Inc	Fruit Products	344,248	26,182,060	1.37%
Mt. Hood Meadows, Oregon, LTD.	Ski Resort	296,031	28,506,280	1.49%
Union Pacific Railroad Co	Transportation	179,129	13,747,700	0.72%
Duckwell-Pooley Fruit Co, Inc	Fruit Products	161,165	11,862,040	0.62%
Port of Hood River	Management	151,042	9,676,616	0.51%
Cascade Commons, LLC	Condos	144,366	9,574,900	0.50%
PacifiCorp (Pacific Power)	Electrical Utility	129,697	10,456,000	0.55%
Longview Timberlands, LLC	Timberland	129,460	6,123,429	0.32%
Subtotal - ten of County's largest taxpayers			172,728,245	9.04%
All other County's taxpayers			1,737,049,346	90.96%
Total County			\$ 1,909,777,591	100.00%

(1) Tax amount is the total tax paid by the taxpayer within the boundaries of the District and County, respectively. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.

(2) Assessed value does not include offsets such as urban renewal and farm tax credits.

Source: Hood River County Department of Assessment and Taxation.

Wasco County

Taxpayer	Business/Service	Tax ⁽¹⁾	Assessed Value ⁽²⁾	Percent of Value
Union Pacific Railroad Co	Rail Transportation	\$ 477,092	\$ 28,625,623	1.53%
BNSF Railway Company	Rail Transportation	407,210	28,419,900	1.52%
Northern Wasco Co PUD	Electrical Utility	349,822	20,299,622	1.09%
Gas Transmission Northwest	Natural Gas Utility	292,405	23,104,300	1.24%
Metropolitan Life Insurance Co.	Insurance	234,308	11,336,105	0.61%
Oregon Cherry Growers Inc	Cherry Farm	212,821	11,669,171	0.62%
Centurylink	Telecommunications	211,274	12,638,100	0.68%
Home Depot USA Inc.	Retail/Building Supplies	201,024	10,823,036	0.58%
Orchard View Farms Inc	Cherry Farm	143,881	8,911,593	0.48%
Oregon Telephone Company	Telecommunications	143,841	8,669,000	0.46%
Subtotal - ten of County's largest taxpayers			164,496,450	8.81%
All other County's taxpayers			1,702,740,352	91.19%
Total County			\$ 1,867,236,802	100.00%

(1) Tax amount is the total tax paid by the taxpayer within the boundaries of the District and County, respectively. This amount is distributed to individual local governments by the County. A breakdown of amounts paid to each individual local government is not available.

(2) Assessed value does not exclude offsets such as urban renewal and farm tax credits.

Source: Wasco County Department of Assessment and Taxation.

State of Oregon Community College Funding

One of the largest sources of revenue for community college districts is State appropriations to the State Department of Community Colleges and Workforce Development ("CCWD") which administers the Community College Support Fund (the "CCS Fund"). State appropriations to the CCS Fund support (i) contracted out-of-district ("COD") programs and corrections programs, (ii) State Board of Education requirements for a strategic fund, if established, (iii) targeted investments, and (iv) State community college support for operation of the 17 community college districts.

Community College Support Fund. Funds remaining in the CCS Fund after supporting COD and corrections programs, a strategic fund and targeted investments will be divided equally between the two years of the biennium, and will be distributed by CCWD in equal payments to the community college districts based on a funding formula. Pursuant to ORS 341.626 and Oregon Administrative Rule ("OAR") 589-002-0100, CCWD establishes the formula, which is subject to change, for allocating State funding to the community college districts.

The current formula allocates revenues to community college districts based on the full-time equivalent ("FTE") student enrollment for each community college district, which is equivalent to 510 coursework hours for a 12-week term or 467.5 hours for an 11-week term. An increase in enrollment has a positive effect on the level of State revenue allocated to the District.

Beginning with the 2011-13 biennium, reimbursable growth in FTE will be limited to mitigate some of the impact enrollment growth has on total public resources per FTE. A growth management component has been added to the calculation of the three-year Total Weighted Reimbursable FTE pursuant to OAR 589-002-0100(8)(c).

Current State Funding Formula

$$€ = \frac{\text{Next year's imposed property tax revenue}^{(1)} + \text{General Fund appropriations by the Legislature}}{\text{Total Weighted Reimbursable FTE}^{(2)}}$$

- (1) Imposed property tax revenues do not include (i) taxes levied or imposed by a community college district to provide a public library system established prior to January 1, 1995, (ii) property taxes raised by Local Option Levies and General Obligation Bond Levies, (iii) base payments of \$720 per FTE up to 1,100 and \$360 per FTE for unrealized enrollments between actual enrollment numbers and 1,100 FTE, as adjusted pursuant to OAR 589-002-0100(8)(a), (iv) COD payments, and (v) any other payments directed by the BOE or the Legislature.
- (2) Reimbursable FTEs are calculated based on a three-year weighted average of reported reimbursable FTE submitted by the community college districts to CCWD. Residents of the State and the states of Idaho, Washington, Nevada, and California shall be counted as part of each community college district's reimbursable enrollment base, but only for those students who take part in coursework offered within Oregon's boundaries. The biennial growth management component is applied to each college's actual annual FTE and the result is weighted as follows: prior year enrollment weighted at 40 percent, second year prior enrollment weighted at 30 percent and third year prior enrollment weighted at 30 percent.

Source: OAR 589-002-0100.

CCS Fund Distribution Schedule ⁽¹⁾

First Year of Biennium	Second Year of Biennium
August 15	August 15
October 15	October 15
January 15	January 15
April 15	July 15 of the following Fiscal Year ⁽²⁾

- (1) Should any of the dates set forth above occur on a weekend, payment shall be made on the next business day. All payments made before actual property taxes imposed are certified will be based on the Oregon Department of Community Colleges and Workforce Development's best estimate of quarterly entitlement using enrollment and property tax revenue projections. Payments will be recalculated each year as actual property tax revenues become available from the Oregon Department of Revenue and any adjustments will be made in the final payment(s) of the fiscal year.
- (2) Beginning July 1, 2003, the final payment of each biennium is deferred until July 15 of the following biennium.

Source: OAR 589-002-0100(3).

Districts are required to submit enrollment reports to CCWD following the close of each term. If reports are outstanding at the time of the quarterly payments, payment to the district(s) not reporting may be delayed at the discretion of the Commissioner of CCWD.

State Community College Budget. CCS funding is set biennially when the Legislative Assembly adopts a State budget in odd-numbered year regular sessions (the "Legislatively Adopted Budget"). The State budget covers two fiscal years (a biennium) beginning July 1 of an odd-numbered year to June 30 of the next odd-numbered year and sets funding for State agencies including CCWD. The Legislative Assembly has the power to subsequently approve revisions to the Legislatively Adopted Budget. Such revised State Budget is termed the "Legislatively Approved Budget".

The State Constitution requires the Legislative Assembly to balance the State's General Fund budget. The Department of Administrative Services Office of Economic Analysis (the "OEA") produces a forecast of projected revenues ("Revenue Forecast") for the biennium generally each March, June (May in odd-numbered years), September and December.

OEA's forecasts are based upon currently available information and upon a wide variety of assumptions. The actual results will be affected by future national and state economic activity and other events. If OEA's assumptions are not realized or if other events occur or fail to occur, the State's financial projections may not be achieved. Copies of the Revenue Forecasts are available from OEA at: www.oregon.gov/DAS/OEA.

If, over the course of a biennium, the forecasted revenues decline significantly from the May forecast (the "close of session forecast" or the "COS forecast"), the Legislative Assembly may meet in special session to

rebalance the budget, the Governor may direct that expenditures be reduced or the Legislative Assembly may adjust the budget when it meets in its regular session at the end of the biennium.

2011-13 Biennium State Budget. The Legislatively Adopted Budget for the 2011-13 biennium included \$57.8 billion total funds which represents a 7.1% decrease over the Legislatively Approved Budget for the 2009-11 biennium. The 2011-13 Legislatively Adopted Budget includes \$14.6 billion in General Funds and Lottery Funds, \$28.8 billion Other Funds, and \$14.4 billion Federal Funds. The Legislature convened for a shortened regular session on February 1, 2012 and has the opportunity to revise the Legislatively Adopted Budget for the remaining 2011-13 biennium.

2011-13 Biennium Revenue Forecasts. On February 8, 2012, the OEA released the March 2012 Revenue Forecast. The March 2012 Revenue Forecast for General Fund revenues for the 2011-2013 biennium was \$13.7 billion, down \$305.5 million from the Close of Session forecast. This downward revision was due largely to a weaker outlook for global demand.

State General Fund Forecast Summary
(\$ in Millions)

	2011-13 Biennium Revenue Forecast			March 2012 Forecast Change From	
	Close of Session	December 2011	March 2012	December 2011	Close of Session
Structural Revenues					
Personal Income Tax	\$ 12,193.6	\$ 12,001.4	\$ 11,969.2	\$ (32.2)	\$ (224.3)
Corporate Income Tax	894.2	821.4	812.6	(8.7)	(81.6)
All Other Revenues	944.2	932.3	944.6	12.3	0.4
Gross General Fund Revenues	14,032.0	13,755.1	13,726.5	(28.6)	(305.5)
Administrative Actions	(23.1)	(23.1)	(23.1)	0.0	0.0
Legislative Actions	0.0	0.0	0.0	0.0	0.0
Net Available Resources	\$ 14,008.9	\$ 13,731.9	\$ 13,703.3	\$ (28.6)	\$ (305.5)

Source: Oregon Office of Economic Analysis, "Oregon Economic and Revenue Forecast, March 2012." February 8, 2012.

2011-13 Biennium Community College Support Fund. The 2011-13 Legislatively Adopted Budget includes \$396.3 million for the CCS Fund. The Legislature held back \$14.2 million which will be released during the February 2012 session if the economy has strengthened, bringing total funding to \$410.5 million. All State agencies were subject to the same 3.5 percent holdback.

Estimated Fiscal Impact on the District: Below is a summary of the District’s historical State funding reimbursement:

**Columbia Gorge Community College
Historical and Projected State Funding
(Fiscal Years)**

Fiscal Year	Historical State Funding ⁽¹⁾
2013 ⁽²⁾	\$ 2,560,856
2012 ⁽²⁾	4,540,469
2011	2,593,282
2010	4,987,605
2009	3,166,073
2008	5,361,413
2007	2,854,254
2006	4,339,711

(1) The final payment of each biennium is deferred until July 15 of the following biennium.

(2) Preliminary.

Source: Columbia Gorge Community College District.

Tuition and Fees

Community colleges prescribe and collect tuition as authorized in ORS 341.290(7). There are no statutory or Oregon Administrative Rule limitations on tuition charged by community colleges. The amount and rates associated with tuition for community colleges vary. Tuition rates for students also vary, depending on whether the student is a resident within the district, out-of-district or out-of-state, and may be set by each college.

Tuition rates for students vary, depending on whether the student is a resident within the District, out-of-District or out-of-state. The District charged \$84 per credit hour for in-state students for Spring Term 2012.

Historical and Projected Tuition and Fees

Fiscal Year	Annualized Student Tuition ⁽¹⁾	Total District Tuition and Fees
2012 ⁽²⁾	\$4,230	\$ 3,624,615
2011	4,005	3,431,661
2010	3,510	3,000,643
2009	3,285	2,358,890
2008	3,285	2,128,851
2007	3,285	1,875,959

(1) Annual tuition for an in-state student based on 15 credit hours per term for three terms (Fall, Winter and Spring).

(2) Projected.

Source: Columbia Gorge Community College and Oregon Department of Community Colleges and Workforce Development.

Federal Funding

The District receives federal funds for student aid (administered through Portland Community College) and program grants. The District participates in federally funded Pell Grants, Supplemental Educational Opportunity Grants, Federal Work-Study, Federal Direct Lending and Perkins Grants programs. The use of federal funds is restricted and such funds are not available for payment of the Bonds.

Federal Stimulus Funds. The State received funds under the American Recovery and Reinvestment Act of 2009 (“ARRA”). The updated 2009-11 Legislatively Approved Budget states that federal ARRA funds provided

\$319.3 million for education, \$92.1 million for corrections, \$126.7 million for housing and community services and \$2.869 billion for health and human services, for a total of \$3.407 billion.

The District

Oregon Community Colleges

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

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

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

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

General Description

The District was originally organized in 1977 as the Wasco Area Education Service District. Later that year, the District's name was changed to Treaty Oak Education Service District. In 1989 the District became Treaty Oak Community College by a vote of the people of Wasco County. The name changed again in November of 1989 to Columbia Gorge Community College. On November 6, 2001, voters in Wasco County and Hood River County approved the annexation of a portion of Hood River County to join the Columbia Gorge Community College District.

The District includes all of Hood River County except for the City of Cascade Locks (96 percent of Hood River County's property value is in the District) and all of Wasco County with the exception of the Warm Springs Reservation (97 percent of Wasco County's property value is in the District). Population for the District is currently estimated to be 44,766.

The District has been granted Candidate for Accreditation status by the Northwest Commission on Colleges and Universities (NWCCU). Although candidacy does not ensure eventual accreditation, the District is optimistic of receiving accreditation. The District currently delivers college credit instruction, certificates and degrees through a contract with Portland Community College (PCC) which is accredited through the NWCCU.

Enrollment

The first classes were offered in September 1977 and housed in local school district facilities. Enrollment in the first school year was 1,649 (108 FTE) and has steadily grown to approximately 5,100 (1,267 FTE) today. Associate degree courses were first offered in 1979-80 by contract with Portland Community College, and this relationship is still in force. In Fiscal Year 1989, a contracted out-of-district program was extended to Hood River County and a portion of the County was annexed into the College District effective July 1, 2002.

**Columbia Gorge Community College District
Historical and Projected FTE Enrollment and Headcount**

Fiscal Year	Reimbursable		
	Full-Time Equivalent	Unduplicated Headcount	Full Time ⁽¹⁾ Teaching Staff
2012 ⁽²⁾	1,267	5,100	17
2011	1,247	5,063	17
2010	1,261	4,905	17
2009	1,075	5,026	20
2008	972	5,141	19
2007	916	5,048	15
2006	971	5,430	14
2005	944	5,375	13

(1) Full time staff is supplemented each term by approximately 100 part time instructors who may teach one to three classes per term.

(2) Projected. No assurance can be given that these projections will be achieved and actual results may differ materially from these projections.

Source: Columbia Gorge Community College District and the Oregon Department of Community Colleges and Workforce Development.

Staff

As of January 2012, the District has a total of 84 full-time and 135 part-time employees.

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

Bargaining Units

Bargaining Unit	No. of Employees	Terms	Contract Expires
American Federation of Teachers Local 4754			
United Employees of Columbia Gorge Community College AFT, AFL-CIO			
Faculty employees	94	2 yrs	June 30, 2012
Classified	40	3 yrs	June 30, 2012

Source: Columbia Gorge Community College.

The Board of Education

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

Board of Education

Name	Position	Occupation	Service	Term
Charleen Cobb	Chair	Retired School Teacher	July 1, 2001	June 30, 2013
Dr. Ernest Keller	Vice Chair	Small Business Owner	July 1, 2001	June 30, 2013
Charlotte Arnold	Director	Consultant & Dance Instructor	July 1, 2011	June 30, 2015
David Fenwick	Director	Manager	July 1, 2003	June 30, 2015
M.D. Van Valkenburgh	Director	Attorney	July 1, 2001	June 30, 2013
Stuart Watson	Director	Communications Consultant	July 1, 2007	June 30, 2015
Dr. James R. Willcox	Director	Orthodontist	July 1, 1977	June 30, 2013

Key Administrative Officials

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

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

Sandra Buchanan, Chief Financial Officer. Ms. Buchanan serves as the Chief Financial Officer and was hired on June 1, 1993. Prior to joining the College, Ms. Buchanan was the Manager of Administration and Finance with the Casey Eye Institute of the Oregon Health and Sciences University. She received her M.B.A. from Arizona State University and B.S. Marketing from Arkansas State University.

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

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

Robb Van Cleave, Chief Talent and Strategy Officer. Mr. Van Cleave serves as the Chief Talent and Strategy Officer and was hired July 1, 2006. He received a Bachelor of Science degree in psychology from Oregon State University. Previous to being employed by CGCC, he served as a director of employee and administrative services for Wasco County and was Mayor of the City of The Dalles for six terms. Mr. Van Cleave also currently serves as the vice-chair of the SAIF Corporation and is a past chair of the Board of Directors for the Society of Human Resource Management.

Bill Bohn, Chief Technology Officer. Mr. Bohn was hired August 15, 1995 as the Chief Technology Officer. Mr. Bohn previously worked as the Manager of Information Systems for Central Admixture Pharmacy Services, Owner of San Diego Micro Technologies, Sound Technician for San Diego State University and is co-owner of Sage's Café, Hood River, Oregon. He earned his A.S. Computer Science from Grossmont College and is a Certified Novell Engineer for intraNetWare, NetWare 5 & NetWare 6, is a certified 7 Habits of Highly Successful People Facilitator and has over twenty-five years of information technology experience.

Daniel Spatz, Chief Institutional Advancement Officer. Mr. Spatz has served as the Chief Institutional Advancement Officer since August 1, 2006. He is an elected member of The Dalles City Council. He is appointed by the Wasco County Commission to the Wasco County Economic Development Commission, Mt. Hood Economic Alliance and the Mid-Columbia Economic Development District Board of Directors. He has served as interim director of a public port district and county economic development director. He has 25 years' experience in journalism, including nine years as editor and general manager of The Dalles Daily Chronicle. As chief institutional advancement officer for Columbia Gorge Community College, he directs the college foundation, conducts community and governmental outreach, and serves as college liaison to healthcare and renewable energy industries.

Administrative offices of the District are located at 400 East Scenic Drive, The Dalles, Oregon 97058-3434. The telephone number is (541) 506-6000.

Financial Factors

Financial Reporting and Accounting Policies

The District's basic financial statements were prepared in conformity with generally accepted accounting principles ("GAAP") as prescribed by the Governmental Accounting Standards Board ("GASB").

The District prepared the financial statements in accordance with GASB principals. The District adopted GASB Statement No. 35, Basic Financial Statements and Management's Discussion Analysis - for Public Colleges and Universities, as amended by GASB Statements No. 37 and No. 38 for the fiscal year ended June 30, 2004. GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a consolidated basis to focus on the District as a whole.

Additional information on the District's accounting methods is available in the District's audited financial statements. A copy of the District's audited financial report for Fiscal Year 2011 is attached hereto as Appendix B.

Auditing

Each Oregon municipal corporation must obtain an audit and examination of its funds and account groups at least once each year pursuant to the Oregon Municipal Audit Law, ORS 297.405-297.555. Municipalities having annual expenditures of less than \$500,000, with the exception of counties and school districts, are exempt from this requirement. All Oregon counties and school districts, regardless of amount of annual expenditures, must obtain an audit annually. The required audit may be performed by the State Division of Audits or by independent public accountants certified by the State as capable of auditing municipal corporations.

The District audits for the Fiscal Years 2007 through 2009 ("District Audited Financial Statements") were performed by Byers, Neumayer and Bradford, P.C., CPAs, The Dalles, Oregon. The District audits for Fiscal Year 2010 and 2011 were performed by Friend and Reagan, P.C., CPA The Dalles, Oregon (the "Auditor"). The audit report for Fiscal Year 2011 indicates the financial statements, in all material respects, fairly present the District's financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information and the respective changes in financial position and the cash flows, where applicable, in conformance with accounting principles generally accepted in the United States of America. The Auditor was not requested to review this Official Statement and has not completed any additional auditing review procedures subsequent to the issuance of their report on the 2011 Fiscal Year.

Future financial statements may be obtained from the Electronic Municipal Market Access system, a free, centralized repository located at: www.emma.msrb.org.

Summaries of the District's Net Assets and Changes in Net Assets follow:

Statement of Net Assets
(Fiscal Years)

Assets	2007	2008	2009	2010	2011
Current and other assets	\$ 20,192,840	\$ 12,483,787	\$ 8,924,733	\$ 8,991,522	\$ 8,254,999
Net capital assets	<u>17,828,498</u>	<u>32,258,904</u>	<u>33,306,247</u>	<u>35,928,980</u>	<u>35,706,837</u>
Total Assets	<u>38,021,338</u>	<u>44,742,691</u>	<u>42,230,980</u>	<u>44,920,502</u>	<u>43,961,836</u>
Liabilities					
Current liabilities	3,316,618	2,865,950	2,642,414	2,854,309	2,950,048
Noncurrent liabilities	<u>24,412,675</u>	<u>23,233,594</u>	<u>21,977,878</u>	<u>20,651,295</u>	<u>19,238,681</u>
Total Liabilities	<u>27,729,293</u>	<u>26,099,544</u>	<u>24,620,292</u>	<u>23,505,604</u>	<u>22,188,729</u>
Net Assets					
Invested in capital assets, net of related debt	8,936,215	24,243,074	27,531,254	13,821,369	14,721,849
Restricted for Debt Service	627,245	782,660	1,061,106	1,398,094	1,500,004
Restricted for Capital Projects	(5,844,986)	(14,035,360)	(15,800,840)	35,861	-
Unrestricted	<u>6,573,572</u>	<u>7,652,774</u>	<u>4,819,169</u>	<u>6,159,573</u>	<u>5,551,254</u>
Total Net Assets	<u>\$ 10,292,046</u>	<u>\$ 18,643,148</u>	<u>\$ 17,610,689</u>	<u>\$ 21,414,897</u>	<u>\$ 21,773,107</u>

NOTE: The Net Assets presents information on all the District's assets and liabilities with the difference between the two reported as net assets.

Source: Columbia Gorge Community College Audited Financial Statements.

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

	2007	2008	2009	2010	2011
Operating Revenues					
Student tuition and fees	\$ 1,875,959	\$ 2,128,851	\$ 2,358,890	\$ 3,000,643	\$ 3,431,662
Operating Grants and Contracts ⁽¹⁾					
Federal					1,401,800
State					114,064
Local					9,200
Bookstore sales	372,983	453,051	518,973	660,262	588,536
Other operating revenues	131,001	167,158	167,485	146,646	164,661
Total operating revenues	<u>\$ 2,379,943</u>	<u>\$ 2,749,060</u>	<u>\$ 3,045,348</u>	<u>\$ 3,807,551</u>	<u>\$ 5,709,923</u>
Operating Expenses					
Instruction	3,125,221	4,137,160	4,088,604	4,107,180	3,947,320
Academic support	732,549	837,019	971,708	920,772	851,231
Student services	627,009	672,995	736,663	785,180	838,858
Public services	506,406	462,406	669,164	380,674	441,676
Institutional support	1,741,437	2,176,501	2,302,654	2,240,944	2,436,536
Financial aid	77,286	76,230	68,676	32,552	11,440
Plant operating and maintenance	906,842	1,316,795	1,229,883	954,845	967,009
Plant improvements	0	0	0	0	128,901
Bookstore	347,215	411,259	447,019	596,764	573,908
Depreciation expense	230,361	242,434	601,224	835,292	944,455
Total Operating Expenses	<u>\$ 8,294,326</u>	<u>\$ 10,332,799</u>	<u>\$ 11,115,595</u>	<u>\$ 10,854,203</u>	<u>\$ 11,141,333</u>
Operating Loss	<u>\$ (5,914,383)</u>	<u>\$ (7,583,739)</u>	<u>\$ (8,070,247)</u>	<u>\$ (7,046,652)</u>	<u>\$ (5,431,410)</u>
Nonoperating Revenues (Expenses)					
Federal grants and contracts ⁽¹⁾	\$ 643,509	\$ 581,201	\$ 1,071,137	\$ 1,034,045	\$ -
State grants and contracts ⁽¹⁾	474,287	6,525,109	987,893	1,681,952	347,486
State community college support	2,854,254	5,361,413	3,151,073	4,987,605	2,593,282
Local Grants and contracts ⁽¹⁾	141,546	579,463	138,004	118,265	-
Contributions received	0	0	365,565	1,280	15,697
Property taxes	2,733,573	2,656,938	2,903,951	3,139,598	2,968,507
Investment income (loss)	1,677,045	875,351	(902,783)	614,032	63,624
Gain (Loss on Pension Asset) ⁽²⁾					543,057
Lease income	149,756	130,473	127,648	141,465	151,781
Amortization of bond premium, net	22,992	22,992	22,992	22,992	22,992
Other nonoperating revenues	51,978	328,653	261,856	165,498	109,074
Interest expense	(1,107,274)	(1,080,307)	(1,051,576)	(1,018,927)	(983,723)
Lease expense	(43,566)	(46,274)	(37,605)	(34,541)	(44,487)
Loss on disposal of capital assets	(17,849)	0	0	0	0
Other nonoperating expenses	(2,139)	(171)	(369)	(2,404)	(812)
Total nonoperating revenues (exp)	<u>\$ 7,578,112</u>	<u>\$ 15,934,841</u>	<u>\$ 7,037,786</u>	<u>\$ 10,850,860</u>	<u>\$ 5,786,480</u>
Increase (Decrease) in Net Assets	<u>\$ 1,663,729</u>	<u>\$ 8,351,102</u>	<u>\$ (1,032,461)</u>	<u>\$ 3,804,208</u>	<u>\$ 355,070</u>
Net assets - beginning of year	8,628,316	10,292,046	18,643,148	17,610,688	21,414,898
Change in Presentation Adjustment ⁽³⁾	-	-	-	-	3,139
Net assets - end of year	<u>\$ 10,292,045</u>	<u>\$ 18,643,148</u>	<u>\$ 17,610,687</u>	<u>\$ 21,414,898</u>	<u>\$ 21,769,968</u>
Total Revenues	<u>\$ 11,128,883</u>	<u>\$ 19,810,653</u>	<u>\$ 11,172,684</u>	<u>\$ 15,714,283</u>	<u>\$ 12,525,423</u>
Total Expenses	<u>\$ 9,465,154</u>	<u>\$ 11,459,551</u>	<u>\$ 12,205,145</u>	<u>\$ 11,910,075</u>	<u>\$ 12,170,356</u>
Increase (Decrease) in Net Assets	<u>\$ 1,663,729</u>	<u>\$ 8,351,102</u>	<u>\$ (1,032,461)</u>	<u>\$ 3,804,208</u>	<u>\$ 355,067</u>

- (1) In Fiscal Year 2011 certain grants and contracts from federal, state and local sources were reclassified as operating revenues.
- (2) In Fiscal Years 2007 through 2010, the gain/ loss on pension assets was included in the investment income/ loss line.
- (3) In Fiscal Year 2011 student organizations' funds were reclassified as Special Revenue funds from their former designation as Fiduciary funds.

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

Source: Columbia Gorge Community College Audited Financial Statements.

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

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

Revenues	2007	2008	2009	2010	2011
State sources	\$ 2,854,254	\$ 5,361,413	\$ 3,166,073	\$ 4,987,605	\$ 2,593,282
Local sources	736,626	870,666	919,678	975,444	989,520
Tuition	1,484,743	1,720,224	1,896,273	2,417,826	2,708,814
Instructional Fees	296,165	300,881	355,970	450,920	597,763
Special Fees	42,792	61,071	61,952	75,790	78,191
Other revenue sources	371,268	619,423	490,838	307,391	247,627
State and services revenue sources	<u>15,601</u>	<u>16,852</u>	<u>10,157</u>	<u>8,260</u>	<u>8,008</u>
Total Revenues	<u>5,801,449</u>	<u>8,950,530</u>	<u>6,900,941</u>	<u>9,223,236</u>	<u>7,223,205</u>
Expenditures					
Instruction	2,368,898	3,219,689	3,378,608	3,355,631	3,120,104
Academic support	758,482	853,431	968,940	923,041	859,749
Student services	545,211	617,174	669,421	753,795	788,966
Institutional support	1,778,162	2,159,153	2,295,452	2,248,362	2,286,488
Financial aid	77,286	76,230	68,676	32,552	11,440
Plant operation and maintenance	814,264	868,636	929,124	926,076	944,197
Debt service	<u>26,976</u>	<u>26,976</u>	<u>26,976</u>	<u>5,384</u>	<u>0</u>
Total Expenditures	<u>6,369,279</u>	<u>7,821,289</u>	<u>8,337,197</u>	<u>8,244,841</u>	<u>8,010,944</u>
Excess (deficiency) of revenues over expenditures	<u>(567,830)</u>	<u>1,129,241</u>	<u>(1,436,256)</u>	<u>978,395</u>	<u>(787,739)</u>
Other Financing Sources (Uses)					
Gain (loss) on sale of investment	0	0	4,539	(19,580)	(22,150)
Transfer from other funds	211,570	144,347	69,622	236,188	215,194
Transfer to other funds ⁽¹⁾	<u>(385,990)</u>	<u>(11,212)</u>	<u>(16,526)</u>	<u>(2,037)</u>	<u>(2,443,125)</u>
Total Other Financing Sources (Uses)	<u>(174,420)</u>	<u>133,135</u>	<u>57,635</u>	<u>214,571</u>	<u>(2,250,081)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(742,250)</u>	<u>1,262,376</u>	<u>(1,378,621)</u>	<u>1,192,966</u>	<u>(3,037,820)</u>
Fund balance at beginning of year	4,912,226	4,169,976	5,432,352	4,053,729	5,246,695
Ending fund balance	<u>\$ 4,169,976</u>	<u>\$ 5,432,352</u>	<u>\$ 4,053,731</u>	<u>\$ 5,246,695</u>	<u>\$ 2,208,875</u>

(1) Transfers out in Fiscal Year 2011 included a \$2.3 million transfer to the General Operations Reserve Fund which was established July 1, 2010 to accumulate resources for future funding of general operations. Transfers are budgeted between the General Fund and the Reserve Fund to smooth the effects of the uneven CCS Fund payments.

Source: Columbia Gorge Community College Audited Financial Statements.

Budgetary Process

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

The District's administrative staff evaluates the budget requests of the various departments of the District to determine the funding levels of the operating programs. The budget is presented to the public through public

hearings held by a budget committee consisting of Board members and lay members. After giving due consideration to the input received from the citizens, the Board of Education adopts the budget, authorizes the levying of taxes and sets appropriations. The budget must be adopted no later than June 30 of each Fiscal Year.

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

General Fund Adopted Budget
(Fiscal Years)

Resources	2011	2012
State Sources	\$ 2,379,567	\$ 4,653,408
Local Sources - Property tax	1,015,752	1,070,038
Tuition	2,711,411	2,890,968
Instructional Fees	546,174	609,697
Special Fees	43,900	51,120
Other Revenue Sources	207,861	188,861
Sales and Services Revenue	2,700	2,700
Transfers In	217,402	135,501
Net working capital carryover	4,567,830	1,902,109
Total Resources	<u>\$ 11,692,597</u>	<u>\$ 11,504,402</u>
Expenditures		
Instruction	\$ 3,449,976	\$ 3,632,624
Academic Support	991,625	987,882
Student Services	852,651	920,992
Institutional Support	2,426,525	2,650,394
Student Financial Aid	34,792	62,864
Plant Operations and Maintenance	1,004,875	1,050,063
Contingency	5,187	810,976
Transfers	2,449,224	888,607
Unappropriated Ending Fund Balance	477,742	500,000
Total Expenditures	<u>\$ 11,692,597</u>	<u>\$ 11,504,402</u>

Source: District Adopted Fiscal Year 2012 Budget.

Investments

ORS 294.035 authorizes Oregon municipalities to invest in obligations, ranging from U.S. Treasury obligations and Agency securities to municipal obligations, bankers' acceptances, commercial paper, certificates of deposit, corporate debt and guaranteed investment contracts, all subject to certain size and maturity limitations. No municipality may have investments with maturities in excess of 18 months without adopting a written investment policy which has been reviewed and approved by the Oregon Short Term Fund Board. ORS 294.052 authorizes Oregon municipalities to invest proceeds of bonds or certificates of participation and amounts held in a fund or account for such bonds or certificates of participation under investment agreements if the agreements: (i) produce a guaranteed rate of return; (ii) are fully collateralized by direct obligations of, or obligations guaranteed by, the United States; and (iii) require that the collateral be held by the municipality, an agent of the municipality or a third-party safekeeping agent.

Municipalities are also authorized to invest approximately \$42.8 million (adjusted for inflation) in the Local Government Investment Pool of the Oregon Short-Term Fund, which is managed by the State Treasurer's office. Such investments are managed in accordance with the "prudent person rule" (ORS 293.726) and administrative regulations of the State Treasurer which may change from time to time. Eligible investments presently include all of those listed above, as well as repurchase agreements and reverse repurchase agreements. A listing of investments held by the Oregon Short-Term Fund is available on the Oregon State

Treasury website under "Other OSTF Reports - OSTF Detailed Monthly Reports" at www.ost.state.or.us/about/boards/OSTF/About.htm.

Pension System

General. The District participates in a retirement pension benefit program under the State of Oregon Public Employees Retirement System ("PERS" or the "System"). After six full months of employment, all District employees are required to participate in PERS.

T1/T2 Pension Programs. Employees hired before August 29, 2003 participate in the "Tier 1" and "Tier 2" pension programs (the "T1/T2 Pension Programs"). The benefits provided through the T1/T2 Pension Programs are based primarily on a defined benefit model and provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Different benefit structures apply to participants depending on their date of hire. Effective January 1, 2004, T1/T2 Pension Program participant contributions fund individual retirement accounts under the separate defined contribution program described below.

OPSRP. Employees hired on or after August 29, 2003 participate in the Oregon Public Service Retirement Plan ("OPSRP") unless membership was previously established in the T1/T2 Pension Programs. OPSRP is a hybrid defined contribution/defined benefit pension plan with two components. Employer contributions fund the defined benefit program and employee contributions fund individual retirement accounts under the separate defined contribution program.

Actuarial Valuation. Oregon statutes require an actuarial valuation of the System at least once every two years. Based on the biennial actuarial valuation as of December 31 of odd-numbered years the Public Employees Retirement Board ("PERB") establishes the contribution rates that employers will pay to fund the T1/T2 Pension Programs, OPSRP and the PERS-sponsored Retirement Health Insurance Account program ("RHIA") described herein. Actuarial valuations are performed annually as of December 31 of each year, with the valuations as of December 31 of even-numbered years (such as 2010) used for advisory purposes only and valuations as of December 31 of odd-number years (such as 2009) used to set payroll contribution rates. Actuarial valuations are performed for the entire System (the "System Valuation"), and for each participating employer, including the District (the "District Valuation"). Valuations are released nine to eleven months after the valuation date. PERS' current actuary is Mercer (US), Inc. ("Mercer").

Valuation Date	Release Date	Rates Effective
December 31, 2008	November 2009	Advisory only
December 31, 2009	October 2010	July 1, 2011 - June 30, 2013
December 31, 2010	November 2011	Advisory only

The 2010 System Valuation released on November 10, 2011 indicated that the funded status of the System increased from approximately 86 percent at December 31, 2009 to 87 percent at December 31, 2010.

Employer Assets, Liabilities, and Unfunded Actuarial Liabilities. An employer's unfunded actuarial liability ("UAL") is the excess of the actuarially determined present value of the employer's benefit obligations to employees over the existing actuarially determined assets available to pay those benefits.

District UAL. For the T1/T2 Pension Programs, the District is pooled with the State and Oregon local government and community college public employers (the "State and Local Government Rate Pool" or "SLGRP"). The District's portion of the SLGRP's assets and liabilities is based on the District's proportionate share of the SLGRP's pooled payroll (the "District Allocated T1/T2 UAL"). Changes in the District's relative growth in payroll will cause the District Allocated T1/T2 UAL to shift. The District Allocated T1/T2 UAL may increase if other pool participants fail to pay their full employer contributions.

OPSRP's assets and liabilities are pooled on a program-wide basis. These assets and liabilities are not tracked or calculated on an employer basis. The District's allocated share of OPSRP's assets and liabilities is based on

the District's proportionate share of OPSRP's pooled payroll (the "District Allocated OPSRP UAL"). Changes in the District's relative growth in payroll will cause the District Allocated OPSRP UAL to shift.

In April 2003, the District issued pension bonds to make a \$3,471,807 lump-sum payment to PERS. The payment was deposited in the PERS fund to finance the District's transition liability and all or a portion of the District Allocated T1/T2 UAL and District Allocated OPSRP UAL, reducing the District's contribution rates, although debt service payments are also due on the pension bonds.

The District's net unfunded pension UAL is the total of the District Allocated T1/T2 UAL, District Allocated OPSRP UAL, and District Side Account. The District's net unfunded pension UAL as of the 2009 Valuation and 2010 Valuation is shown in the following table:

**Columbia Gorge Community College
Net Unfunded Pension UAL**

	2009 Valuation	2010 Valuation
Allocated pooled SLGRP T1/T2 UAL	\$ 6,488,877	\$ 6,400,327
Allocated pre-SLGRP pooled liability (surplus)	1,088,491	1,089,769
Allocated OPSRP UAL	50,832	61,697
District Side account	<u>(3,421,255)</u>	<u>(3,383,930)</u>
Net unfunded pension actuarial accrued liability	<u>\$ 4,206,945</u>	<u>\$ 4,167,863</u>

Source: 2009 District Valuation and 2010 District Valuation.

The funded status of PERS and of the District as reported by Mercer, the PERS actuary, will change over time depending on a variety of factors, including the market performance of the securities in which the OPERF is invested, future changes in compensation and benefits of covered employees, demographic characteristics of members and methodologies and assumptions used by the actuary in estimating the assets and liabilities of PERS.

Significant actuarial assumptions and methods used in the valuations included: (a) Projected Unit Credit actuarial cost method, (b) asset valuation method based on market value, (c) rate of return on the investment of present and future assets of 8%, (d) payroll growth rate of 3.75%, (e) consumer price inflation of 2.75% per year, and (f) UAL amortization method of a level percentage of payroll over 21 years (fixed) for the T1/T2 Pension Programs and 16 years (fixed) for OPSRP.

Employer Contribution Rates. Employer contribution rates are calculated as a percent of covered payroll. The rates are based on the current and projected cost of benefits and the anticipated level of funding available from the OPERF, including anticipated investment performance of the fund. Contribution rates are subject to future adjustment based on factors such as the result of subsequent actuarial valuations and changes in benefits resulting from legislative modifications. Employees are required to contribute 6 percent of their annual salary to the respective programs. Employers are allowed to pay the employees' contribution in addition to the required employers' contribution. The District has not elected to make the employee contribution.

Contribution Rate Collar. In January 2010 the PERS Board adopted a revised implementation of the rate collar limiting increases in employer contribution rates from biennium to biennium (the "Rate Collar"). Under normal conditions, the Rate Collar is the greater of 3 percent of payroll or 20 percent of the current base rate. If the funded status of the SLGRP is below 80 percent, the Rate Collar increases by 0.3 percent for every percentage point under the 80 percent funded level until it reaches 6 percent at the 70 percent funded level. The 2009 System Valuation found that the SLGRP was 77 percent funded, resulting in a Rate Collar of 3.9 percent. The Rate Collar limits increases in employer contribution rates before rate reductions from side accounts are deducted, and does not cover charges associated with RHIA and RHIPA.

District Contribution Rates. The District's current contribution rates are based on the 2009 Valuation and are effective July 1, 2011 to June 30, 2013. The following table shows the District's current contribution rates (2009 Valuation) and the advisory only rates released in the most recent valuation (2010 Valuation):

**Columbia Gorge Community College
Pension Contribution Rates**

	2009 Valuation		2010 Valuation	
	T1/T2	OPSRP General	T1/T2	OPSRP General
Normal cost rate	7.70%	6.13%	7.91%	6.08%
T1/T2 UAL rate	6.10	6.10	9.34	9.34
OPSRP UAL rate	0.08	0.08	0.10	0.10
Pre-SLGRP pooled liability rate	1.80	1.80	1.81	1.81
Side account rate relief	(5.64)	(5.64)	(5.61)	(5.61)
Retiree Healthcare rate (RHIA) ⁽¹⁾	0.59	0.50	0.66	0.56
Total net contribution rate	<u>10.63%</u>	<u>8.97%</u>	<u>14.21%</u>	<u>12.28%</u>

(1) Contribution rates to fund RHIA benefits are included in the total District employer contribution rate, but are not a pension cost. See "Other Postemployment Benefits - Retirement Health Insurance Account" below.

Source: 2009 District Valuation and 2010 District Valuation.

Other Postemployment Benefits

Retirement Health Insurance Account. PERS retirees who receive benefits through the Tier 1 and Tier 2 plans and are enrolled in certain PERS administered health insurance programs, may receive a subsidy towards the payment of health insurance premiums. Under ORS 238.420, retirees may receive a subsidy for Medicare supplemental health insurance of up to \$60 per month towards the cost of their health insurance premium under the RHIA plan. The RHIA program's assets and liabilities are pooled on a system-wide basis and are not tracked or calculated on an employer basis. According to the 2010 System Valuation, this program had a UAL of approximately \$314.8 million. The District's allocated share of the RHIA program's assets and liabilities is based on the District's proportionate share of the program's pooled payroll. According to the 2010 District Valuation, the District's allocated share of the RHIA program's UAL is \$178,779.

GASB 45. GASB 45 requires the District to determine the extent of its liabilities for post employment benefits and record the liability in its financial statements on an actuarial basis. This includes the requirement under ORS 243.303 of offering the same healthcare benefits for current District employees to all retirees and their dependents until such time as the retirees are eligible for Medicare. GASB 45 refers to this as an "implicit subsidy" and requires that the corresponding liability be determined and reported. The District implemented GASB 45 for the fiscal year ended June 30, 2010.

The District's annual other postemployment benefit cost is calculated based on the annual required contribution of the employer ("ARC"), and the amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 30 years. An actuarial valuation is required every three years and the District's most recent valuation is dated June 30, 2010. The District does not have an ARC or unfunded actuarial liability ("UAL") as shown below.

**Columbia Gorge Community College
OPEB Obligation**

Fiscal Year	Annual OPEB Cost	Net OPEB Obligation
2011	\$ 0	\$ 0
2010	0	0

See Note 8 of the District's audited financial statements for fiscal year 2011, attached hereto as Appendix B, for more information.

Risk Management

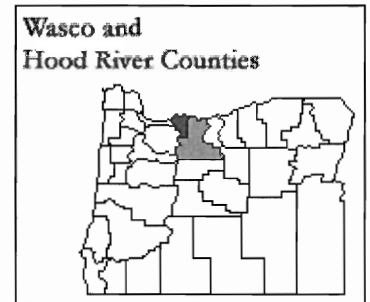
The District is exposed to various risks of loss. A description of the risks is provided in the District's audited financial statements. The audited financial statement for Fiscal Year 2011 is attached hereto as Appendix B.

Demographic Information

General

The District's boundaries are contiguous with Hood River County and Wasco County. Within the counties, the Confederated Tribes of the Warm Springs Indian Reservation and City of Cascade Locks are outside of the District's boundaries. Located in north-central Oregon, the District borders the Columbia River to the north.

Historical data have been collected from generally accepted standard sources, usually from public bodies. This statement bases information on Hood River County and Wasco County.



Population

The District's estimated population is currently 44,766. The following table shows the historical population for the State, Hood River County and Wasco County:

**Population
State of Oregon, Hood River and Wasco Counties**

July 1	State of Oregon	Hood River County	Wasco County
2011	3,856,815	22,630	25,300
2010	3,837,300	22,385	25,235
2009	3,823,465	21,725	24,230
2008	3,791,075	21,625	24,170
2007	3,745,455	21,470	24,125
2006	3,690,505	21,335	24,070
2005	3,631,440	21,180	23,935
2004	3,582,600	21,050	23,900
2003	3,541,500	20,500	23,550
April 1⁽¹⁾			
2010	3,831,074	22,346	25,213
2000	3,421,399	20,411	23,791
1990	2,842,321	16,903	21,683

(1) U.S. Census Count on April 1.

Source: Center for Population Research and Census, Portland State University.

Economic Overview

Hood River County's principal industries include: orchards and fruit packing, telecommunications, health care, timber, software design, and recreation (particularly windsurfing/kite boarding, hiking/biking, fishing and skiing). The City of Hood River also boasts several microbreweries and vineyards. Hood River County is responsible for the leading production of Anjou Pears in the world. Other agricultural commodities produced in the region include other pear varieties, sweet cherries, apples, and livestock.

Wasco County's employment has historically been stable with the exception of orchard harvesting between March and August, when the County experiences a sharp increase. The County has more than 137,000 acres of commercial forest, 83,000 acres of dry land grain, 5,800 acres of orchards, and 24,000 acres of other farmland. The County's economy includes agriculture, forest products, manufacturing, electric power, aluminum and transportation. The major agricultural product produced in The Dalles is sweet cherries which are produced for both domestic and overseas markets. Wheat is another important agricultural product with 50,000 acres currently in cultivation. Additional agricultural products produced include cattle, hay and fruits.

The number of acres harvested and gross farm sales in the County are as follows:

Harvested Acreage and Gross Farm Sales

Hood River County

Year	Harvested Acreage	Gross Farm Sales (\$ in thousands)		
		Crop Sales	Animal Products Sales	Total Gross Farm Sales
2010	15,468	\$ 87,198	\$ 400	\$ 87,598
2009	15,378	80,102	400	80,502
2008	15,398	72,259	1,200	73,459
2007	15,332	67,679	1,200	68,879
2006	15,522	56,501	1,200	57,701
2005	16,360	52,473	1,200	53,673

Wasco County

Year	Harvested Acreage	Gross Farm Sales (\$ in thousands)		
		Crop Sales	Animal Products Sales	Total Gross Farm Sales
2010	146,907	\$ 82,954	\$ 6,786	\$ 89,740
2009	141,950	58,921	7,081	66,002
2008	78,881	76,798	6,495	83,293
2007	73,481	69,622	6,998	76,619
2006	97,081	58,922	7,174	66,097
2005	89,352	52,201	6,967	59,169

Source: Oregon State University Extension Service's Oregon Agriculture Information Network, Harvested Acreage Summary Report, Gross Farm Sales Reports, Commodity Report.

Income. Historical personal income and per capita income levels for the County and the State are shown below:

Total Personal and Per Capita Income

State of Oregon				
Year	Personal Income (\$000 Omitted)	Dividends, Interest, Rent (\$000 Omitted)	Per Capita Income	Per Capita Dividends, Interest, Rent
2010	\$ 142,113,170	\$ 28,423,161	\$ 37,095	\$7,419
2009	138,453,340	28,181,017	36,191	7,366
2008	139,306,268	29,341,456	36,824	7,756
2007	133,821,268	27,217,289	35,849	7,291
2006	127,403,090	25,405,934	34,644	6,908
2005	117,634,076	21,988,587	32,515	6,078

Year ⁽¹⁾	Hood River County				Wasco County			
	Personal Income (\$000 Omitted)	Dividends, Interest, Rent (\$000 Omitted)	Per Capita Income	Per Capita Dividends, Interest, Rent	Personal Income (\$000 Omitted)	Dividends, Interest, Rent (\$000 Omitted)	Per Capita Income	Per Capita Dividends, Interest, Rent
2009	\$ 731,898	\$ 180,042	\$ 33,446	\$ 8,227	\$ 820,554	\$ 168,847	\$ 33,979	\$ 6,992
2008	729,889	189,277	33,997	8,816	809,985	175,204	34,004	7,355
2007	675,833	173,770	31,926	8,209	753,931	156,838	31,766	6,608
2006	638,823	163,435	30,260	7,742	715,034	143,982	30,371	6,116
2005	578,815	139,015	27,634	6,637	648,347	129,940	27,693	5,550

(1) 2010 data is not available at this time.

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

Employment. Non-farm employment within Hood River County and Wasco County is described in the following tables:

**Hood River County
Labor Force Summary ⁽¹⁾
(by place of residence)**

	2007	2008	2009	2010	2011	2011 Change from			
						2007	2008	2009	2010
Civilian Labor Force	12,901	13,261	13,952	14,333	14,683	1,782	1,422	731	350
Unemployment	580	701	1,106	1,162	1,132	552	431	26	-30
Percent of Labor Force	4.5%	5.3%	7.9%	8.1%	8.1%	xx	xx	xx	xx
Total Employment	12,321	12,560	12,846	13,171	13,554	1,233	994	708	383

Non-Agricultural Wage & Salary Employment ⁽²⁾

	2007	2008	2009	2010	2011	2011 Change from			
						2007	2008	2009	2010
Total Nonfarm Payroll Employment	10,210	10,380	10,100	10,070	10,330	120	-50	230	260
Total Private	8,810	8,970	8,680	8,660	8,970	160	0	290	310
Natural resources, mining, construction	510	490	410	360	330	-180	-160	-80	-30
Manufacturing	1,290	1,390	1,260	1,240	1,190	-100	-200	-70	-50
Trade, transportation, and utilities	2,030	2,010	1,940	1,950	1,970	-60	-40	30	20
Information	120	140	140	140	140	20	0	0	0
Financial activities	340	330	320	310	310	-30	-20	-10	0
Professional and business services	710	690	770	730	910	200	220	140	180
Educational and health services	1,640	1,730	1,810	1,830	1,960	320	230	150	130
Leisure and hospitality	1,910	1,920	1,790	1,850	1,900	-10	-20	110	50
Other services	270	270	260	260	270	0	0	10	10
Government	1,400	1,400	1,420	1,410	1,360	-40	-40	-60	-50

(1) Civilian labor force includes employed and unemployed individuals 16 years and older by place of residence. Employed includes nonfarm payroll employment, self-employed, unpaid family workers, domestics, agriculture and labor disputants. Data are adjusted for multiple job-holding and commuting.

(2) Nonfarm payroll data are based on the 1987 Standard Industrial Classification manual. The data are by place of work. Persons working multiple jobs are counted more than once. The data excludes the self-employed, volunteers, unpaid family workers, and domestics.

Source: State of Oregon Employment Department.

Wasco County
Labor Force Summary ⁽¹⁾
(by place of residence)

	2007	2008	2009	2010	2011	2011 Change from			
						2007	2008	2009	2010
Civilian Labor Force	13,258	13,396	14,125	14,522	14,474	1,216	1,078	349	-48
Unemployment	650	795	1,242	1,294	1,214	564	419	-28	-80
Percent of Labor Force	4.9%	5.9%	8.8%	8.9%	8.4%	xx	xx	xx	xx
Total Employment	12,608	12,601	12,883	13,228	13,260	652	659	377	32

Non-Agricultural Wage & Salary Employment ⁽²⁾

	2007	2008	2009	2010	2011	2011 Change from			
						2007	2008	2009	2010
Total Nonfarm Payroll Employment	9,600	9,620	9,430	9,500	9,410	-190	-210	-20	-90
Total Private	7,280	7,220	7,040	7,130	7,110	-170	-110	70	-20
Natural resources and mining	60	50	50	50	50	-10	0	0	0
Construction	420	390	340	310	300	-120	-90	-40	-10
Manufacturing	730	660	560	570	580	-150	-80	20	10
Trade, transportation, and utilities	2,090	2,040	1,890	1,900	1,900	-190	-140	10	0
Information	110	120	100	100	110	0	-10	10	10
Financial activities	390	370	350	360	400	10	30	50	40
Professional and business services	490	500	550	560	480	-10	-20	-70	-80
Educational and health services	1,560	1,660	1,720	1,790	1,860	300	200	140	70
Leisure and hospitality	1,090	1,100	1,160	1,170	1,110	20	10	-50	-60
Other services	320	330	320	330	320	0	-10	0	-10
Government	2,330	2,400	2,400	2,370	2,300	-30	-100	-100	-70

- (1) Civilian labor force includes employed and unemployed individuals 16 years and older by place of residence. Employed includes nonfarm payroll employment, self-employed, unpaid family workers, domestics, agriculture and labor disputants. Data are adjusted for multiple job-holding and commuting.
- (2) Nonfarm payroll data are based on the 1987 Standard Industrial Classification manual. The data are by place of work. Persons working multiple jobs are counted more than once. The data excludes the self-employed, volunteers, unpaid family workers, and domestics.

Source: State of Oregon Employment Department.

**Major Employers in the District
(2012)**

Company	Service	Location	No. Employees
Mid-Columbia Medical Center	Medical	The Dalles	801
Hood River County School District	Education	Hood River	550
North Wasco County School District	Education	The Dalles	400
Columbia Bancorp	Commercial banking	The Dalles	335
Columbia Gorge Community College	Education	The Dalles	315
Dukwall-Pooley Fruit Company	Agriculture - pears, fruit packing	Hood River	250
Maritime Services Corp	Builds & repairs fishing vessels, yachts	Hood River	250
Providence Hood River Memorial Hospital	Health care	Hood River	230
U.S. Army Corp of Engineers	Power Generation	The Dalles	220
Kmart Corp	Retail	The Dalles	200
Google	Computer Technology	The Dalles	200
PMD the Dalles, LLC	Restaurant	The Dalles	200
Oregon Cherry Growers	Cherry Growers/Food Processing	The Dalles	180
Wal-Mart	Retail	Hood River	180
Best Western Hood River Inn	Lodging	Hood River	180
Hood River County	Government	Hood River	180
Ljs Manufacturing Inc.	Fishing tackle	Hood River	180
Wasco County	Government	The Dalles	175
Oregon Veteran Home	Nursing Care Facility	The Dalles	170
Safeway	Grocery	The Dalles	170
Fred Meyer Stores Inc.	Retail	The Dalles	150
Home Depot	Building supplies	The Dalles	150
Columbia Gorge Center	Nonprofit-services for disabled	Hood River	150
Hood River Care Center	Nursing home	Hood River	130
DaKine Hawaii Inc.	Sporting goods manufacturer	Hood River	125
Stadelman Fruit, LLC	Agriculture	Hood River	120
Sprint International	Telecommunications	Hood River	110
City of The Dalles	Government	The Dalles	101
Rosauers Supermarkets Inc.	Grocery store	Hood River	100
Columbia Gorge Hospitality Co	Hotel and restaurant	Hood River	100
Diamond Fruit Growers, Inc.	Agriculture	Hood River	100
Columbia Basin Nursing Home	Nursing Care Facility	The Dalles	95
Northwest Aluminum Specialties	Aluminum Melting	The Dalles	92

Source: Oregon Employment Department; Hood River Chamber of Commerce; The Dalles Area Chamber of Commerce and Columbia Gorge Economic Development Association; Hoovers business database.

Building Permits. Residential building permits are an indicator of growth within a region. The number and valuation of new single-family and multi-family residential building permits in Hood River County are listed below. Information on a county-wide basis is not available for Wasco County:

Residential Building Permits

Hood River County

Year	New Single Family		New Multi Family		Total	
	Number	Construction Cost	Number Units	Construction Cost	Construction Cost	
2010	48	\$ 9,682,098	6	40	\$ 5,314,816	\$ 14,996,914
2009	43	9,378,735	3	6	595,708	9,974,443
2008	54	10,123,816	1	5	600,000	10,723,816
2007	151	34,310,451	0	0	0	34,310,451
2006	141	32,058,388	21	44	6,390,277	38,448,665

Source: U.S. Census Bureau.

Healthcare. Healthcare services are available at the Mid-Columbia Medical Center located in the City of The Dalles and at the Providence Hood River Memorial Hospital in Hood River.

Transportation: The District is located along Interstate Highway 84, the major east-west highway beginning in Portland and following the Columbia River. U.S. Highway 197 runs north-south through the District

Commercial air transportation is available at Portland International Airport ("PDX"). PDX is operated by the Port of Portland, is served by 15 scheduled passenger air carriers and three charter services with an average of 506 daily arrivals and departures. There are approximately 241 additional daily arrivals and departures at PDX including military and freight carriers and general aviation flights. Fourteen cargo carriers service PDX.

The Initiative and Referendum Process

The Oregon Constitution, Article IV, Section 1, reserves to the people of the State the initiative and referendum power pursuant to which measures designed to amend the Oregon Constitution or enact legislation can be placed on the statewide general election ballot for consideration by the voters.

Pursuant to ORS 250.125, a five-member Committee composed of the Secretary of State, the State Treasurer, the Director of the Department of Revenue, the Director of the Department of Administrative Services, and a local government representative must prepare an estimate of the direct financial impact of each measure ("Financial Estimate Statements") to be printed in the voters' pamphlet and on the ballot.

Referendum

"Referendum" generally means measures that have been passed by a legislative body, such as the Legislative Assembly or the governing body of a district, county or other political subdivision and referred to the electors by the legislative body, or by petition prior to the measure's effective date.

In Oregon, both houses of the Legislative Assembly must vote to refer a statute or constitutional amendment for a popular vote. Such referrals cannot be vetoed by the governor. Any change to the Oregon Constitution passed by the Legislative Assembly requires referral to voters. In the case of a referendum by petition, proponents of the referendum must obtain a specified number of signatures from qualified voters. The required number of signatures is equal to four percent of the votes cast for all candidates for governor at the preceding gubernatorial election.

Recent Tax Increase Referenda. Opponents of legislation increasing personal and corporate income taxes passed by the 2009 Legislative Assembly submitted sufficient qualified signatures to refer the tax increases to a special

election held on January 26, 2010. The referendum of concerning personal income taxes appeared on the ballot as Measure 66. The referendum concerning corporate income taxes appeared on the ballot as Measure 67. Both measures were approved by voters and become effective for tax year 2009.

Other Recent Referenda. The Legislative Assembly referred three measures to the electors which appeared on the ballot at the November 2, 2010 election and were approved by voters (Measure 70, Measure 71 and Measure 72). Measure 70 expands the availability of home loans for veterans through the Oregon War Veterans' Fund. Measure 71 requires the legislature to meet annually and establishes limits to the length of legislative sessions. Measure 72 authorizes the State to issue general obligation bonds to finance real and personal property projects.

Initiatives

“Initiative” generally means a new measure placed before the voters as a result of a petition circulated by one or more private citizens.

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

Once the ballot title has been certified and the Secretary of State has authorized the petitioners, the proponents of the initiative may start gathering initiative petition signatures from qualified voters. The number of signatures required is determined by a fixed percentage of the votes cast for all candidates for governor at the preceding gubernatorial election. The signature requirements are eight percent for a constitutional measure (110,358 signatures for November 2010) and six percent for a statutory initiative (82,769 signatures for November 2010).

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

Historical Initiative Petitions. The number of initiatives that have been approved in general elections since 1998 are as follows:

Historical Initiative Petitions

Number of Year of General Election	Number of Initiatives that Qualified	Initiatives that were Approved
2010	4	2
2008	8	0
2006	10	3
2004	6	2
2002	7	3
2000	18	4
1998	10	6

NOTE: The Secretary of State posts a listing of initiatives on its web site: www.sos.state.or.us.

Source: Elections Division, Oregon Secretary of State, Initiative, Referendum and Referral Log, Elections Division.

Recent Initiative Petitions. Two initiative measures were approved at the November 2, 2010 election (Measure 73 and Measure 76). These measures may have a fiscal impact on the State's general fund which could have an impact on the District. The District cannot estimate at this time what such impact would be, if any.

Measure 73 requires increased minimum sentences for certain repeated sex crimes and incarceration for repeated driving under influence offenses. The financial estimate for Measure 73 estimates additional State spending of \$1.4 million in the first year, \$11.4 million to \$14.6 million in the second year, \$13.9 million to \$21.0 million in the third year, \$16.7 million to \$26.6 million in the fourth year and \$18.1 million to \$29.1 million in each year after that.

Measure 76 is a constitutional amendment which makes permanent the dedication of 15 percent of state lottery proceeds each year to parks and natural resources.

Legal Matters and Litigation

Legal Matters

Legal matters incident to the authorization, issuance and sale of Bonds are subject to the approving legal opinion of Bond Counsel, substantially in the form attached hereto as Appendix A. Bond Counsel has reviewed this document only to confirm that the portions of it describing the Bonds and the authority to issue them conform to the Bonds and the applicable laws under which they are issued.

Litigation

There is no litigation pending questioning the validity of the Bonds nor the power and authority of the District to issue the Bonds. There is no litigation pending which would materially affect the finances of the District or affect the District's ability to meet debt service requirements on the Bonds.

Under the Oregon law, Oregon local public bodies, such as the District, are subject to the following limits on liability. The State of Oregon is subject to different limits.

Personal Injury and Death Claim. The liability of a local public body and its officers, employees and agents acting within the scope of their employment or duties, to any *single claimant* for covered personal injury or death claims (and not property claims) arising out of a single accident or occurrence may not exceed \$500,000, for causes of action arising on or after July 1, 2009, and before July 1, 2010. From July 1, 2010 through June 30, 2015, this cap increases incrementally to \$666,700. The liability limits to *all claimants* for covered personal injury or death claims (and not property claims) arising from a single accident or occurrence increase from \$1 million, for causes of action arising on or after July 1, 2009, and before July 1, 2010, incrementally to \$1,333,300, for causes of action arising on or after July 1, 2014, and before July 1, 2015.

For causes of action arising on or after July 1, 2015, the liability limits for both a single claimant and all claimants will be adjusted based on a determination by a State Court Administrator of the percentage increase or decrease in the cost of living for the previous calendar year as provided in the formula in SB 311. The adjustment may not exceed 3% for any year.

Property Damage or Destruction Claim. The liability of a public body and its officers, employees and agents acting within the scope of their employment or duties, for covered claims for damage and destruction of property that arise from causes of action arising on or after July 1, 2009 are as follows: (a) \$100,000, adjusted as described below, to any single claimant, and (b) \$500,000, adjusted as described below, to all claimants.

Beginning in 2010, these liability limits shall be adjusted based on a determination by a State Court Administrator of the percentage increase or decrease in the cost of living for the previous calendar year as provided in the formula in SB 311. The adjustment may not exceed 3% for any year.

Tax Matters

Tax Exemption

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met subsequent to the execution and delivery of the Bonds in order for interest on the Bonds to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the issue date of the Bonds. These requirements include limitations on the use of proceeds of the Bonds, limitations on the investment of proceeds of the Bonds prior to expenditure and a requirement that excess arbitrage earned on the investment of proceeds of the Bonds be rebated on a periodic basis to the United States under certain circumstances and certain other matters. The District has covenanted to comply with all applicable requirements (the "Tax Covenants.")

In the opinion of Mersereau Shannon LLP, Bond Counsel, under existing law and assuming compliance by the District with certain tax covenants described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of determining the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is included in adjusted current earnings for the purpose of computing the federal alternative minimum tax imposed on certain corporations.

Bond Counsel's opinion is subject to the condition that the District comply with applicable covenants and, in addition, will rely on representations by the District and its advisors with respect to matters solely within the knowledge of the District and its advisors, which Bond Counsel has not independently verified. If the District fails to comply with the Tax Covenants or if the foregoing representations are determined to be inaccurate or incomplete, interest on the Bonds could be included in gross income for federal tax purposes retroactively to the date of issuance of the Bonds, regardless of the date on which the event causing taxability occurs.

Bond Counsel expresses no opinion on any other federal, state or local tax consequences arising of acquiring, carrying, owning or disposing of the Bonds. Bond Counsel has not undertaken to advise in the future whether any events after the date of execution and delivery of the Bonds may affect the tax status of the Bonds.

Although Bond Counsel has rendered an opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, financial institutions, property and casualty insurance companies, certain S corporations, recipients of Social Security and Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. Prospective purchasers of the Bonds should consult their tax advisors with respect to all such possible collateral consequences and as to the treatment of interest on the Bonds under the tax laws of any state other than Oregon.

Bond Counsel's opinion is not a guarantee of result and is not binding on the Internal Revenue Service ("IRS"); rather, the opinion represents Bond Counsel's legal judgment based on its review of existing law and in reliance on the representations made to Bond Counsel and the District's compliance with its covenants. Bond Counsel cannot predict whether the IRS will commence an audit of the Bonds. The commencement of an audit could adversely affect the market value and liquidity of the bonds, regardless of the ultimate outcome.

Premium

An amount equal to the excess of the purchase price of a Bond over its stated redemption price at maturity constitutes premium on that Bond. A purchaser of a Bond must amortize any premium over that Bond's term using constant yield principals, based on the Bond's yield to maturity. As premium is amortized, the purchaser's basis in the Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult

with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and the state and local tax consequences of owning such Bonds.

Original Issue Discount

The initial public offering price of certain Bonds (the "Original Issue Discount Bonds"), may be less than the stated redemption price at maturity. In such case, the difference between (i) the stated amount payable at the maturity of an Original Issue Discount Bond and (ii) the initial public offering price of that Original Issue Discount Bond constitutes original issue discount with respect to that Original Issue Discount Bond in the hands of the owner who purchased that Original Issue Discount Bond at the initial public offering price in the initial public offering of the Bonds. The initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to an Original Issue Discount Bond equal to that portion of the amount of the original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by the initial owner.

In the event of the redemption, sale or other taxable disposition of an Original Issue Discount Bond prior to its stated maturity, however, the amount realized by the initial owner in excess of the basis of the Original Issue Discount Bond in the hands of its initial owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Bond was held by the initial owner) is includable in gross income. Purchasers of Original Issue Discount Bonds should consult their tax advisors regarding the determination and treatment of original issue discount for federal income tax purposes and the state and local tax consequences of owning Original Issue Discount Bonds.

Oregon State Tax Exemption

In the opinion of Bond Counsel, interest on the Bonds is exempt from Oregon personal income tax imposed under existing law.

Future and Proposed Federal Legislation

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, alter or amend the current federal and state tax status of the Bonds, adversely affect the marketability or market value of the Bonds or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of the interest on the Bonds. For example, on September 12, 2011, the Obama Administration announced a legislative proposal entitled the American Jobs Act of 2011. If enacted, the Jobs Bill could adversely impact the marketability and market value of the Bonds and prevent certain bondholders (depending on the financial and tax circumstances of the particular bondholder) from realizing the full benefit of the tax exemption of interest on the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. Other proposals have been made that could significantly reduce the benefit or otherwise affect the exclusion from gross income of interest on obligations like the Bonds. The introduction or enactment of any such proposals, clarification of the Code or court decisions may also affect the market price for or marketability of the Bonds. It cannot be predicted whether any regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Continuing Disclosure

The Securities and Exchange Commission Rule 15c2-12 (the "Rule") requires at least annual disclosure of current financial information and timely disclosure of certain events with respect to the Bonds, if material. Pursuant to the Rule, the District has agreed to provide audited financial information and certain financial information or operating data at least annually, and timely notice of certain events (collectively, "Continuing Disclosure") to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market

Access system (so long as such method of disclosure continues to be approved by the Securities and Exchange Commission for such purposes).

Prior Undertakings. The District has entered into prior undertakings to provide Continuing Disclosure filings for its General Obligation Bonds, Series 1998 and 2005 and Pension Bonds, Series 2003A and 2003B. The District's undertaking for its General Obligation Bonds, Series 1998 is a limited undertaking and requires the District provide annual disclosure upon request. All of the District's other undertakings require annual Continuing Disclosure filings within 270 days of the end of the Fiscal Year (March 27). Prior to July 1, 2009, Continuing Disclosure filings were required to be made with four nationally recognized municipal securities information repositories ("NRMSIRs"). Beginning July 1, 2009, Continuing Disclosure is required to be filed with the MSRB's Electronic Municipal Market Access system.

Annual Compliance with Prior Undertakings. The District filed its audited financials for Fiscal Years 2007, 2008, 2010 and 2011 prior to the deadline. The District failed to file its Fiscal Year 2009 audited financials by the March 27, 2010 deadline and subsequently filed on May 6, 2010. The District failed to file certain financial information required by the undertaking for Fiscal Years 2007 through 2010 prior to the deadline and subsequently filed this information on February 2, 2012.

Material Event Filings. The District filed notification of all rating changes in association with its General Obligation Bonds, Series 2005 in a timely manner. The District failed to file material event notices in a timely manner for rating changes related to the insurer of its General Obligation Bonds, Series 1998. The District subsequently filed notification of rating changes on February 2, 2012.

The District has implemented new procedures to maintain compliance in the future. A copy of the form of the District's Continuing Disclosure Certificate is attached hereto as Appendix D.

Underwriting

The Bonds are being purchased by the Underwriter. The purchase contract provides that the Underwriter will purchase all of the Bonds, if any are purchased, at a price of 107.407096 percent of the par value of the Bonds. The purchase contract provides that the Bonds will be reoffered at an average price of 108.162096 percent of the par value of the Bonds. After the initial public offering, the public offering prices may be varied from time to time.

The Underwriter has entered into a distribution agreement with UBS Financial Services Inc. for the retail distribution of certain municipal securities at the original issue prices. Pursuant to this agreement, the Underwriter will share a portion of its underwriting compensation with respect to the Bonds with UBS Financial Services Inc.

Concluding Statement

The information contained herein should not be construed as representing all conditions affecting the District or the Bonds. Additional information may be obtained from the District. The statements relating to the Resolution are in summarized form, and in all respects are subject to and qualified in their entirety by express reference to the provisions of such document in its complete form.

The information assembled herein is not to be construed as a contract with Owners of the Bonds.

Appendix A

Form of Bond Counsel Opinion

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MERSEREAU SHANNON LLP

PETER R. MERSEREAU
JAMES P. SHANNON, LLM
KAREN M. VICKERS
THOMAS W. MCPHERSON
BARRETT C. MERSEREAU
COURTNEY L. DAUSZ
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LAWYERS
FOUNDED IN 1885
SMITH & TEAL

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March 15, 2012

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

Re: \$13,790,000 Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, (the "District") of \$13,790,000 General Obligation Refunding Bonds, Series 2012 (the "Bonds.") The Bonds are issued pursuant to the applicable provisions of Oregon Revised Statutes ("ORS") Chapters 287A and 341 and the Resolution of the District adopted by the Board of Education (the "Board") on December 13, 2011 (the "Resolution").

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

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

As to questions of fact material to our opinion, we have relied upon the certified proceedings of the District and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. We have also relied on the covenants of the District to comply with certain requirements of the Internal Revenue Code of 1986, as amended, with respect to the investment and use of proceeds of the Bonds.

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

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

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

3. The Bonds are a valid, legally binding full faith and credit general obligation of the District payable from

March 15, 2012

Page 2

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

4. Assuming compliance with applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds, including any original issue discount properly allocable to the owner of the Bonds, is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. Any original issue premium properly allocable to the owner of the Bonds may not be deducted from federal gross income, but must be amortized actuarially on a constant interest rate basis over the term of such Bond, and the federal tax basis of such Bond will be decreased over its term by the amount of such amortized premium. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

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

Except as stated herein, we express no opinion regarding other federal, state or local tax consequences arising with respect to ownership of the Bonds or other matters not expressly included in items 1-5 above. The owner of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral tax consequences and each owner is advised to consult with its own tax advisor regarding such consequences.

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

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

Respectfully submitted,

MERSEREAU SHANNON LLP

James P. Shannon

Appendix B

Financial Statements

The District's Auditor has not performed any further review of the District's financial statements since the date of the audit contained herein. The Auditor was not requested to review this Official Statement and has not completed any additional auditing review procedures subsequent to the issuance of its report on the 2011 Fiscal Year.

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COLUMBIA GORGE COMMUNITY COLLEGE

TABLE OF CONTENTS

**COLUMBIA GORGE COMMUNITY COLLEGE
REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2011**

INTRODUCTORY SECTION		PAGE
Table of Contents		1-4
Board of Education and Administrative Staff		5
Organizational Chart		6
FINANCIAL SECTION		
Independent Auditors' Report		8-9
Management's Discussion and Analysis		10-25
Basic Financial Statements:		26
Statement of Net Assets		27
Statement of Revenues, Expenses, and Changes in Net Assets		28
Statement of Cash Flows		29-30
Notes to Financial Statements		31-50
Required Supplementary Information:		51
Schedule of Funding Progress		52
History of Net OPEB Obligation		52
Schedule of Employer Contributions		52
Supplementary Information:		53
Individual Fund Financial Statements:		
General Fund:		
Schedule of Revenue, Expenditures and Changes in Fund Balance with Budget Comparison		55
Special Revenue Funds:		
Schedule of Revenue, Expenditures and Changes in Fund Balance with Budget Comparison:		
U.S. Department of Education Title III Grant		60
Carl D. Perkins Title I Grant		61
Health Occupations Customized Training		62
Carl D. Perkins Reserve Fund		63
U.S. Department of Labor Community Based Job Training Grant for Renewable Energy Technology		64
U.S. Department of Energy Grant		65
U.S. Department of Labor WIA Section 171 Grant		66
U.S. Department of Labor State Energy Sector Partnership Grant Customized Training		67
Small Business Development Center (SBDC) Program Income		68
		69

COLUMBIA GORGE COMMUNITY COLLEGE

TABLE OF CONTENTS (continued)

Supplementary Information (continued):

Special Revenue Funds (continued):	
Federal Small Business Administration SBDC Grant	70
State SBDC Grant	71
Fundamentals of Caregiving	72
Mid-Columbia Economic Development District	73
Title II AEFLA Comprehensive Grant	74
Accountability Grant	75
Program Improvement Grant	76
Tutoring Grant	77
English Language Civics Grant	78
Gorge Literacy	79
Non-Reimbursable Community Education	80
Elderhostel	81
Green Labor Market Information Implementation Grant	82
Career Readiness Certificate Implementation Grant	83
Oregon Student Assistance Commission Program	84
Career Pathways 2009-2011	85
First Year Persistence Development Project	86
Oregon Child Care Resource and Referral Network	87
Child Care Resource and Referral	88
Oregon Department of Human Services Integrated Child Care Grant	89
Co-Curricular Activities Fund	90
Career Pathways Program Income	91
Pathways Initiative State-Wide Director Grant	92
Insurance Fund	93
Pathways Initiative Projects & Technical Assistance Grant	94
Oregon Community Colleges Green Initiative 2009-2010 Grant	95
Oregon Council for the Humanities Grant	96
Infant/Toddler Project ARRA Grant	97
Pathways Green Labor Market Information (LMI) Initiative Grant	98
Technical Assistance – Completion Innovation Challenge Application Grant	99
Tri-County Recycling Grant	100
Building Lease Fund	101
Food Service	102
Environmental Club	103
Phi Theta Kappa	104
Student Council	105
Student Nurse Association	106
Japanese Club	107
Delta Energy Club	108

COLUMBIA GORGE COMMUNITY COLLEGE

TABLE OF CONTENTS (continued)

Supplementary Information (continued):

Reserve Fund:	109
Schedule of Revenue, Expenditures and Changes in Fund Balance with Budget Comparison:	
Facilities and Grounds Maintenance Reserve Fund	110
General Operations Reserve Fund	111
Debt Service Fund:	112
Schedule of Revenue, Expenditures and Changes in Fund Balance with Budget Comparison:	
Wasco County G.O. Bond Fund	113
District G.O. Bond Fund	114
Pension Bond Fund	115
Capital Projects Fund:	116
Schedule of Revenue, Expenditures and Changes in Fund Balance with Budget Comparison:	
Capital Projects Fund	117
State Capital Projects Fund	118
Deferred Maintenance Capital Projects Fund	119
Enterprise Fund:	120
Schedule of Revenue, Expenditures and Changes in Fund Balance with Budget Comparison:	
College Book Store	121
Other Financial Schedules:	122
Schedule of Wasco County Property Tax Transactions	123
Schedule of Hood River County Property Tax Transactions	124-125
Schedule of Insurance	126
Schedule of Future Wasco County G.O. Bond Requirements	127
Schedule of Future 2005 G.O. Bond Requirements	128
Schedule of Future Pension Bond Requirements	129
OTHER REQUIRED REPORTS	130
Schedule of Expenditures of Federal Awards	131
Notes to the Schedule of Expenditures of Federal Awards	132

COLUMBIA GORGE COMMUNITY COLLEGE

TABLE OF CONTENTS (continued)

OTHER REQUIRED REPORTS (continued)

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	133-134
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	135-136
Schedule of Findings and Questioned Costs	137
Independent Auditor's Report Required by Oregon State Regulations	138-139

COLUMBIA GORGE COMMUNITY COLLEGE

PRINCIPAL OFFICIALS
JUNE 30, 2011

BOARD OF EDUCATION

<u>POSITION</u>	<u>DIRECTOR</u>	<u>CITY, STATE</u>	<u>TERM EXPIRES</u>
1	M.D. VanValkenburgh	The Dalles, Oregon	6-30-2013
2	Dr. James R. Willcox	The Dalles, Oregon	6-30-2013
3	David Fenwick	Hood River, Oregon	6-30-2011
4	Christie Reed	Hood River, Oregon	6-30-2011
5	Dr. Ernest Keller	The Dalles, Oregon	6-30-2013
6	Stuart Watson, Chair	Hood River, Oregon	6-30-2011
7	Charleen Cobb, Vice Chair	The Dalles, Oregon	6-30-2013

ADMINISTRATIVE OFFICERS

Dr. Frank K. Toda, President	The Dalles, Oregon
Saundra L. Buchanan, Chief Financial Officer	The Dalles, Oregon
Dr. Susan J. Wolff, Chief Academic Officer	Hood River, Oregon
Karen Carter, Chief Student Services Officer	The Dalles, Oregon
Robb E. Van Cleave, Chief Talent & Strategy Officer	The Dalles, Oregon
Daniel A. Spatz, Chief Institutional Advancement Officer	The Dalles, Oregon
William S. Bohn, Chief Technology Officer	Hood River, Oregon
Tria Bullard, Executive Assistant to the President & Board of Education	Lyle, Washington

COLUMBIA GORGE COMMUNITY COLLEGE
ORGANIZATIONAL CHART





FRIEND & REAGAN, P.C.
Certified Public Accountants

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The Dalles, OR 97058
phone (541) 296.2000
fax (541) 296.5636
www.friendreagan.com

Carol D. Friend · Nathan R. Reagan · Ben G. Neumayer · Gary F. Bradford · Carolyn L. Rohde · John W. Byers, Retired

INDEPENDENT AUDITOR'S REPORT

Board of Education
Columbia Gorge Community College
The Dalles, Oregon 97058

We have audited the accompanying financial statements of Columbia Gorge Community College, as of and for the year then ended June 30, 2011, which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Columbia Gorge Community College management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Columbia Gorge Community College, as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2011, 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 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 control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Education

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the postemployment benefit schedules on pages 10 through 25 and on page 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Columbia Gorge Community College's financial statements as a whole. The schedules listed in the table of contents as other supplementary information and other financial schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The individual fund budgetary financial statements, other financial schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Friend & Reagan P.C.
CERTIFIED PUBLIC ACCOUNTANTS

December 15, 2011

**COLUMBIA GORGE COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of Columbia Gorge Community College's (the College) Financial Statements presents a comparative analysis of the financial activities of the College for the fiscal years ended June 30, 2011 and 2010. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with them. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. This discussion is designed to focus on current activities and known facts, and any resulting changes.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The entity-wide financial statements are designed to provide readers with a broad overview of the College's finances, in a manner similar to a private-sector business. These entity-wide statements consist of comparative Statements of Net Assets, Statements of Revenues, Expenses and Changes in Net Assets and Statements of Cash Flows which are described and analyzed in the following sections. Notes to the Financial Statements are required to complete the entity-wide statements, and are an integral component of the basic financial statements.

FINANCIAL AND ENROLLMENT HIGHLIGHTS

Financial and enrollment highlights for Columbia Gorge Community College for fiscal year ending June 30, 2011 are described below.

Financial Highlights

The College's financial position, as a whole, improved in some measures and declined in other measures during the fiscal year ended June 30, 2011 as evidenced by:

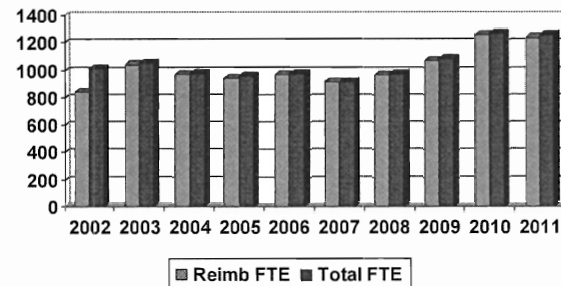
- The State of Oregon community college support revenue decreased by 48 percent from \$4,987,605 to \$2,593,282 due to the Oregon Legislature's deferral of its eighth quarter payment of the biennium from April 2011 to July 2011. Further explanation of the deferral and its impact is found in the revenue section of this analysis.
- Cash and cash equivalents of \$4,378,860 at the beginning of the year decreased by \$982,037 during the year to a total of \$3,396,823 at the close of the fiscal year, providing sufficient cash for use in operating and capital financing, of \$4,814,316 and \$2,160,069, respectively, and providing cash from non-capital financing activities and investing activities of \$5,535,110 and \$457,238, respectively.
- The College's investment in capital assets decreased by \$337,512 to \$32,429,910, net of accumulated depreciation, as the College's capital construction and improvement projects conclude and depreciation increases.
- Total liabilities decreased in 2011 by \$1,316,875 to \$22,188,729 primarily due to debt repayment of \$1,412,614 and an increase in current liabilities of \$95,739.

- Total net assets increased by \$358,208 to \$21,773,106, an increase of 1.7 percent from the prior year.
- Within net assets, capital assets less any related outstanding debt used to acquire those assets increased by \$900,480 to \$14,721,849 in 2011. The College uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- Unrestricted net assets decreased by \$608,319 to \$5,551,254.

Enrollment Highlights

The College experienced record enrollment levels in the 2009-10 with only a slight decrease in 2010-11 while awarding a record number of degrees. Reimbursable full-time equivalent enrollment (FTE) decreased by 1.1 percent to 1,247.46 FTE in fiscal year 2011. Total FTE decreased by 0.6 percent to 1,262.41. Unduplicated total headcount increased 3.2 percent to 5,063 students as more students were served than in 2010. The following chart shows reimbursable and total full-time equivalent enrollment levels for the past ten years.

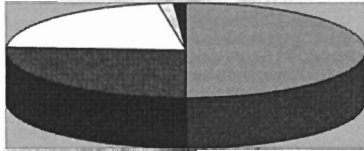
Reimbursable and Total Full-time Equivalent Enrollment



In 2011, the number of full-time credit students decreased by 2.6 percent to 777 who registered for a minimum of 12 credits for at least one quarter during the academic year. The average number of credits taken by full-time students was 13.3, a small decrease over the previous year. The number of part-time credit students decreased by 6.2 percent to 1,302 in 2011. Part-time credit students took an average of 6.1 credits, the same as last year.

In 2011, 49.9 percent of total FTE was from Lower Division Collegiate or college transfer courses, 26.2 percent of FTE was from Career and Technical Education courses, 21.5 percent of FTE was from Developmental or Pre-College courses, and Adult Continuing Education and Non-reimbursable courses each provided 1.2 percent of total FTE, as shown in the following chart.

Total FTE for 2011



■ Lower Division Collegiate	49.9%
■ Career & Technical Education	26.2%
□ Pre-College	21.5%
□ Adult Continuing Education	1.2%
■ Non-reimbursable	1.2%

Of the 0.6 percent decrease in total FTE, Lower Division Collegiate FTE increased 2.4 percent; Career and Technical Education FTE decreased 23.5 percent due to the reclassification of 100 level math courses to the Developmental FTE category per State guidelines*, Developmental (Pre-College) FTE increased 33.6 percent due to the reclassification of 100 level math courses*, Adult Continuing Education FTE increased by 42.8 percent and Non-reimbursable FTE increased by 79.7 percent. While the Adult Continuing Education and Non-Reimbursable FTE had significant increases, they each account for only 1.2 percent of total enrollment. The following table shows total FTE by classification and as a percent of total FTE and percent change from the prior year

Total FTE by Classification

	09-10 FTE	% of FTE	10-11 FTE	% of FTE	% Change
Lower Division Collegiate	614.69	48.4%	629.63	49.9%	2.4%
Career & Technical Education	432.77	34.1%	330.89	26.2%	-23.5%*
Developmental (Pre-College)	203.12	16.0%	271.32	21.5%	33.6%*
Adult Continuing Education	10.94	0.9%	15.62	1.2%	42.8%
Non-reimbursable	8.32	0.7%	14.95	1.2%	79.7%
Total FTE	1,269.84	100.0%	1,262.41	100.0%	-0.6%
Total Reimbursable FTE	1,261.52		1,247.46		-1.1%

ANALYSIS OF THE STATEMENT OF NET ASSETS FOR THE YEAR ENDED JUNE 30, 2011

The Statement of Net Assets presents information on all of the College's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets are indicators of the improvement or erosion of the College's financial health when considered along with non-financial facts such as enrollment levels and the condition of the facilities. The Statement of Net Assets includes all assets and liabilities of the College using the accrual basis of accounting, which is similar to the accounting presentation used by most private colleges. Assets and liabilities are categorized between current and noncurrent with current items maturing or becoming payable within the normal twelve month accounting and operating cycle.

Statement of Net Assets	2011	2010	Increase (Decrease)	% Change
Assets				
Current Assets:				
Cash and Cash Equivalents	\$3,396,823	\$4,378,860	(\$982,037)	-22.4%
Short-Term Investments	3,099,434	3,060,113	39,321	1.3%
Prepaid Expenditures	1,736	21,764	(20,028)	-92.0%
Receivables:				
Cash with County Treasurer	18,011	25,365	(7,354)	-29.0%
Taxes	219,891	204,504	15,387	7.5%
Accounts, net	793,096	513,027	280,069	54.6%
Grants and Contracts	352,713	446,856	(94,143)	-21.1%
Accrued Interest Paid on Investments	11,124	16,371	(5,247)	-32.1%
Publisher's and Vendor's Credits	8,803	20,025	(11,222)	-56.0%
Inventory – Textbooks and Supplies	353,367	304,637	48,730	16.0%
Total Current Assets	\$8,254,999	\$8,991,522	(\$736,523)	-8.2%
Non Current Assets:				
Pension Assets (Note 7)	\$3,276,927	\$3,161,558	\$115,369	3.6%
Non Depreciable Assets – Land (Note 5)	1,510,000	1,510,000	-	Na
Depreciable Assets, Net (Note 5)	30,919,910	31,257,422	(337,512)	-1.0%
Total Non Current Assets	\$35,706,837	\$35,928,980	(\$222,143)	-0.6%
Total Assets	\$43,961,836	\$44,920,502	(\$958,666)	-2.1%
Liabilities				
Current Liabilities:				
Accounts Payable	\$257,063	\$245,037	\$12,026	4.9%
Accrued Payroll and Withholdings	201,875	505,772	(303,897)	-60.1%
Accrued Interest Payable	35,160	38,147	(2,987)	-7.8%
Compensated Absences Payable	149,322	150,687	(1,365)	-0.9%
Due to Fiduciary Funds	0	4,624	(4,624)	-100.0%
Deferred Revenue:				
Tuition and Fees	879,014	583,460	295,554	50.7%
Grants and Contracts	15,000	0	15,000	Na
Current Portion of Long-Term Debt	1,412,614	1,326,583	86,031	6.5%
Total Current Liabilities	\$2,950,048	\$2,854,309	\$95,739	3.4%
Non Current Liabilities:				
General Obligation Bonds Payable	\$17,708,061	18,946,053	(1,237,992)	-6.5%
Pension Bonds Payable	2,943,234	3,031,825	(88,591)	-2.9%
Less Current Portion of Long-Term Debt (Note 9)	(1,412,614)	(1,326,583)	(86,031)	6.5%
Total Non Current Liabilities	\$19,238,681	\$20,651,295	(\$1,412,614)	-6.8%
Total Liabilities	\$22,188,729	\$23,505,604	(\$1,316,875)	-5.6%
Net Assets				
Invested in Capital Assets, Net of Related Debt	\$14,721,849	\$13,821,369	\$900,480	6.5%
Restricted for:				
Debt Service	1,500,004	1,398,094	101,910	7.3%
Capital Projects	0	35,861	(35,861)	-100.0%
Unrestricted	5,551,254	6,159,573	(608,319)	-9.9%
Total Net Assets	\$21,773,106	\$21,414,898	\$358,208	1.7%
Total Liabilities and Net Assets	\$43,961,835	\$44,920,502	(\$958,667)	-2.1%

Current Assets

Current assets of \$8,254,999 were more than sufficient to cover current liabilities of \$2,950,048. This represents a current ratio of 2.8 as compared to 3.2 in the prior year. Cash and cash equivalents decreased by \$982,037 to \$3,396,823 as compared to \$4,378,860 in the prior year due to cash of \$4,814,316 used by operating activities, cash of \$5,535,110 used by non-capital financing activities, cash of \$457,238 provided by investing activities and cash of \$5,535,110 provided by capital financing activities. Cash balances are managed to increase interest earnings and provide for working capital cash flow for clearing checks. Short term investments increased by \$39,321 as investments were made from available cash flows. Prepaid expenditures decreased by \$20,028. Receivables increased in total by \$193,959 due to an increase in taxes receivable of \$15,387, an increase in accounts receivable of \$280,069, a decrease in grants and contracts receivable of \$94,143 and a decrease in cash with county treasurer of \$7,354. Accrued interest paid on investments decreased by \$5,247 due to investing activities. The total credits due from publishers and vendors decreased by \$11,222 reflecting a decrease in outstanding credit memos to \$8,803 as of June 30, 2011. Textbook and supplies inventories increased by \$48,730 for bookstore operations.

Noncurrent Assets

The College's pension asset increased by \$115,369 to \$3,276,927 due to favorable investment returns of the Oregon Public Employees Retirement System of \$543,056 less contributions of \$426,688 transferred to the PERS contribution pool for employer rate relief less PERS administration fee of \$1,000.

The College's investment in capital assets decreased by \$337,512 to \$32,429,910, net of accumulated depreciation. Detailed changes to capital assets are shown in Note 5.

Current Liabilities

The College's current liabilities consist primarily of accrued payroll, various payables for operations, deferred revenue and the current portion of long-term debt. Current liabilities increased by \$95,739 to \$2,950,048. Accounts payable increased by \$12,026 due to the timing of expenditures at the close of the fiscal year. Deferred revenue from tuition and fees increased by \$295,554 to \$879,014 reflecting summer and fall registration activities prior to June 30, 2011. Deferred revenue from grants and contracts increased by \$15,000. Accrued payroll and withholdings decreased by \$303,897 to \$201,875 and represents payroll liabilities due as of June 30, 2011. Accrued interest payable decreased by \$2,987 to \$35,160. Compensated absences payable decreased by \$1,365 to \$149,322 as employees' accumulated vacation balances decreased. The current portion of long-term debt increased by \$86,031 to \$1,412,614.

Noncurrent Liabilities

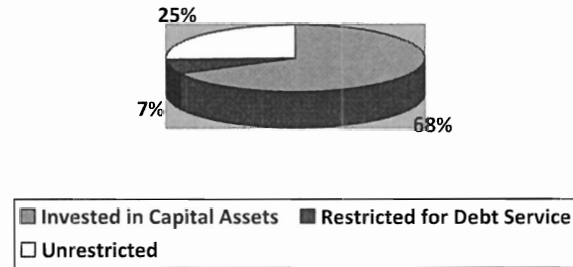
Noncurrent liabilities consist of long-term debt from general obligation refunding bonds series 1998, general obligation bond series 2005, and pension bonds series 2003. Non-current liabilities decreased by \$1,412,614 to \$19,238,681 due to debt payments.

The debts used for the College's capital investment in real property, construction and improvements for The Dalles and Hood River campuses are funded by two general obligation bond property tax levies. The general obligation refunding bonds series 1998, which are funded by district property taxpayers of Wasco County, will mature in 2013. The general obligation bonds series 2005, which are funded by district property taxpayers of Hood River and Wasco County, will mature in 2025.

Net Assets

Total net assets increased by \$358,208 to \$21,773,106, an increase of 1.7 percent from the prior year. Within net assets, the "invested in capital assets" amount is \$14,721,849, an increase of \$900,480 as compared to the prior year due to progress of capital expansion and improvement projects. Restricted net assets for debt service increased by \$101,910 to \$1,500,004 and for capital projects decreased by \$35,861 to zero. Unrestricted net assets decreased by \$608,319 to \$5,551,254 and are used for the continuing operations of the College. The following chart shows the allocation of net assets of the College as of June 30, 2011

Net Assets



ANALYSIS OF THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2011

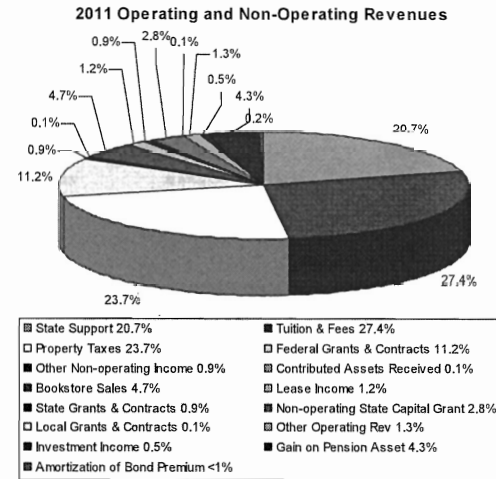
The Statement of Revenues, Expenses and Changes in Net Assets present the operating results of the College, as well as the non-operating revenues and expenses. All changes in net assets are reported under accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs, regardless of the timing when the cash is received or disbursed. Revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The utilization of long-lived assets is reflected in the financial statements as depreciation, which amortizes the cost of the capital asset over the expected useful life.

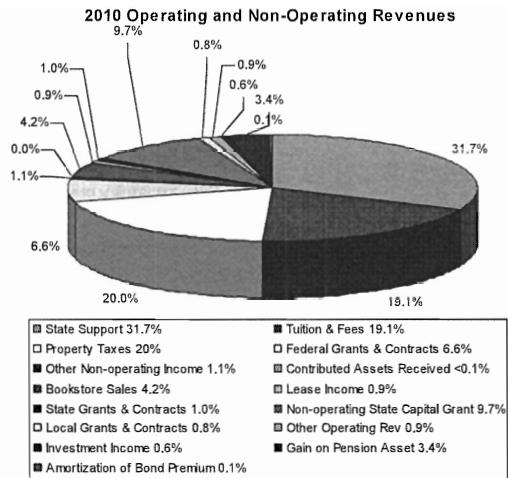
Revenues and expenses are reported as either operating or non-operating, with operating revenues of student tuition and fees, Bookstore sales, Federal, State and local grants and contracts. State appropriations, property taxes and State capital grants and contracts are classified as non-operating revenues. Annual state appropriations and property taxes, while budgeted for operations, are considered non-operating revenues according to accounting principles generally accepted in the United States of America (GAAP). Overall net assets remain positive, although this statement presents an operating loss due to the classification of State appropriations and property tax revenue.

Statement of Revenues, Expenses and Changes in Net Assets	2011	2010	Increase (Decrease)	% Change
Operating Revenues				
Student Tuition and Fees	\$3,431,661	\$3,000,643	\$431,018	14.4%
Operating Grants and Contracts				
Federal	1,401,800	1,034,045	367,755	35.6%
State	114,064	160,068	(46,004)	-28.7%
Local	9,200	118,265	(109,065)	-92.2%
Bookstore Sales	588,536	660,262	(71,726)	-10.9%
Other Operating Revenue	164,661	146,646	18,015	12.3%
Total Operating Revenues	\$5,709,923	\$5,119,929	\$589,993	11.5%
Operating Expenses				
Instruction	\$3,947,320	\$4,107,180	(\$159,860)	-3.9%
Academic Support	851,231	920,772	(69,541)	-7.6%
Student Services	838,858	785,180	53,678	6.8%
Public Services	441,676	380,674	61,002	16.0%
Institutional Support	2,436,536	2,240,944	195,592	8.7%
Financial Aid	11,440	32,552	(21,112)	-64.9%
Plant Operating and Maintenance	967,009	954,845	12,164	1.3%
Plant Improvements	128,901	0	128,901	Na
Bookstore	573,908	596,764	(22,856)	-3.8%
Depreciation	944,455	835,292	109,163	13.1%
Total Operating Expenses	\$11,141,333	\$10,854,203	\$287,131	2.6%
Operating Loss	(\$5,431,410)	(\$5,734,274)	\$302,862	-5.3%
Non-Operating Revenues (Expenses)				
State Community College Support	2,593,282	4,987,605	(2,394,323)	-48.0%
Non-operating State Capital Grant	347,486	1,521,884	(1,174,398)	-77.2%
Contributed Assets Received (Non-cash)	15,697	1,280	14,417	1126.3%
Property Taxes	2,968,507	3,139,598	(171,091)	-5.4%
Net Investment Income	63,624	86,934	(23,310)	-26.8%
Gain (Loss) on Pension Asset (Note 7)	543,057	527,098	15,959	3.0%
Lease Income	151,781	141,465	10,316	7.3%
Amortization of Bond Premium, Net	22,992	22,992	0	0.0%
Other Non-operating Income	109,074	165,498	(56,424)	-34.1%
Interest Expense	(983,723)	(1,018,927)	35,204	-3.5%
Lease Expenses	(44,487)	(34,541)	(9,946)	28.8%
Other Non-operating Expenses	(812)	(2,404)	1,592	-66.2%
Total Non-operating Revenues (Exp)	\$5,786,480	\$9,538,482	(\$3,752,004)	-39.3%
Increase (Decrease) in Net Assets	\$355,070	\$3,804,208	(\$3,449,138)	-90.7%
Net Assets - Beginning	21,414,898	17,610,688	(1,032,460)	21.6%
Change in Presentation Adjustment (Note 1.B)	3,139	0	3,139	Na
Net Assets - Ending	\$21,773,107	\$21,414,896	\$358,211	1.7%
Total Revenues	\$12,525,423	\$15,714,283	(\$3,188,860)	-20.3%
Total Expenses	12,170,356	11,910,075	260,281	2.2%
Increase (Decrease) in Net Assets	\$355,070	\$3,804,208	(\$3,449,141)	-90.7%

Revenues

The following graphs show the allocation of revenues for fiscal years 2011 and 2010.





Operating Revenues

The sources of operating revenue for the College are tuition and fees, Federal, State and local grants and contracts, bookstore sales and other operating revenue. Operating revenues increased by 11.5 percent as compared to 2010.

Tuition and fees, which include all amounts paid for educational purposes, increased 1.4 percent by \$431,018 to \$3,431,661 and represents 27.4 percent of total revenue. A tuition rate increase from \$70 to \$79 per credit hour contributed to the overall increase in tuition and fees even though enrollment decreased by 0.6 percent. The service fee increased by \$1 to \$9 per credit hour. Operating revenue from Federal grants and contracts increased by 35.6 percent by \$367,755 to \$1,401,800 due to the level of federal grant activity. Operating revenue from State grants and contracts decreased 28.7 percent by \$46,004 to \$114,064. Local grants and contracts totaled \$9,200 representing a decrease of \$109,065 as compared to the prior year. Bookstore sales decreased 10.9 percent by \$71,726 to \$588,536. Other operating revenue increased 12.3 percent by \$18,015 to \$164,661.

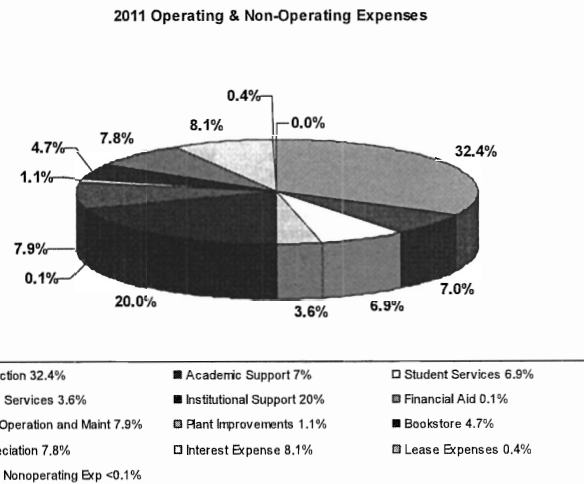
Non-operating Revenues

Non-operating revenues decreased overall by \$3,778,854 to \$6,815,500. One of the two largest non-operating revenue sources is the State of Oregon which funds FTE reimbursements through the Community College Support Fund and represents 20.7 percent of total revenue. State Community College Support revenue decreased by 48 percent to \$2,593,282 primarily due to the deferral of the College's fiscal year 2011 fourth quarter FTE reimbursement of \$943,829 to fiscal year 2012 and level of state appropriations. The \$2,593,282 received from the State represents three quarters distribution of the Community College Support Fund. The deferrals were enacted in 2003 by the Oregon Legislature and are scheduled to occur on alternate years so that the State could balance its biennial budget.

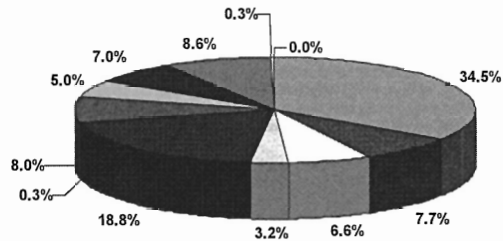
Property taxes decreased by 5.4 percent to \$2,968,507 and represents 23.7 percent of total revenue. Of the \$2,968,507 in property taxes received, approximately 67 percent is attributed to general obligation bond levies and 33 percent is from the permanent operating levy rate of \$0.2703 per thousand. Non-operating revenue from state capital grants totaled \$347,486 and represents a decrease of \$1,174,398 as compared to the prior year due primarily to the expenditure level of the State grant of State XIG bond proceeds for capital construction and improvements completed in 2011. Contributions received totaled \$15,697 and represents the value of donated equipment and books. Cash contributions are included in other non-operating revenue. Lease income totaled \$151,781, an increase of 7.3 percent. Other non-operating income decreased by \$56,424 to \$109,074 primarily due to restricted gifts for the nursing and renewable energy programs. Net investment income decreased 26.8 percent by \$23,310 to \$63,624. Gains on the pension asset increased 3 percent by \$15,959 to \$543,057

Expenses

The following graphs show the allocation of expenses for the College by functional classification for fiscal years 2011 and 2010:



2010 Operating & Non-Operating Expenses



■ Instruction 34.5%	■ Academic Support 7.7%	□ Student Services 6.6%
□ Public Services 3.2%	■ Institutional Support 18.8%	□ Financial Aid 0.3%
■ Plant Operation and Maint 8%	□ Bookstore 5%	■ Depreciation 7%
■ Interest Expense 8.6%	□ Lease Expenses 0.3%	□ Other Nonoperating Exp <0.1%

Operating Expenses

Operating expenses increased by 2.6 percent to \$11,141,333. Instruction, which represents the largest percentage of total expenses, decreased by 3.9 percent to \$3,947,320 as compared to the prior year or 32.4 percent of total expenses. Institutional support increased by 8.7 percent to \$2,436,536 or 20 percent of total expenses. Plant operation and maintenance increased by 1.3 percent to \$967,009 or 7.9 percent of total expenses. Depreciation increased 13.1 percent to \$944,455 or 7.8 percent of total expenses. Academic support decreased by 7.6 percent to \$851,231 or 7 percent of total expenses. Student services expense increased by 6.8 percent to \$838,858 and represents 6.9 percent of total expenses. Bookstore expense decreased by 3.8 percent to \$573,908 and represents 4.7 percent of total expenses. Public services increased by 16 percent to \$441,676 or 3.6 percent of total expenses. Financial aid expenses decreased 64.9 percent to \$11,440, as the College Foundation provides more scholarships, and represents 0.1 percent of total expenses.

Non-Operating Expenses

The largest non-operating expense was interest on debt of \$983,723 and represents 8.1 percent of total expenses. Plant improvement expenses totaled \$128,901 and represents 1.1 percent of total expenses. Lease expenses total \$44,487 or 0.4 percent of total expenses. Other non-operating expense total \$812.

ANALYSIS OF THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2011

The primary purpose of the Statement of Cash Flows is to provide relevant information about cash receipts and cash payments, which is a basis to assess the financial health of the College. The Statement of Cash Flows presents information on the cash flows from operating activities, non-capital financial activities, capital financing activities and investing activities. It provides the net increase or decrease in cash between the beginning and end of the fiscal year and assists in evaluation of financial viability, the College's ability to meet financial obligations as they become due, and the need for external financing.

Statement of Cash Flows	2011	2010	Increase (Decrease)	% Change
Cash Flows From Operating Activities				
Cash Received from Tuition and Fees	\$3,449,499	\$2,994,916	\$454,583	15.2%
Cash Received from Grants and Contracts	1,492,934	1,325,855	167,079	12.6%
Cash Received from Bookstore Sales	597,405	647,552	(50,147)	-7.7%
Other Operating Revenue	164,661	146,646	18,015	12.3%
Cash Paid for Operating Expenses	(10,518,815)	(10,062,097)	456,718	4.5%
Net Cash Provided (Used) by Operating Activities	(\$4,814,316)	(\$4,947,128)	\$132,812	-2.7%
Cash Flows from Non-capital Financing Activities				
Cash Received from Property Taxes	2,960,474	3,119,487	(159,013)	-5.1%
Cash Received from State FTE Reimbursement	2,593,282	4,987,605	(2,394,323)	-48.0%
Cash Received from Leases	151,781	141,465	10,316	7.3%
Other Non-operating Income	107,591	166,651	(59,060)	-35.4%
Cash Paid for Lease Expenses	(44,487)	(34,541)	(9,946)	28.8%
Payments for Pension Bonds	(88,591)	(87,401)	(1,190)	1.4%
Interest Paid on Pension Bonds	(144,128)	(135,319)	(8,809)	6.5%
Other Non-operating Expenses	(812)	(2,404)	1,592	-66.2%
Net Cash Provided (Used) by Non-capital Financing Activities	\$5,535,110	\$8,155,543	(\$2,620,433)	-32.1%
Cash Flows from Capital Financing Activities				
Purchase of Capital Assets	(\$591,246)	(\$3,364,854)	\$2,773,608	-82.4%
Cash Received from Capital Grants	488,759	1,599,112	(1,110,353)	-69.4%
Principal Paid on Long-Term Debt	(1,215,000)	(1,145,327)	(69,673)	6.1%
Interest Paid on Long-Term Debt	(842,582)	(886,228)	43,646	-4.9%
Net Cash Provided (Used) by Capital Financing Activities	(\$2,160,069)	(\$3,797,297)	\$1,637,228	-43.1%
Cash Flows from Investing Activities				
Earnings on Investments	\$510,327	\$534,745	(\$24,418)	-4.6%
Purchase of Investments	(2,895,998)	(3,042,718)	146,720	-4.8%
Proceeds from Sale of Investments	2,842,909	2,493,417	349,492	14.0%
Net Cash Provided (Used) by Investing Activities	\$457,238	(\$14,556)	\$471,794	-3241.2%
Net Increase (Decrease) in Cash & Cash Equivalents	(\$982,037)	(\$603,438)	(\$378,599)	62.7%
Cash - Beginning of year	4,378,860	4,982,298	(603,438)	-12.1%
Cash - End of year	\$3,396,823	\$4,378,860	(\$982,037)	-22.4%

Operating Activities

The College's major sources of cash included in operating activities were tuition and fees of \$3,449,499, grants and contracts of \$1,492,934, bookstore sales of \$597,405 and other operating revenue of \$164,661. Major operating uses of cash were payments to employees and suppliers, as well as for student financial aid, totaling \$10,518,815. The College used 2.7% or \$132,812 less in cash in its operating activities than in the prior year, due to an increase in cash from tuition and fees of \$454,583, an increase in cash from grants and contracts of \$167,079, an increase in cash from other operating revenue of \$18,015, a decrease in cash paid for operating activities of \$456,718 and a decrease in cash from Bookstore sales of \$50,147

Non-Capital Financing Activities

State appropriations and property taxes are the primary sources of non-capital financing. Other sources include leases and other non-operating income. Accounting standards require that these sources of revenue be reported as non-operating even though the College depends on these revenues to continue the current level of operations. Cash used by non-capital financing activities include cash paid for lease expenses, payments for pension bonds, interest paid on pension bonds and other non-operating expenses.

Cash provided from non-capital financing activities totaled \$5,535,110 primarily from cash received from State FTE reimbursement of \$2,593,282, and cash from property taxes of \$2,960,474. Cash from leases provided \$151,781 and cash from other non-operating income provided \$107,591.

The net cash provided by non-capital financing activities was 32.1 percent or \$2,620,433 less than the prior year. Cash received from State appropriations decreased by \$2,394,323. Property taxes decreased by \$159,013. Other non-operating income decreased by \$59,060. Cash received from leases increased by \$10,316. Cash paid for lease expenses decreased by \$9,946. Pension bond payments decreased by \$1,190. Interest paid on pension bonds decreased by \$8,809. Other non-operating expenses increased by \$1,592.

Capital Financing Activities

The capital financing uses of cash were the purchase of capital assets of \$591,246, principal payments of \$1,215,000 and interest payments of \$842,582. Cash received from capital grants were \$488,759. The cash used by capital financing activities decreased by \$1,637,228 or 43.1 percent. Cash received from capital grants decreased by \$1,110,353. Purchases of capital assets decreased by \$2,773,608 compared to the prior year. Principal paid on long-term debt increased by \$69,673. Interest paid on long-term debt decreased by \$43,646.

Investing Activities

Investing activities provided \$457,238 in cash, resulting from earnings on investments of \$510,327, proceeds from the sale of investments of \$2,842,909 and purchase of investments of \$2,895,998. Cash provided from earnings on investments decreased by \$24,418 to \$510,327 as a result of investment activities. Purchases of investments used \$2,895,998 of cash as compared to \$3,042,718 in the prior year. Proceeds from the sale of investments provided \$2,842,909 in cash as compared to \$2,493,417 in the prior year

BUDGET

Columbia Gorge Community College adopts an annual budget at the fund level, which is under the modified accrual basis of accounting for governmental funds and on an accrual basis of accounting for enterprise funds. The College Board adopts budget modifications and makes contingency transfers as

needed for unanticipated expenditures in accordance with Oregon Local Budget Law. For more information, please refer to the budgetary statements as Supplementary Information in the Financial Section of this report.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The College's investment in capital assets as of June 30, 2011, amounts to \$32,429,910, net of accumulated depreciation. Investment in capital assets includes land, buildings, improvements, equipment and furnishings, and library collections. Additional information on the College's capital assets can be found in Note 5 of this report.

Debt Administration

As of June 30, 2011, the College had total debt outstanding of \$20,333,234. Of this amount, \$1,435,000 is the outstanding general obligation refunding bond series 1998; \$15,955,000 is the outstanding general obligation bond series 2005; and \$2,943,234 is the outstanding pension obligation bond series 2003. The College made all scheduled payments to reduce total debt by \$1,326,583 in 2011.

ORS Chapter 341.675 limits the amounts of general obligation bonds which a community college district may have outstanding at any time to one and one-half percent of the Real Market Value of the taxable property within a college district. For fiscal year 2010-2011, the legal debt limit is \$82,131,090 or 1.5 percent of the College district Real Market Value of \$5,475,406,015. The College's outstanding general obligation bond debt of \$17,390,000 is 21.2 percent of the legal debt limit as shown in the table below.

Legal Debt Capacity

	Real Market Value 2010-2011
CGCC District - Hood River County RMV	\$2,852,004,714
CGCC District - Wasco County RMV	2,623,401,301
Total CGCC District RMV	\$5,475,406,015
Legal Debt Capacity 1.5 percent of RMV	\$82,131,090
Outstanding General Obligation Debt	\$17,390,000
Percent of Debt Capacity Used	21.2%

Bond levy rates for the current, past four years and the upcoming year are shown in the table below.

District General Obligation Bond Levy Rates (per thousand of Taxable Assessed Value)

Bond Levy Rates	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Wasco Co GO Bonds Series 1998 Refunding	0.5230	0.4069	0.4545	0.4770	0.4190	0.4151
District GO Bond Series 2005	0.4643	0.4022	0.4136	0.4259	0.3664	0.3650

Additional information on the College's long-term debt can be found in Note 9 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

With permanent campuses in Hood River and The Dalles, the Columbia Gorge Community College is positioned to serve students, the community, business and industry with its comprehensive community college mission. With prudent fiscal management and budgeting that links funding with strategic planning and core theme objectives, the College will sustain its mission while facing the realities of tough economic times. To assure sustainability, the College will continue to focus on protecting and developing the College's intellectual capital; serving students, the community, business and industry; developing resources, and maintaining infrastructure. This focus on financial sustainability will ensure our mission focus on access, education, and partnerships.

On June 14, 2011, the College adopted a balanced budget as required by the Oregon Local Budget Law. The following budget priorities are reflected in the 2011-2012 adopted budget.

Supports Building Dreams through Access

The budget supports the College's core theme objectives by providing a broad array of education and training programs through general academic instruction, career and technical education, adult continuing education, and customized training designed to meet regional workforce needs. The budget supports signature programs in health occupations and renewable energy technology through General Fund and grant support. The budget supports using multiple modes of effective teaching, learning and service strategies by providing campus locations in two counties and both in-person and online instructional and student support services. The budget supports serving the diversity of students in the district by providing outreach advising services in area high schools, disabilities advising, and providing training to English speakers of other languages.

Supports Transforming Lives through Education

The budget supports adapting curriculum and programs for careers by providing resources to support administrative structures to perform program reviews, assessments and provide continuing education. Distance learning resources will be primarily focused on assisting faculty in the use of instructional technologies, increase training for faculty in the use of Quality Matters Standards, and implementing an online class and faculty observation/evaluation process. The budget supports administration to provide partnerships to provide a seamless K-16 education. The budget provides public services through grants that support child care resource and referral programs. The budget supports state-wide career pathways activities by serving as the fiscal agent for the State-wide Director of Career Pathways who coordinates and provides technical assistance for pathways efforts at all 17 community colleges. The budget fosters student success through funding appropriate student services, student organizations and co-curricular activities. The budget supports administration of Federal and State student aid. The budget provides for business operations support to provide appropriate financial services that support college operations, grant activities and to meet legal requirements.

Supports Strengthening Our Communities through Partnerships

The budget supports business and industry with a quality workforce by providing customized training opportunities and providing Small Business Development Center services that provide technical assistance and specialized training to small businesses. The budget supports creating effective external relations through funding of the Governing Board, President's office, and Resource Development activities, and by funding public information and marketing activities. The College budget reflects the emphasis on fund-raising efforts to seek additional funding through a combination of partnership contributions, Federal and State sources, private foundations and through activities of the Columbia Gorge Community College Foundation. The U.S. Department of Education Title III developing institution grant will provide necessary funding to launch new processes, and add staffing infrastructure in support of candidacy of independent accreditation in the areas of institutional research, resource development, student services and information technology services.

Budget Summary

The adopted 2011-12 budget represents the financial plan of the College's key focus areas for the first year of the 2011-13 biennium. This budget supports the operations of The Dalles and Hood River campuses. This budget includes development of new processes, procedures and organizational structures to support the College's steps toward independent accreditation. Limited available resources and increased costs of operation will continue to challenge the College in providing high quality and comprehensive academic and support services to the district. The College expects to continue its successful fund-raising efforts to attract unrestricted and restricted gifts and to seek State and Federal grants that meet local and regional needs.

The difference between adopted budget total revenue and expenditures of \$1,165,886 is the same amount of total fund balance that is appropriated for use. The un-appropriated fund balance across all funds is \$548,724 (\$500,000 in General Fund working capital and \$48,724 in Bookstore Fund working capital). The amount reserved for future expenditures across all funds is \$4,283,950 (includes General Fund reserves for three payment year and amount reserved for the Pension Debt Service Fund).

REQUESTS FOR INFORMATION

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

Sandra Buchanan, M.B.A.
Chief Financial Officer
Columbia Gorge Community College
400 East Scenic Drive
The Dalles, OR 97058

BASIC FINANCIAL STATEMENTS

COLUMBIA GORGE COMMUNITY COLLEGE

STATEMENT OF NET ASSETS

JUNE 30, 2011

(all amounts are in dollars)

ASSETS:

Current Assets:

Cash and Cash Equivalents	3,396,823
Short-term Investments	3,099,434
Prepaid Expenditures	1,738
Receivables:	
Cash with County Treasurer	18,011
Taxes	219,891
Accounts, net	793,096
Grants and Contracts	352,713
Accrued Interest Paid on Investments	11,124
Publisher's and Vendor's Credits	8,803
Inventory-Textbooks and Supplies	353,367
Total Current Assets	<u>8,254,999</u>

Non Current Assets:

Pension Asset (Note 7)	3,276,927
Non Depreciable Assets - Land	1,510,000
Depreciable Assets, net (Note 5)	30,919,910
Total Noncurrent Assets	<u>35,706,837</u>
TOTAL ASSETS	<u>43,961,836</u>

LIABILITIES:

Current Liabilities:

Accounts Payable	257,063
Accrued Payroll and Withholdings	201,875
Accrued Interest Payable	35,180
Compensated Absences Payable	149,322
Deferred Revenue:	
Tuition and Fees	879,014
Grants and Contracts	15,000
Current Portion of Long-Term Debt (Note 9)	1,412,614
Total Current Liabilities	<u>2,950,048</u>

Non Current Liabilities:

General Obligation Bonds Payable	17,708,061
Pension Bonds Payable	2,943,234
Less: Current Portion of Long-Term Debt	(1,412,614)
Total Noncurrent Liabilities	<u>19,238,681</u>
TOTAL LIABILITIES	<u>22,188,729</u>

NET ASSETS

Invested in capital assets, net of related debt	13,211,849
Restricted for:	
Debt Service	1,600,004
Unrestricted	5,551,254
TOTAL NET ASSETS	<u>20,263,106</u>

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011
(all amounts are in dollars)

<u>OPERATING REVENUES</u>	
Student Tuition and Fees, net	3,431,861
Operating Grants and Contracts:	
Federal	1,401,800
State	114,084
Local	9,200
Bookstore Sales	588,536
Other Operating Revenue	164,661
Total Operating Revenues	<u>5,709,923</u>
<u>OPERATING EXPENSES</u>	
Instruction	3,947,320
Academic Support	851,231
Student Services	838,858
Public Services	441,676
Institutional Support	2,438,536
Financial Aid	11,440
Plant Operation and Maintenance	967,009
Plant Improvements	128,901
Bookstore	573,908
Depreciation	944,455
Total Operating Expenses	<u>11,141,333</u>
Operating Income (Loss)	(5,431,410)
<u>NON-OPERATING REVENUES (EXPENSES)</u>	
State Community College Support	2,593,282
Non-operating State Capital Grant	347,486
Contributed Assets Received	15,697
Property Taxes	2,868,507
Net Investment Income	63,624
Gain (Loss) on Pension Asset (Note 7)	543,057
Lease Income	151,781
Amortization of Bond Premium, Net of Costs	22,992
Other Nonoperating Income	109,074
Interest Expense	(983,723)
Lease Expenses	(44,487)
Other Nonoperating Expenses	(812)
Total Nonoperating Revenues (Expenses)	<u>5,786,480</u>
Increase (Decrease) in Net Assets	355,070
<u>NET ASSETS</u>	
Net Assets - beginning of year	21,414,898
Change in Presentation adjustment (Note 1.B)	3,139
Net Assets - end of year	<u>21,773,107</u>

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011
(all amounts are in dollars)

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Cash Received from Tuition and Fees	3,449,489
Cash Received from Grants and Contracts	1,402,934
Cash Received from Bookstore Sales	597,405
Other Operating Revenue	164,661
Cash Paid for Operating Expenses	(10,518,615)
Net Cash Provided (Used) by Operating Activities	(4,814,316)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>	
Cash Received from State FTE Reimbursement	2,593,282
Cash Received from Property Taxes	2,868,474
Cash Received from Leases	151,781
Other Nonoperating Income	107,591
Cash Paid for Lease Expenses	(44,487)
Payments for Pension Bonds	(88,591)
Interest Paid on Pension Bonds	(144,128)
Other Nonoperating Expenses	(812)
Net Cash Provided (Used) by Noncapital Financing Activities	5,585,119
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</u>	
Purchase of Capital Assets	(591,246)
Cash Received from Capital Grants	489,789
Principal Paid on Long-Term Debt	(1,215,000)
Interest Paid on Long-Term Debt	(842,582)
Net Cash Provided (Used) by Capital Financing Activities	(2,160,060)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Earnings on Investments	610,327
Purchase of Investments	(2,695,989)
Proceeds from Sale of Investments	2,342,909
Net Cash Provided (Used) by Investing Activities	457,238
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(982,037)
CASH AND CASH EQUIVALENTS- BEGINNING OF YEAR	4,378,860
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>3,396,823</u>

See notes to basic financial statements

COLUMBIA GORGE COMMUNITY COLLEGE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The College

Columbia Gorge Community College, (the College) is organized under the general laws of the State of Oregon and, as such, is a public institution under the general supervision of the State Board of Education through the Department of Community Colleges and Workforce Development. The College was originally organized as an "Area Education District," as described in Chapter 341 of the Oregon Statutes relating to Community Colleges. In 1977, Wasco Area Education Service District was formed. Later that year, the name was changed to Treaty Oak Education Service District. In 1989, a vote of the people of Wasco County allowed the Board of Education to drop the "Service District" designation and the College became Treaty Oak Community College. The name changed again in November of 1989 to Columbia Gorge Community College. On November 6, 2001, voters in Wasco County and Hood River County approved the annexation of a portion of Hood River County to the Columbia Gorge Community College District.

The College is an independent municipal corporation under the Oregon Revised Statutes. The seven-member board appoints a president to administer the activities of the College. As described in ORS 341.437, 341.440 and 341.445, the College may provide its courses through contracts with community college districts, other school districts, the Department of Higher Education or accredited private educational institutions. The College contracts with Portland Community College to provide courses and programs. The College maintains a main campus in Wasco County and a second campus in Hood River County.

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

A. Reporting Entity

In evaluating how to define the College, for financial reporting purposes, management has considered all potential component units. The criteria for including potential component units within the College's reporting entity, as set forth in GASB No. 14, "The Financial Reporting Entity," is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to, or impose a financial burden on, the primary government.

Based upon the application of the above criteria, the potential component unit, Columbia Gorge Community College Foundation, has been excluded from the College's reporting entity. The Foundation is a separate not-for-profit corporation. The Board of Education is elected

COLUMBIA GORGE COMMUNITY COLLEGE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011
(all amounts are in dollars)

RECONCILIATION OF OPERATING LOSS TO
CASH USED BY OPERATING ACTIVITIES

Operating Loss		(5,431,410)
Adjustments to Reconcile:		
Depreciation	944,455	
(Increase) Decrease in Prepaid Expenditures	20,028	
(Increase) Decrease in Accounts Receivable	(280,069)	
(Increase) Decrease in Operating Grants and Contracts Receivable	(47,130)	
(Increase) Decrease in Vendor's Credits	11,222	
(Increase) Decrease in Inventory	(48,730)	
Increase (Decrease) in Accounts Payable	12,026	
Increase (Decrease) in Accrued Payroll and Withholdings	(303,897)	
Increase (Decrease) in Accrued Compensated Absences	(1,385)	
Increase (Decrease) in Deferred Tuition and Fees	295,554	
Increase (Decrease) in Deferred Grants and Contracts	15,000	
Total Adjustments	817,094	
Net Cash Used by Operating Activities		(4,614,316)

(See notes to basic financial statements)

independently of any College Foundation Board of Trustee's appointments. Each Board is responsible for approving its own budget, accounting and finance-related activities.

B. Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, issued in June and November 1999. The financial statement presentation required by GASB No. 34 and No. 35 provide a comprehensive entity-wide perspective of the College's financial activities. The entity-wide perspective replaces the fund-group perspective previously required. The College now follows the "business-type activities" reporting requirements of GASB Statement No. 35 that provides a comprehensive one-column look at the College's financial activities.

Student organizations' funds were formerly presented as Fiduciary funds, however, these funds are currently presented as other Special Revenue funds.

C. Basis of Accounting

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

Non-exchange transactions, in which the College receives value without directly giving equal value in return, includes property taxes, federal, state, and local grants, State appropriations, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, State appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the College must provide local resources to be used for a specific purpose, and expenditure requirements in which the resources are provided to the College on a reimbursement basis.

The College's basic financial statements have applied all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements.

D. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of

contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Cash and Cash Equivalents

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

F. Investments

Oregon Revised Statutes authorize investment in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, repurchase agreements and bankers' acceptances. As of June 30, 2011 and for the year then ended, the College was in compliance with the aforementioned State of Oregon statutes. Investments are stated at fair value, which is based on the individual investment's quoted market prices at year end.

G. Receivables

All accounts, student accounts, grants and property taxes receivable are shown net of an allowance for uncollectible accounts.

Property taxes are levied and become a lien on all taxable property on July 1. Taxes are payable on November 15, February 15 and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. Property taxes receivable are recognized as revenue when levied.

Student accounts receivables are recorded as tuition is assessed.

Non-reimbursed expenses from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenses are incurred. Grant funds received prior to the occurrence of qualifying expenses are recorded as deferred revenue.

H. Inventories

An inventory control is maintained on textbooks and supplies purchased for resale to students and, therefore, the inventory at June 30, 2011, has been recorded as an asset of the College. Inventory controls are also maintained by the College on expendable office and instructional supplies. This inventory of supplies is also recorded as an asset of the College. The inventories are stated at cost.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items.

J. Pension Asset

The pension asset is the result of the transfer of the College's pension bond proceeds to Oregon Public Employees Retirement System (OPERS) to cover a portion of the College's share of the plan's unfunded actuarial liability. This pension asset is separately reported by OPERS and is being used to pay a portion of the College's annual required contribution.

K. Capital Assets

Capital assets include land and land improvements; building and building improvements; furniture, equipment and machinery; works of art and historical treasures; infrastructure (which include utility systems); library collections; leasehold improvements; and construction in progress. The College's capitalization threshold is \$5,000, except for buildings and building improvements, infrastructure assets, land and land improvements and leasehold improvements, which have a capitalization amount of \$50,000. Such assets are recorded at historical cost or estimated historical cost if purchase or constructed. Library collections are capitalized regardless of cost. Donated capital assets are recorded at fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value or functionality of the assets' lives are not capitalized, but are expensed as incurred.

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

Building and building improvements	45-60 years
Furniture, equipment and machinery	5-20 years
Infrastructure	25-100 years
Land improvements	10-25 years
Leasehold improvements	10-12 years
Library collection	10 years

L. Compensated Absences

College employees accumulate vacation pay in varying amounts depending on years of continued service. It is the College's policy to permit employees to accumulate earned but unused vacation pay. All outstanding vacation time is payable upon termination of employment. Vacation pay is recorded as a liability and an expense when earned.

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

M. Deferred Revenue

Summer and fall term tuition and fee revenue is collected in part in the month of June; however, the revenue and expenditures of summer and fall terms are reflected in the budget for the

following fiscal year. Due to this timing difference, a liability account, "Deferred Revenue" has been established to record summer and fall term tuition and fees to be recognized as revenue in the month of July.

Grant or contract revenue which was received prior to the end of the fiscal year but was intended for expenditure in the following fiscal year has been deferred. It is recorded to the "Deferred Revenue" liability account.

N. Long-term Debt

Bond premiums and discounts, as well as issuance costs, when applicable are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

O. Retirement Plans

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

P. Other Postemployment Benefits Obligation

The College implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, for fiscal year ended June 30, 2010. The Net OPEB Obligation is recognized as a long term liability in the Statement of Net Assets, the amount of which is actuarially determined.

Q. Operating and Non-operating Revenues and Expenses

Operating revenues and expenses are distinguished from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the College's ongoing operations. The principal operating revenues of the College are charges to students for tuition and fees, grants and contracts for specific operating activities of the College, and sales of goods and services. Operating expenses include the cost of faculty, staff, administration and support expenses, bookstore operations, and depreciation on capital assets. All other revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

R. Net Assets

GASB Statement No. 34 reports equity as "Net Assets" rather than "Fund Balance" Net assets represent the difference between the College's total assets and total liabilities. Net assets are classified according to external donor restrictions or availability of assets for satisfaction of College obligations. Net assets are classified in the following components:

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

Restricted, expendable – This component of net assets consists of constraints imposed by

creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Restricted, nonexpendable – This component of net assets consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The College does not have any nonexpendable restricted net assets.

Unrestricted – This component of net assets consists of resources available to be used for transactions relating to the general obligations of the College, and may be used at the discretion of the governing board, as designated, to meet current expenses for specific future purposes. The College policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the total net assets of \$21,773,106 at June 30, 2011, the amount of net assets invested in capital assets, net of related debt is \$14,721,849; the amount of net assets restricted and expendable for debt service is \$1,500,004; and unrestricted net assets is \$5,551,254.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget and budgetary accounting:

Budgetary information is reported in the supplementary information in the individual fund financial statements.

The budget is prepared on the modified accrual method of accounting for each fiscal year July 1 to June 30. The budget process includes a series of notices and publications culminating with the budget hearing. After the public hearing has been held, the Board enacts the resolutions to adopt the budget, make appropriations and declare the ad valorem tax levy for all funds.

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

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

Budget amounts shown in the individual fund financial statements include appropriation transfers and appropriations increases pursuant to ORS 294.326(2), which allows for appropriations increases for unanticipated specific purpose grants. All appropriations transfers and increases are approved by the Board of Education.

Appropriations for all funds lapse at the end of each fiscal year

3. CASH AND INVESTMENTS

The primary investment objectives of the College's investment activities are preservation of capital, liquidity, diversification and yield. The College's cash and investments are comprised of the following at June 30, 2011

Cash and Investments	June 30, 2011
Cash and Cash Equivalents	
Cash on Hand	\$1,232
Deposits with Financial Institutions	391,736
Brokerage Cash Account	3,898
Oregon Local Government Investment Pool	2,999,747
Cash with PERS Obligation Bond Paying Agent	210
Total Cash and Cash Equivalents	<u>\$3,396,823</u>
Investments	
Government and Agency Obligations	\$2,037,279
Corporate Bonds	1,062,155
Total Investments	<u>\$3,099,434</u>
Total Cash and Investments	<u>\$6,496,257</u>

Deposits with Financial Institutions

On June 30, 2011, the College held \$391,736 book balance in demand deposits with a bank balance of \$577,233. Insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Where balances exceed the Federal Deposit Insurance amount of \$250,000, the balances are covered by collateral held in a multiple financial institution collateral pool (ORS 295.015) administered by the Oregon State Treasury in the Public Funds Collateralization Program (PFCP). As of June 30, 2011, \$268,772 was covered by FDIC insurance and \$308,461 were collateralized under the PFCP.

Custodial credit risk - Deposits: Custodial credit risk for deposits is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College does not have a policy for deposits custodial credit risk. The College's bank deposits are not exposed to custodial credit risk, as they are covered by FDIC insurance of \$268,772 and the balance of \$308,461 is covered by a multiple financial institution collateral pool (ORS 295.015) administered by the Oregon State Treasury in the Public Funds Collateralization Program (PFCP).

Brokerage Cash Account

The College's brokerage cash account with Fidelity Investments is cash awaiting reinvestment by the College's investment advisor, Vision Capital Management, Inc. As of June 30, 2011, the College held \$3,898 in the Fidelity brokerage cash account.

Effective December 10, 2008, Fidelity Brokerage Services LLC (FBS) through National Financial Services LLC (NFS) provides its customers additional "excess SIPC" coverage from Lloyd's of London. This additional protection covers up to an aggregate limit of \$1 billion of which \$1.9 million may cover cash awaiting reinvestment at the individual account level. This protection becomes available in the event that SIPC limits are exhausted and is the highest level of excess

SIPC coverage currently available. No coverage protects against a decline in the market value of securities.

Oregon Local Government Investment Pool

The Oregon Local Government Investment Pool is an open-ended no-load diversified portfolio pool offered to any agency, political subdivision or public corporation of the state that by law is made the custodian of, or has control of, any fund. The fair value of the College's position in the pool is substantially the same as the value of the College's participant balance.

The Oregon Local Government Investment Pool is an external investment pool which is part of the Oregon Short-Term Fund. Investment policies are governed by the Oregon Revised Statutes and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council. Investments are further governed by the portfolio guidelines issued by the Oregon Short-Term Fund Board. The Oregon Short-Term Fund does not receive credit quality ratings from nationally recognized statistical rating organizations.

Interest Rate Risk: Interest rate risk is the risk that changes in the interest rates will adversely affect fair value. The Oregon Short-Term Fund manages this risk by limiting the maturity of the investments held by the fund. Weighted average maturities of investments in the Oregon Short-Term Fund at June 30, 2011 were: 58% mature within 93 days, 23% mature from 94 days to one year, and 19% mature from one to three years.

Investments

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

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

Credit Risk: Some government-sponsored obligations are unrated. Other investments held at June 30 are categorized by rating as follows:

Investments categorized by Moody's rating	June 30, 2011
Government sponsored (Treasury & Federal Agencies), (Aaa)	\$612,636
Corporate Bonds (Aa or better)	648,518
Corporate Bonds (A3 or better)	413,636
Total Investments categorized by Moody's rating	<u>\$1,674,790</u>

Concentration of Credit Risk: In accordance with GASB 40, the College is required to report all individual non-federal investments which exceed five percent of total invested funds. There is one investment that exceeds this threshold as of June 30, 2011 by 0.06% as listed below.

Non-Federal Investments exceeding 5% of Total Invested Funds	June 30, 2011	Percent
MBNA CORP SR MTN BE FR CUSIP #55263ECE3	\$156,791	5.06%

Interest Rate Risk: In accordance with ORS Chapter 294, the College's investments may not exceed a maturity of 18 months or the date of anticipated use of the funds, whichever period is shorter. As of June 30, 2011, the College's investments are within the 18 month maturity requirement.

Investments Maturing within 18 Months	Moody's Rating	Maturity Date	June 30, 2011
GOVERNMENT BONDS			
FEDERAL HOME LN MTG CORP	NR	7/15/2011	\$91,975
FEDERAL NATL MTG ASSN-DEB-CPN	NR	7/15/2011	22,994
INTERNATIONAL BK FOR RECON&DEV	NR	7/15/2011	4,999
FINANCING CORP CPN FICO STRIPS	NR	8/3/2011	39,979
FINANCING-FED BK ENTY CPN STRP	NR	8/3/2011	23,987
FEDERAL FARM CR BKS CONS	AAA	8/8/2011	14,880
FINANCING CORP CPN FICO STRIPS	NR	8/8/2011	21,987
FINANCING-FED BK ENTY CPN STRP	NR	8/8/2011	5,996
FEDERAL HOME LN BKS CONS BD	AAA	8/15/2011	9,959
FEDERAL FARM CR BKS CONS	AAA	9/12/2011	4,999
FINANCING CORP CPN FICO STRIPS	NR	9/7/2011	19,978
FINANCING-FED BK ENTY CPN STRP	NR	9/26/2011	5,992
FINANCING CORP CPN FICO STRIPS	NR	10/5/2011	100,844
FINANCING CORP CPN FICO STRIPS	NR	10/6/2011	2,995
FEDERAL NATL MTG ASSN MTN GEN	NR	10/8/2011	7,985
FEDERAL AGRIC MTG CORP	NR	10/14/2011	5,030
RESOLUTION FDG FED BK CPN STRP	NR	10/15/2011	999
TENNESSEE VALLEY AUTH FED BE	NR	10/15/2011	16,960
TENNESSEE VALLEY AUTH FED BE	NR	11/1/2011	5,984
FINANCING-FED BK ENTY CPN STRP	NR	11/2/2011	30,938
FEDERAL HOME LN MTG CORP	NR	11/15/2011	5,002
FINANCING CORP CPN FICO STRIPS	NR	11/30/2011	44,888
FINANCING CORP CPN FICO STRIPS	NR	12/6/2011	60,842
RESOLUTION FDG FED BK CPN STRP	NR	1/15/2012	6,980
FEDERAL NATL MTG ASSN STRIPS	NR	2/1/2012	12,921
FINANCING CORP CPN FICO STRIPS	NR	2/3/2012	37,861
FINANCING-FED BK ENTY CPN STRP	NR	2/3/2012	54,799
FINANCING CORP CPN FICO STRIPS	NR	2/8/2012	11,955
INTERNATIONAL BK FOR RECON&DEV	AAA	2/15/2012	312,763
FINANCING CORP CPN FICO STRIPS	NR	3/7/2012	19,913
FEDERAL HOME LN MTG CORP	NR	3/15/2012	26,859
FINANCING-FED BK ENTY CPN STRP	NR	3/26/2012	20,900
FINANCING CORP CPN FICO STRIPS	NR	4/5/2012	30,845
FINANCING CORP CPN FICO STRIPS	NR	4/6/2012	62,684

Investments Maturing within 18 Months (continued)	Moody's Rating	Maturity Date	June 30, 2011
TENNESSEE VALLEY AUTH FED BE	NR	4/15/2012	83,416
TENNESSEE VALLEY AUTH FED BE	NR	5/1/2012	19,852
FINANCING CORP CPN FICO STRIPS	NR	5/11/2012	60,643
FINANCING-FED BK ENTY CPN STRP	NR	5/11/2012	19,883
FEDL NL MTG ASSN DEB CPN STRIP	NR	5/15/2012	34,762
FEDERAL NATL MTG ASSN	AAA	5/21/2012	2,029
FINANCING-FED BK ENTY CPN STRP	NR	5/30/2012	39,748
FINANCING CORP CPN FICO STRIPS	NR	6/6/2012	5,963
FINANCING CORP CPN FICO STRIPS	NR	6/27/2012	7,951
FEDERAL HOME LOAN BANKS CONS	AAA	7/13/2012	20,000
FINANCING CORP CPN FICO STRIPS	NR	8/3/2012	55,615
FINANCING-FED BK ENTY CPN STRP	NR	8/3/2012	67,532
FEDL NL MTG ASSN DEB CPN STRIP	NR	8/7/2012	2,973
FINANCING CORP CPN FICO STRIPS	NR	8/8/2012	58,587
FINANCING-FED BK ENTY CPN STRP	NR	8/8/2012	24,825
FEDERAL HOME LOAN BANKS CONS BD	AAA	8/10/2012	24,880
INTERNATIONAL BK FOR RECON&DEV	AAA	8/15/2012	223,126
FEDERAL NATL MTG ASSN-DEB-CPN	NR	8/20/2012	9,906
FINANCING CORP CPN FICO STRIPS	NR	9/7/2012	37,706
FINANCING-FED BK ENTY CPN STRP	NR	9/26/2012	31,737
FINANCING CORP CPN FICO STRIPS	NR	10/5/2012	10,907
FINANCING CORP CPN FICO STRIPS	NR	10/6/2012	8,924
FINANCING-FED BK ENTY CPN STRP	NR	10/6/2012	5,949
RESOLUTION FDG FED BK CPN STRP	NR	10/15/2012	3,965
TENNESSEE VALLEY AUTH FED BE	NR	11/1/2012	3,947
FINANCING-FED BK ENTY CPN STRP	NR	11/2/2012	23,779
TOTAL GOVERNMENT BONDS			\$2,037,279
CORPORATE BONDS			
PROTECTIVE LIFE SECD TRS SECD	A2	7/15/2011	\$19,654
WELLS FARGO & CO NEW SUB	A2	8/01/2011	121,456
BP CAP MKTS PLC GTD NT	AA1	8/11/2011	74,762
CREDIT SUISSE USA	AA1	8/16/2011	74,538
WACHOVIA CORP NEW SR NT	A1	10/15/2011	24,861
CREDIT SUISSE FB USA NOTES	AA1	11/15/2011	70,381
HANCOCK JOHN LIFE INS CO SIGNA FR	A1	11/15/2011	25,008
GE CAPITAL INTERNOTES	AA2	2/15/2012	114,899
HANCOCK JOHN LIFE INS CO FR	A1	2/15/2012	25,378
MBNA CORP SR MTN BE FR	A2	3/15/2012	156,791
PRINCIPAL LIFE INCOME FUND	AA3	3/15/2012	40,877
BANK NEW YORK INC SUB NT	AA3	4/01/2012	127,658
GENERAL ELEC CAP CORP	AA2	4/10/2012	41,074
BERKSHIRE HATHAWAY FIN CORP	AA2	4/15/2012	30,712
WELLS FARGO & CO NEW SB NT	A2	9/01/2012	9,375
PROTECTIVE LIFE SECD TRS SECD	A2	9/28/2012	31,115
DEUTSCHE BANK AG MTN	AA3	10/12/2012	73,618
TOTAL CORPORATE BONDS			\$1,062,155
Total Investments Maturing within 18 Months			\$3,099,434

Custodial Credit Risk - Investments: Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The College's investment securities are held in the College's name in custody at Fidelity Investments. As of June 30, 2011, the total investments held in custody were \$3,099,434.

4. PROPERTY TAX REVENUES AND RECEIVABLES

Property taxes are levied on July 1 pursuant to Oregon Revised Statute 310.030. Taxes are payable in full on November 15 or are payable in installments the last of which is due on May 15 of the year following the year in which imposed. Taxes become delinquent on personal property when any installment is not paid by its due date. Taxes become delinquent on real property if not paid by May 15. On January 1 and July 1 tax liens attach to personal and real property respectively to secure payment of all taxes, penalties and interest ultimately imposed. Personal property is subject to summary seizure and the responsible taxpayer is subject to warrant service 30 days after delinquency date. Foreclosure proceedings begin on real property after three years from the date taxes become delinquent.

Property taxes are collected by the Wasco and Hood River County Tax Collectors and credited monthly to the College's account. Funds are distributed to the College on request, and excess funds are invested for the College by the County Treasurer. Property taxes are recognized as revenue in the year levied. The budgetary basis financial statements reflect property taxes as revenue when collected by the Wasco and Hood River County Tax Collector and are available to the College to pay current period expenditures. Taxes collected within 60 days of the year end are considered available to pay current period expenditures.

Property taxes receivable at year end have been reported on the balance sheet. No allowance has been made for uncollectible taxes since past history has shown losses to be minimal.

5. CAPITAL ASSETS

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

Capital Assets	Land	Buildings	Equipment & Furnishings	Library Collections	Total
Balance – July 1, 2010	\$1,510,000	\$33,480,422	\$1,332,522	\$528,395	\$36,851,338
Additions	-	393,384	208,179	5,380	606,943
Deletions	-	-	-	(12,461)	(12,461)
Adjusted Balance	1,510,000	33,873,806	1,540,701	521,313	37,445,820
Less Accumulated Depreciation					
Current Depreciation	-	783,995	143,145	17,315	944,455
Prior Depreciation	-	3,184,909	439,510	447,035	4,071,454
Total Accumulated Depreciation	-	3,968,905	582,656	464,350	5,015,910
Balance – June 30, 2011	\$1,510,000	\$29,904,901	\$958,045	\$56,963	\$32,429,910

6. COLLEGE PAYROLL

The College's administrative, professional support staff, classified and instructional staff are employees of the College. This payroll function is handled by the College's accounting staff.

By amendment of contract with Portland Community College, instructional staff legally became employees of Columbia Gorge Community College on July 1, 1990. Their payroll is serviced by College's accounting staff, all decisions concerning hiring, firing and assignments are made by College administration. PCC reviews instruction qualifications and credentials for compliance with accrediting standards. The College is billed for this service.

7. DEFINED BENEFIT PENSION PLAN

PERS

Columbia Gorge Community College contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the College's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying College employees hired after August 29, 2003, and to inactive PERS members who return to qualifying employment following a six-month or greater break in service with some exceptions for school district employees. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS, PO Box 23700, Tigard, OR 97281-3700 or by calling 1-503-598-7377

Members of PERS are required to contribute 6.0% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The College is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP net employer rates in effect for the year ended June 30, 2010 were 2.88% and 3.52% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. The College's contributions to PERS for the fiscal years ending June 30, 2009, 2010 and 2011 were \$707,970, \$581,257, and \$591,638 respectively, equal to the required contributions for each year.

Pension Asset

In fiscal year 2002-03, the College issued limited tax pension bonds, the proceeds of which were used to finance a portion of its estimated unfunded actuarial liability (see Note 9).

The pension asset is the result of the transfer of the College's pension bond proceeds in 2003 to PERS to cover a portion of the College's share of the cost-sharing plan's unfunded actuarial

liability. This pension asset is being used to pay a portion of the College's annual required contribution. During fiscal year 2010-11, changes in the pension asset were as follows:

Pension Asset	Amount
Asset Balance – July 1, 2010	\$3,161,558
Investment Income	543,056
Contributions to Cost-Sharing Pool	(426,688)
PERS Administration Fee	(1,000)
Asset Balance – June 30, 2011	<u>\$3,276,927</u>

8. OTHER POSTEMPLOYMENT BENEFITS PLAN

The College implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension for the fiscal year ended June 30, 2010. This implementation allows the College to report its liability for other postemployment benefits (OPEB) consistent with newly established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

The College is a participating district in the Oregon Educators Benefit Board (OEBB) 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. All health, dental, vision and prescription coverage offered to the College's employees are community rated. This means that the premiums paid by the College and its employees are determined without regard to claims experience or demographic characteristics of the College's covered population. The College has 86 employees and retirees eligible for or receiving health care coverage through OEBB as of June 30, 2011.

Benefits and eligibility for faculty and classified staff are established and amended through collective bargaining with the respective bargaining unit for each group. Benefits and eligibility for administrative and confidential support staff are established and amended by the College's governing board.

The College is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. Retired employees who are eligible for the OEBB plan may continue enrollment in the health plans on a self-pay basis until age 65.

The College used the Alternative Measurement Method (AMM) in accordance with GASB methodology to calculate the unfunded actuarial liability (UAL) and the annual required contribution (ARC). A valuation is required at least every three years. The financial report must be updated every year. For the fiscal year ended June 30, 2011, the College had no annual required contribution for the OPEB obligation, therefore, has not reported any net OPEB liability in its financial statements.

Calculation of Net OPEB Obligation

Description	June 30, 2011	June 30, 2010
Annual Required Contribution (ARC)	\$0	\$0
Interest on Net OPEB Obligation (NOO)	0	0
Adjustment to Annual Required Contribution (ARC)	0	0
Annual OPEB Cost (Expense)	\$0	\$0
Age Adjusted Contributions Made	(0)	(0)
Change in Net OPEB Obligation (NOO)	\$0	\$0
Net OPEB Obligation (NOO) – Beginning of Year	\$0	\$0
Net OPEB Obligation (NOO) – End of Year	\$0	\$0

A schedule of funding progress, a history of the Net OPEB obligation, and the schedule of employer contributions are shown in the Required Supplementary Information section of this report. The schedules show data only for the years ended June 30, 2011 and 2010 since the College began reporting under GASB 45 in 2010.

Actuarial assumptions of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial methods and assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical matter of sharing benefit health costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

The following table lists the summary of inputs for the calculation of the Net OPEB obligation using the AMM method as of June 30, 2011

Summary of Inputs	
Description	Value
Actual Contribution	\$0
Total OPEB Retiree Premium	\$45,766
Age Adjustment Factor	1
Annual Required Contribution (ARC)	\$0
Payroll Growth Rate	3.10%
Discount Rate	2.00%
Net OPEB Obligation (NOO)	\$0
Actuarial Value of Assets	\$0
Amortization Period	30 years
Actuarial Accrued Liability (AAL)	\$0
Fiscal Year End Date	6/30/2011
Valuation Date	6/30/2010
Amortization Method	Level Percent of Payroll Amortization

9. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the College for the year ended June 30, 2011.

	Original Issue	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due In One Year
General Obligation Bonds:						
Series 1998 (Refund Bonds) Interest ranges from 3.1% to 4.35%, Maturity June 1, 2013						
Principal	\$5,985,000	\$2,085,000	-	\$650,000	\$1,435,000	\$695,000
Series 2005 Interest ranges from 3.00% to 5.00%, Maturity June 15, 2025						
Principal	18,500,000	16,520,000	-	565,000	15,955,000	625,000
Deferred charges	(183,718)	(136,257)	-	(9,186)	(127,071)	(9,186)
Bond Premium	643,565	477,312	-	32,178	445,134	32,178
Total Series 2005	18,959,847	16,861,055	-	587,992	16,273,063	647,992
Pension Obligation Bond:						
Series 2003 Interest ranges from 1.4% to 6.25%, Maturity June 30, 2028						
Principal	3,570,327	3,031,825	-	88,591	2,943,234	92,614
Totals	\$28,515,174	\$21,977,880	-	\$1,326,583	\$20,651,297	\$1,435,606

Future maturities of principal and interest of long-term debts are as follows:

Fiscal Year Ending June 30	General Obligation Bonds Payable				Pension Obligation Bonds Payable	
	Series 1998		Series 2005		Series 2003	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$695,000	\$62,075	\$625,000	\$733,756	\$92,614	\$155,105
2013	740,000	32,190	680,000	710,319	92,523	165,197
2014	-	-	740,000	684,819	94,178	178,541
2015	-	-	810,000	653,813	95,277	192,443
2016-2020	-	-	5,300,000	2,646,563	472,682	1,190,916
2021-2025	-	-	7,800,000	1,110,788	985,960	1,113,676
2026-2028	-	-	-	-	1,110,000	113,736
Total	\$1,435,000	\$94,265	\$15,955,000	\$6,540,058	\$2,943,234	\$3,109,614

General Obligation Bond Issues

In June 1993, the district voters of Wasco County approved the issuance of \$7,872,156 in general obligation bonds, the proceeds of which were utilized for the purchase, construction, renovation, and remodeling of the facilities at the college campus.

On November 1, 1998, the College advance refunded a portion of the 1993 general obligation bonds. The College issued \$5,985,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$261,961 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$205,000.

The issuance of \$18,500,000 general obligation bonds was approved by district voters of Hood River and Wasco Counties at a general election on November 2, 2004. Voters authorized issuance of \$18,500,000 of general obligation bonds with a maturity not to exceed 21 years to provide funds for construction, renovation, and infrastructure improvements on The Dalles campus, and for acquisition and development of a site for classroom and lab facilities in Hood River County.

A statement of future requirements is set forth in Schedule of Future Wasco County G.O. Bond Requirements and Schedule of Future 2005 G.O. Bond Requirements.

Pension Obligation Bond Issues

In April 2003, the College issued Limited Tax Pension Bonds, Series 2003 in the amount of \$3,570,327.10. The bonds were issued for the purpose of financing all or any portion of the College's pension liability to the Oregon Public Employees Retirement System. The College has covenanted to pay this bond from its available general funds. Available general funds include (1) all the College's ad valorem property tax revenues received from levies under its permanent rate limit, and (2) all other unrestricted taxes, fees, charges, revenues, including tuition charges, and receipts of the College which Oregon law allows or will allow to be spent to make the bond

payments.

A statement of future requirements is set forth in Schedule of Future Pension Bond Requirements.

10. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts, theft, damage, destruction of assets, errors and omissions; injuries to employees and natural disasters. The College is insured for the physical damage to vehicles and carries insurance for all risks of loss, including general and auto liability, property insurance, crime coverage, equipment breakdown coverage, and workers' compensation. General liability insurance generally covers casualty losses with a loss limit of \$10 million per occurrence and a \$20 million aggregate loss limit. The College's property insurance total loss limit is \$45,819,040 with a \$1,000 deductible. Earthquake and flood coverage has a loss limit of \$15 million. Crime coverage has a loss limit of \$100,000. Comprehensive equipment breakdown coverage has a total loss limit of \$50 million with a \$1,000 or \$5,000 deductible depending on motor size. Workers' compensation insurance provides statutory coverage and \$3 million employer's liability coverage. There was no significant reduction in the College's insurance coverage during the year ended June 30, 2011 and no insurance settlement exceeded insurance coverage for the past three years.

11. INTERFUND LOANS

All cash for the College is maintained in the General Fund, therefore, cash expenditures in excess of cash receipts for other governmental funds are in effect a short-term loan from the General Fund. At June 30, 2011, the net loans from the General Fund totaled \$4,289,576 as follows.

Due from/to General Fund	Amount
Due from General Fund	
Special Revenue Funds:	
US Education Title III	\$67,211
Carl D. Perkins	1,033
Health Occupations Customized Training	2,603
Customized Training	49,338
SBDC Program Income	2,755
Fundamentals of Caregiving	319
Mid-Columbia Economic Development District	96
Tutoring Grant	96
Gorge Literacy	140
Non-Reimbursable Community Education	6,589
Elderhostel	6,142
Career Pathways 2009-2011	2,158
First Year Persistence Development	15,000
Oregon Child Care Resource and Referral Network	177
Child Care Resource and Referral	1,687
DHS Integrated Child Care	1,165
Co-curricular Activities Fund	424
Career Pathways Program Income Fund	1,641
Pathways Initiative State-Wide Director Grant	1,759

Due from/to General Fund (continued)	Amount
Insurance Fund	2,207
Pathways Initiative Projects & Technical Assistance	3,794
Pathways Green Labor Market Grant	6,973
Building Leases	6,819
Food Service	9,627
Facilities and Grounds Maintenance Reserve Fund	343,965
Reserve Fund for General Operations	2,313,224
Environmental Club	664
Phi Theta Kappa	2,917
Student Council	45
Student Nurse Association	189
Japanese Club	304
Debt Service Funds:	
Wasco County G.O. Bonds	82,761
District G.O Bonds	142,800
Pension Bonds	1,257,745
Total Due from General Fund	\$4,334,367
Due To General Fund	
Special Revenue Funds:	
US Department of Labor CBJT Grant	\$85
Proprietary Funds:	
Bookstore	44,706
Total Due to General Fund	\$44,791
Total Net Due from General Fund	\$4,289,576

12. INTERFUND TRANSFERS

Funds are transferred from one fund to finance expenditures of other funds in accordance with the authority established for the individual fund. Transfers between funds during the fiscal year ended June 30, 2011 are shown in the following table.

Interfund Transfers	Transfers In	Transfers Out
General Fund	\$215,194	\$2,443,125
Co-curricular Activities Fund	1,000	-
Capital Projects Fund	128,901	-
General Operations Reserve Fund	2,313,224	-
Health Occupations Customized Training Fund	-	1,015
Customized Training Fund	-	27,511
Fundamentals of Caregiving Fund	-	12,483
Non-reimbursable Community Education Fund	-	2,500
Elderhostel Fund	-	2,000
Building Lease Fund	-	157,685
Food Service Fund	-	12,000
Total	\$2,658,319	\$2,658,319

13. LEASE REVENUE

The college has entered into the following lease agreements to other entities for offices, equipment space or land:

LEASE SCHEDULE

Lessee	Columbia Gorge Education Service District
Lease Term	July 1, 2005 to June 30, 2015
Rent	\$4,631.98 per month
Termination	Upon 90-day prior written notice by either party
Lessee	Oregon Department of Environmental Quality
Lease Term	June 1, 2004 to May 31, 2009, with an option to extend for two additional terms of 5 years
Rent	\$4,704.65 per month effective June 2009
Termination	Upon 180-day prior written notice
Lessee	Oregon Military Department
Lease Term	February 1, 2008 to January 31, 2058 (with automatic extension to renew for 50 years)
Rent	\$1 for entire lease term
Termination	Upon failure to begin construction within 5 years of commencement date or upon 60 days written notice prior to expiration of term
Lessee	Oregon State University Extension Service
Lease Term	July 1, 2008 to June 30, 2013
Rent	\$18,540 annual
Termination	Upon 60-day prior written notice by either party
Lessee	Eastern Oregon Center for Independent Living
Lease Term	November 15, 2010 to October 31, 2013
Rent	\$480 per month
Termination	Upon 45 days prior written notice
Lessee	Norman Chance
Lease Term	June 30, 2009 to June 30, 2012
Rent	\$128 per month
Termination	Upon 30-90 days prior written notice by either party
Lessee	Gorge NetWorks
Lease Term	April 1, 2009 to April 1, 2014
Rent	\$265 per month
Termination	Upon 180-day prior written notice
Lessee	T-Mobile
Lease Term	December 1, 2001, with right to extend 5 additional 5-year terms

Rent \$13,660.82 annual
Termination Upon 30-day prior written notice

REQUIRED SUPPLEMENTARY INFORMATION

14. CONTRACTUAL AGREEMENT

The college has entered into an instructional master contract with Portland Community College to provide courses and programs as follows:

Contractor: Portland Community College
Contract Term: June 25, 1990, to run continuously
Contract Price: Negotiated annually (F.Y. 2009-10 \$282,455)
Termination: One fiscal year notice by either party. Ninety days written notice upon breach of contract.

15. COMMITMENTS AND CONTINGENT LIABILITIES

There were no known contingent liabilities at June 30, 2011.

16. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of this financial statement with management. The issuance date is the same as the date of the financial statement.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS SCHEDULES**

**SUPPLEMENTARY INFORMATION
INDIVIDUAL FUND FINANCIAL STATEMENTS**

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2011	6/30/2010	\$0	\$0	\$0	0%	\$3,607,311	0%
6/30/2010	6/30/2010	\$0	\$0	\$0	0%	\$3,645,558	0%

History of Net OPEB Obligation

Fiscal Year Ended	Annual OPEB Cost	Age Adjusted Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$0	\$0	0%	\$0
6/30/2010	\$0	\$0	0%	\$0

Schedule of Employer Contributions*

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
6/30/2011	\$0	0%
6/30/2010	\$0	0%

*The Schedule of Employer Contributions is not a required supplementary exhibit but is shown for information.

GENERAL FUND

The activities relating to the operation of the College are accounted for in this fund. Major sources of revenue are local property taxes, state operational reimbursement based on full-time equivalent enrollment and tuition and fees collected from students. Expenditures are for contracted instructional services including instructors' and administrative salaries and benefits, supplies, administrative costs, plant operations and capital outlay.

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WITH BUDGET COMPARISON - BUDGETARY BASIS

GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
State Sources	2,626,676	2,379,667	2,593,282	213,715
Local Sources	1,016,762	1,015,762	989,520	(26,232)
Tuition	2,711,411	2,711,411	2,708,814	(2,597)
Instructional Fees	546,174	546,174	597,763	51,589
Special Fees	43,900	43,900	78,191	34,291
Other Revenue Sources	197,876	207,861	247,827	39,766
Sales and Services Revenue Sources	2,700	2,700	8,008	5,308
TOTAL REVENUES	7,346,191	6,907,365	7,223,205	315,840
EXPENDITURES:				
Instruction	3,458,608	3,449,976	3,120,104	329,872
Academic Support	996,971	991,625	859,749	131,878
Student Services	886,521	852,851	788,986	63,685
Institutional Support	2,524,596	2,426,525	2,286,488	140,037
Financial Aid	34,792	34,792	11,440	23,352
Plant Operation and Maintenance	996,656	1,005,375	944,197	61,178
Debt Service	-	-	-	-
Contingencies	450,000	5,187	-	5,187
TOTAL EXPENDITURES	9,350,142	8,766,131	8,010,945	755,168
Excess of Revenues Over (Under) Expenditures	(2,003,951)	(1,858,766)	(787,740)	1,071,026
OTHER FINANCING SOURCES (USES):				
Gain/(Loss) on Sale of Investments	-	-	(22,150)	(22,150)
Transfer From Other Funds	217,902	217,402	215,194	(2,208)
Transfer to Other Funds	(2,314,224)	(2,448,224)	(2,443,125)	6,099
TOTAL OTHER FINANCING SOURCES (USES)	(2,096,322)	(2,231,822)	(2,260,082)	(18,280)
Net Change in Fund Balance	(4,100,273)	(4,090,588)	(3,037,822)	1,052,766
FUND BALANCE - BEGINNING OF YEAR	4,667,830	4,587,830	5,248,698	678,868
FUND BALANCE - END OF YEAR	467,557	477,242	2,208,876	1,731,634

SPECIAL REVENUE FUNDS

U.S. DEPARTMENT OF EDUCATION TITLE III GRANT: This fund accounts for the U.S. Department of Education Title III developing institutions grant awarded in 2010-11 for five years.

CARL D. PERKINS TITLE I GRANT: This fund accounts for the Carl D. Perkins grant which support the enhancement of Technical Education programs to better prepare students for a future in the workforce.

HEALTH OCCUPATIONS CUSTOMIZED TRAINING: This fund is used to record revenues and expenditures relating to specialized health occupations training programs offered under customized training contracts.

CARL D. PERKINS RESERVE FUND: This fund accounts for regional Career Technical Education activities as CGCC serves as fiscal agent for the Perkins Reserve Fund in collaboration with the Oregon Department of Education and regional school districts.

U.S. DEPARTMENT OF LABOR CBJT RENEWABLE ENERGY TECHNOLOGY GRANT: This fund accounts for the U.S. Department of Labor Community-Based Job Training Renewable Energy Technology grant which supports the Renewable Energy Technology Training Program. A one-year no-cost extension was approved to extend the grant through March 31, 2012.

U.S. DEPARTMENT OF ENERGY GRANT: This fund accounts for a federal appropriation for a nacelle for the renewable energy technology program.

U.S. DEPARTMENT OF LABOR WORKFORCE INVESTMENT ACT SECTION 171 GRANT: This fund will account for a new earmark grant from the U.S. Department of Labor to infuse other renewable energy technology in the RET curriculum.

U.S. DEPARTMENT OF LABOR STATE ENERGY SECTOR PARTNERSHIP GRANT: The U.S. Department of Labor State Energy Sector Partnership Grant Fund will account for the launch of the Oregon Green Tech Certificate which will prepare entry level workers in industries that are associated with or support green jobs.

CUSTOMIZED TRAINING: This fund is used to record revenues and expenditures relating to specialized training programs offered to businesses and organizations.

SMALL BUSINESS DEVELOPMENT CENTER PROGRAM INCOME: This fund accounts for Small Business Development Center program income and expenditures.

FEDERAL SMALL BUSINESS ADMINISTRATION SMALL BUSINESS DEVELOPMENT CENTER GRANT: This fund accounts for Federal Small Business Administration Small Business Development Center Grant.

STATE SMALL BUSINESS DEVELOPMENT CENTER GRANT: This fund accounts for the State of Oregon Small Business Development Center Grant.

FUNDAMENTALS OF CAREGIVING: This fund accounts for the contract with the State of Washington to provide fundamentals of caregiving training.

SPECIAL REVENUE FUNDS (continued)

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT: The Mid-Columbia Economic Development District Intergovernmental Agreement Fund accounts for the SBDC activity to provide technical assistance to individuals meeting income specification through the Klickitat-Skamania Loan fund and the Klickitat Microenterprise project.

TITLE II AEFLA COMPREHENSIVE GRANT: This fund accounts for the Title II Adult Education and Family Literacy Act Comprehensive Grant received through the Department of Community Colleges and Workforce Development.

ACCOUNTABILITY GRANT: This fund accounts for the Accountability grant received through the Department of Community Colleges and Workforce Development for the assessment and accountability activities related to Basic Skills programs.

PROGRAM IMPROVEMENT GRANT: This fund accounts for the Program Improvement Grant from the Department of Community Colleges and Workforce Development.

TUTORING GRANT: This fund accounts for the outreach tutoring grant through the Department of Community Colleges and Workforce Development to provide outreach project tutoring services for adult literacy students.

ENGLISH LANGUAGE CIVICS GRANT: This fund accounts for the English Languages Civics Grant from the Department of Community Colleges and Workforce Development.

GORGE LITERACY: This fund accounts for Columbia Gorge Community College literacy activities.

NON-REIMBURSABLE COMMUNITY EDUCATION: This fund accounts for revenue and expenses of self-supporting community education classes.

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

GREEN LABOR MARKET INFORMATION IMPLEMENTATION GRANT: This fund accounts for the grant from the Oregon Department of Community Colleges and Workforce Development to support the implementation of the "Greening of Oregon's Workforce" state-wide project.

CAREER READINESS CERTIFICATE IMPLEMENTATION GRANT: This fund accounts for the grant from the Oregon Department of Community Colleges and Workforce Development to support the overall state-wide effort by Oregon's community colleges and Local and Regional Workforce Investment Boards Centers to implement the career Readiness Certificate on college campuses and WorkSource Centers.

OREGON STUDENT ASSISTANCE COMMISSION PROGRAM: This fund accounts for the agreements between CGCC and the Oregon Student Assistance Commission to coordinate the College Goal Oregon program on The Dalles and Hood River campuses. College Goal Oregon is a free event designed to help Oregon college-bound students and their families with the financial aid application process.

SPECIAL REVENUE FUNDS (continued)

CAREER PATHWAYS 2009-11 GRANT: This fund accounts for the Community college Strategic Fund 09-11 and Federal Carl D. Perkins Grant Funds to support the career pathways initiative.

FIRST YEAR PERSISTENCE DEVELOPMENT PROJECT: This fund accounts for the grant from the Oregon Department of Community Colleges and Workforce Development for the "First Term to First Year Persistence" Development project.

OREGON CHILD CARE RESOURCE AND REFERRAL NETWORK: This fund accounts for the contract with the Oregon Child Care Resource and Referral Network which supports the Child Care Resource and Referral Program at the College.

CHILD CARE RESOURCE AND REFERRAL: The College manages a child care resource and referral project and acts as the fiscal agent for various grantors and donors, including State, Wasco County, non-profit agencies and the private sector. The College does not operate a child care facility, but only coordinates the connection between the needs for such services and the providers. Referral is made available to students and community.

OREGON DEPARTMENT OF HUMAN SERVICES INTEGRATED CHILD CARE GRANT: This fund accounts for the contract from the Oregon Department of Human Services for the integrated child care program.

CO-CURRICULAR ACTIVITIES FUND: This fund accounts for program income for the Spring Humanities Series and other co-curricular activities sponsored by Columbia Gorge Community College and related expenditures.

CAREER PATHWAYS PROGRAM INCOME: This fund accounts for Career Pathways Program Income related to the Pathways to Advancement Statewide Initiative.

PATHWAYS INITIATIVE STATE-WIDE DIRECTOR GRANT: This fund accounts for the contract with the State of Oregon through the Department of Community Colleges and Workforce Development to provide a state-wide director and related expenditures in support of the career pathways state-wide initiative.

INSURANCE FUND: This fund accounts for the unanticipated receipt of insurance claim proceeds and expenditures.

PATHWAYS INITIATIVE PROJECTS & TECHNICAL ASSISTANCE GRANT: This fund accounts for the contract with the State of Oregon through the Department of Community Colleges and Workforce Development to provide technical assistance for career pathways state-wide initiative.

OREGON COMMUNITY COLLEGES GREEN INITIATIVE 2009-2010: This fund accounts for the contract with the State of Oregon through the Department of Community Colleges and Workforce Development to provide students, prospective students, job seekers, workers and advisors/counselors with career pathway statewide roadmaps for 5 to 7 "green" occupations to assist Oregonians in developing education and career plans for emerging and existing "green" occupations.

SPECIAL REVENUE FUNDS (continued)

OREGON COUNCIL FOR THE HUMANITIES GRANT: This fund accounts for a National Endowment for the Humanities grant through the Oregon Council for the Humanities in support of the Spring Humanities Series sponsored by Columbia Gorge Community College.

INFANT/TODDLER PROJECT ARRA GRANT: This fund accounts for the American Recovery and Reinvestment Act contract with Oregon Child Care Resource and Referral Network which supports the initiative of Child Care Partners at the College.

PATHWAYS GREEN LABOR MARKET INFORMATION (LMI) INITIATIVE GRANT: This fund accounts for a partnership effort by the Oregon Department of Community Colleges and Workforce Development and the College to assist with implementing the Oregon Employment Department's "Green LMI" project and funded by the American Recovery and Reinvestment Act of 2009 administered by the U.S. Department of Labor.

TECHNICAL ASSISTANCE – COMPLETION INNOVATION CHALLENGE APPLICATION GRANT: This fund accounts for the contract with the State of Oregon through the Department of Community Colleges and Workforce Development to provide funding support to develop and complete the Complete College America's "Completion Innovation Challenge" grant application.

TRI-COUNTY RECYCLING GRANT: This fund accounts for the grant from the Tri-County Hazardous Waste and Recycling Program to provide funding for the purchase of outdoor recycling units for the CGCC Hood River-Indian Creek campus and The Dalles campus.

BUILDING LEASE FUND: This fund is used to record the revenues and expenditures relating to leasing office space to various agencies.

FOOD SERVICE: This fund accounts for the revenues and expenditures of the campus food service contract.

ENVIRONMENTAL CLUB: This fund accounts for the activities of the student-organized Environmental Club.

PHI THETA KAPPA: This fund accounts for the student honor society activities.

STUDENT COUNCIL FUND: This fund was established to record the receipts and disbursements for student activities and fund raisers. Receipts are generally from fund raisers. Disbursements are for supplies and various student activities.

STUDENT NURSE ASSOCIATION: This fund accounts for the activities of the Student Nurse Association.

JAPANESE CLUB: This fund accounts for the student organization activities of the Japanese Visual Culture Club.

DELTA ENERGY CLUB: This fund accounts for the student organization activities of the Delta Energy Club for students of the Renewable Energy Training program.

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WITH BUDGET COMPARISON - BUDGETARY BASIS

U.S. DEPARTMENT OF EDUCATION TITLE III GRANT

FOR THE YEAR ENDED JUNE 30, 2011
(all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	-	400,000	160,700	(239,300)
TOTAL REVENUES	-	400,000	160,700	(239,300)
EXPENDITURES:				
Personal Services	-	231,840	32,845	198,995
Materials and Services	-	156,602	127,756	28,847
Capital Outlay	-	11,558	-	11,558
TOTAL EXPENDITURES	-	400,000	160,700	239,300
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WITH BUDGET COMPARISON - BUDGETARY BASIS

CARL D. PERKINS TITLE I GRANT

FOR THE YEAR ENDED JUNE 30, 2011
(all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	77,000	86,614	63,562	(23,052)
TOTAL REVENUES	77,000	86,614	63,562	(23,052)
EXPENDITURES:				
Personal Services	51,521	67,078	46,385	20,693
Materials and Services	25,479	19,536	17,178	2,368
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	77,000	86,614	63,562	23,052
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

HEALTH OCCUPATIONS CUSTOMIZED TRAINING

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Instructional Fees	4,800	-	-	-
Sales and Services	30,000	34,800	3,079	(31,722)
TOTAL REVENUES	34,800	34,800	3,079	(31,722)
EXPENDITURES:				
Personal Services	22,080	22,060	242	21,838
Materials and Services	11,705	11,705	3,114	8,591
TOTAL EXPENDITURES	33,785	33,785	3,356	30,429
Excess of Revenues Over (Under) Expenditures	1,015	1,015	(277)	(1,292)
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(1,015)	(1,015)	(1,015)	-
TOTAL OTHER FINANCE SOURCES (USES)	(1,015)	(1,015)	(1,015)	-
Net Change in Fund Balance	-	-	(1,292)	(1,292)
FUND BALANCE - BEGINNING OF YEAR	-	-	3,895	3,895
FUND BALANCE - END OF YEAR	-	-	2,603	2,603

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

CARL D. PERKINS RESERVE FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	37,500	49,024	39,483	(9,541)
TOTAL REVENUES	37,500	49,024	39,483	(9,541)
EXPENDITURES:				
Personal Services	14,720	9,957	8,936	1,021
Materials and Services	22,780	39,067	30,547	8,520
TOTAL EXPENDITURES	37,500	49,024	39,483	9,541
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 U.S. DEPARTMENT OF LABOR COMMUNITY BASED JOB TRAINING
 GRANT FOR RENEWABLE ENERGY TECHNOLOGY
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	812,415	812,415	357,334	(455,081)
TOTAL REVENUES	<u>812,415</u>	<u>812,415</u>	<u>357,334</u>	<u>(455,081)</u>
EXPENDITURES:				
Personal Services	666,989	666,989	278,041	388,948
Materials and Services	120,184	120,184	79,292	40,892
Capital Outlay	25,242	25,242	-	25,242
TOTAL EXPENDITURES	<u>812,415</u>	<u>812,415</u>	<u>357,334</u>	<u>455,081</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 U.S. DEPARTMENT OF ENERGY GRANT
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	237,575	237,106	185,678	(51,428)
TOTAL REVENUES	<u>237,575</u>	<u>237,106</u>	<u>185,678</u>	<u>(51,428)</u>
EXPENDITURES:				
Materials and Services	97,575	88,307	38,678	49,629
Capital Outlay	140,000	148,799	147,000	1,799
TOTAL EXPENDITURES	<u>237,575</u>	<u>237,106</u>	<u>185,678</u>	<u>51,428</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

U.S. DEPARTMENT OF LABOR VIA SECTION 171 GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	175,000	175,000	-	(175,000)
TOTAL REVENUES	175,000	175,000	-	(175,000)
EXPENDITURES:				
Personal Services	132,800	132,800	-	132,800
Materials and Services	42,200	42,200	-	42,200
TOTAL EXPENDITURES	175,000	175,000	-	175,000
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

U.S. DEPARTMENT OF LABOR STATE ENERGY SECTOR PARTNERSHIP GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	-	57,056	18,610	(38,446)
TOTAL REVENUES	-	57,056	18,610	(38,446)
EXPENDITURES:				
Personal Services	-	26,024	16,948	9,076
Materials and Services	-	31,031	1,662	29,369
TOTAL EXPENDITURES	-	57,056	18,610	38,446
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

CUSTOMIZED TRAINING

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Special Fees	-	-	1,920	1,920
Sales and Services	46,498	46,498	41,439	(5,059)
TOTAL REVENUES	<u>46,498</u>	<u>46,498</u>	<u>43,359</u>	<u>(3,139)</u>
EXPENDITURES:				
Personal Services	20,855	20,855	11,496	9,359
Materials and Services	43,132	43,132	22,348	20,584
TOTAL EXPENDITURES	<u>63,987</u>	<u>63,987</u>	<u>34,045</u>	<u>29,942</u>
Excess of Revenue Over (Under) Expenditures	(17,489)	(17,489)	9,316	26,804
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(27,511)	(27,511)	(27,511)	-
TOTAL OTHER FINANCE SOURCES (USES)	<u>(27,511)</u>	<u>(27,511)</u>	<u>(27,511)</u>	<u>-</u>
Net Change in Fund Balance	(45,000)	(45,000)	(18,196)	26,804
FUND BALANCE - BEGINNING OF YEAR	<u>45,000</u>	<u>45,000</u>	<u>67,827</u>	<u>22,827</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>49,631</u>	<u>-49,831</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

SMALL BUSINESS DEVELOPMENT CENTER PROGRAM INCOME

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Tuition	25,000	25,000	5,084	(19,916)
Instructional Fees	3,700	3,700	1,580	(2,140)
Sales and Services	3,500	3,500	2,233	(1,268)
TOTAL REVENUES	<u>32,200</u>	<u>32,200</u>	<u>8,877</u>	<u>(23,324)</u>
EXPENDITURES:				
Personal Services	8,211	8,211	3,858	4,353
Materials and Services	28,989	27,540	6,071	21,469
TOTAL EXPENDITURES	<u>37,200</u>	<u>35,751</u>	<u>9,929</u>	<u>25,822</u>
Excess of Revenues Over (Under) Expenditures	(5,000)	(3,551)	(1,053)	2,498
FUND BALANCE - BEGINNING OF YEAR	<u>5,000</u>	<u>3,551</u>	<u>3,552</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>2,499</u>	<u>2,499</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

FEDERAL SMALL BUSINESS ADMINISTRATION
 SMALL BUSINESS DEVELOPMENT CENTER GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	35,250	35,304	35,304	-
TOTAL REVENUES	<u>35,250</u>	<u>35,304</u>	<u>35,304</u>	<u>-</u>
EXPENDITURES:				
Personal Services	30,249	30,304	30,304	-
Materials and Services	5,001	5,000	5,000	-
TOTAL EXPENDITURES	<u>35,250</u>	<u>35,304</u>	<u>35,304</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

STATE SMALL BUSINESS DEVELOPMENT CENTER GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
State Sources	29,769	29,769	29,769	-
TOTAL REVENUES	<u>29,769</u>	<u>29,769</u>	<u>29,769</u>	<u>-</u>
EXPENDITURES:				
Personal Services	29,769	29,769	29,769	-
Materials and Services	-	-	-	-
TOTAL EXPENDITURES	<u>29,769</u>	<u>29,769</u>	<u>29,769</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

FUNDAMENTALS OF CAREGIVING

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Tuition	1,500	-	-	-
Sales and Services	14,500	24,820	21,864	(2,956)
TOTAL REVENUES	16,000	24,820	21,864	(2,956)
EXPENDITURES:				
Personal Services	11,042	11,042	9,447	1,595
Materials and Services	2,475	2,936	1,257	1,679
TOTAL EXPENDITURES	13,517	13,978	10,704	3,274
Excess of Revenues Over (Under) Expenditures	2,483	10,842	11,160	318
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(12,483)	(12,483)	(12,483)	-
TOTAL OTHER FINANCE SOURCES (USES)	(12,483)	(12,483)	(12,483)	-
Net Change in Fund Balance	(10,000)	(1,641)	(1,323)	318
FUND BALANCE - BEGINNING OF YEAR	10,000	1,641	1,642	1
FUND BALANCE - END OF YEAR	-	-	319	319

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

MID-COLUMBIA ECONOMIC DEVELOPMENT DISTRICT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Local Grant/Contract Sources	-	15,000	5,836	(9,164)
TOTAL REVENUES	-	15,000	5,836	(9,164)
EXPENDITURES:				
Personal Services	-	12,230	4,180	8,050
Materials and Services	-	2,770	1,655	1,115
TOTAL EXPENDITURES	-	15,000	5,836	9,164
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

TITLE II AEFLA COMPREHENSIVE GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	82,730	83,571	83,571	-
TOTAL REVENUES	82,730	83,571	83,571	-
EXPENDITURES:				
Personal Services	82,730	83,571	83,571	-
Materials and Services	-	-	-	-
TOTAL EXPENDITURES	82,730	83,571	83,571	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

ACCOUNTABILITY GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	10,000	11,500	11,024	(476)
TOTAL REVENUES	10,000	11,500	11,024	(476)
EXPENDITURES:				
Personal Services	8,016	8,016	8,013	3
Materials and Services	1,984	3,484	3,011	473
TOTAL EXPENDITURES	10,000	11,500	11,024	476
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

PROGRAM IMPROVEMENT GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Federal Sources	5,000	5,000	5,000	-
TOTAL REVENUES	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
EXPENDITURES:				
Personal Services	5,000	5,000	5,000	-
TOTAL EXPENDITURES	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

TUTORING GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Federal Sources	14,880	15,000	14,972	(27,990)
TOTAL REVENUES	<u>14,880</u>	<u>15,000</u>	<u>14,972</u>	<u>(27,990)</u>
EXPENDITURES:				
Personal Services	13,766	14,086	14,058	27,530
Materials and Services	914	914	914	0,460
TOTAL EXPENDITURES	<u>14,680</u>	<u>15,000</u>	<u>14,972</u>	<u>27,990</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

ENGLISH LANGUAGE CIVICS GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	29,874	30,849	30,721	128,270
TOTAL REVENUES	<u>29,874</u>	<u>30,849</u>	<u>30,721</u>	<u>128,270</u>
EXPENDITURES:				
Personal Services	26,213	27,188	27,188	-
Materials and Services	3,661	3,661	3,533	128,270
TOTAL EXPENDITURES	<u>29,874</u>	<u>30,849</u>	<u>30,721</u>	<u>128,270</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

GORGE LITERACY

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Contributions	2,000	2,000	330	(1,670)
TOTAL REVENUES	<u>2,000</u>	<u>2,000</u>	<u>330</u>	<u>(1,670)</u>
EXPENDITURES:				
Materials and Services	3,000	2,285	475	1,810
TOTAL EXPENDITURES	<u>3,000</u>	<u>2,285</u>	<u>475</u>	<u>1,810</u>
Excess of Revenues Over (Under) Expenditures	(1,000)	(285)	(145)	140
FUND BALANCE - BEGINNING OF YEAR	<u>1,000</u>	<u>285</u>	<u>285</u>	-
FUND BALANCE - END OF YEAR	-	-	<u>140</u>	<u>140</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

NON-REIMBURSABLE COMMUNITY EDUCATION

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Tuition	10,000	10,000	5,370	(4,630)
Instructional Fees	1,500	1,500	1,095	(405)
TOTAL REVENUES	11,500	11,500	6,465	(5,035)
EXPENDITURES:				
Personal Services	3,681	3,681	2,672	1,009
Materials and Services	6,819	6,819	1,662	5,158
TOTAL EXPENDITURES	10,500	10,500	4,333	6,167
Excess of Revenues Over (Under) Expenditures	1,000	1,000	2,132	1,132
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(2,500)	(2,500)	(2,500)	-
TOTAL OTHER FINANCE SOURCES (USES)	(2,500)	(2,500)	(2,500)	-
Net Change in Fund Balance	(1,500)	(1,500)	(368)	1,132
FUND BALANCE - BEGINNING OF YEAR	1,500	1,500	5,346	3,846
FUND BALANCE - END OF YEAR	-	-	4,978	4,978

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

ELDERHOSTEL

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Tuition	26,894	26,894	30,375	3,481
TOTAL REVENUES	26,894	26,894	30,375	3,481
EXPENDITURES:				
Personal Services	1,834	1,834	923	911
Materials and Services	27,560	27,560	27,266	294
TOTAL EXPENDITURES	29,394	29,394	28,189	1,205
Excess of Revenues Over (Under) Expenditures	(2,500)	(2,500)	2,185	4,685
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(2,000)	(2,000)	(2,000)	-
TOTAL OTHER FINANCE SOURCES (USES)	(2,000)	(2,000)	(2,000)	-
Net Change in Fund Balance	(4,500)	(4,500)	185	4,685
FUND BALANCE - BEGINNING OF YEAR	4,500	4,500	4,956	456
FUND BALANCE - END OF YEAR	-	-	5,142	5,142

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 GREEN LABOR MARKET INFORMATION IMPLEMENTATION GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	-	5,000	5,000	-
TOTAL REVENUES	-	5,000	5,000	-
EXPENDITURES:				
Personal Services	-	5,000	5,000	-
TOTAL EXPENDITURES	-	5,000	5,000	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 CAREER READINESS CERTIFICATE IMPLEMENTATION GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	14,989	12,001	2,826	(9,175)
TOTAL REVENUES	14,989	12,001	2,826	(9,175)
EXPENDITURES:				
Personal Services	4,246	4,246	2,758	1,488
Materials and Services	10,743	7,755	67,610	7,687
TOTAL EXPENDITURES	14,989	12,001	2,826	9,175
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

OREGON STUDENT ASSISTANCE COMMISSION PROGRAM

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
State Sources	-	1,600	1,600	-
TOTAL REVENUES	-	1,600	1,600	-
EXPENDITURES:				
Personal Services	-	-	-	-
Materials and Services	-	1,600	1,600	-
TOTAL EXPENDITURES	-	1,600	1,600	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

CAREER PATHWAYS 2009-2011

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	15,856	15,304	2,889	(12,415)
State Sources	15,855	15,305	27,719	12,414
TOTAL REVENUES	31,711	30,609	30,608	(1)
EXPENDITURES:				
Personal Services	15,753	18,253	18,253	-
Materials and Services	15,958	12,356	12,355	1
TOTAL EXPENDITURES	31,711	30,609	30,608	1
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 FIRST YEAR PERSISTENCE DEVELOPMENT PROJECT
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	-	5,658	-	(5,658)
State Sources	-	9,342	-	(9,342)
TOTAL REVENUES	-	15,000	-	(15,000)
EXPENDITURES:				
Materials and Services	-	15,000	-	15,000
TOTAL EXPENDITURES	-	15,000	-	15,000
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 OREGON CHILD CARE RESOURCE AND REFERRAL NETWORK
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	101,109	121,793	104,869	(16,924)
TOTAL REVENUES	101,109	121,793	104,869	(16,924)
EXPENDITURES:				
Personal Services	97,532	74,266	72,711	1,555
Materials and Services	3,577	47,527	32,158	15,369
TOTAL EXPENDITURES	101,109	121,793	104,869	16,924
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

CHILD CARE RESOURCE AND REFERRAL

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Tuition	-	-	1,320	1,320
Instructional Fees	-	-	120	120
Special Fees	250	290	50	(200)
Other Sources	500	500	-	(500)
TOTAL REVENUES	750	780	1,490	740
EXPENDITURES:				
Materials and Services	1,250	1,003	94	909
TOTAL EXPENDITURES	1,250	1,003	94	909
Excess of Revenues Over (Under) Expenditures	(500)	(253)	1,396	1,849
FUND BALANCE - BEGINNING OF YEAR	500	253	253	-
FUND BALANCE - END OF YEAR	-	-	1,649	1,849

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

OREGON DEPARTMENT OF HUMAN SERVICES INTEGRATED CHILD CARE GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
Federal Sources	24,217	28,437	23,694	(2,743)
TOTAL REVENUES	24,217	28,437	23,694	(2,743)
EXPENDITURES:				
Personal Services	23,528	16,585	15,855	730
Materials and Services	689	9,852	7,840	2,012
TOTAL EXPENDITURES	24,217	26,437	23,694	2,743
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

CO-CURRICULAR ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				(UNFAVORABLE)
REVENUES:				
Local Grant/Contract Sources	-	-	500	500
Other Sources	5,700	5,700	100	(5,600)
Sales and Services	800	800	302	(298)
TOTAL REVENUES	6,300	6,300	902	(5,398)
EXPENDITURES:				
Materials and Services	7,300	7,300	1,478	5,822
TOTAL EXPENDITURES	7,300	7,300	1,478	5,822
Excess of Revenues Over (Under) Expenditures	(1,000)	(1,000)	(576)	424
OTHER FINANCE SOURCES (USES):				
Transfer from General Fund	1,000	1,000	1,000	-
TOTAL OTHER FINANCE SOURCES (USES)	1,000	1,000	1,000	-
Net Change in Fund Balance	-	-	424	424
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	424	424

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

CAREER PATHWAYS PROGRAM INCOME

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				(UNFAVORABLE)
REVENUES:				
Sales and Services	-	-	1,641	1,641
TOTAL REVENUES	-	-	1,641	1,641
EXPENDITURES:				
Personal Services	-	-	-	-
Materials and Services	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	1,641	1,641
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	1,641	1,641

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

PATHWAYS INITIATIVE STATE-WIDE DIRECTOR GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	105,250	100,000	152,086	52,086
State Sources	52,625	52,173	0	(52,173)
TOTAL REVENUES	157,875	152,173	152,086	(52,173)
EXPENDITURES:				
Personal Services	102,392	101,293	101,219	74
Materials and Services	55,483	50,880	50,867	13
TOTAL EXPENDITURES	157,875	152,173	152,086	87
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

INSURANCE FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Other Sources	-	908	908	-
TOTAL REVENUES	-	908	908	-
EXPENDITURES:				
Materials and Services	2,707	1,408	1,408	-
TOTAL EXPENDITURES	2,707	1,408	1,408	-
Excess of Revenues Over (Under) Expenditures	(2,707)	(500)	(500)	-
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	-	(2,207)	-	2,207
TOTAL OTHER FINANCE SOURCES (USES)	-	(2,207)	-	2,207
Net Change in Fund Balance	(2,707)	(2,707)	(500)	2,207
FUND BALANCE - BEGINNING OF YEAR	2,707	2,707	2,707	-
FUND BALANCE - END OF YEAR	-	-	2,207	2,207

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

PATHWAYS INITIATIVE PROJECTS & TECHNICAL ASSISTANCE GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
State Sources	85,200	41,251	41,005	(246)
TOTAL REVENUES	85,200	41,251	41,005	(246)
EXPENDITURES:				
Materials and Services	65,200	41,251	41,005	246
TOTAL EXPENDITURES	65,200	41,251	41,005	246
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

OREGON COMMUNITY COLLEGES GREEN INITIATIVE 2008-2010

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
State Sources	44,755	30,040	172	(29,869)
TOTAL REVENUES	44,755	30,040	172	(29,869)
EXPENDITURES:				
Personal Services	8,760	8,780	-	6,780
Materials and Services	37,075	23,260	172	23,088
TOTAL EXPENDITURES	44,755	30,040	172	29,888
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

OREGON COUNCIL FOR THE HUMANITIES GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	2,000	3,000	3,000	-
TOTAL REVENUES	<u>2,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
EXPENDITURES:				
Materials and Services	2,000	3,000	3,000	-
TOTAL EXPENDITURES	<u>2,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

INFANT/TODDLER PROJECT ARRA GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	-	23,912	23,860	(52)
TOTAL REVENUES	<u>-</u>	<u>23,912</u>	<u>23,860</u>	<u>(52)</u>
EXPENDITURES:				
Personal Services	-	9,391	9,339	52
Materials and Services	-	14,521	14,521	-
TOTAL EXPENDITURES	<u>-</u>	<u>23,912</u>	<u>23,880</u>	<u>52</u>
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

PATHWAYS GREEN LABOR MARKET INFORMATION INITIATIVE GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Federal Sources	92,460	83,944	77,618	(6,326)
TOTAL REVENUES	92,460	83,944	77,618	(6,326)
EXPENDITURES:				
Materials and Services	92,460	83,944	77,618	6,326
TOTAL EXPENDITURES	92,460	83,944	77,618	6,326
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

TECHNICAL ASSISTANCE-COMPLETION INNOVATION CHALLENGE APPLICATION GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
State Sources	-	13,800	13,800	-
TOTAL REVENUES	-	13,800	13,800	-
EXPENDITURES:				
Materials and Services	-	13,800	13,800	-
TOTAL EXPENDITURES	-	13,800	13,800	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

TRI-COUNTY RECYCLING GRANT

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Local Grant/Contract Sources	-	2,865	2,865	-
TOTAL REVENUES	-	2,865	2,865	-
EXPENDITURES:				
Materials and Services	-	2,865	2,865	-
TOTAL EXPENDITURES	-	2,865	2,865	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

BUILDING LEASES

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Other Sources	149,215	149,215	151,761	2,566
Sales and Services	33,360	33,360	17,212	(16,148)
TOTAL REVENUES	182,575	182,575	168,993	(13,582)
EXPENDITURES:				
Personal Services	25,719	25,719	25,706	13
Materials and Services	24,171	24,171	18,782	5,389
TOTAL EXPENDITURES	49,890	49,890	44,487	5,403
Excess of Revenues Over (Under) Expenditures	132,685	132,685	124,506	(8,179)
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(157,685)	(157,685)	(157,685)	-
TOTAL OTHER FINANCE SOURCES (USES)	(157,685)	(157,685)	(157,685)	-
Net Change in Fund Balance	(25,000)	(25,000)	(33,179)	(8,179)
FUND BALANCE - BEGINNING OF YEAR	25,000	25,000	39,670	14,670
FUND BALANCE - END OF YEAR	-	-	6,491	6,491

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

FOOD SERVICE

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Other Sources	4,000	4,000	4,839	839
TOTAL REVENUES	4,000	4,000	4,839	839
EXPENDITURES:				
Materials and Services	2,000	2,000	812	1,188
Capital Outlay	7,000	7,000	-	7,000
TOTAL EXPENDITURES	9,000	9,000	812	8,188
Excess of Revenues Over (Under) Expenditures	(5,000)	(5,000)	4,027	9,027
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(12,000)	(12,000)	(12,000)	-
TOTAL OTHER FINANCE SOURCES (USES)	(12,000)	(12,000)	(12,000)	-
Net Change in Fund Balance	(17,000)	(17,000)	(7,973)	9,027
FUND BALANCE - BEGINNING OF YEAR	17,000	17,000	17,525	525
FUND BALANCE - END OF YEAR	-	-	9,552	9,552

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

ENVIRONMENTAL CLUB

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Fundraising	-	-	242	242
TOTAL REVENUES	-	-	242	242
EXPENDITURES:				
Materials and Services	477	477	55	422
TOTAL EXPENDITURES	477	477	55	422
Excess of Revenues Over (Under) Expenditures	(477)	(477)	187	564
FUND BALANCE - BEGINNING OF YEAR	477	477	477	-
FUND BALANCE - END OF YEAR	-	-	664	664

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

PHI THETA KAPPA

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Membership Dues	3,500	3,500	5,305	1,805
Fundraising	5,000	5,000	3,006	(1,995)
TOTAL REVENUES	8,500	8,500	8,311	(190)
EXPENDITURES:				
Materials and Services	11,500	11,500	7,334	4,166
TOTAL EXPENDITURES	11,500	11,500	7,334	4,166
Excess of Revenues Over (Under) Expenditures	(3,000)	(3,000)	977	3,977
FUND BALANCE - BEGINNING OF YEAR	3,000	3,000	1,907	(1,093)
FUND BALANCE - END OF YEAR	-	-	2,884	2,884

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

STUDENT COUNCIL

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Other Fund Raising	1,442	1,442	29	(1,413)
TOTAL REVENUES	1,442	1,442	29	(1,413)
EXPENDITURES:				
Materials and Services	1,500	1,500	41	1,459
TOTAL EXPENDITURES	1,500	1,500	41	1,459
Excess of Revenues Over (Under) Expenditures	(58)	(58)	(12)	46
FUND BALANCE - BEGINNING OF YEAR	58	58	58	-
FUND BALANCE - END OF YEAR	-	-	46	46

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

STUDENT NURSE ASSOCIATION

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Fundraising	2,000	2,000	-	(2,000)
TOTAL REVENUES	2,000	2,000	-	(2,000)
EXPENDITURES:				
Materials and Services	2,415	2,415	204	2,211
TOTAL EXPENDITURES	2,415	2,415	204	2,211
Excess of Revenues Over (Under) Expenditures	(415)	(415)	(204)	211
FUND BALANCE - BEGINNING OF YEAR	415	415	393	(22)
FUND BALANCE - END OF YEAR	-	-	189	189

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

JAPANESE CLUB

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Fundraising	3,000	3,000	91	(2,909)
TOTAL REVENUES	3,000	3,000	91	(2,909)
EXPENDITURES:				
Materials and Services	3,000	3,000	91	2,909
TOTAL EXPENDITURES	3,000	3,000	91	2,909
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	304	304
FUND BALANCE - END OF YEAR	-	-	304	304

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

DELTA ENERGY CLUB

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET FAVORABLE (UNFAVORABLE)
REVENUES:				
Restricted Gifts	40,000	40,000	2,827	(37,173)
Fundraising	2,000	2,000	-	(2,000)
TOTAL REVENUES	42,000	42,000	2,827	(39,173)
EXPENDITURES:				
Materials and Services	42,000	42,000	2,827	39,173
TOTAL EXPENDITURES	42,000	42,000	2,827	39,173
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

RESERVE FUND

FACILITIES AND GROUND MAINTENANCE RESERVE FUND: This Reserve Fund was established July 1, 2005 to accumulate resources for financing facilities and ground maintenance.

GENERAL OPERATIONS RESERVE FUND: This Reserve Fund was established July 1, 2010 to accumulate resources for future funding of general operations. Transfers are budgeted between the General Fund and the Reserve Fund to smooth the effects of the uneven community college support fund payments in each year of the biennium. The remaining balance is expected to be depleted in the following biennium.

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

FACILITIES AND GROUNDS MAINTENANCE RESERVE FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Materials and Services	150,000	150,000	3,507	146,493
Capital Outlay	251,137	251,137	58,172	192,965
TOTAL EXPENDITURES	401,137	401,137	61,679	339,458
Excess of Revenues Over (Under) Expenditures	(401,137)	(401,137)	(61,679)	339,458
OTHER FINANCE SOURCES (USES):				
Transfer from General Fund	-	-	-	-
TOTAL OTHER FINANCE SOURCES (USES)	-	-	-	-
Net Change in Fund Balance	(401,137)	(401,137)	(61,679)	339,458
FUND BALANCE - BEGINNING OF YEAR	401,137	401,137	401,137	-
FUND BALANCE - END OF YEAR	-	-	339,458	339,458

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

GENERAL OPERATIONS RESERVE FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Materials and Services	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCE SOURCES (USES):				
Transfer from General Fund	2,313,224	2,313,224	2,313,224	-
TOTAL OTHER FINANCE SOURCES (USES)	2,313,224	2,313,224	2,313,224	-
Net Change in Fund Balance	2,313,224	2,313,224	2,313,224	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	2,313,224	2,313,224	2,313,224	-

DEBT SERVICE FUNDS

WASCO COUNTY G.O. BOND: This debt service fund is used to account for the accumulation of resources to pay the principal and interest on General Obligation Bonds, Series 1993 approved by Wasco County voters and refunding General Obligation Bonds, Series 1998.

DISTRICT G.O. BOND: This debt service fund accounts for the accumulation of resources to pay the principal and interest on General Obligation Bonds, Series 2005 approved by district voters of Hood River and Wasco Counties.

PENSION BOND: This fund is established to account for the accumulation of resources to pay the principal and interest on pension obligation bonds issued by the College in 2003 and is funded by a credit to the College's PERS employer rate beginning May 1, 2003.

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WITH BUDGET COMPARISON - BUDGETARY BASIS
WASCO COUNTY G.O. BONDS DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Local Sources	679,050	679,050	709,795	30,745
Other Sources	-	-	2,078	2,078
TOTAL REVENUES	679,050	679,050	711,873	32,823
EXPENDITURES:				
Debt Service	739,050	739,050	739,050	-
TOTAL EXPENDITURES	739,050	739,050	739,050	-
Excess of Revenues Over (Under) Expenditures	(60,000)	(60,000)	(27,177)	32,823
FUND BALANCE - BEGINNING OF YEAR	60,000	60,000	118,142	58,142
FUND BALANCE - END OF YEAR	-	-	89,966	88,966

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

DISTRICT G.O. BONDS DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Local Sources	1,198,532	1,198,532	1,250,180	51,648
Other Sources	-	-	3,259	3,259
TOTAL REVENUES	<u>1,198,532</u>	<u>1,198,532</u>	<u>1,253,439</u>	<u>54,907</u>
EXPENDITURES:				
Debt Service	1,318,532	1,318,532	1,318,531	1
TOTAL EXPENDITURES	<u>1,318,532</u>	<u>1,318,532</u>	<u>1,318,531</u>	<u>1</u>
Excess of Revenues Over (Under) Expenditures	(120,000)	(120,000)	(65,092)	54,908
FUND BALANCE - BEGINNING OF YEAR	<u>120,000</u>	<u>120,000</u>	<u>218,175</u>	<u>98,175</u>
FUND BALANCE - END OF YEAR	<u>-</u>	<u>-</u>	<u>153,083</u>	<u>153,083</u>

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

PENSION BONDS DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
Other Sources	232,722	232,722	428,898	194,176
TOTAL REVENUES	<u>232,722</u>	<u>232,722</u>	<u>428,898</u>	<u>194,176</u>
EXPENDITURES:				
Debt Service	232,721	232,721	232,720	-
TOTAL EXPENDITURES	<u>232,721</u>	<u>232,721</u>	<u>232,720</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	1	1	194,178	194,177
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	(1)	(1)	-	1
TOTAL OTHER FINANCE SOURCES (USES)	<u>(1)</u>	<u>(1)</u>	<u>-</u>	<u>1</u>
Net Change in Fund Balance	-	-	194,178	194,178
FUND BALANCE - BEGINNING OF YEAR	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,063,777</u>	<u>63,777</u>
FUND BALANCE - END OF YEAR	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,257,955</u>	<u>257,955</u>

CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUND: This fund is used to account for proceeds received from the general obligation bonds and other resources to support district capital projects. Proceeds from the 1993 general obligation bonds were used to acquire the 59.38-acre campus at 400 E. Scenic Drive, The Dalles, and to pay for direct construction costs and indirect construction costs to remodel the facilities of the existing 59.38-acre campus. On May 25, 2005, the College issued \$18,500,000 general obligation bonds which were approved by District voters of Hood River and Wasco Counties at a general election on November 2, 2004. Voters authorized issuance of \$18,500,000 of general obligation bonds with a maturity not to exceed 21 years to finance the costs of capital construction and improvements for health science and training facilities, renovate existing facilities, demolish unusable buildings, purchase land and pay the costs of issuance of the bonds.

STATE CAPITAL PROJECTS FUND: This capital projects fund accounts for the state construction aid granted to Columbia Gorge Community College from the sale of State of Oregon Article XI G Bonds.

DEFERRED MAINTENANCE CAPITAL PROJECTS FUND: This capital projects fund accounts for a grant from the Oregon Department of Community Colleges and Workforce Development for the "Go Oregon" stimulus projects for deferred maintenance, capital renewal, code compliance and safety, as authorized by the 2009 Oregon Legislature and funded by Oregon lottery bonds.

**COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WITH BUDGET COMPARISON - BUDGETARY BASIS**

CAPITAL PROJECTS FUND

FOR THE YEAR ENDED JUNE 30, 2011
(all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				FAVORABLE (UNFAVORABLE)
REVENUES:				
Other Sources	8,000,000	-	67	67
TOTAL REVENUES	8,000,000	-	67	67
EXPENDITURES:				
Materials and Services	37,491	8,051	8,050	1
Capital Outlay	8,120,958	27,879	27,878	1
Debt Service	-	134,932	128,901	8,031
Contingency	-	-	-	-
TOTAL EXPENDITURES	8,158,449	170,862	164,829	8,033
Excess of Revenues Over (Under) Expenditures	(158,449)	(170,862)	(164,762)	6,100
OTHER FINANCE SOURCES (USES):				
Transfer from General Fund	-	135,000	129,900	(6,100)
TOTAL OTHER FINANCE SOURCES (USES)	-	135,000	129,900	(6,100)
Net Change in Fund Balance	(158,449)	(35,862)	(35,862)	-
FUND BALANCE - BEGINNING OF YEAR	158,449	35,862	35,862	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

STATE CAPITAL PROJECTS FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
State Sources	8,376,785	330,340	330,340	-
TOTAL REVENUES	8,376,785	330,340	330,340	-
EXPENDITURES:				
Materials and Services	15,500	24,072	24,072	-
Capital Outlay	8,361,285	306,268	306,268	-
TOTAL EXPENDITURES	8,376,785	330,340	330,340	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 WITH BUDGET COMPARISON - BUDGETARY BASIS

DEFERRED MAINTENANCE CAPITAL PROJECTS FUND

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES:				
State Sources	355,883	36,782	17,146	(19,636)
TOTAL REVENUES	355,883	36,782	17,146	(19,636)
EXPENDITURES:				
Materials and Services	8,469	5,000	-	5,000
Capital Outlay	347,394	31,782	17,146	14,636
TOTAL EXPENDITURES	355,863	36,782	17,146	19,636
Excess of Revenues Over (Under) Expenditures	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	-	-	-	-

ENTERPRISE FUND

COLLEGE BOOK STORE: This fund is used to record revenues and expenditures relating to texts and supplies made available to the students. Revenues are text and supply sales, and transfers from the General Fund. Expenditures are for purchases of resale items.

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 WITH BUDGET COMPARISON - BUDGETARY BASIS
 COLLEGE BOOK STORE
 FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				FAVORABLE (UNFAVORABLE)
OPERATING REVENUES:				
Gross Sales, Text Books	650,000	650,000	592,858	(57,142)
Bank Card Discount Fees	(4,000)	(4,000)	(4,321)	(321)
TOTAL OPERATING REVENUES	646,000	646,000	588,536	(57,464)
PURCHASES:				
Purchases, Text Books	500,000	500,000	532,830	(32,830)
Publishers Credits	(20,000)	(20,000)	(85,230)	45,230
NET PURCHASES	480,000	480,000	467,600	12,400
GROSS PROFIT	166,000	166,000	120,936	(45,064)
OPERATING EXPENSES:				
Personal Services	100,310	100,310	68,343	31,967
Materials and Services	232,275	232,275	38,480	193,795
Capital Outlay	35,000	35,000	-	35,000
TOTAL OPERATING EXPENSES	367,585	367,585	106,823	260,762
OTHER FINANCE SOURCES (USES):				
Transfer to General Fund	-	-	-	-
TOTAL OTHER FINANCE SOURCES (USES)	-	-	-	-
Net Income (Loss)	(201,585)	(201,585)	14,114	(305,826)
RETAINED EARNINGS - BEGINNING OF YEAR	210,000	210,000	264,081	54,081
RETAINED EARNINGS - END OF YEAR	8,415	8,415	278,195	269,760

OTHER FINANCIAL SCHEDULES

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF WASCO COUNTY PROPERTY TAX TRANSACTIONS
FOR THE YEAR ENDED JUNE 30, 2011
(all amounts are in dollars)

TAX CONTROL RECORDS

TAX YEAR	TAXES RECEIVABLE 2011/10	CURRENT YEAR LEVY	NET ADJUSTMENTS	DEDUCT TAX COLLECTIONS	TAXES RECEIVABLE 6/30/11
2010-11	-	1,852,437	(44,902)	(1,723,698)	83,839
2009-10	80,793	-	3,438	(42,416)	41,815
2008-09	38,863	-	3,474	(18,072)	24,365
2007-08	18,241	-	4,557	(18,092)	4,706
2006-07	4,921	-	1,510	(5,365)	1,068
2005-06	993	-	205	(682)	516
2004-05	73	-	-	-	73
2003-04	11	-	-	-	11
2002-03	11	-	-	-	11
2001-02	12	-	-	-	12
2000-01	12	-	-	-	12
1999-00	10	-	-	-	10
1998-99	11	-	-	-	11
1997-98	11	-	-	-	11
1996-97	64	-	27	(44)	47
1995-96	53	-	-	-	53
1994-95	53	-	-	-	53
1985-86	28	-	-	-	28
1984-85	2	-	-	-	2
TOTALS	145,282	1,852,437	(31,691)	(1,608,367)	156,641

RECONCILIATION TO COUNTY TREASURER

<u>TREASURER'S BALANCE - JULY 1, 2010</u>	14,183
<u>RECEIPTS:</u>	
<u>CURRENT YEAR LEVY:</u>	
Tax Collections	1,722,474
Unsegregated Interest	33
ADD: Interest	1,222
<u>TOTAL RECEIPTS - CURRENT YEAR LEVY</u>	1,723,726
<u>PRIOR YEARS' LEVIES:</u>	
Tax Collections	72,330
ADD: Interest	13,341
<u>TOTAL RECEIPTS - PRIOR YEARS' LEVIES</u>	85,671
<u>TOTAL RECEIPTS AND BEGINNING BALANCE</u>	1,823,693
ADD: Other Collections	15
Charter Appeal	(9,766)
DEDUCT: Payments to the College	(1,601,719)
<u>TREASURER'S BALANCE - JUNE 30, 2011</u>	12,124

Note - Years that are not listed above have been paid in full.

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF HOOD RIVER COUNTY PROPERTY TAX TRANSACTIONS
ACCOUNT 659

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

TAX CONTROL RECORDS

TAX YEAR	TAXES RECEIVABLE 7/1/10	CURRENT YEAR LEVY	NET ADJUSTMENTS	DEDUCT TAX COLLECTIONS	TAXES RECEIVABLE 6/30/11
2010-11	-	440,190	(14,221)	(411,766)	14,203
2009-10	14,488	-	3,152	(11,071)	6,569
2008-09	5,657	-	1,388	(3,499)	3,546
2007-08	1,827	-	711	(1,745)	793
2006-07	735	-	369	(934)	170
2005-08	60	-	(1)	(3)	56
2004-05	125	-	(89)	-	36
2003-04	148	-	(88)	-	60
2002-03	87	-	(60)	-	27
TOTALS	23,127	440,190	(8,839)	(428,018)	25,460

RECONCILIATION TO COUNTY TREASURER

TREASURER'S BALANCE - JULY 1, 2010	4,323
RECEIPTS:	
CURRENT YEAR LEVY:	
Tax Collections	413,895
ADD: Interest	146
TOTAL RECEIPTS - CURRENT YEAR LEVY	414,041
PRIOR YEARS' LEVIES:	
Tax Collections	13,224
TOTAL RECEIPTS - PRIOR YEARS' LEVIES	13,224
TOTAL RECEIPTS AND BEGINNING BALANCE	431,588
ADD: Enterprise Zone Abatement	13,632
Electric co-op In Lieu	1,621
DEDUCT: Payments to the College	(444,425)
TREASURER'S BALANCE - JUNE 30, 2011	2,416

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF HOOD RIVER COUNTY PROPERTY TAX TRANSACTIONS
ACCOUNT 685 - BONDS

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

TAX CONTROL RECORDS

TAX YEAR	TAXES RECEIVABLE 7/1/10	CURRENT YEAR LEVY	NET ADJUSTMENTS	DEDUCT TAX COLLECTIONS	TAXES RECEIVABLE 6/30/11
2010-11	-	624,573	(20,178)	(584,243)	20,152
2009-10	23,006	-	5,005	(17,580)	10,431
2008-09	8,916	-	2,188	(5,515)	5,589
2007-08	2,835	-	1,102	(2,707)	1,230
2006-07	1,258	-	672	(1,638)	292
2005-08	99	-	(1)	(5)	93
TOTALS	36,114	624,573	(11,212)	(611,888)	37,787

RECONCILIATION TO COUNTY TREASURER

TREASURER'S BALANCE - JULY 1, 2010	6,859
RECEIPTS:	
CURRENT YEAR LEVY:	
Tax Collections	587,264
ADD: Interest	199
TOTAL RECEIPTS - CURRENT YEAR LEVY	587,463
PRIOR YEARS' LEVIES:	
Tax Collections	21,042
TOTAL RECEIPTS - PRIOR YEARS' LEVIES	21,042
TOTAL RECEIPTS AND BEGINNING BALANCE	615,364
ADD: Electric Co-op In Lieu	2,300
DEDUCT: Payments to the College	(614,192)
TREASURER'S BALANCE - JUNE 30, 2011	3,472

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF FUTURE WASCO COUNTY G.O. REFUNDING BOND SERIES 1998
REQUIREMENTS

FOR THE YEAR ENDED JUNE 30, 2011
 (all amounts are in dollars)

Payment Date	Principal	Coupon	Interest	Total Requirement
12/1/2011			\$31,037.50	\$31,037.50
6/1/2012	\$695,000.00	4.30%	31,037.50	726,037.50
12/1/2012			16,095.00	16,095.00
6/1/2013	740,000.00	4.35%	16,095.00	756,095.00
Totals	\$1,435,000.00		\$94,265.00	\$1,529,265.00

COLUMBIA GORGE COMMUNITY COLLEGE

SCHEDULE OF INSURANCE

JUNE 30, 2011
 (all amounts are in dollars)

<u>POLICY NUMBER</u>	<u>COMPANY</u>	<u>AMOUNT</u>	<u>COVERAGE</u>	<u>PREMIUM</u>	<u>EXPIRATION</u>
24P60253-368	PACE - Property & Casualty Coverage for Education	10,000,000/20,000,000	Liability	13,694	6/30/11
		50,000	Auto Damage Deductible: Collision - \$500 Comprehensive - \$100	292	6/30/11
		300,000,000	Property Deductible: Building/Contents - \$1,000 Earthquakes & Flood - 5%, \$25,000 min., \$100,000 max.	30,893	6/30/11
		50,000,000	Boiler & Machinery	2,876	6/30/11
		100,000	Crime Coverage	2,484	6/30/11
995641	City County Insurance Services	3,000,000	Worker's Compensation	26,430	6/30/11

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF FUTURE DISTRICT G.O. BOND SERIES 2005 REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(all amounts are in dollars)

Payment Date	Principal	Coupon	Interest	Total Requirement
12/15/2011			\$366,878.13	\$366,878.13
6/15/2012	\$625,000.00	3.75%	366,878.13	991,878.13
12/15/2012			355,159.38	355,159.38
6/15/2013	680,000.00	3.75%	355,159.38	1,035,159.38
12/15/2013			342,409.38	342,409.38
6/15/2014	740,000.00	**	342,409.38	1,082,409.38
12/15/2014			326,906.25	326,906.25
6/15/2015	810,000.00	4.00%	326,906.25	1,136,906.25
12/15/2015			310,706.25	310,706.25
6/15/2016	875,000.00	**	310,706.25	1,185,706.25
12/15/2016			291,956.25	291,956.25
6/15/2017	1,000,000.00	5.00%	291,956.25	1,291,956.25
12/15/2017			266,956.25	266,956.25
6/15/2018	1,040,000.00	5.00%	266,956.25	1,306,956.25
12/15/2018			240,956.25	240,956.25
6/15/2019	1,130,000.00	5.00%	240,956.25	1,370,956.25
12/15/2019			212,706.25	212,706.25
6/15/2020	1,255,000.00	**	212,706.25	1,467,706.25
15/15/2020			181,968.75	181,968.75
6/15/2021	1,330,000.00	5.00%	181,968.75	1,511,968.75
15/15/2021			148,718.75	148,718.75
6/15/2022	1,440,000.00	5.00%	148,718.75	1,588,718.75
12/15/2022			112,718.75	112,718.75
6/15/2023	1,555,000.00	5.00%	112,718.75	1,667,718.75
12/15/2023			73,843.75	73,843.75
6/15/2024	1,680,000.00	4.25%	73,843.75	1,753,843.75
12/15/2024			38,143.75	38,143.75
6/15/2025	1,795,000.00	4.25%	38,143.75	1,833,143.75
Totals	\$15,955,000.00		\$6,540,056.28	\$22,495,056.28

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF FUTURE PENSION BOND REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2011
(all amounts are in dollars)

Payment Date	Principal	Coupon	Interest	Total Requirement
12/30/2011			\$51,359.75	\$51,359.75
6/30/2012	\$92,614.40	4.94%	103,745.35	196,359.75
12/30/2012			51,359.75	51,359.75
6/30/2013	92,522.60	5.13%	113,837.15	206,359.75
12/30/2013			51,359.75	51,359.75
6/30/2014	94,178.30	5.35%	127,181.45	221,359.75
12/30/2014			51,359.75	51,359.75
6/30/2015	95,276.85	5.52%	141,082.90	236,359.75
12/30/2015			51,359.75	51,359.75
6/30/2016	95,808.00	5.66%	155,551.75	251,359.75
12/30/2016			51,359.75	51,359.75
6/30/2017	95,670.70	5.79%	170,689.05	266,359.75
12/30/2017			51,359.75	51,359.75
6/30/2018	94,971.60	5.91%	186,388.15	281,359.75
12/30/2018			51,359.75	51,359.75
6/30/2019	93,658.60	6.03%	202,701.15	296,359.75
12/30/2019			51,359.75	51,359.75
6/30/2020	92,573.00	6.10%	218,786.75	311,359.75
12/30/2020			51,359.75	51,359.75
6/30/2021	92,562.40	6.18%	238,797.35	331,359.75
12/30/2021			51,359.75	51,359.75
6/30/2022	92,454.00	6.23%	258,905.75	351,359.75
12/30/2022			51,359.75	51,359.75
6/30/2023	90,943.65	6.25%	275,416.10	366,359.75
12/30/2023			51,359.75	51,359.75
6/30/2024	335,000.00	5.66%	51,359.75	386,359.75
12/30/2024			41,879.25	41,879.25
6/30/2025	375,000.00	5.67%	41,879.25	416,879.25
12/30/2025			31,248.00	31,248.00
6/30/2026	420,000.00	5.68%	31,248.00	451,248.00
12/30/2026			19,320.00	19,320.00
6/30/2027	465,000.00	5.60%	19,320.00	484,320.00
12/30/2027			6,300.00	6,300.00
6/30/2028	225,000.00	5.60%	6,300.00	231,300.00
Totals	\$2,943,234.10		\$3,109,613.90	\$6,052,848.00

OTHER REQUIRED REPORTS

COLUMBIA GORGE COMMUNITY COLLEGE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2011

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CDEA* NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF EDUCATION:			
<i>Passed through State Department of Community Colleges and Workforce Development:</i>			
Adult Basic Education	84.002	375.01	145,288
Higher Education Institutional Aid	84.031	P031A100182	160,700
Vocational Education - Perkins	84.048	304.07	98,184
Vocational Education - Perkins Supplement	84.245	304.07	7,750
TOTAL U.S. DEPARTMENT OF EDUCATION			411,922
U.S. SMALL BUSINESS ADMINISTRATION:			
<i>Passed through Oregon Department of Economic Development and Lane Community College:</i>			
Small Business Development Center	59.037	10-145	20,179
Small Business Development Center	59.037	11-145	15,125
TOTAL U.S. SMALL BUSINESS ADMINISTRATION			35,304
U.S. DEPARTMENT OF LABOR:			
<i>Community Based Job Training Grant</i>			
Community Based Job Training Grant	17.268	CB17297	357,333
<i>Passed through The Oregon Consortium</i>			
ARRA Worker Training & Placement - State Energy Sector Partnership	17.275	PY00-35-SESP	18,010
<i>Passed through Oregon Department of Community Colleges and Workforce Development:</i>			
WIA Adult Program - Pathways Initiative Project Director	17.258	264	140,382
ARRA WIA Dislocated Workers - Pathways Initiative Project Director	17.250	264	11,204
ARRA WIA Dislocated Workers - Career Readiness	17.280	243	2,828
ARRA Worker Training & Placement - Green LMI Improvement	17.275	386	5,000
ARRA Worker Training & Placement - LMI Improvement	17.275	331	77,818
TOTAL U.S. DEPARTMENT OF LABOR			613,473
U.S. DEPARTMENT OF ENERGY:			
Renewable Energy - Wind Energy Workforce Training Nacelle	81.057	320	185,878
TOTAL U.S. DEPARTMENT OF ENERGY			185,878
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
<i>Passed through Oregon Child Care Resource & Referral Network:</i>			
ARRA Child Care and Development Block Grant	93.713	10RR10	14,800
Child Care and Development Block Grant	93.675	10RR10	9,050
Child Care and Development Block Grant - CCR&R	93.575	11RR10	104,869
Child Care Mandatory & Matching Funds - CCR&R	93.896	11RR10	23,694
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			162,423
NATIONAL ENDOWMENT FOR THE ARTS:			
<i>Passed through The Oregon Council for the Humanities:</i>			
Promotion of the Arts - 2011 Spring Humanities Series	46.024	323	3,000
TOTAL NATIONAL ENDOWMENT FOR THE ARTS			3,000
TOTAL FEDERAL ASSISTANCE			\$ 1,401,800

*Catalog of Federal Domestic Assistance

(See Notes to the Schedule of Expenditures of Federal Awards)

COLUMBIA GORGE COMMUNITY COLLEGE
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE 1 – Summary of Certain Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Columbia Gorge Community College and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirement of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 – Subrecipients

No amounts were provided to subrecipients.



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

Board of Education
Columbia Gorge Community College
The Dalles, Oregon 97058

We have audited the financial statements of Columbia Gorge Community College as of and for the year ended June 30, 2011, which collectively comprise the Columbia Gorge Community College's basic financial statements and have issued our report thereon dated December 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 our 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 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.


Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Columbia Gorge Community College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Columbia Gorge Community College in a separate letter dated December 15, 2011.

This report is intended solely for the information and use of management, Columbia Gorge Community College's Board of Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


CERTIFIED PUBLIC ACCOUNTANTS

December 15, 2011



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

Board of Education
Columbia Gorge Community College
The Dalles, Oregon 97058

Compliance

We have audited Columbia Gorge Community College's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Columbia Gorge Community College's major federal programs for the year ended June 30, 2011. Columbia Gorge Community College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Columbia Gorge Community College's management. Our responsibility is to express an opinion on Columbia Gorge Community College's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Columbia Gorge Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Columbia Gorge Community College's compliance with those requirements.

In our opinion, Columbia Gorge Community College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of Columbia Gorge Community College is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Columbia Gorge Community College's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Columbia Gorge Community College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

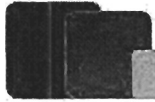
This report is intended solely for the information and use of management, Columbia Gorge Community College's Board of Education, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


CERTIFIED PUBLIC ACCOUNTANTS

December 15, 2011

COLUMBIA GORGE COMMUNITY COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Section 1</u> <u>Financial Statements:</u>	<u>Summary of Auditor's Results</u>
1. Type of auditor's report issued:	Unqualified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
3. Noncompliance material to financial statements noted?	No
<u>Federal Awards:</u>	
1. Internal Controls over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major programs?	Unqualified
3. Any audit findings disclosed which as required to be reported in accordance with OMB Circular A-133, Section 510(a)?	No
4. Identification of major programs:	CFDA#
a. Community-Based Job Training	17,269
5. The dollar threshold used to distinguish between Type A and Type B programs?	\$300,000
6. The College was qualified as a low-risk auditee.	
<u>Section 2</u> <u>Financial Statement Findings</u>	None
<u>Section 3</u> <u>Federal Award Findings and Questioned Costs</u>	None
<u>Section 4</u> <u>Summary Schedule of Prior Audit Findings</u>	None



FRIEND & REAGAN, P.C.
 Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS
FOR THE YEAR ENDED JUNE 30, 2011

We have audited the basic financial statements of Columbia Gorge Community College as of and for the year ended June, 30, 2011, and have issued our report thereon dated December 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS 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 grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

ORS 162-10-0230 Internal Control

In planning and performing our audit, we considered 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 Columbia Gorge Community College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Columbia Gorge Community College's internal control over financial reporting. In separate reports dated December 15, 2011, we reported 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*, and on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133.

This report is intended solely for the information and use of the board of directors 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.

Invest & Reagan P.C.
 CERTIFIED PUBLIC ACCOUNTANTS

December 15, 2011

Appendix C

Book Entry Only System

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**SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC--bracketed material may apply only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Appendix D

Form of Continuing Disclosure Certificate

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[Form of]
CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Certificate”) is executed and delivered by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the “Issuer”) in connection with the sale and issuance of the Issuer’s \$13,790,000 General Obligation Refunding Bonds Series 2012 (the “Bonds”). The Bonds are being executed and delivered pursuant to a resolution of the Issuer adopted by the Board of Education of the Issuer on December 13, 2012 (the “Resolution”). Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Resolution. The Issuer covenants as follows:

Section 1. Purpose of Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of Holders and Beneficial Owners of the Bonds and to assist the Underwriter in complying with Securities and Exchange Commission (“SEC”) Rule 15c2-12 (the “Rule”).

Section 2. Definitions. In addition to the definitions set forth the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Certificate.

“Beneficial Owner” means any person who has or shares the power, directly or indirectly, to vote or to consent with respect to, or dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” means the Issuer, or any successor Dissemination Agent designated in writing by the Issuer which has filed with the Issuer a written acceptance of such designation.

“Holder” mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

“Listed Events” means any of the events listed in Section 5(a) of this Certificate.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, located at <http://emma.msrb.org> as of the date of this Certificate.

“Official Statement” means the Official Statement dated February 22, 2012, prepared and distributed in connection with the initial sale of the Bonds.

“Rule” means Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Underwriter” means the original underwriter(s) of the Obligations required to comply with the Rule in connection with the offering of the Obligations.

Section 3. Provisions of Annual Reports.

a. As soon as available but not later than 270 days after the end of the Issuer’s fiscal year

(presently June 30), commencing with the report for the 2011-2012 fiscal year, the Issuer shall, or shall cause the Dissemination Agent (if any) to, provide to the MSRB an electronic copy of its Annual Report which is consistent with the requirements of Section 4 of this Certificate and which Annual Report is in a format accompanied by such identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

b. If the Issuer has designated a Dissemination Agent, then not later than fifteen (15) business days prior the filing date in Section 3.a., the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Dissemination Agent (if other than the Issuer) shall file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Certificate, and stating the date it was provided to the MSRB.

c. If the Issuer does not provide (or cause the Dissemination Agent to provide) an Annual Report to the MSRB by the date required in Section 3.a., the Issuer shall provide in a timely manner (or cause the Dissemination Agent to provide in a timely manner) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

a. Audited financial statements of the Issuer for the preceding fiscal year prepared in accordance with the laws of the State of Oregon. If the Issuer's audited financial statements are not available by the by the time the Annual Report is required to be filed pursuant to Section 3.a., the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

b. To the extent not provided in the audited financial statements incorporated in the Annual Report pursuant to Section 4.a. above, financial information and operating data with respect to the Issuer for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement under the following captions:

BONDED INDEBTEDNESS

- Outstanding Long-Term Debt

REVENUE SOURCES

- Taxable Property Values
- Fiscal Year 2012 Representative Levy Rate
- Tax Collection Record
- Major Taxpayers

FINANCIAL FACTORS

- Statement of Net Assets
- Statement of Revenues, Expenses and Changes in Net Assets
- General Fund Statement of Revenues, Expenditures and Changes in Fund Balance
- General Fund Adopted Budget

c. In addition to any of the information expressly required to be provided under paragraphs a. and b. of this Section, the Issuer shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

d. Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been made available to the public on the MSRB's website. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

a. The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the Listed Event, to the MSRB, notice of the occurrence of any of the following with respect to the Bonds:

- i. Principal and interest payment delinquencies;
- ii. Non-payment related defaults, if material;
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. Unscheduled draws on credit enhancements reflecting financial difficulties;
- v. Substitution of credit or liquidity providers, or their failure to perform;
- vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Obligations, or other events affecting the tax status of the Bonds;
- vii. Modifications to rights of Bond holders, if material;
- viii. Bond calls, if material, and tender offers;
- ix. Defeasances;
- x. Release, substitution or sale of property securing repayment of the Bonds, if material;
- xi. Rating changes;
- xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;*

* For the purposes of the event identified in paragraph 5.a.xii., the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or government authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

- xiii. The consummation of a merger, consolidation, or acquisition involving the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

b. The Issuer may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the Issuer, such other event is material with respect to the Obligations, but the Issuer does not undertake any commitment to provide such notice of any event except those events listed above.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Dissemination Agent. The Issuer may, from time to time, engage or appoint an agent to assist the Issuer in disseminating information hereunder (the "Dissemination Agent"). The Issuer may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 8. Form of Information and Filing. All information required to be provided under this certificate will be provided in electronic format and with the identifying information prescribed by the MSRB. So long as the MSRB continues to approve the use of the Electronic Municipal Market Access ("EMMA") continuing disclosure service, any information required to be provided to the MSRB under this Certificate may be provided through EMMA. As of the date of this Certificate, the web portal for EMMA is www.emma.msrb.org.

Section 9. Amendment or Waiver. Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate, and any provisions of this Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3.a., 4, or 5, it may only be made in accordance with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person with respect to the Obligations, or type of business conducted;
- (b) This Certificate, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating date being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a

Listed Event under Section 5.a., and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Choice of Law. This Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 11. Enforceability and Remedies. The Issuer agrees that this Certificate is intended to be for the benefit of the Holders and Beneficial Owners of the Obligations and shall be enforceable by or on behalf of such Holders and Beneficial Owners; provided that, the right of Holders to challenge the adequacy of the information furnished hereunder shall be limited to an action by or on behalf of Holders representing twenty-five percent (25%) of the aggregate outstanding principal amount of Obligations. Any failure by the Issuer to comply with the provisions of this undertaking shall not be an Event of Default under the Resolution. This Certificate confers no rights on any person or entity other than the Issuer, Holders and Beneficial Owners of the Obligations, and any Dissemination Agent.

Section 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

[Signature follows on the next page]

Dated this 15th day of March 2012.

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

By: _____
Authorized Representative

EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO
FILE ANNUAL REPORT

Name of Issuer: Columbia Gorge Community College District, Hood River and Wasco Counties,
Oregon

Name of Issue: General Obligation Refunding Bonds, Series 2012

Date of Issuance March 15, 2012

NOTICE IS HEREBY GIVEN that Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "Issuer") has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the Issuer, dated March 15, 2012. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____.

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

By: _____
Authorized Representative

11

CERTIFICATE AS TO REOFFERING

\$13,790,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds
Series 2012

Seattle-Northwest Securities Corporation (the “Underwriter”) hereby certifies as follows regarding the issuance by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the “Issuer”) of its \$13,790,000 original principal amount General Obligation Refunding Bonds Series 2012 (the “Bonds”):

1. I am the duly chosen, qualified and acting officer of the Underwriter and as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Underwriter.

2. The Issuer awarded the Bonds to the Underwriter pursuant to the terms of the Bond Purchase Agreement for the Bonds (the “Purchase Agreement”) dated February 22, 2012 (the “Sale Date”). Capitalized terms used but not otherwise defined in this certificate shall have the meaning given in the Purchase Agreement.

3. The Bonds have been sold through a bona fide public offering of the Bonds.

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

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Reoffering Yield</u>	<u>CUSIP No.</u> <u>197659</u>
06/15/2013	30,000	2.000%	0.280%	CF0
06/15/2014	135,000	2.000%	0.430%	CG8
06/15/2015	140,000	2.000%	0.640%	CH6
06/15/2016	1,015,000	2.000%	0.780%	CJ2
06/15/2017	1,125,000	2.000%	0.920%	CK9
06/15/2018	1,135,000	3.000%	1.260%	CL7
06/15/2019	1,210,000	2.500%	1.530%	CM5
06/15/2020	1,305,000	3.000%	1.840%	CN3
06/15/2021	865,000	2.500%	2.010%	CP8
06/15/2021	250,000	3.000%	2.010%	CQ6
06/15/2021	245,000	4.000%	2.010%	CR4
06/15/2022	375,000	2.000%	2.200%	CS2
06/15/2022	200,000	2.750%	2.200%	CT0
06/15/2022	865,000	4.000%	2.200%	CU7
06/15/2023	1,220,000	3.000%	2.350%	CV5
06/15/2023	310,000	5.000%	2.350%	CW3
06/15/2024	370,000	2.500%	2.670%	CX1
06/15/2024	1,000,000	4.000%	2.470%	CY9
06/15/2024	260,000	5.000%	2.440%	CZ6

06/15/2025	450,000	2.500%	2.840%	DA0
06/15/2025	550,000	3.000%	2.800%	DB8
06/15/2025	530,000	4.000%	2.580%	DC6
06/15/2025	205,000	5.000%	2.510%	DD4

5. The net original issue premium generated in connection with the reoffering of the Bonds to the public in the amount of \$1,125,553.05 resulted from market conditions at the time of pricing and was necessary in order to obtain the lowest true interest cost for the Bonds.

6. The undersigned understands that the statements made herein will be relied upon by the Issuer and Bond Counsel in its determination of the issue price of the Bonds; provided, that nothing herein represents our interpretation of any laws, including any regulations under Section 148 of the Code.

7. The charge for the guaranty (the “Guaranty”) provided by the State of Oregon (the Guarantor”) with respect to the Bonds does not exceed the present value of the interest reasonably expected to be saved as a result of the Guaranty and, in our professional judgment, the charge for the Guaranty does not exceed a reasonable charge for the transfer of credit risk.

[Signature appears on following page.]

DATED this 15th day of March 2012.

SEATTLE-NORTHWEST SECURITIES CORPORATION

By 
Authorized Representative

12

MOODY'S

INVESTORS SERVICE

New Issue: MOODY'S ASSIGNS Aa3 RATING TO COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT, OR, G.O. BONDS; \$20.5 MILLION IN DEBT AFFECTED

Global Credit Research - 15 Feb 2012

Aa1 STATE ENHANCED RATING ALSO ASSIGNED

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT, OR
Community College Districts (Tax-backed)
OR

Moody's Rating

ISSUE		UNDERLYING RATING	RATING
General Obligation Refunding Bonds, Series 2012		Aa3	Aa1
Sale Amount	\$13,200,000		
Expected Sale Date	02/21/12		
Rating Description	General Obligation		

Moody's Outlook N/A

Opinion

NEW YORK, February 15, 2012 --Moody's Investors Service has assigned an Aa3 rating to the Columbia Gorge Community College District, Oregon, General Obligation Refunding Bonds, Series 2012 in the amount of \$13.2 million. At the same time, Moody's has also affirmed the Aa3 rating on the district's outstanding parity debt. The current offering is secured by the full faith, credit, and unlimited property tax pledge of the district. Bond proceeds will be used to refund certain maturities of the district's outstanding Series 2005 bonds for debt service savings.

The current offering will also receive the Aa1 enhancement rating of the State of Oregon's School District Bond Guaranty Program.

SUMMARY RATING RATIONALE

The underlying Aa3 rating reflects the district's moderately sized tax base and below-average wealth indices, historically strong financial operations despite a planned draw-down of reserves, and modest debt profile.

The Aa1 enhanced rating, which carries a stable outlook, is based upon the assumption that the bonds will be backed by the State of Oregon's School District Bond Guaranty Program.

Under this program, the state's full faith and credit guarantees debt service payments by transfer of the state's general funds to the paying agent in the event of a shortfall for the district.

STRENGTHS

- Moderately-sized, stable tax base with low taxpayer concentration
- Historically strong reserve levels, including the establishment of a Special Reserve Fund
- Modest debt burden

CHALLENGES

- Below-average wealth indices
- Anticipated draw-down of reserves levels over the next two years
- Possible state funding pressures in the near-term

DETAILED CREDIT DISCUSSION

COLLEGE DISTRICT SERVES WASCO AND HOOD RIVER COUNTIES ALONG COLUMBIA GORGE; RECREATIONAL TOURISM SUPPORTS LOCAL ECONOMY

Located at the Oregon-Washington border along the I-84 corridor, the college district serves both Wasco County and the majority of Hood River County. Wasco County residents established the district in 1977, and officially become a community college in 1989. In 2001, voters in both Hood River and Wasco Counties approved the annexation of Hood River County into the district which went into effect fiscal 2003, doubling the district's tax base. The district maintains two campuses, the original Dalles Campus and the Hood River - Indian Creek Campus which opened for students in the fall of 2008.

The district has experienced solid tax base growth in recent years (3.1% in 2012), and the tax base has a full value of \$5.6 billion, just below the national median for Aa3-rated districts at \$7.2 billion. Recreational tourism along the Columbia Gorge has attracted both visitors and residents to the area with steady increases in new home construction. Local employment is a diverse mixture of government, health care, service, utilities, and manufacturing sectors. Moody's expects future tax base growth to continue at moderate levels given on-going plans for residential subdivisions and retail developments. Wealth indices are below-average, reflecting the large rural areas within the counties. As of the 2000 census, median family income levels for the Hood River and Wasco counties are 71.1% and 84.7% of the U.S., respectively.

HISTORICALLY STRONG FINANCIAL POSITION; DRAW-DOWN OF GENERAL FUND PLANNED AMID STATE FUNDING PRESSURES

The district has maintained strong reserve levels as a result of prudent financial operations and conservative budgeting practices. Since 2002, community colleges in Oregon have received state allocations in three payments in odd-numbered years and five payments in even-numbered years as a cost-saving strategy for the state. Despite the fluctuations in state funding, management has maintained a solid financial position for the college district through prudent budgeting, timely tuition fee increases, and the creation of the General Operations Reserve Fund in fiscal 2011. In response to state budget cuts, the district increased annual tuition by 14% and 6% in fiscal 2011 and 2012, respectively. The district retains direct control over fee increases, and does not rely on state approval or tuition mandates; currently the in-district tuition rate is \$84 per credit, slightly above the state average of \$81. As state funding remains uncertain, the district may also consider additional tuition increases for the 2012-13 school year.

The annexation of Hood River County in fiscal 2003 also allowed the district to include these students under the state funding formula, thereby increasing the amount reimbursable from the state. The tuition increases and additional state reimbursement has allowed the district to maintain an average total ending fund balance of \$4.7 million (or 54.7% of revenues) over the last five years (2007-2011), with a total available ending fund balance of \$4.5 million (or 63.0% of revenues) in fiscal 2011. This high level of reserves was built up to cover the operations costs of the district following accreditation and to buffer

against the impact of the recession. However, district officials are planning to begin drawing down fund balances over the next few years to a 5% ending fund balance, a 5% contingency, and a \$1.5 million (approximately 20% of 2011 revenues) balance in the reserve fund. The draw-down is also in direct response to projected financial reductions from the state in the near-term, as well as the district's reduced capital and start-up needs.

MODEST DEBT PROFILE; NO OPEB LIABILITY

The district's direct debt burden is low at 0.3%, while overlapping debt is a moderate 2.3%. Payout of principal is average at 63.3% in ten years. No additional debt is anticipated as the district recently completed construction of the Hood River campus in 2008. The district has no additional bond authorization, and no plans for additional long-term debt within the next 12 months. Bond proceeds will be utilized to refund certain maturities of the district's Series 2005 for savings. In 2003, the district issued \$3.5 million in GO pension bonds to make a lump-sum payment to the PERS fund to finance the district's liability following a transition from a tiered program to the state's pooled pension program.

WHAT COULD MAKE THE RATING GO - UP

- Sustained long-term economic growth and significant increase in full valuation
- Long-term improvement in wealth measures
- Reduction in reliance on state aid

WHAT COULD MAKE THE RATING GO - DOWN

- Significant, sustained tax base declines or weakening of economic profile
- Budget imbalances resulting in further draw down of reserve levels
- Reserve levels that fall below the level of similarly-rated peers

KEY STATISTICS

2012 Estimated population: 44,766

2012 Full Market value: \$5.6 billion

Full value per capita: \$125,741

2000 Median family income (Hood River County): \$41,422 (71.1% of state)

2000 Median family income (Wasco County): \$42,412 (84.7% of state)

Direct debt burden, net of pension bonds: 0.3%

Overall debt burden, net of pension bonds: 2.3%

Payout of principal (10 years): 63.3%

FY11 General Fund balance: \$2.2 million (29.7% of revenues)

FY11 Total Available Fund balance: \$4.5 million (63.0% of revenues)

The principal methodology used in this rating was General Obligation Bonds Issued by U.S. Local Governments published in October 2009. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

Although this credit rating has been issued in a non-EU country which has not been recognized as endorsable at this date, this credit rating is deemed "EU qualified by extension" and may still be used by financial institutions for regulatory purposes until 30 April 2012. Further information on the EU endorsement status and on the Moody's office that has issued a particular Credit Rating is available on www.moodys.com.

For ratings issued on a program, series or category/class of debt, this announcement provides relevant regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides relevant regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides relevant regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Information sources used to prepare the rating are the following: parties involved in the ratings, parties not involved in the ratings, public information, confidential and proprietary Moody's Investors Service's information, and confidential and proprietary Moody's Analytics' information.

Moody's considers the quality of information available on the rated entity, obligation or credit satisfactory for the purposes of issuing a rating.

Moody's adopts all necessary measures so that the information it uses in assigning a rating is of sufficient quality and from sources Moody's considers to be reliable including, when appropriate, independent third-party sources. However, Moody's is not an auditor and cannot in every instance independently verify or validate information received in the rating process.

Please see the ratings disclosure page on www.moodys.com for general disclosure on potential conflicts of interests.

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Please see Moody's Rating Symbols and Definitions on the Rating Process page on www.moodys.com for further information on the meaning of each rating category and the definition of default and recovery.

Please see ratings tab on the issuer/entity page on www.moodys.com for the last rating action and the rating history.

The date on which some ratings were first released goes back to a time before Moody's ratings were fully digitized and accurate data may not be available. Consequently, Moody's provides a date that it believes is the most reliable and accurate based on the information that is available to it. Please see the ratings disclosure page on our website www.moodys.com for further information.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's

legal entity that has issued the rating.

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13

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Certificate”) is executed and delivered by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the “Issuer”) in connection with the sale and issuance of the Issuer’s \$13,790,000 General Obligation Refunding Bonds Series 2012 (the “Bonds”). The Bonds are being executed and delivered pursuant to a resolution of the Issuer adopted by the Board of Education of the Issuer on December 13, 2011 (the “Resolution”). Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Resolution. The Issuer covenants as follows:

Section 1. Purpose of Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of Holders and Beneficial Owners of the Bonds and to assist the Underwriter in complying with Securities and Exchange Commission (“SEC”) Rule 15c2-12 (the “Rule”).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” means any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Certificate.

“Beneficial Owner” means any person who has or shares the power, directly or indirectly, to vote or to consent with respect to, or dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” means the Issuer, or any successor Dissemination Agent designated in writing by the Issuer which has filed with the Issuer a written acceptance of such designation.

“Holder” means the registered holders of the Bonds, as recorded in the registration books of the Registrar.

“Listed Events” means any of the events listed in Section 5(a) of this Certificate.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, located at <http://emma.msrb.org> as of the date of this Certificate.

“Official Statement” means the Official Statement dated February 22, 2012, prepared and distributed in connection with the initial sale of the Bonds.

“Rule” means Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“Underwriter” means the original underwriter(s) of the Obligations required to comply with the Rule in connection with the offering of the Obligations.

Section 3. Provisions of Annual Reports.

a. As soon as available but not later than 270 days after the end of the Issuer’s fiscal year

(presently June 30), commencing with the report for the 2011-2012 fiscal year, the Issuer shall, or shall cause the Dissemination Agent (if any) to, provide to the MSRB an electronic copy of its Annual Report which is consistent with the requirements of Section 4 of this Certificate and which Annual Report is in a format and accompanied by such identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

b. If the Issuer has designated a Dissemination Agent, then not later than fifteen (15) business days prior the filing date in Section 3.a., the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Dissemination Agent (if other than the Issuer) shall file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Certificate, and stating the date it was provided to the MSRB.

c. If the Issuer does not provide (or cause the Dissemination Agent to provide) an Annual Report to the MSRB by the date required in Section 3.a., the Issuer shall provide in a timely manner (or cause the Dissemination Agent to provide in a timely manner) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

a. Audited financial statements of the Issuer for the preceding fiscal year prepared in accordance with the laws of the State of Oregon. If the Issuer's audited financial statements are not available by the by the time the Annual Report is required to be filed pursuant to Section 3.a., the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

b. To the extent not provided in the audited financial statements incorporated in the Annual Report pursuant to Section 4.a. above, financial information and operating data with respect to the Issuer for the preceding fiscal year, substantially similar to that provided in the corresponding tables in the Official Statement under the following captions:

BONDED INDEBTEDNESS

- Outstanding Long-Term Debt

REVENUE SOURCES

- Taxable Property Values
- Fiscal Year 2012 Representative Levy Rate
- Tax Collection Record
- Major Taxpayers

FINANCIAL FACTORS

- Statement of Net Assets
- Statement of Revenues, Expenses and Changes in Net Assets
- General Fund Statement of Revenues, Expenditures and Changes in Fund Balance
- General Fund Adopted Budget

c. In addition to any of the information expressly required to be provided under paragraphs a. and b. of this Section, the Issuer shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

d. Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been made available to the public on the MSRB's website. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

a. The Issuer agrees to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the Listed Event, to the MSRB, notice of the occurrence of any of the following with respect to the Bonds:

- i. Principal and interest payment delinquencies;
- ii. Non-payment related defaults, if material;
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. Unscheduled draws on credit enhancements reflecting financial difficulties;
- v. Substitution of credit or liquidity providers, or their failure to perform;
- vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Obligations, or other events affecting the tax status of the Bonds;
- vii. Modifications to rights of Bond holders, if material;
- viii. Bond calls, if material, and tender offers;
- ix. Defeasances;
- x. Release, substitution or sale of property securing repayment of the Bonds, if material;
- xi. Rating changes;
- xii. Bankruptcy, insolvency, receivership or similar event of the Issuer;*

* For the purposes of the event identified in paragraph 5.a.xii., the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or government authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

- xiii. The consummation of a merger, consolidation, or acquisition involving the Issuer, or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

b. The Issuer may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the Issuer, such other event is material with respect to the Obligations, but the Issuer does not undertake any commitment to provide such notice of any event except those events listed above.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Dissemination Agent. The Issuer may, from time to time, engage or appoint an agent to assist the Issuer in disseminating information hereunder (the "Dissemination Agent"). The Issuer may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 8. Form of Information and Filing. All information required to be provided under this certificate will be provided in electronic format and with the identifying information prescribed by the MSRB. So long as the MSRB continues to approve the use of the Electronic Municipal Market Access ("EMMA") continuing disclosure service, any information required to be provided to the MSRB under this Certificate may be provided through EMMA. As of the date of this Certificate, the web portal for EMMA is www.emma.msrb.org.

Section 9. Amendment or Waiver. Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate, and any provisions of this Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3.a., 4, or 5, it may only be made in accordance with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person with respect to the Obligations, or type of business conducted;

(b) This Certificate, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating date being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5.a., and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the

basis of the former accounting principles.

Section 10. Choice of Law. This Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Section 11. Enforceability and Remedies. The Issuer agrees that this Certificate is intended to be for the benefit of the Holders and Beneficial Owners of the Obligations and shall be enforceable by or on behalf of such Holders and Beneficial Owners; provided that, the right of Holders to challenge the adequacy of the information furnished hereunder shall be limited to an action by or on behalf of Holders representing twenty-five percent (25%) of the aggregate outstanding principal amount of Obligations. Any failure by the Issuer to comply with the provisions of this undertaking shall not be an Event of Default under the Resolution. This Certificate confers no rights on any person or entity other than the Issuer, Holders and Beneficial Owners of the Obligations, and any Dissemination Agent.

Section 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

[Signature follows on the next page]

Dated this 15th day of March 2012.

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

By: Sandra Z Budanan
Authorized Representative

EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO
FILE ANNUAL REPORT

Name of Issuer: Columbia Gorge Community College District, Hood River and Wasco Counties,
Oregon

Name of Issue: General Obligation Refunding Bonds, Series 2012

Date of Issuance March 15, 2012

NOTICE IS HEREBY GIVEN that Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "Issuer") has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the Issuer, dated March 15, 2012. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____.

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

By: _____
Authorized Representative

14

MASTER DISCLOSURE CERTIFICATE

This Master Disclosure Certificate (the "Certificate"), dated January 21, 2011, is executed and delivered by the State of Oregon, acting by and through the State Treasurer (the "State") in connection with implementation of the Oregon School Bond Guaranty Act (the "Act") by which the timely payment of principal and interest on certain general obligation bonds (the "Guaranteed Bonds") issued from time to time by Oregon school districts is guaranteed by the State pursuant to the provisions of the Act (the "Oregon School Bond Guaranty Program").

Section 1. Purpose of Certificate. This Certificate is being executed and delivered by the State for the benefit of registered and beneficial holders of Guaranteed Bonds and to assist Underwriters of such Guaranteed Bonds in complying with paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12), as amended (the "Rule").

Section 2. Comprehensive Annual Financial Report. The State hereby agrees to provide or cause to be provided at least annually to the Municipal Securities Rulemaking Board (the "MSRB") through its EMMA ("Electronic Municipal Market Access") site, the Comprehensive Annual Financial Report (the "CAFR") of the State of Oregon for the prior fiscal year. The CAFR will be available no later than 9 months after the end of the State's fiscal year (presently June 30), beginning with the fiscal year ended June 30, 2010. The CAFR will include audited financial statements of the State prepared in accordance with generally accepted accounting principles as established by the Government Accounting Standards Board as in effect from time to time; provided, however, that if the CAFR is not available within 9 months after the end of the preceding fiscal year, unaudited financial statements will be provided with audited financial statements to follow when available. The CAFR may be provided by way of cross-reference to other documents previously provided to the MSRB. If the cross-referenced document is a final official statement within the meaning of the Rule, it shall be available from the MSRB EMMA site.

Section 3. Material Events. Subject to limitations of Section 8 below, the State agrees to provide or cause to be provided, in a timely manner, to the MSRB, within ten business days after the occurrence of the event, notice of the occurrence of any of the following events but only with respect to its guaranty of any Guaranteed Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-

TEB) or other material notices or determinations with respect to the tax-exempt status of the Guaranteed Bonds, or any other material events affecting the tax status of the Guaranteed Bonds;

- (g) modifications to rights of holders of the Guaranteed Bonds, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Guaranteed Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or other similar event of the obligated person; (Note: For the purposes of the event identified in this paragraph 1, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.);
- (m) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material and;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Notice of events listed in (h) and (i) above need not be given any earlier than notice of the underlying event, if any, is required to be given to registered or beneficial owners of affected Guaranteed Bonds. The State may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the State, such other event is material with respect to the Guaranteed Bonds, but the State does not undertake any commitment to provide such notice of any event except those events listed above.

Section 4. Failure to File CAFR. The State agrees to provide or cause to be provided, in a timely manner to the MSRB notice of a failure by the State to provide the CAFR on or prior to the time set forth in Section 2.

Section 5. Dissemination Agent. The State may, from time to time, engage or appoint an agent to assist the State in disseminating information hereunder (the "Dissemination Agent"). The State may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 6. Termination of Obligations. Pursuant to paragraph (b)(5)(iii) of the Rule, the State's obligation to provide annual financial information and notice of material events, as set forth above, shall terminate if and when the State no longer remains an obligated person with respect to the Guaranteed Bonds which shall occur upon either redemption in full of the Guaranteed Bonds, or legal defeasance of the Guaranteed Bonds. In addition, and notwithstanding the provisions of Section 9 below, the State may rescind its obligations under this Master Disclosure Certificate, in whole or in part, if those portions of the Rule that required the execution and delivery of this Master Disclosure Certificate are repealed or are declared invalid by a court of competent jurisdiction.

Section 7. Enforceability and Remedies. The State agrees that this Master Disclosure Certificate is intended to be for the benefit of registered and beneficial holders of the Guaranteed Bonds and shall be enforceable by or on behalf of any such holder; provided that, the right of any holder to challenge the adequacy of the information furnished hereunder shall be limited to an action by or on behalf of holders representing at least twenty-five percent (25%) of the aggregate outstanding principal amount of Guaranteed Bonds. Any failure by the State to comply with the provisions of this undertaking shall not be a default under the Act or under the documents pursuant to which any Guaranteed Bonds are issued. This Master Disclosure Certificate confers no rights on any person or entity other than the State, holders of the Guaranteed Bonds, and any Dissemination Agent.

Section 8. Limitation on Scope of Undertaking. Notwithstanding anything expressed or implied to the contrary herein, the State makes no undertaking to provide financial information, operating data or material events disclosure on behalf of or with respect to Oregon school districts participating in the Oregon School Bond Guaranty Program. Any such information will be provided according to the terms of separate continuing disclosure undertakings executed and delivered by such school districts. The State is not responsible for the adequacy, accuracy or timeliness of such information, and any failure by a school district to comply with its undertaking shall not constitute a breach by the State under this Master Disclosure Certificate. The State shall provide only the CAFR and material events disclosure relating to the State's guaranty of Guaranteed Bonds.

Section 9. Amendment. Notwithstanding any other provision of this Master Disclosure Certificate, the State may amend this Master Disclosure Certificate without the consent of holders of the Guaranteed Bonds under the following conditions:

(a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person or type of business conducted;

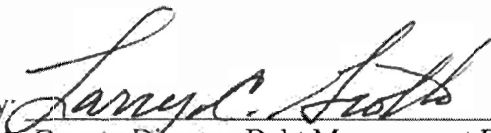
(b) This Master Disclosure Certificate, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interest of holders of the Guaranteed Bonds, as determined either by parties unaffiliated with the State (such as nationally recognized bond counsel), or by approving vote of holders representing at least sixty percent (60%) of the aggregate outstanding principal amount of the Guaranteed Bonds.

The State shall provide to the MSRB, notice of any amendment which changes the accounting principles followed by the State in preparation of its annual financial information. The initial annual financial information after the amendment shall explain, in narrative form, the reasons for the amendment and the effect of the change in the type of operating data or financial information being provided.

Section 10. Choice of Law. This Master Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Master Disclosure Certificate addresses matters of federal securities laws, including the Rule, this Master Disclosure Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

STATE OF OREGON

By: 
Deputy Director, Debt Management Division

Date: January 21, 2011

15

CERTIFICATE OF DETERMINATION

\$13,790,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds
Series 2012

The undersigned, Sandra L. Buchanan, Chief Financial Officer for Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District") and an Authorized Representative as such term is defined in a Resolution of the District adopted on December 13, 2011, and acting pursuant to the Resolution, hereby determines and establishes certain terms and other matters relating to the District's General Obligation Refunding Bonds, Series 2012 (the "Bonds") as set forth herein. All terms used in this Certificate and not otherwise defined herein shall have the meaning assigned to such term in the Resolution.

Section 1. TITLE OF BONDS

The Bonds shall be issued in one series designated as "Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon General Obligation Refunding Bonds, Series 2012" in the aggregate principal amount of \$13,790,000.

Section 2. SALE OF BONDS

The Bonds shall be sold to Seattle-Northwest Securities Corporation, for the purchase price of \$14,811,438.55, which reflects an underwriter's discount of \$104,114.50 and original issue premium of \$1,125,553.05.

Section 3. DATED DATE, MATURITY DATES, INTEREST PAYMENT DATES AND INTEREST RATES

The Bonds shall be dated March 15, 2012, and shall mature on the dates and in the amounts and bear interest at the rate per annum set forth on the table below. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds shall be due and payable on December 15, 2012, and semi-annually thereafter on June 15 and December 15 of each year.

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No. 197659</u>
06/15/2013	30,000	2.000%	0.280%	CF0
06/15/2014	135,000	2.000%	0.430%	CG8
06/15/2015	140,000	2.000%	0.640%	CH6
06/15/2016	1,015,000	2.000%	0.780%	CJ2
06/15/2017	1,125,000	2.000%	0.920%	CK9
06/15/2018	1,135,000	3.000%	1.260%	CL7
06/15/2019	1,210,000	2.500%	1.530%	CM5
06/15/2020	1,305,000	3.000%	1.840%	CN3
06/15/2021	865,000	2.500%	2.010%	CP8
06/15/2021	250,000	3.000%	2.010%	CQ6
06/15/2021	245,000	4.000%	2.010%	CR4
06/15/2022	375,000	2.000%	2.200%	CS2
06/15/2022	200,000	2.750%	2.200%	CT0
06/15/2022	865,000	4.000%	2.200%	CU7
06/15/2023	1,220,000	3.000%	2.350%	CV5
06/15/2023	310,000	5.000%	2.350%	CW3
06/15/2024	370,000	2.500%	2.670%	CX1
06/15/2024	1,000,000	4.000%	2.470%	CY9
06/15/2024	260,000	5.000%	2.440%	CZ6
06/15/2025	450,000	2.500%	2.840%	DA0
06/15/2025	550,000	3.000%	2.800%	DB8
06/15/2025	530,000	4.000%	2.580%	DC6
06/15/2025	205,000	5.000%	2.510%	DD4

Section 4. OPTIONAL REDEMPTION

Optional Redemption. The Bonds maturing in years 2013 through 2022, inclusive, are not subject to optional redemption prior to maturity. The Bonds maturing on June 15, 2023 and on any date thereafter are subject to redemption at the option of the District prior to their stated maturity dates at any time on or after June 15, 2022, as a whole or in part, and if in part, with maturities to be selected by the District and by DTC or by lot within a maturity at a price of par, plus accrued interest, if any, to the date of redemption.

DATED as of this 15th day of March 2012.

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

By Saundra L. Buchanan
Saundra L. Buchanan
Chief Financial Officer

16

TAX EXEMPTION CERTIFICATE AND AGREEMENT

Relating to

\$13,230,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds
Series 2012

March 15, 2012

TABLE OF CONTENTS

ARTICLE I.....	1
DEFINITIONS.....	1
ARTICLE II.....	4
REPRESENTATIONS.....	4
Section 2.1. General Representations.....	4
Section 2.2. Purpose of the Bonds.....	5
Section 2.3. Prior Obligations.....	5
Section 2.4. Expenditure of Bond Proceeds.....	5
Section 2.5. Investment of Bond Proceeds.....	6
Section 2.6. No Grants.....	6
Section 2.7. Hedges.....	5
ARTICLE III.....	5
USE OF PROCEEDS; DESCRIPTION OF FUNDS; AGREEMENTS.....	5
Section 3.1. Use of Proceeds.....	5
Section 3.2. Allocation of Bonds Between Refunding and New Money Purposes.....	7
Section 3.3. Application of Sale Proceeds of the Bonds.....	7
Section 3.4. No Excess Gross Proceeds of Refunding Bonds.....	8
Section 3.5. No Overissuance with Respect to New Money Bonds.....	8
Section 3.6. Project Fund.....	8
Section 3.7. Purpose of Debt Service Fund.....	8
Section 3.8. Escrow Fund.....	8
Section 3.9. No Other Gross Proceeds.....	8
Section 3.10. Expenditure of Proceeds.....	9
Section 3.11. Agreements.....	11
ARTICLE IV.....	8
ARBITRAGE REBATE; RECORD KEEPING; INVESTMENT DIRECTION.....	8
Section 4.1. Compliance with Rebate Provisions.....	8
Section 4.2. Rebate Exceptions.....	8
Section 4.3. Rebate Fund.....	9
Section 4.4. Records.....	9
Section 4.5. Fair Market Value; Certificates of Deposit and Investment Agreements.....	10
Section 4.6. Arbitrage Elections.....	11
ARTICLE V.....	11
YIELD AND INVESTMENT LIMITATIONS.....	11
Section 5.1. Issue Price.....	11
Section 5.2. Yield Limits.....	11
Section 5.3. Continuing Nature of Yield Limits.....	12
Section 5.4. Other Payments Relating to the Bonds.....	12
Section 5.5. Federal Guarantees.....	12
ARTICLE VI.....	12
MISCELLANEOUS.....	12
Section 6.1. Termination; Interest of Issuer in Rebate Fund.....	12
Section 6.2. Form 8038-G.....	12
Section 6.3. Common Plan of Financing.....	12
Section 6.4. No Sale of the Project.....	13
Section 6.5. Future Events.....	13
Section 6.6. Permitted Changes; Opinion of Bond Counsel.....	13
Section 6.7. Severability.....	13
Section 6.8. Successors and Assigns.....	13
Section 6.9. Headings.....	13
Section 6.10. Governing Law.....	13
Section 6.11. Expectations.....	13
EXHIBIT A	Certificate of Purchaser
EXHIBIT B	Form 8038-G

TAX EXEMPTION CERTIFICATE AND AGREEMENT

The undersigned is a duly authorized officer of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the “*Issuer*”). The undersigned officer of the Issuer is charged, with others, with the responsibility for executing and delivering the Issuer’s General Obligation Refunding Bonds, Series 2012 in the aggregate principal amount of \$13,230,000 (the “*Bonds*”) on the date hereof. The Bonds are being issued pursuant to the laws of the State of Oregon and Resolution No. 12-03 adopted by the Board of Directors of the District on December 13, 2011 (the “*Resolution*”), to provide funds to refinance existing obligations (the “*Prior Obligations*”) and pay Bond issuance costs of the Issuer. Certain terms are defined in Article I hereof.

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

ARTICLE I DEFINITIONS

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

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

“*Bonds*” means the Issuer’s General Obligation Refunding Bonds, Series 2012 in the aggregate principal amount of \$2,180,000.

“*Bond Year*” means the one year period (or shorter period) ending on March 1 or such other date as the Issuer shall elect prior to the first Installment Computation Date.

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

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Computation Date*” means an Installment Computation Date or the Final Computation Date.

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

“*Costs of Issuance*” means the costs of issuing the Bonds, including underwriter’s discount or fees and legal fees.

“*Debt Service Fund*” means the Debt Service Fund described in Section 3.2 hereof.

“*Escrow Agent*” means U.S. Bank National Association, escrow agent for that portion of the Prior Obligations being refunded.

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

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

“Gross Proceeds” shall have the meaning contained in the Regulation Section 1.148-1(b), and shall generally include amounts which are:

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

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

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

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

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

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

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

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

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

“Issuer” means Columbia Gorge Community College, Hood River and Wasco Counties, Oregon.

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

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

(2) Tax-Exempt Obligations.

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

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

“Prior Obligations” means the issuer’s General Obligation Bonds, Series 2005, issued in an original principal amount of \$18,500,000.

“Project” means those capital expenditures described in Section 2.1 hereof.

“Project Fund” means the fund of the Issuer created to receive the deposit of proceeds of the Bonds to pay the costs of the Project.

“Purchaser” means the purchaser of the Bonds from the Issuer.

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

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

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

“Rebate Requirement” shall have the meaning ascribed thereto in Section 4.2.6 of this Tax Certificate.

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

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

“Tax Agreement” means this Tax Exemption Certificate and Agreement.

“Yield” means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using semiannual compounding on the basis of a 360-day year) produces an amount equal to the obligation’s purchase price (or in the case of the Bonds, the issue price as established in Section 5.1), including accrued interest. In calculating the Yield on the Bonds, any Bonds issued at an original issuance premium will be considered to be redeemed at their stated redemption prices on the optional

redemption dates that would produce the lowest yield on the entire Bond issue when the difference between (i) the stated redemption price of such Bonds at maturity and (ii) the issue price of such Bonds is more than the product of (x) .25 per cent per year, (y) the stated redemption price of such Bonds at maturity and (z) the number of complete years to the first optional redemption date for the Bonds.

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

Capitalized terms not defined herein shall have the meaning assigned to such term in the Code.

ARTICLE II REPRESENTATIONS

Section 2.1. General Representations. The Issuer represents that it has examined and is familiar with the representations made in this Agreement, and certifies that all of the representations made in this Agreement are true, complete, and correct and do not omit to state a material fact necessary to make the representations contained in this Agreement, in light of the circumstances under which they were made, not misleading. Any representation made by the Issuer about its reasonable expectations includes a representation that it has not entered into any contract or other arrangement that is inconsistent with that representation. The Issuer further represents that it has reviewed all parts of this Certificate with Bond Counsel. The undersigned Superintendent of the Issuer certifies that he is duly authorized to execute and deliver this Certificate. To the extent the Issuer is relying on the representations of other participants identified in the Exhibits hereto, it is reasonable and prudent to do so. The Issuer is not aware of any facts or circumstances that would cause it to question those representations of others. Any representation made by the Issuer about its reasonable expectations includes a representation that it has not entered into any contract or other arrangement that is inconsistent with that representation.

2.1.1. Status of the Issuer. The Issuer is a municipal corporation of the State of Oregon. The Bonds are being issued pursuant to Oregon Revised Statutes Chapter 287A (the “Act”).

2.1.2. Description of the Bonds.

2.1.2.1. Approval of the Bonds. The Bonds are issued under the Act and a Resolution of the Issuer adopted December 13, 2011 (the “Resolution”).

2.1.2.2. Terms of the Bonds. The terms of the Bonds are as described in the Official Statement for the Bonds dated February 22, 2012 (the “Official Statement”). The Bonds are issued only as fully registered bonds, without coupons, and are transferable only upon the registration books maintained by U.S. Bank National Association, as Registrar and Paying Agent.

2.1.2.3. Security and source of payment for the Bonds. The security and reasonably expected source of payment for the Bonds is as described in the Official Statement.

2.1.2.4 Delivery of Bonds. The Issuer has agreed to deliver the Bonds in exchange for their purchase price today.

2.1.2.5. Guarantee of the Bonds. Payment of debt service on the Bonds is secured by the full faith and credit of the State of Oregon under the provisions of the Oregon School Bond Guaranty Act (the “Guaranty”). The Issuer reasonably expects that no payments will be made under the Guaranty. The fee paid for the Guaranty (as described in Section 3.1 hereof) does not exceed a reasonable, arm's-length charge for the transfer of credit risk. The fee for the Guaranty does not include any payment for any direct or indirect services other than the transfer of credit risk, such as a payment for the costs of underwriting the Bonds, remarketing the Bonds, or casualty insurance. The fee for the Guaranty is not refundable in the event that any Bond is redeemed

before its maturity date. The Underwriter to the District has represented that the present value of the Guaranty fee is less than the present value of the interest reasonably expected to be saved as a result of the Guaranty. Accordingly, the Issuer reasonably expects that the present value of the Guaranty fee will be less than the present value of the interest savings as a result of the Guaranty.

Section 2.2. Purpose of the Bonds. The Bonds are being issued to provide funds to refinance the outstanding Prior Obligations and pay Bond issuance costs.

Sale Proceeds of the Bonds will be used as described in Section 3.1.

Section 2.3. Prior Obligations.

2.3.1 The Series 2005 Bonds are dated April 12, 2005, and were issued in the original principal amount of \$18,500,000 of which \$15,955,000 is currently outstanding. A portion of the proceeds of the Bonds will be used to provide funds sufficient to pay a portion of the outstanding principal of and interest due on the Series 2005 Bonds on the first optional call date of June 15, 2015, at 100 percent of par value. The proceeds of the Series 2005 Bonds were used to finance capital construction and improvements for health science training and classroom facilities, renovate existing facilities, demolish unusable buildings, purchase land, and to pay the costs of issuance of the Series 2005 Bonds.

2.3.2 The Debt Service Fund will be used to pay principal and interest on the Bonds and will be used primarily to achieve a proper matching of revenues with debt service payments in each bond year. The Debt Service Fund will be depleted at least once each year except for carryover amounts which have not exceeded, and will not exceed, either one year's earnings on such fund or 1/12th of annual debt service on the Bonds. Moneys deposited in the Debt Service Fund will be expended to pay debt service on the Bonds within 13 months from the date of deposit in the Debt Service Fund.

Section 2.4. Expenditure of Bond Proceeds. All of the proceeds of the Bonds will be expended on the date hereof for the governmental purposes of the Issuer as set out in Article II, Section 2.1 herein

Section 2.5. Investment of Bond Proceeds. The principal purpose of the Bonds is to take advantage of the lower borrowing costs available to the Issuer because of the tax-exempt nature of the Bonds, not to exploit the difference between taxable and tax-exempt interest rates.

Section 2.6. No Grants. None of the Sale Proceeds or investment earnings thereon will be used to make grants to any person.

Section 2.7. Hedges. The Issuer has not entered into or expects to enter into any hedge (e.g., an interest rate swap, interest rate cap, futures contract, forward contract or an option) directly related to the Bonds or the Prior Obligations. The Issuer acknowledges that the Internal Revenue Service could recalculate the Yield if the failure to account for any such hedge fails to clearly reflect the economic substance of this transaction.

**ARTICLE III
USE OF PROCEEDS; DESCRIPTION OF FUNDS; AGREEMENTS**

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

Sale Proceeds

(1) Face Amount of the Bonds	\$13,790,000.00
(2) Plus: Net Original Issue Premium	<u>1,125,553.00</u>
Sale Proceeds	<u>\$14,915,553.00</u>

Application

- (1) \$104,114.50 will be used to pay the underwriter's discount;
- (2) \$5,523,94 will be used to pay the cost of the Oregon School Bond Guaranty;
- (3) \$14,748,126.63 will be deposited with the Escrow Agent pursuant to the Escrow Deposit Agreement and used to pay the principal and interest on the Prior Obligations;
- (4) \$57,474.00 will be used to pay costs of issuance of the Bonds; and
- (5) \$313.98 will be deposited in the Debt Service Fund to pay debt service on the Bonds.

No Excess Gross Proceeds of Refunding Bonds. Other than an amount that does not exceed 1% of the sale proceeds of the Refunding Bonds, and as otherwise expressly set forth in this Certificate, all gross proceeds of the Refunding Bonds, and all sale proceeds, investment proceeds, and transferred proceeds, if any, of the refunded portion of the Prior Obligations (other than those spent on the Closing Date) are described in the following listing:

- (a) Amounts used to pay principal and interest, when due on the Prior Obligations.
- (b) Amounts used to pay accrued interest on the Refunding Bonds, and interest on the Refunding Bonds that accrues for a period up to the completion date of any project for which the prior issue was issued, plus one year.
- (c) Amounts to fund a reasonably required reserve or replacement fund for the Refunding Bonds and investment earnings thereon.
- (d) Amounts used to pay costs of issuance allocable to the Refunding Bonds.
- (e) Amounts used to pay administrative costs allocable to repaying the Prior Obligations, of carrying and repaying the Prior Obligations, or of purchasing, carrying, and disposing of investments acquired with proceeds of the Prior Obligations.
- (f) Proceeds of the Prior Obligations that will be maintained for the governmental purposes of the Prior Obligations.
- (g) Interest on purpose investments.
- (h) Replacement proceeds that will be used or maintained for the governmental purposes of the Refunding Bonds.
- (i) Amounts used to pay qualified guarantee fees for the Refunding Bonds.

Section 3.3 Purpose of Debt Service Fund. The Debt Service Fund will be used to pay principal and interest on the Bonds and will be used primarily to achieve a proper matching of revenues with debt service payments in each bond year. The Debt Service Fund will be depleted at least once each year except for carryover amounts which have not exceeded, and will not exceed, either one year's earnings on such fund or 1/12th of annual debt service on the Bonds. Moneys deposited in the Debt Service Fund will be expended to pay debt service on the Bonds within 13 months from the date of deposit in the Debt Service Fund.

Section 3.4. Escrow Fund. Amounts deposited into the Escrow Fund for the Prior Obligations will be applied to pay principal of and interest on the Prior Obligations as provided in the Escrow Deposit Agreement.

Section 3.5. No Other Gross Proceeds. (a) Except as described in Section 3.1 hereof, after the issuance of the Bonds, the Issuer will not have any property, including cash or securities that constitutes:

(i) Sale Proceeds;

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

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

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

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

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

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

Section 3.10. Expenditure of Proceeds.

(a) Issuer reasonably expects that no Bond proceeds will be used to make or finance loans to any person.

(b) The Issuer reasonably expects that it will own the Project for the entire stated term of the Bonds.

(c) The Issuer reasonably expects that no portion of the Project financed with the proceeds of the Bonds will be used for a private business use. For purposes of this representation, private business use means any actual or beneficial use of Project financed with the proceeds of the Bonds pursuant to a lease, management contract, research agreement, joint venture agreement, incentive payment contract, output contract, or any other arrangement that conveys special legal entitlements for beneficial use except (a) contracts providing for use of not more than 30 days; (b) management contracts that meet the safe harbors set forth in Rev. Proc. 97-13, and (c) research agreements that meet the safe harbors set forth in Rev. Proc. 97-14. Use by an individual that is not engaged in a trade or business, however, is not treated as private business use.

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

Section 3.11. Agreements.

(a) The Issuer shall not take any deliberate action that would cause the Bonds to constitute "private activity bonds" under Section 141 of the Code.

(b) The Issuer shall not sell or otherwise dispose of the Project while Bonds are outstanding.

(c) The Issuer shall not take any deliberate action that would cause the Bonds to meet the private business use test of section 141(b)(1) of the Code. Accordingly, the Issuer will not take any deliberate action that would cause (i) more than 10% of the proceeds of the Bonds to be used for private business use or (ii) more than 5% of the proceeds of the Bonds to be used for any private business use which is unrelated to any governmental use of such proceeds or which is related to such governmental use but disproportionate to the governmental use.

(d) The Issuer shall not take any intentional action that would cause the Bonds to be arbitrage bonds under section 148 of the Code.

**ARTICLE IV
ARBITRAGE REBATE; RECORD KEEPING; INVESTMENT DIRECTION**

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

Section 4.2. Rebate Exceptions.

4.2.1 Certain Gross Proceeds of the Bonds will be exempt from the Rebate Requirement described in Section 4.2.6 hereof if the Bonds satisfy the requirements of Section either 4.2.2, 4.2.3, 4.2.4 or 4.2.5 hereof.

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

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

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

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

PV = The amount of the Nonpurpose Receipt or Payment;

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

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

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

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

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

4.2.11 Rebate calculations and deposits to Rebate Fund. The Issuer shall calculate, or cause to be calculated, within 30 days after the end of each Bond Year and within 30 days after the last Bond is retired, the Rebate Requirement as of the end of that Bond Year or as of the date the last Bond is retired, as applicable. After any such calculation is made: (a) if the Rebate Requirement as so calculated exceeds the amount then contained in the Rebate Fund, the Issuer shall immediately transfer to the Rebate Fund, or shall immediately deposit into the Rebate Fund, an amount equal to such excess; and (b) if the amount then contained in the Rebate Fund exceeds the Rebate Requirement as so calculated, then the Issuer may withdraw that excess amount. Any amount so withdrawn shall be transferred to the Debt Service Fund to pay interest on the Bonds.

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

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

Section 4.3. Rebate Fund. The Issuer hereby agrees to establish a special fund to be known as the General Obligation Refunding Bonds, Series 2012 Rebate Fund (the “*Rebate Fund*”), which shall be continuously held, invested, expended and accounted for in accordance with this Tax Agreement. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the Owners. Except as provided in the Regulations, moneys in the Rebate Fund (including earnings and deposits therein) shall be held in trust for payment to the United States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Tax Agreement.

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

- (a) purchase price;
- (b) purchase date;
- (c) type of investment;

- (d) accrued interest paid;
- (e) interest rate;
- (f) principal amount;
- (g) maturity date;
- (h) interest payment date;
- (i) date of liquidation; and
- (j) receipt upon liquidation.

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

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

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

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

(b) Investments in GICs shall be made only if:

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

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

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

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

- (v) the terms of the GIC, including collateral security requirements, are reasonable;
- (vi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC;
- (vii) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;
- (viii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review others bids (a last look) before bidding; and
- (ix) all bidders for the GICs are reasonably competitive providers of investments of the type purchased.

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

Section 4.6. Arbitrage Elections. The Issuer hereby makes the following elections, allocations and designations for the Bonds. Except as otherwise noted, these elections are irrevocable.

4.6.1 Adoption of accounting method for how proceeds will be spent. The Issuer hereby reserves the right to establish any allocation and accounting method for the proceeds of the Bonds that is permitted under the Code. The Issuer hereby adopts a "first-in first-out" accounting method for amounts in the Debt Service Fund. The Issuer reserves the authority to change any allocation of proceeds to expenditures and the authority to change the method of accounting of Bond proceeds for the entire period permitted under Treas. Reg. §§ 1.141-6 and 1.148-6 and other applicable Treasury regulations.

4.6.4 Other arbitrage elections.

4.1. Waiver of right to invest in higher yielding investments. The Issuer does not elect under Treas. Reg. § 1.148-2(h) to waive the right to invest in higher yielding investments.

ARTICLE V YIELD AND INVESTMENT LIMITATIONS

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

Section 5.2. Yield Limits.

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

5.2.2 The following may be invested without Yield restriction:

- (i) amounts invested in Qualified Tax Exempt Obligations;
- (ii) amounts in the Rebate Fund;
- (iii) amounts on deposit in the Debt Service Fund that have not been on deposit for more than 13 months, so long as the Debt Service Fund continues to qualify as a bona fide debt service fund as described in Section 3.7 hereof; and
- (iv) non-refunding proceeds of the Bonds until three years from the date hereof.

Section 5.3. Continuing Nature of Yield Limits. Once moneys are subject to the Yield limits of Section 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

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

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

ARTICLE VI MISCELLANEOUS

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

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

Section 6.3. Common Plan of Financing. The Bonds have all been sold on March 15, 2012 pursuant to the same plan of financing and are payable from substantially the same source of funds. No other obligations the proceeds of which will be used for the same purposes as the proceeds of the Bonds and that are reasonably expected to be paid from the same source of funds have been sold since February 29, 2012, and the Issuer

reasonably expects that no such obligations will be sold before March 30, 2012. Accordingly, the Issuer intends to treat the Bonds as a single "issue" and that no other obligations will be part of this "issue."

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

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

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

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

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

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

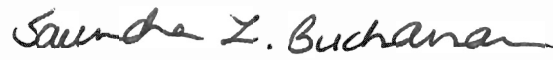
Section 6.10. Governing Law. This Tax Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

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

[Signature appears on the following page.]

DATED this 15th day of March 2012.

COLUMBIA GORGE COMMUNITY COLLEGE
HOOD RIVER AND WASCO COUNTIES, OREGON

A handwritten signature in black ink that reads "Sandra L. Buchanan". The signature is written in a cursive style with a horizontal line underneath it.

Sandra L. Buchanan
Chief Financial Officer

EXHIBIT A

- CERTIFICATE OF PURCHASER -

CERTIFICATE AS TO REOFFERING

\$13,790,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds
Series 2012

Seattle-Northwest Securities Corporation (the “Underwriter”) hereby certifies as follows regarding the issuance by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the “Issuer”) of its \$13,790,000 original principal amount General Obligation Refunding Bonds Series 2012 (the “Bonds”):

1. I am the duly chosen, qualified and acting officer of the Underwriter and as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Underwriter.

2. The Issuer awarded the Bonds to the Underwriter pursuant to the terms of the Bond Purchase Agreement for the Bonds (the “Purchase Agreement”) dated February 22, 2012 (the “Sale Date”). Capitalized terms used but not otherwise defined in this certificate shall have the meaning given in the Purchase Agreement.

3. The Bonds have been sold through a bona fide public offering of the Bonds.

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

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Reoffering Yield</u>	<u>CUSIP No.</u> <u>197659</u>
06/15/2013	30,000	2.000%	0.280%	CF0
06/15/2014	135,000	2.000%	0.430%	CG8
06/15/2015	140,000	2.000%	0.640%	CH6
06/15/2016	1,015,000	2.000%	0.780%	CJ2
06/15/2017	1,125,000	2.000%	0.920%	CK9
06/15/2018	1,135,000	3.000%	1.260%	CL7
06/15/2019	1,210,000	2.500%	1.530%	CM5
06/15/2020	1,305,000	3.000%	1.840%	CN3
06/15/2021	865,000	2.500%	2.010%	CP8
06/15/2021	250,000	3.000%	2.010%	CQ6
06/15/2021	245,000	4.000%	2.010%	CR4
06/15/2022	375,000	2.000%	2.200%	CS2
06/15/2022	200,000	2.750%	2.200%	CT0
06/15/2022	865,000	4.000%	2.200%	CU7
06/15/2023	1,220,000	3.000%	2.350%	CV5
06/15/2023	310,000	5.000%	2.350%	CW3
06/15/2024	370,000	2.500%	2.670%	CX1
06/15/2024	1,000,000	4.000%	2.470%	CY9
06/15/2024	260,000	5.000%	2.440%	CZ6

DATED this 15th day of March 2012.

SEATTLE-NORTHWEST SECURITIES CORPORATION

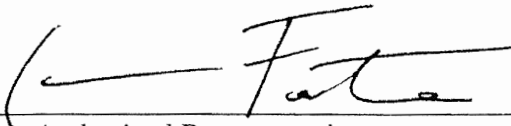
By 
Authorized Representative

EXHIBIT B

- FORM 8038 -

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)
 ► See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority

If Amended Return, check here

1 Issuer's name Columbia Gorge Community College District		2 Issuer's employer identification number (EIN) 93-0700843
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) James Shannon		3b Telephone number of other person shown on 3a 503-226-6400
4 Number and street (or P.O. box if mail is not delivered to street address) 400 East Scenic Drive	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code The Dalles, Oregon 97058-3434		7 Date of issue 03/15/2012
8 Name of issue General Obligation Refunding Bonds, Series 2012		9 CUSIP number 197659 DD4
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Sandra L. Buchanan, Chief Financial Officer		10b Telephone number of officer or other employee shown on 10a (541) 298-3105

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11 14,915,553
12 Health and hospital	12
13 Transportation	13
14 Public safety	14
15 Environment (including sewage bonds)	15
16 Housing	16
17 Utilities	17
18 Other. Describe ►	18
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>	
If obligations are BANs, check only box 19b <input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>	

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

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	06/15/2025	\$ 14,915,553	\$ 13,790,000	9.1041 years	2.0671 %

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

22 Proceeds used for accrued interest	22	
23 Issue price of entire issue (enter amount from line 21, column (b))	23	14,915,553
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	161,588
25 Proceeds used for credit enhancement	25	5,524
26 Proceeds allocated to reasonably required reserve or replacement fund	26	
27 Proceeds used to currently refund prior issues	27	
28 Proceeds used to advance refund prior issues	28	14,748,127
29 Total (add lines 24 through 28)	29	14,915,239
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	314

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

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	9.3076 years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	06/15/2015
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	05/25/2005

Part VI Miscellaneous

- | | | |
|------------|--|--|
| 35 | | |
| 36a | | |
| 37 | | |
- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)
- b** Enter the final maturity date of the GIC ▶ _____
- c** Enter the name of the GIC provider ▶ _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ and enter the following information:
- b** Enter the date of the master pool obligation ▶ _____
- c** Enter the EIN of the issuer of the master pool obligation ▶ _____
- d** Enter the name of the issuer of the master pool obligation ▶ _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶
- 41a** If the issuer has identified a hedge, check here ▶ and enter the following information:
- b** Name of hedge provider ▶ _____
- c** Type of hedge ▶ _____
- d** Term of hedge ▶ _____
- 42** If the issuer has superintegrated the hedge, check box ▶
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ▶
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ▶ and enter the amount of reimbursement ▶ _____
- b** Enter the date the official intent was adopted ▶ _____

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.	
	▶ <u>Saundra L. Buchanan</u> 3/15/12 Signature of issuer's authorized representative Date	▶ Saundra L. Buchanan, Chief Financial Officer Type or print name and title

Paid Preparer Use Only	Print/Type preparer's name James P. Shannon	Preparer's signature 	Date 3/15/12	Check <input type="checkbox"/> if self-employed	PTIN P010813443
	Firm's name ▶ Mersereau Shannon LLP			Firm's EIN ▶ 93-1036465	
	Firm's address ▶ 1 SW Columbia Street, Suite 1600 Portland, OR 97258			Phone no. ▶ 503-226-6400	

17

SIGNATURE AND NON-LITIGATION CERTIFICATE

\$13,790,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds
Series 2012

I, Saundra L. Buchanan, certify that:

1. I am the Chief Financial Officer for Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District");
2. Dr. Frank K. Toda is the President of the Board of Education of the District;
3. Tria Bullard is the Secretary of the District;
4. The facsimile signatures of the President and the Secretary appear on the District's General Obligation Refunding Bonds, Series 2012, which are dated March 15, 2012, and are in the aggregate principal amount of \$13,790,000 (the "Bonds").
5. Except as described in the Official Statement, no litigation or other proceedings are pending or, to the knowledge of the District after inquiry with local counsel, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members of the Board of Education or officials of the District to hold and exercise their respective positions, (b) contest the due organization and valid existence of the District, (c) seek to restrain or enjoin the authorization, issuance, sale or delivery of, or security for, any of the Bonds, (d) contest or affect the validity or enforceability of the Bonds, the Resolution, the Purchase Agreement, (e) contest the completeness or accuracy of the Preliminary Official Statement or the Final Official Statement, (f) contest the powers of the District or its authority with respect to the Bonds, the Resolution, the Purchase Agreement, the agreement with the Fiscal Agent, the Continuing Disclosure Undertaking and the Blanket Issuer Letter of Representation, (g) materially affect the finances of the District, or (h) attempt to limit, enjoin or otherwise restrict or prevent the District from functioning and collecting revenues pursuant to the Resolution adopted by the District's Board of Education on December 13, 2011 (the "Resolution").

DATED as of this 15th day of March 2012.

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

By *Saundra L. Buchanan*
Saundra L. Buchanan
Chief Financial Officer

18



Blanket Issuer Letter of Representations
[To be Completed by Issuer]

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
WASCO COUNTY, OREGON

[Name of Issuer]

November 2, 1998

[Date]

Attention: Underwriting Department — Eligibility
The Depository Trust Company
55 Water Street; 50th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
WASCO COUNTY, OREGON

(Issuer)

By: Saundra Buchanan
(Authorized Officer's Signature)

Saundra Buchanan
Business Manager
Columbia Gorge Community College
400 East Scenic Drive
The Dalles, Oregon 97058
Telephone: (541) 298-3105

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: [Signature]

**SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee). One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$200 million, one certificate will be issued with respect to each \$200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (“Participants”) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

[6. Redemption notices shall be sent to Cede & Co. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records.]

10. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Issuer or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

19

RECEIPT FOR BOND PROCEEDS

\$13,790,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds
Series 2012

On behalf of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District") I, Sandra L. Buchanan, Chief Financial Officer, acknowledge receipt of the proceeds of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon General Obligation Refunding Bonds, Series 2012, in the aggregate principal amount of \$13,790,000 dated March 15, 2012, from Seattle-Northwest Securities Corporation, as follows:

Sources of Funds

Principal Amount	\$13,790,000.00
Plus: Net Original Issue Premium	1,125,553.05
Less: Underwriter's Discount	<u>(104,114.50)</u>
NET PURCHASE PRICE	\$14,811,438.55
Less: Official Statement Printing & Mailing	(750.00)
 TOTAL PROCEEDS TRANSFERRED BY SNW	 <u>\$14,810,688.55</u>

Application of Funds

Wired to District:	
Estimated Issuance Costs to be paid by District (see Exhibit A)	\$35,868.94
Additional Proceeds Deposited to Debt Service Account	<u>313.98</u>
TOTAL WIRE TO DISTRICT	\$36,182.92
 Wired to Service Providers:	
Bond Counsel (Mersereau Shannon LLP)	\$25,000.00
MDAC Fee (Oregon State Treasury – DMD)	<u>1,379.00</u>
TOTAL FUNDS DISTRIBUTED TO SERVICE PROVIDERS	\$26,379.00
 Escrow Account Deposit Wired To Escrow Agent	 \$14,748,126.63
 TOTAL DISTRIBUTION OF FUNDS	 <u>\$14,810,688.55</u>

DATED as of this 15th day of March 2012.

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

By Sandra L. Buchanan
Sandra L. Buchanan
Chief Financial Officer

EXHIBIT A

**Columbia Gorge Community College
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds, Series 2012**

Estimated issuance expenses to be paid by the District:

<u>Description</u>	<u>Payee</u>	<u>Total</u>
<u>Wired to District</u>		
Rating Fees	Moody's Investors Service	\$ 15,500.00
Pricing Advisor	Charles Carter Company	2,500.00
Escrow Agent	U.S. Bank National Association	400.00
Paying Agent	U.S. Bank National Association	4,095.00
State Guaranty Approval	Oregon State Treasury, Debt Management Division	200.00 ⁽¹⁾
State Guaranty Premium	Oregon State Treasury, Debt Management Division	5,323.94 ⁽²⁾
Preliminary Plan Approval	Oregon State Treasury, Debt Management Division	350.00 ⁽¹⁾
Final Plan Approval	Oregon State Treasury, Debt Management Division	5,000.00 ⁽²⁾
Escrow Verification	Grant Thornton LLP	<u>2,500.00</u>
Total Costs of Issuance to be paid directly by the District		\$ 35,868.94
<u>Deducted at Closing</u>		
Official Statement Printing & Mailing Reimbursement	Seattle-Northwest Securities Corporation	\$ <u>750.00</u>
<u>Wired Directly to Service Providers</u> ⁽³⁾		
Bond Counsel	Mersereau Shannon LLP	\$ 25,000.00
MDAC Fee	Oregon State Treasury, Debt Management Division	<u>1,379.00</u>
Total wired to service providers		\$ 26,379.00
Total Costs of Issuance		<u>\$ 62,997.94</u>

(1) Previously paid by the District.

(2) The District is responsible for paying the amount to Oregon State Treasury within 10 days of closing. For additional information, contact:

Matthew Harris
Oregon State Treasury
Debt Management Division
350 Winter Street NE, Suite 100
(503) 378-4930

(3) Payment made from Bond Proceeds at Closing.

20

RESOLUTION

A RESOLUTION OF THE COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT, HOOD RIVER AND WASCO COUNTIES, OREGON AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF GENERAL OBLIGATION REFUNDING BONDS TO ADVANCE REFUND ALL OR A PORTION OF THE DISTRICT'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES 2005; DESIGNATING AN AUTHORIZED REPRESENTATIVE, BOND COUNSEL AND UNDERWRITER; AUTHORIZING APPOINTMENT OF A PAYING AGENT, BOND REGISTRAR AND VERIFICATION AGENT; AND AUTHORIZING EXECUTION OF A PURCHASE AGREEMENT AND ESCROW DEPOSIT AGREEMENT; AND AUTHORIZING THE SUBMISSION OF AN ADVANCE REFUNDING PLAN TO THE STATE TREASURER.

WHEREAS, Oregon Revised Statutes ("ORS") Sections 287A.360 to 287A.380 authorize a district to issue bonds to refund and advance refund outstanding bonds. Columbia Gorge Community College District (the "District"), is advised that it is in the District's best interest to advance refund all or a portion of the District's outstanding General Obligation Bonds, Series 2005 (the "Series 2005 Bonds").

WHEREAS in 2001 the voters of Hood River and Wasco Counties voted to annex Hood River County into the District. Subsequently, the Series 2005 Bonds were authorized by the voters of Hood River and Wasco Counties. The Series 2005 Bonds are dated May 25, 2005, and were issued in the original principal amount of \$18,500,000. The Series 2005 Bonds maturing in years 2006 through 2015, inclusive are not subject to optional redemption prior to maturity. The Series 2005 Bonds maturing on and after June 15, 2016, are subject to redemption on any date on and after June 15, 2015, at par plus accrued interest, if any, to the redemption date. The Series 2005 Bonds are payable from taxes levied on property within the District located in Wasco and Hood River Counties.

WHEREAS, the District now desires to proceed with the issuance of a series of bonds to advance refund all or a portion of the Series 2005 (the "Bonds").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT, HOOD RIVER AND WASCO COUNTIES, OREGON THAT:

Section 1. Issuance of Bonds. The Board of Directors of the District authorizes the issuance and private negotiated sale of the Bonds. The Bonds shall be issued in the denomination of \$5,000 each, or integral multiples thereof, as negotiable general obligation bonds of the District and shall bear interest at a true effective rate of not to exceed four percent (4.0%) per annum, payable semiannually. The Bonds shall be sold at not less than ninety-nine percent (99.0%) of par value, disregarding any original issue discount. The District authorizes the President/District Clerk or the Chief Financial Officer (the "Authorized Representative"), to determine and designate the principal amounts, dated dates, interest rates, maturity dates, optional redemption dates and premiums, if any, principal serial maturities, term bond maturity or maturities, with or without premium, denominations, interest payment dates, underwriter's discounts, to participate in the Oregon School Bond Guaranty Program or obtain bond insurance or some other form of guaranty or security for the payment of the Bonds, to obtain one or more ratings for the Bonds and such other provisions as are deemed necessary or desirable for the sales and issuances of the Bonds, and to

determine if all or a portion of the Series 2005 Bonds are to be advance refunded. The Bonds shall be issued in one or more series as determined by the Authorized Representative.

Section 2. Title and Execution of the Bonds. The Bonds shall be entitled "Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, General Obligation Refunding Bonds, Series 2012" or such other name approved by the Authorized Representative, and shall bear the manual or facsimile signature of the President of the District and the manual or facsimile signature of the Secretary. The Bonds shall be initially issued in book-entry form as a single, typewritten bond for each maturity and issued in the registered name of the nominee of The Depository Trust Company, New York, New York. The Bonds will be issued without certificates being made available to the bondholders.

Section 3. Book-Entry-Only System. Ownership of the Bonds shall be recorded through entries on the books of banks and broker-dealer participants and correspondents that are related to entries on The Depository Trust Company book-entry-only system. The Bonds shall be initially issued in the form of a separate single fully registered type-written bond for each maturity of the Bonds (the "Global Certificates"). Each Global Certificate shall be registered in the name of Cede & Co. as nominee (the "Nominee") of The Depository Trust Company (the "Depository") as the "Registered Owner", and such Global Certificates shall be lodged with the Depository until redemption or maturity of the respective Bond issues. The Paying Agent shall remit payment for the maturing principal and interest on the Bonds to the Registered Owner for distribution by the Nominee for the benefit of the bondholder (the "Beneficial Owner" or "Record Owner") by recorded entry on the books of the Depository participants and correspondents. While the Bonds are in book-entry-only form, the Bonds will be available in denominations of \$5,000 or any integral multiple thereof.

The Authorized Representative shall file with the Depository a Letter of Representations to induce the Depository to accept the Bonds as eligible for deposit at the Depository. The underwriter for the Bond issues is authorized to provide the Depository with the Preliminary Official Statements, together with the completed Depository's underwriting questionnaires.

The execution and delivery of the Letter of Representations and the providing to the Depository of the Preliminary Official Statements and the underwriting questionnaires shall not in any way impose upon the District any obligation whatsoever with respect to persons having interests in the Bonds other than the Registered Owners of the Bonds as shown on the registration books maintained by the Paying Agent and Bond Registrar. The Paying Agent and Bond Registrar, in writing, shall accept the book-entry-only system and shall agree to take all action necessary to at all times comply with the Depository's operational arrangements for the book-entry-only system. The Authorized Representative may take all other action to qualify the Bonds for the Depository's book-entry-only system.

In the event the Depository determines not to continue to act as securities depository for the Bonds, or the District determines that the Depository shall no longer so act, then the District will discontinue the book-entry-only system with the Depository. If the District fails to identify another qualified securities depository to replace the Depository, the Bonds shall no longer be a book-entry-only issue but shall be registered in the registration books maintained by the Paying Agent and Bond Registrar in the name of the Registered Owner as appearing on the registration books of the Paying Agent and Bond Registrar and thereafter in the name or names of the owners of the Bonds transferring or exchanging Bonds in accordance with the provisions of Section 8 herein.

With respect to Bonds registered in the registration books maintained by the Paying Agent and Bond Registrar in the name of the Nominee of the Depository, the District, and the Paying Agent and Bond Registrar shall have no

responsibility or obligation to any participant or correspondent of the Depository or to any Beneficial Owner on behalf of which such participants or correspondents act as agent for the Registered Owner with respect to:

(i) the accuracy of the records of the Depository, the Nominee or any participant or correspondent with respect to any ownership interest in the Bonds,

(ii) the delivery to any participant or correspondent or any other person, other than a Registered Owner as shown in the registration books maintained by the Paying Agent and Bond Registrar, of any notice with respect to the Bonds, including any notice of redemption,

(iii) the selection by the Depository of the beneficial interest in Bonds to be redeemed in the event the District redeems the Bonds in part, or

(iv) the payment to any participant, correspondent or any other person other than the Registered Owner of the Bonds as shown in the registration books maintained by the Paying Agent and Bond Registrar, of any amount with respect to principal or interest on the Bonds. Notwithstanding the book-entry-only system, the District may treat and consider the Registered Owner in whose name each Bond is registered in the registration books maintained by the Paying Agent and Bond Registrar as the Registered Owner and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, or for the purpose of giving notices of redemption and other matters with respect to such Bond, or for the purpose of registering transfers with respect to such Bond, or for all other purposes whatsoever. The District shall pay or cause to be paid all principal of and interest on the Bonds only to or upon the order of the Registered Owner, as shown in the registration books maintained by the Paying Agent and Bond Registrar, or their representative attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligation with respect to payment thereof to the extent of the sum or sums so paid.

Upon delivery by the Depository to the District and to the Registered Owner of a Bond of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee then the word "Nominee" in this Resolution shall refer to such new nominee of the Depository, and upon receipt of such notice, the District shall promptly deliver a copy thereof to the Paying Agent and Bond Registrar.

Section 4. Sale of Bonds. The Bonds may be sold by a private negotiated sale. The Authorized Representative shall determine the requirements for the sale of the Bonds, subject to the provisions of this Resolution, that provides the most advantageous terms to the District and negotiate and execute a purchase agreement setting forth the terms for the sale of the Bonds.

Section 5. Principal Amounts.

The principal amount of the Bonds shall be in an amount sufficient to pay the purchase price of Government Obligations for deposit into an Escrow Deposit Fund pursuant to an Escrow Deposit Agreement to be executed between the District and an Escrow Agent in order to pay the principal of and interest on the Series 2005 Bonds which are being advance refunded to the redemption date of June 15, 2015, and to pay the costs of issuance of the Bonds.

Section 6. Payment of Bonds. The principal amounts of the Bonds shall be payable upon presentation of the Bonds at maturity at the designated corporate trust office of the appointed Paying Agent. Payment of each installment of interest due each year shall be made by check or draft of the Paying Agent mailed on each interest payment date to

the registered owner thereof whose name and address appears on the registration books of the District maintained by the Paying Agent as of the record date determined by the Authorized Representative.

Section 7. Form of Bonds. The Bonds shall be issued substantially in the form approved by the Authorized Representative and Bond Counsel.

Section 8. Transfer of Bonds. If the book-entry system is not utilized, the Bonds will be issued in certificate form. Then the Bonds are transferable, or subject to exchange, for fully registered Bonds in the denomination of \$5,000 each or integral multiples thereof by the registered owner thereof in person, or by the owner's attorney, duly authorized in writing, at the office of the Bond Registrar. The Bond Registrar shall maintain records of the names and addresses of the registered owners of the Bonds. The records of the registered bond ownership are not public records within the meaning of ORS 192.410(4).

Section 9. Appointment of Paying Agent and Registrar. The Authorized Representative is authorized to designate a Paying Agent and Registrar of the Bonds. The Authorized Representative is authorized to negotiate and execute on behalf of the District a Paying Agent and Registrar Agreement. In addition, the District requests and authorizes the Paying Agent and Registrar to execute the Certificates of Authentication as of the date of delivery of the Bonds.

Section 10. Tax Levy and Pledge. The full faith and credit of the District is pledged to the owners of the Bonds for the payment of the principal and interest on the Bonds when due. The District shall levy annually, as provided by law, a direct ad valorem tax upon all of the taxable property within the District located in Wasco and Hood River Counties in sufficient amount, without limitation, to pay the principal of and interest on the Bonds promptly as they become due and payable. The District covenants with the owners of the Bonds to pledge such ad valorem taxes in sufficient amount to pay the principal of and interest on the Bonds as they respectively become due and payable. Pursuant to ORS 310.145, the District hereby classifies the tax levy described in this section to be taxes imposed to pay the principal and interest on exempt bonded indebtedness and such taxes are not subject to the limits of sections 11 or 11b of Article XI of the Oregon Constitution.

Section 11. Contract with Registered Owners of Bonds. In consideration of the purchase and acceptance of the Bonds, the provisions of this Resolution and the Bonds shall be deemed to be and shall constitute a contract between the District and the Registered Owners of the Bonds. The covenants and agreements to be performed by or on behalf of the District shall be for the equal benefit, protection and security of the Registered Owners of any and all Bonds, all of which shall be of equal rank without preference, priority, or distinction among the Bonds, except as expressly provided pursuant to this Resolution.

Section 12. Tax Covenant. The proceeds of the Bonds shall be used and invested in such manner that the Bonds shall not become "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations. The District covenants that, within its lawful powers, it will not do, and will refrain from doing, anything in the issuances of the Bonds and in the investment and expenditure of the proceeds thereof which would result in the interest on the Bonds becoming taxable for federal income tax purposes.

Section 13. Escrow Deposit Agreement and Escrow Agent.

The District shall enter into an Escrow Deposit Agreement for the establishment of an Escrow Deposit Fund to which shall be deposited proceeds from the Bonds to acquire Government Obligations to provide funds sufficient

to pay the principal and interest due on the Series 2005 Bonds which are being advance refunded to the redemption date of June 15, 2015.

The Authorized Representative is authorized to designate an Escrow Agent to administer the Escrow Deposit Fund and to execute the Escrow Deposit Agreement for and on behalf of the District.

Section 14. Irrevocable Call and Redemption of the Series 2005 Bonds.

The District does irrevocably call for redemption on June 15, 2015, the first optional redemption date, at 100% of par value the principal of the Series 2005 Bonds maturing June 15, 2016, to and including the final maturity of June 15, 2025, which are being refunded. This irrevocable call and redemption is subject to the sale and delivery of the Bonds and the full funding of the Escrow Fund as provided in the Escrow Deposit Agreement and the approval of the State Treasurer as to the Final Advance Refunding Plan.

Section 15. Effect of Refunding Series 2005 Bonds. The District determines that, upon deposit into the Escrow Deposit Fund of Government Obligations in an amount calculated to be sufficient to pay the principal and interest due on Series 2005 Bonds being refunded, such deposit shall fully defease the Series 2005 Bonds being refunded. The funds on deposit in the Escrow Deposit Fund for the payment of the principal and interest of the Series 2005 Bonds being refunded at maturity or earlier redemption shall be deducted from the amount of outstanding indebtedness of the District. In addition, such refunded principal amounts of the Series 2005 Bonds being refunded shall be deemed fully defeased for the purpose of any statutory debt limitation.

Section 16. Advance Refunding Plan. The Board authorizes and ratifies the preparation of preliminary and final advance refunding plans and their submission to the State Treasurer for approval pursuant to ORS 287A.370.

Section 17. Appointment of Verification Agent. The Authorized Representative is authorized to designate a Verification Agent to confirm that the funding of the Escrow Deposit Funds is sufficient to pay when due the principal and interest due on the Series 2005 Bonds which are being defeased.

Section 18. Appointment of Expert Advisor. The Authorized Representative is authorized to appoint an Expert Advisor to the District for the issuance of the Bonds.

Section 19. Appointment of Underwriter. Seattle-Northwest Securities Corporation is appointed as underwriter for the issuance of the Bonds.

Section 20. Appointment of Bond Counsel. The law firm of Mersereau Shannon LLP of Portland, Oregon is appointed as Bond Counsel for the issuance of the Bonds.

Section 21. Designation as Qualified Tax-Exempt Obligations. The Authorized Representative is hereby authorized to designate the Bonds for purposes of paragraph (3) of Section 265(b) of the Code as "qualified tax-exempt obligations" so long as the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations, the interest on which is excludable under Section 103(a) of the Code from gross income for federal income tax purposes (excluding, however, private activity bonds other than qualified 501(c)(3) bonds) including the Bonds, have been or shall be issued by the District, including all subordinate entities of the District, if any, during the current calendar year in which the Bonds, or a portion thereof, are issued.


Section 22. Preliminary and Final Official Statement. The District shall prepare or cause to be prepared a preliminary official statement for the Series 2012 Bonds which shall be available for distribution to prospective purchaser. In addition, an official statement shall be prepared and ready for delivery to the purchasers of the Series 2012 Bonds no later than the seventh (7th) business day after the sale of the Series 2012 Bonds. When the District determines that the final official statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained in the official statement not misleading in the light of the circumstances under which they are made, the Authorized Representative is authorized to certify the accuracy of the official statement on behalf of the District.

Section 23. Closing of the Sale and Delivery of the Bonds. The Authorized Representative is authorized to negotiate and execute a bond purchase agreement for and on behalf of the District and to execute such additional documents, including tax certificates, and any and all other things or acts necessary for the sales and delivery of the Bonds as herein authorized including the funding of the Escrow Deposit Fund for defeasance of that portion of the Series 2005 Bonds being refunded. Such acts of the Authorized Representative are for and on behalf of and are authorized by the Board of Directors of the District.

Section 24. Continuing Disclosure. The District covenants and agrees that it will comply with and carry out all of the provisions of a Continuing Disclosure Agreement to be negotiated with the underwriter. Failure by the District to comply with the Continuing Disclosure Agreement will not constitute an event of default; however, any owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section.

ADOPTED by the Board of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, this 13th day of December 2011.

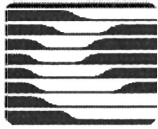
COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON



Chair, Board of Directors

ATTEST:

By  _____
Secretary



BOARD AGENDA ITEM: 3.1 – Approval of Regular Meeting Minutes

DATE: January 10, 2012

MINUTES

BOARD OF EDUCATION MEETING

December 13, 2011

The Dalles Campus – Board Room

ATTENDANCE:

Charleen Cobb	Dr. Frank Toda	Dr. Susan Wolff
Charlotte Arnold	Saundra Buchanan	Doris Jepson
Dave Fenwick	Karen Carter	Adam Gietl
Dr. Ernie Keller (by phone)	Dan Spatz	Mary Martin
Stu Watson	Robb Van Cleave	

1.0 CALL TO ORDER

Charleen Cobb called the meeting to order at 6:00 p.m.

2.0 WELCOME AND INTRODUCTIONS

The Board welcomed Doris Jepson.
All sang Happy Birthday to Dr. Susan Wolff

3.0 APPROVAL OF REGULAR MEETING MINUTES

MOTION #1 – APPROVED

Charlotte moved to **accept the regular meeting minutes from November 8, 2011**. Dr. Keller seconded. Motion passed unanimously.

MOTION #2 – APPROVED

Stu Watson moved to **accept the work session minutes from November 8, 2011**. Dr. Ernie Keller seconded. Motion passed unanimously.

4.0 REPORT ITEMS

4.1 *Nursing and Health Occupations Update*

Doris Jepson, Director of Nursing and Health Occupations, presented an update on her departments. The program began in 2001 and is a “ladder program” which allows students to obtain their LPN, go to work, and finish their RN degree. To date, there have been 164 RN graduates and 219 LPN graduates. There were 79 applications in 2011 for 24 seats and there are currently 157 students listed as “Pre-Nursing”. There are no plans to increase the size of the program at this time because it is aimed at the local market and the clinical facilities cannot support larger clinical groups. There

are 15 nursing programs and 6 Bachelor's programs in the State. SIM lab equipment is nearing replacement. There are 15 medical assisting students currently; 11 graduated in June 2011. For Emergency Medical Services, 118 students completed last year and 54 are enrolled for fall.

4.2 Board Self-Assessment Results

Delayed to next Board meeting at the request of Dr. Toda

4.3 Achieving the Dream Report

Karen Carter, Chief Student Services Officer, presented information on the Achieving the Dream initiative in which CGCC will be participating. 8 rural Oregon community colleges submitted a proposal to a national non-profit group whose focus is minority, low income students. The grant is looking at our institution as a whole; policies & procedures that reflect that student success is goal of the College. Students will be in a cohort model. We will utilize national data on norms to put in place processes to help students be successful. We will be waiting to hear whether or not our proposal has been accepted.

4.4 Capital Report

Dan Spatz, Chief Institutional Advancement Officer, presented updates on current marketing initiatives, the Workforce Innovation Center and the National Guard Armory building project. Marketing efforts are focusing on institutional awareness. Standing program banners and light pole banners have been created for use on downtown streets in The Dalles and Hood River; radio ad campaign is underway; we are on the yearly schedule for three local talk shows; we will be sending out weekly press releases and using social media as appropriate; and the annual report has been created. Money has been budgeted for next year to add a sign to the side of the Hood River campus.

We are still pursuing funding sources for the Workforce Building, including Meyer Memorial Trust and the US Department of Commerce.

Funding is in place for the Armory with expected groundbreaking in summer 2013.

4.5 Oregon Business Summit Report

Dan Spatz, Chief Institutional Advancement Officer, presented information on the Oregon Business Summit recently attended by him, Dr. Frank Toda, and Dr. Susan Wolff. This was a good conference focused on the strategic objectives of the State.

4.6 Monthly Financial Statement and Cash Disbursements

Saundra Buchanan, Chief Financial Officer, distributed the preliminary financial report for the month of November, as well as the cash disbursements and accounts payable report. She also reported that the annual audit is currently being finalized and presentation of the results is planned for the January Board meeting.

4.7 Other – None

5.0 BUSINESS ITEMS

5.1 Radiator Surplus

Robb Van Cleave, Chief Talent & Strategy Officer, presented information on request to surplus 26 steam radiators no longer in use.

Proposed Resolution:

The Columbia Gorge Community College Board of Education hereby moves to declare the twenty-six radiators as surplus, as per Board policy.

MOTION #3 – APPROVED

Dave Fenwick moved to **approve the resolution declaring the twenty-six steam radiators as surplus**. Charlotte Arnold seconded. Motion passed unanimously.

5.2 OSBA Election

Dr. Toda presented information on the OSBA election. OSBA is proposing:

- A change to the constitution that would allow the OSBA Legislative Policy Committee to override membership-approved legislative policies and priorities.
- An amendment to the Constitution that would allow consecutive terms for the Secretary/Treasurer.
- Support for Dave Krumbein for the OSBA Board of Directors, Position 2. He is the only candidate.
- Support for Thad Killingbeck for the OSBA Legislative Policy Committee Position 2. He is the only candidate.

MOTION #4 – APPROVED

Charlotte Arnold moved to **approve the resolution in support of the OSBA Constitutional amendments and to approve the resolution in support of the OSBA Governance Position candidates**. Stu Watson seconded. Motion passed unanimously.

5.3 Meyer Memorial Trust Proposal

Dan Spatz presented information on a request to submit a grant proposal to Meyer Memorial Trust in the amount of \$400,000 in order to match a portion of the Article XI-G funds for the Workforce Innovation Center.

Proposed resolution: Therefore be it resolved that the Board of Directors of Columbia Gorge Community College hereby authorizes the Chief Institutional Advancement Officer to prepare and submit a full proposal for consideration in 2012, if so invited by Meyer Memorial Trust.

MOTION #5 – APPROVED

Stu Watson moved to **approve the resolution authorizing the Chief Institutional Advancement Officer to prepare and submit a full proposal to the Meyer Memorial Trust.** Dave Fenwick seconded. Motion passed unanimously.

5.4 Resolution for Refunding of Bonds

Saundra Buchanan, Chief Financial Officer, presented information of a resolution for refunding of bonds.

Resolution: A resolution of the Columbia Gorge Community College district, Hood River and Wasco Counties, Oregon authorizing the issuance and negotiated sale of general obligation refunding bonds to advance refund all or a portion of the District's outstanding General Obligation Bonds, Series 2005; designating an authorized representative, Bond Counsel and Underwriter; authorizing appointment of a Paying Agent, Bond Registrar and Verification Agent; and authorizing execution of a Purchase Agreement and Escrow Deposit Agreement; and authorizing the submission of an advance refunding plan to the State Treasurer.

MOTION #6 – APPROVED

Charlotte Arnold moved to **approve the authorizing the issuance and negotiated sale of general obligation refunding bonds to advance refund all or a portion of the District's outstanding General Obligation Bonds, Series 2005; designating an authorized representative, Bond Counsel and Underwriter; authorizing appointment of a Paying Agent, Bond Registrar and Verification Agent; and authorizing execution of a Purchase Agreement and Escrow Deposit Agreement; and authorizing the submission of an advance refunding plan to the State Treasurer.** Stu Watson seconded. Motion passed unanimously.

5.5 Budget Adjustments

Saundra Buchanan, Chief Financial Officer, discussed the budget adjustments provided to Board members.

MOTION #7 – APPROVED

US Department of Labor CASE Grant

Dave Fenwick moved to **approve, adopt and appropriate budget adjustments to establish special fund 255, US Department of Labor State CASE Grant, a unanticipated special purpose grant, to establish a budget of \$92,933 for the actual grant amount, to establish the personal services appropriation of \$71,973 and to establish the materials and services appropriation of \$20,960, as shown, for the fiscal year July 1, 2011 - June 30, 2012.** Stu Watson seconded. Motion passed unanimously.

MOTION #8 – APPROVED

US Department of Labor WIA Section 121 Grant Fund

Stu Watson moved to **approve, adopt and appropriate budget adjustments to special fund 222, US Department of Labor WIA Section 121 Grant Fund, a special purposes grant, to increase the materials and services appropriation by \$2,968 and to decrease the capital outlay appropriation by \$2,968, as shown, for the fiscal year July 1, 2011 - June 30, 2012.** Charlotte Arnold seconded. Motion passed unanimously.

5.6 Other - None

6.0 CRITICAL DATES

Dr. Toda reviewed the critical dates with the Board.

7.0 EXECUTIVE SESSION

The Board entered into Executive Session at 8:05 p.m. to discuss real property transactions with Dan Spatz.

The Board adjourned Executive Session at 8:14 p.m.

8.0 ADJOURN

The meeting was adjourned at 8:15 p.m.

As recorded by Mary Martin,
Administrative Assistant to the Chief Student Services Officer

21

RESOLUTION

A RESOLUTION OF THE COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT, HOOD RIVER AND WASCO COUNTIES, OREGON AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF NOT TO EXCEED \$18,500,000 GENERAL OBLIGATION BONDS; DESIGNATING AN AUTHORIZED REPRESENTATIVE, BOND COUNSEL AND UNDERWRITER; AUTHORIZING APPOINTMENT OF A PAYING AGENT, BOND REGISTRAR AND EXPERT ADVISOR; AND AUTHORIZING EXECUTION OF A PURCHASE AGREEMENT.

WHEREAS, the Board of Directors of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District") submitted to the voters of the District at an election on November 2, 2004 Measure 33-43 which sought the authorization to contract a general obligation bonded indebtedness in an amount not to exceed \$18,500,000 to expand and improve the District's facilities (the "Projects"); and

WHEREAS, a majority of the voters of the District voting on Measure 33-43 approved of the issuance of the general obligation bonded indebtedness; and

WHEREAS, the District now desires to proceed with the issuance of the authorized general obligation bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT, HOOD RIVER AND WASCO COUNTIES, OREGON THAT:

Section 1. Issuance of Bonds. The Board of Directors of the District authorizes the issuance and private negotiated sale of general obligation bonds in a principal amount not to exceed \$18,500,000 (the "Bonds"). The Bonds shall be issued as negotiable general obligation bonds of the District for a term not to exceed 21 years from date of issuance and shall bear interest at a true effective rate not to exceed five and one-half percent (5.5%) per annum. The Bonds shall be sold at not less than ninety-eight (98%) of par value, disregarding any original issue discount. The District authorizes the President/District Clerk or the Chief Financial Officer (the "Authorized Representative"), to determine and designate the principal amount, dated date, interest rates, maturity dates, optional redemption dates and premiums, if any, principal serial maturities, term bond maturity or maturities, with or without premium, denominations, interest payment dates, underwriter's discount, to participate in the Oregon School Bond Guaranty Program or obtain bond insurance or some other form of guaranty or security for the payment of the Bonds, to obtain one or more ratings for the Bonds and such other provisions as are deemed necessary and desirable for the sale and issuance of the Bonds. The Bonds may be issued in one or more series as determined by the Authorized Representative.

Section 2. Title and Execution of the Bonds. The Bonds shall be entitled "Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, General Obligation Bonds, Series 2005", or such other name approved by the Authorized Representative, and shall bear the manual or facsimile signature of the President of the District and the manual or facsimile signature of the Secretary. The Bonds shall be initially issued in book-entry form as a single, typewritten bond for each maturity and issued in the registered name of the

nominee of The Depository Trust Company, New York, New York. The Bonds will be issued without certificates being made available to the bondholders.

Section 3. Book-Entry-Only System. Ownership of the Bonds shall be recorded through entries on the books of banks and broker-dealer participants and correspondents that are related to entries on The Depository Trust Company book-entry-only system. The Bonds shall be initially issued in the form of a separate single fully registered type-written bond for each maturity of the Bonds (the "Global Certificates"). Each Global Certificate shall be registered in the name of Cede & Co. as nominee (the "Nominee") of The Depository Trust Company (the "Depository") as the "Registered Owner", and such Global Certificates shall be lodged with the Depository until redemption or maturity of the Series 2005 Bond issue. The Paying Agent shall remit payment for the maturing principal and interest on the Bonds to the Registered Owner for distribution by the Nominee for the benefit of the bondholder (the "Beneficial Owner" or "Record Owner") by recorded entry on the books of the Depository participants and correspondents. While the Bonds are in book-entry-only form, the Bonds will be available in denominations of \$5,000 or any integral multiple thereof.

The Authorized Representative shall file with the Depository a Letter of Representations to induce the Depository to accept the Bonds as eligible for deposit at the Depository. The underwriter for the Series 2005 Bond issue is authorized to provide the Depository with the Preliminary Official Statement, together with the completed Depository's underwriting questionnaire.

The execution and delivery of the Letter of Representation and the providing to the Depository of the Preliminary Official Statement and the underwriting questionnaire shall not in any way impose upon the District any obligation whatsoever with respect to persons having interests in the Bonds other than the Registered Owners of the Bonds as shown on the registration books maintained by the Paying Agent and Bond Registrar. The Paying Agent and Bond Registrar, in writing, shall accept the book-entry-only system and shall agree to take all action necessary to at all times comply with the Depository's operational arrangements for the book-entry-only system. The Authorized Representative may take all other action to qualify the Bonds for the Depository's book-entry-only system.

In the event the Depository determines not to continue to act as securities depository for the Bonds, or the District determines that the Depository shall no longer so act, then the District will discontinue the book-entry-only system with the Depository. If the District fails to identify another qualified securities depository to replace the Depository, the Bonds shall no longer be a book-entry-only issue but shall be registered in the registration books maintained by the Paying Agent and Bond Registrar in the name of the Registered Owner as appearing on the registration books of the Paying Agent and Bond Registrar and thereafter in the name or names of the owners of the Bonds transferring or exchanging Bonds in accordance with the provisions of Section 8 herein.

With respect to Bonds registered in the registration books maintained by the Paying Agent and Bond Registrar in the name of the Nominee of the Depository, the District, and the Paying Agent and Bond Registrar shall have no responsibility or obligation to any participant or correspondent of the Depository or to any Beneficial Owner on behalf of which such participants or correspondents act as agent for the Registered Owner with respect to:

(i) the accuracy of the records of the Depository, the Nominee or any participant or correspondent with respect to any ownership interest in the Bonds,

(ii) the delivery to any participant or correspondent or any other person, other than a Registered Owner as shown in the registration books maintained by the Paying Agent and Bond Registrar, of any notice with respect to the Bonds, including any notice of redemption,

(iii) the selection by the Depository of the beneficial interest in Bonds to be redeemed in the event the District redeems the Bonds in part, or

(iv) the payment to any participant, correspondent or any other person other than the Registered Owner of the Bonds as shown in the registration books maintained by the Paying Agent and Bond Registrar, of any amount with respect to principal or interest on the Bonds. Notwithstanding the book-entry-only system, the District may treat and consider the Registered Owner in whose name each Bond is registered in the registration books maintained by the Paying Agent and Bond Registrar as the Registered Owner and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, or for the purpose of giving notices of redemption and other matters with respect to such Bond, or for the purpose of registering transfers with respect to such Bond, or for all other purposes whatsoever. The District shall pay or cause to be paid all principal of and interest on the Bonds only to or upon the order of the Registered Owner, as shown in the registration books maintained by the Paying Agent and Bond Registrar, or their representative attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligation with respect to payment thereof to the extent of the sum or sums so paid.

Upon delivery by the Depository to the District and to the Registered Owner of a Bond of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee then the word "Nominee" in this Resolution shall refer to such new nominee of the Depository, and upon receipt of such notice, the District shall promptly deliver a copy thereof to the Paying Agent and Bond Registrar.

Section 4. Sale of Bonds. The Bonds may be sold by private negotiated sale. The Authorized Representative shall determine the requirements for the sale of the Bonds, subject to the provisions of this Resolution, that provides the most advantageous terms to the District and negotiate and execute a purchase agreement setting forth the terms of the sale of the Bonds.

Section 5. Payment of Bonds. The principal of the Bonds shall be payable upon presentation of the Bonds at maturity at the designated corporate trust office of the appointed Paying Agent. Payment of each installment of interest due each year shall be made by check or draft of the Paying Agent mailed on each interest payment date to the registered owner thereof whose name and address appears on the registration books of the District maintained by the Paying Agent as of the record date determined by the Authorized Representative.

Section 6. Form of Bonds. The Bonds shall be issued substantially in the form approved by the Authorized Representative and Bond Counsel.

Section 7. Appointment of Paying Agent and Registrar. The Authorized Representative is authorized to designate a Paying Agent and Registrar of the Bonds, or the District may serve as its own Paying Agent and Registrar. The Authorized Representative is authorized to negotiate and execute on behalf of the District a Paying Agent and Registrar Agreement. This Agreement shall provide for compliance with Oregon Administrative Rule 170-61-010. In addition, the District requests and authorizes the Paying Agent and Registrar to execute the Certificate of Authentication as of the date of delivery of the Bonds.

Section 8. Tax Levy and Pledge. The full faith and credit of the District is pledged to the owners of the Bonds for the payment of the principal and interest on the Bonds when due. The District shall levy annually, as provided by law, a direct ad valorem tax upon all of the taxable property within the District in sufficient amount, without limitation, to pay the principal of and interest on the Bonds promptly as they become due and payable. The District covenants with the owners of the Bonds to pledge such ad valorem taxes in sufficient amount to pay the principal of and interest on the Bonds as they respectively become due and payable. Pursuant to ORS 310.145, the District hereby classifies the tax levy described in this section to be taxes imposed to pay the principal and interest on exempt bonded indebtedness and such taxes are not subject to the limits of sections 11 or 11b, Article XI of the Oregon Constitution.

Section 9. Contract with Registered Owners of Bonds. In consideration of the purchase and acceptance of the Bonds, the provisions of this Resolution and the Bonds shall be deemed to be and shall constitute a contract between the District and the Registered Owners of the Bonds. The covenants and agreements to be performed by or on behalf of the District shall be for the equal benefit, protection and security of the Registered Owners of any and all Bonds, all of which shall be of equal rank without preference, priority, or distinction among the Bonds, except as expressly provided pursuant to this Resolution.

Section 10. Tax Covenant. The proceeds of the Bonds shall be used and invested in such manner that the Bonds shall not become "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations. The District covenants that, within its lawful powers, it will not do, and will refrain from doing, anything in the issuance of the Bonds and in the investment and expenditure of the proceeds thereof which would result in the interest on the Bonds becoming taxable for federal income tax purposes.

Section 11. Appointment of Expert Advisor. The Authorized Representative is authorized to appoint an Expert Advisor to the District for the issuance of the Bonds.

Section 12. Appointment of Underwriter. Seattle-Northwest Securities Corporation is appointed as underwriter for the issuance of the Bonds.

Section 13. Appointment of Bond Counsel. The law firm of Mersereau & Shannon, LLP of Portland, Oregon is appointed as Bond Counsel for the issuance of the Bonds.

Section 14. Confirmation of Election. Pursuant to ORS 255.295, the Board has reviewed the abstract of votes related to Measure 33-43 prepared by the county clerk and hereby affirms the results of the election and declares that a majority of the voters of the District voting on Measure 33-43 approved of the issuance of the general obligation bonded indebtedness.

Section 15. Designation as Qualified Tax-Exempt Obligations. The Authorized Representative is hereby authorized to designate the Bonds for purposes of paragraph (3) of Section 265(b) of the Code as "qualified tax-exempt obligations" so long as the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than \$10,000,000 aggregate principal amount of obligations, the interest on which is excludable under Section 103(a) of the Code from gross income for federal income tax purposes (excluding, however, private activity bonds other than qualified 501(c)(3) bonds) including the Bonds, have been or shall be issued by the District, including all subordinate entities of the District, if any, during the current calendar year in which the Bonds, or a portion thereof, are issued.

Section 16. Preliminary and Final Official Statement. The District shall cause the underwriter to prepare a preliminary official statement for the Bonds which shall be available for distribution to prospective investors. Such preliminary official statement will be deemed final pursuant to Rule 15c2-12 of the Securities and Exchange Commission. In addition, an official statement shall be prepared by the underwriter and ready for delivery to the purchasers of the Bonds no later than the seventh (7th) business day after the sale of the Bonds. After determining that the final official statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained in the official statement not misleading in the light of the circumstances under which they are made, the Authorized Representative is authorized to certify the accuracy of the official statement on behalf of the District.

Section 17. Closing of the Sale and Delivery of the Bonds. The Authorized Representative is authorized to negotiate and execute a bond purchase agreement for and on behalf of the District and to execute such additional documents, including a tax certificate, and any and all other things or acts necessary for the sale and delivery of the Bonds as herein authorized. Such acts of the Authorized Representative are for and on behalf of and are authorized by the Board of Directors of the District.

Section 18. Continuing Disclosure. The District covenants and agrees that it will comply with and carry out all of the provisions of a Continuing Disclosure Agreement to be negotiated with the underwriter. Failure by the District to comply with the Continuing Disclosure Agreement will not constitute an event of default; however, any owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section.

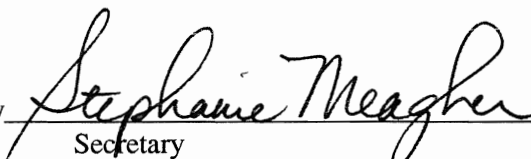
ADOPTED by the Board of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, this 12th day of April, 2005.

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

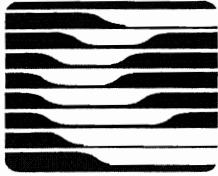


Chair, Board of Directors

ATTEST:

By 

Secretary



COLUMBIA GORGE COMMUNITY COLLEGE

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

MINUTES
BOARD OF EDUCATION MEETING
Tuesday, April 12, 2005
7:00 P.M.

ATTENDANCE:

Mike Schend	Dr. Frank Toda	Rick Eggers
Dave Fenwick	Sandra Buchanan	Richard Higgins
Dr. James Willcox	Karen Carter	Tom Horman
Dr. Ernie Keller	Dennis Whitehouse	
M.D. Van Valkenburgh	Bill Bohn	
Charleen Cobb	Stephanie Meagher	
Christie Reed		

CALL TO ORDER:

Mike Schend called the meeting to order at 7:06 p.m.

1.0 APPROVAL OF MINUTES

The minutes of the March 8, 2005 board meeting were approved with changes.

2.0 BUSINESS ITEMS

2.1

MOTION #1 - APPROVED

Dr. Ernie Keller moved to approve, adopt and appropriate budget adjustments to special fund 56-00-00, Nursing Program Fund, to decrease estimated resources by \$330,648, by decreasing the personal services appropriation by \$307,665, by decreasing the materials and services appropriations by \$22,983, as listed above, for the period July 1, 2004 – June 30, 2005. Charleen Cobb seconded. Motion passed unanimously.

2.2 **MOTION #2 – APPROVED**

Charleen Cobb moved to approve, adopt and appropriate budget adjustments to special fund 70-00-00, Department of Labor Nursing Grant Fund, a special purpose grant, to decrease the first year grant revenue by \$672,014, by decreasing the personal services appropriation by \$619,906, by decreasing the materials and services appropriation by

\$19,776 and by decreasing the capital expenditure appropriation by \$32,332, as listed above, for the period July 1, 2004 – June 30, 2005. M.D. Van Valkenburgh seconded. Motion passed unanimously.

2.3 MOTION #3 – APPROVED

Dr. Ernie Keller moved to approve, adopt and appropriate budget adjustments to special fund 70-00-00, Department of Education Nurse Training Grant Fund, a special purpose grant, to reflect the grant budget categories, by decreasing the personal services appropriation by \$2,404, by increasing the materials and services appropriation by \$32,464, and by decreasing the capital expenditure appropriation by \$31,129, as listed above, for the period July 1, 2004 – June 30, 2005. Dave Fenwick seconded. Motion passed unanimously.

2.4 MOTION #4 – APPROVED

Charleen Cobb moved to approve, adopt and appropriate budget adjustments to the General Fund to reduce budget appropriations in the total amount of \$200,000; to decrease the Health and Safety Adult Ed Cost Center by \$11,106; to decrease the Health Technologies Cost Center by \$27,836; to decrease the Emergency Medical Tech Program Cost Center by \$7,971; to decrease the Instructional Administration Cost Center by \$6,650; to increase the Facilities Services Cost Center for a portion of the Facilities Supervisor position of \$8,225; to increase the contingency appropriation by \$159,479; and to decrease the transfer appropriation by \$314,141, as listed above, for the period July 1, 2004 – June 30, 2005. Dr. Ernie Keller seconded. Motion passed unanimously.

2.5 MOTION #5 – APPROVED

M.D. Van Valkenburgh moved to adopt the resolution authorizing issuance and negotiated sale of the bonds, designating an authorized representative, bond counsel and underwriter; authorizing appointment of a paying agent, bond registrar and expert advisor; and authorizing execution of a purchase agreement. Dave Fenwick seconded. Motion passed unanimously.

2.6 MOTION #6 – APPROVED

Dr. James Willcox moved to approve moving forward on the purchase of a new phone system, with a cap of \$110,000. Dr. Ernie Keller seconded. Motion passed unanimously.

- 2.7 MOTION #7 – APPROVED
Dr. Ernie Keller moved to **approve the motion as listed**.
Charleen Cobb seconded. Motion passed unanimously.

Whereas, Columbia Gorge Community College waives all irregularities and informalities concerning the bid documents submitted by SPL Integrated Solutions;

AND

Whereas, Columbia Gorge Community College Board of Education finds that a competitive bidding process did take place;

AND

Therefore, Columbia Gorge Community College Board of Education accepts the bid from SPL Integrated Solutions as being the low bid and directs the staff to sign contracts with SPL Integrated Solutions to provide for the AV Equipment Purchase and Installation on the fourth floor of building 1.

- 2.8 MOTION #8 – APPROVED
M.D. Van Valkenburgh moved to **approve the following motions as listed below**. Christie Reed seconded.

The Columbia Gorge Community College Board of Education declares the attached item as surplus property and authorizes the Facilities Services Director to dispose of the property as is.

The Columbia Gorge Community College Board of Education agrees to the donation of the above fan to Andy Nichols for use in his glass blowing studio at no cost to the college.

3.0 REPORT ITEMS

- 3.1 Institutional Effectiveness Indicators
Karen Carter presented the board with this year's Institutional Effectiveness Indicators report and gave a brief review.
- 3.2 Accreditation Update
Karen Carter advised the board of the upcoming accreditation review and handed out information on the A-6 criteria which will be used to review CGCC.
- 3.3 Hood River Land Partnering Concept
Richard Higgins gave a PowerPoint presentation on a partnering concept with several entities in Hood River and Rick Eggers of Hood River County School District updated the board on the school

district's plans and what they have done so far.

3.4 Capitol Construction Update

Dennis is firming up the timelines now that we have a timeline for selling the bonds. He hopes to bring this to the board in May.

3.5 Master Plan Update

Dennis gave the board an update on the submission of the Master Plan. They are working with the city on this project.

3.6 Critical Dates

Dr. Toda reviewed upcoming critical dates with the board.

3.7 Financial Report/List of Bills

Saundra Buchanan presented the March financial report and list of bills to the board. Saundra also advised the board that the 03-04 audit has now been completed and she will have bound copies soon. She also shared a letter from the IRS advising that the college was cleared on their recent audit of the 1993 bond issue.

4.0 EXECUTIVE SESSION

The board moved into Executive Session at 9:21 p.m.

The board moved out of Executive Session at 9:40 p.m.

The board asked Dennis Whitehouse to provide a list of available properties in Hood River at the next board meeting. They also directed the college staff to pursue two courses of action: 1) keep in touch with the HR School District regarding any parcels of land they are using while keeping the partners aware of our time restraints and 2) to pursue a smaller, single parcel of land for our own use.

5.0 ADJOURNMENT

Mike Schend adjourned the meeting at 9:42 p.m.



As recorded by Stephanie Meagher, Assistant to the Board

22

GENERAL CERTIFICATE

\$13,790,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds
Series 2012

On behalf of Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the “District”), I, Sandra L. Buchanan, Chief Financial Officer, certify on behalf of the District with respect to the issuance of the District’s General Obligation Refunding Bonds, Series 2012, (the “Bonds”) as follows:

1. The Bonds are issued pursuant to the Resolution adopted December 13, 2011 (the “Resolution”).
2. The representations, warranties and covenants of the District contained in the Bond Purchase Agreement dated February 22, 2012, between the District and Seattle-Northwest Securities Corporation (the “Purchase Agreement”) and the Resolution were true and correct when made and are true and correct in all material respects on and as of the date of Closing with the same effect as if made on the date of Closing.
3. There has been no adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise of the District since February 22, 2012, the date of the Bond Purchase Agreement.
4. The resolutions of the District authorizing the execution, delivery and/or performance of the Official Statement, the Bonds and the Issuer Documents have been duly adopted by the District, are in full force and effect and have not been modified, amended or repealed.
5. To the best of its knowledge, no event affecting the District has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, provided however that (1) no representation or warranty is made with respect to information within the Final Official Statement relating to DTC, the book-entry system, the State Guaranty, the Escrow Agent or the Underwriter, and (2) the representation in this subparagraph with respect to the yields or reoffering prices on the Bonds contained in the Official Statement is limited to a determination by the District that such information is a true and accurate presentation of the information contained on Exhibit B to the Purchase Agreement.

6. In issuing the Bonds, the District has complied with any applicable limitation on bonded indebtedness.

7. The proceeds from the sale of the Bonds shall be used solely as set forth in the Resolution.

8. The District has complied in all material respects with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing.

9. The District has complied with applicable provisions of any applicable budget law with respect to the issuance of the Bonds.

10. The weighted average life of the Bonds does not exceed the weighted average life of the capital costs (assets having a useful life of more than one year, including costs associated with acquisition, construction, improvement, remodeling, furnishing, equipping, maintenance or repair) that are financed or refinanced with the Bonds.

11. The Bonds constitute “exempt bonded indebtedness” as defined in ORS 310.140 to mean the Bonds were (a) authorized by a specific provision of the State Constitution, (b) incurred for capital construction or capital improvements with voter approval or (c) refunding or refinancing outstanding exempt bonded indebtedness, and taxes imposed to pay debt service on the Bonds are excepted from the limitations on taxes contained in Section 11b(1) of Article XI of the Oregon Constitution.

[Signature appears on the following page.]

DATED as of this 15th day of March 2012.

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

By *Saundra L. Buchanan*
Saundra L. Buchanan
Chief Financial Officer

23

**CERTIFICATE OF OUTSTANDING
GENERAL OBLIGATION BONDED INDEBTEDNESS**

\$13,790,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds
Series 2012

I, Sandra L. Buchanan, Chief Financial Officer for Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District"), hereby certify that the total balance of all outstanding general obligation bonded indebtedness of the District is as follows:

<u>General Obligation Bonds</u>	<u>Outstanding Balance</u>
Series 1998 Bonds	\$ 1,435,000
Series 2005 Bonds	15,955,000
Less Refunded Series 2005 Bonds	(13,100,000)
Series 2012 Refunding Bonds (this issue)	<u>13,790,000</u>
Total Outstanding General Obligation Bonded Indebtedness	<u>\$18,080,000</u>

Except as stated herein, the District has no other outstanding general obligation bonded indebtedness at this time.

DATED as of this 15th day of March 2012.

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

By Sandra L. Buchanan
Sandra L. Buchanan
Chief Financial Officer

24

CERTIFICATE OF PROCEEDINGS

\$13,790,000
Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds
Series 2012

I, Sandra L. Buchanan, certify as follows:

1. I am the Chief Financial Officer for Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District").

2. The following listed documents, which are contained in the Transcript of Proceedings of the District's General Obligation Refunding Bonds, Series 2012 are true and correct copies of the original documents which are on file in the official records of the District:

- a. The Resolution adopted April 12, 2005, authorizing the issuance and sale of the General Obligation Bonds, Series 2005;
- b. Minutes of meeting of April 12, 2005;
- c. The Resolution adopted December 13, 2011, authorizing the issuance and sale of General Obligation Refunding Bonds, Series 2012;
- d. Minutes of meeting of December 13, 2011;

3. The meetings referred to in Paragraph 2 above were duly convened and held in all respects in accordance with law and, to the extent required by law, due and proper notice of such meetings were given; a legal quorum was present throughout the meetings, and a legally sufficient number of members of the Board of Education of the District, voted in the proper manner and for the adoption of such Resolutions, and all other requirements and proceedings under law incident to the proper adoption or passage of such Resolutions have been duly fulfilled, carried out, and otherwise observed.

DATED as of this 15th day of March 2012.

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

By *Sandra L. Buchanan*
Sandra L. Buchanan
Chief Financial Officer

25

BRIAN D. BEEBE
DIRECTOR

KIMBERLY KEAN
CHIEF DEPUTY ASSESSMENT
ELECTIONS SUPERVISOR

DUANE ELY
CHIEF APPRAISER



DEPARTMENT OF RECORDS &
ASSESSMENT

HOOD RIVER COUNTY
601 STATE STREET
HOOD RIVER, OREGON 97031-1871

(541) 386-1442 – RECORDS & ELECTIONS
(541) 386-4522 – ASSESSMENT
(541) 387-6864 – FAX NUMBER

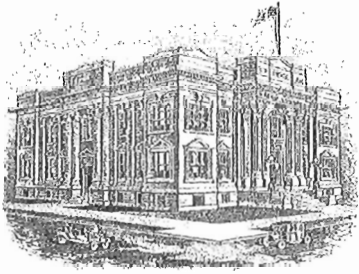
ASSESSOR'S CERTIFICATE

STATE OF OREGON)
) ss.
COUNTY OF HOOD RIVER)

I, Brian Beebe, the duly appointed and qualified Assessor for Hood River County, Oregon, do hereby certify that, as shown by the books and records of my office, the real market value as reflected in the last certified assessment roll of all property within Columbia Gorge Community College District, Hood River County, Oregon, subject to assessment for tax purposes for the tax year 2011-2012, is the sum of \$3,142,035,068.

In testimony thereof, I have hereunto set my hand this 10th day of February, 2012.

By: 
Brian Beebe, Director
Department of Records and Assessment



WASCO COUNTY

Dept. of Assessment & Tax

511 WASHINGTON ST ROOM 208
THE DALLES, OREGON 97058-2265

Assessment (541) 506-2510

Tax (541) 506-2540

Fax (541) 506-2511

TIM R. LYNN
ASSESSOR / TAX COLLECTOR

DONNA MOLLET
CHIEF DEPUTY ASSESSOR

DARLENE LUFKIN
CHIEF APPRAISER

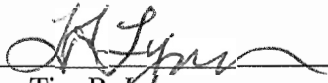
SYLVIA LOEWEN
CHIEF TAX DEPUTY

ASSESSOR'S CERTIFICATE

STATE OF OREGON)
) ss.
COUNTY OF WASCO)

I, Tim R. Lynn, the duly elected and qualified Assessor for Wasco County, Oregon, do hereby certify that, as shown by the books and records of my office, the real market value as reflected in the last certified assessment roll of property within Columbia Gorge Community College District, the portion of the joint district within Wasco County, Oregon, subject to assessment for tax purposes for the tax year 2011-12 is the sum of \$3,169,298,933.

In testimony thereof, I have hereunto set my hand this 8th day of February, 2012.

By  _____
Tim R. Lynn
Assessor/Tax Collector

26



Oregon State Treasury
 Debt Management Division
 350 Winter Street NE, Suite 100
 Salem, OR 97301
 (503) 378-4930
 DMD@ost.state.or.us

Municipal Debt Advisory Commission

Form 1 - (Filed separately for each series at least 10 days prior to Bond Marketing Date) Initial Notification Swap PAB OSBG
 Form 2 - (Filed separately for each series within 7 days after the Bond Marketing Date) Update

Issuer	Bond Type	Issue Date	Series #
Columbia Gorge Comm College (Treaty-Oak AED)	General Obligation (N) Bonds	03/15/2012	2012

Purpose	Par Amount	Sale Type	Interest Payment Terms	Interest Basis	Avg Life	Interest Rate
Education	\$13,230,000	Negotiated				

Project Name	Project Description
	Refunding of 2005 GO Bonds

Debt Limit	State Program	Federal Program
-	Oregon School Bond Guaranty	

Bond Pricing	Closing	Final Maturity	# of bids	Variable Rate <input type="checkbox"/>	Federally Taxable <input type="checkbox"/>	Bank Qualified <input type="checkbox"/>
02/22/2012				Zero Coupon Bond <input type="checkbox"/>	Subject to AMT <input type="checkbox"/>	

Professionals	Associated Business	Cost
Bond Counsel	Mersereau & Shannon LLP	
Financial Advisor	None	
Paying Agent	U.S. Bank National Association	
Underwriter	Seattle Northwest Securities Corp.	

Enhancements	Firm
State Guarantee	

Submitted by: Mary Macpherson

Date Submitted: 2/13/2012 4:38:05 PM

Printed: 02/13/2012

Approved by: Jennifer Bingham

Date Approved: 1/26/2012 9:09:34 AM



Oregon State Treasury
 Debt Management Division
 350 Winter Street NE, Suite 100
 Salem, OR 97301
 (503) 378-4930
 DMD@ost.state.or.us

Municipal Debt Advisory Commission

Form 1 - (Filed separately for each series at least 10 days prior to Bond Marketing Date) Initial Notification Swap PAB OSBG
 Form 2 - (Filed separately for each series within 7 days after the Bond Marketing Date) Update

Issuer Columbia Gorge Comm College (Treaty-Oak AED)	Bond Type General Obligation (N) Bonds	Issue Date 03/15/2012	Series # 2012
Purpose Education	Par Amount \$13,790,000	Sale Type Negotiated	Interest Payment Terms TIC
		Interest Basis TIC	Avg Life 9.07
			Interest Rate 2.2371%

Project Name	Project Description
	Refunding of 2005 GO Bonds

Debt Limit	State Program	Federal Program
	Oregon School Bond Guaranty	

Bond Pricing	Closing	Final Maturity	# of bids	Variable Rate <input type="checkbox"/>	Federally Taxable <input type="checkbox"/>	Bank Qualified <input type="checkbox"/>
02/22/2012	03/15/2012	06/15/2025		Zero Coupon Bond <input type="checkbox"/>	Subject to AMT <input type="checkbox"/>	

Professionals	Associated Business	Cost
Bond Counsel	Mersereau & Shannon LLP	\$25,000
Financial Advisor	Charles Carter Company	\$2,500
Paying Agent	U.S. Bank National Association	\$4,095
Underwriter	Seattle Northwest Securities Corp.	\$104,114

Ratings	Rater	Rating	Type	Provider
02/15/2012	Moody's	Aa1	Enhancement	
02/15/2012	Moody's	Aa3	Base	

Call Provisions	Date	Memo
1st Optional Call	06/15/2022	@ par

Enhancements	Firm	Refunding
State Guarantee		Columbia Gorge Comm College (Treaty-Oak AED) - 2005 - 5/25/2005 - General Obligation (N) Bonds

Submitted by: Mary Macpherson

Date Submitted: 2/27/2012 5:56:17 PM

Printed: 03/09/2012

Approved by: Matthew Harris

Date Approved: 3/7/2012 2:26:25 PM

27

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
 ▶ See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Columbia Gorge Community College District		2 Issuer's employer identification number (EIN) 93-0700843	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) James Shannon		3b Telephone number of other person shown on 3a 503-226-6400	
4 Number and street (or P.O. box if mail is not delivered to street address) 400 East Scenic Drive		Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code The Dalles, Oregon 97058-3434		7 Date of issue 03/15/2012	
8 Name of issue General Obligation Refunding Bonds, Series 2012		9 CUSIP number 197659 DD4	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Sandra L. Buchanan, Chief Financial Officer		10b Telephone number of officer or other employee shown on 10a (541) 298-3105	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11	14,915,553
12 Health and hospital	12	
13 Transportation	13	
14 Public safety	14	
15 Environment (including sewage bonds)	15	
16 Housing	16	
17 Utilities	17	
18 Other. Describe ▶	18	
19 If obligations are TANs or RANs, check only box 19a ▶ <input type="checkbox"/>		
If obligations are BANs, check only box 19b ▶ <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box ▶ <input type="checkbox"/>		

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

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	06/15/2025	\$ 14,915,553	\$ 13,790,000	9.1041 years	2.0671 %

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

22 Proceeds used for accrued interest	22	
23 Issue price of entire issue (enter amount from line 21, column (b))	23	14,915,553
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	161,588
25 Proceeds used for credit enhancement	25	5,524
26 Proceeds allocated to reasonably required reserve or replacement fund	26	
27 Proceeds used to currently refund prior issues	27	
28 Proceeds used to advance refund prior issues	28	14,748,127
29 Total (add lines 24 through 28)	29	14,915,239
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	314

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

31 Enter the remaining weighted average maturity of the bonds to be currently refunded ▶	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded ▶	9.3076 years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ▶	06/15/2015
34 Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	05/25/2005

Part VI Miscellaneous

- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)

35		
36a		
37		
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)

36a		
------------	--	--
- b** Enter the final maturity date of the GIC ▶ _____
- c** Enter the name of the GIC provider ▶ _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units

37		
-----------	--	--
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the following information:
- b** Enter the date of the master pool obligation ▶ _____
- c** Enter the EIN of the issuer of the master pool obligation ▶ _____
- d** Enter the name of the issuer of the master pool obligation ▶ _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶
- 41a** If the issuer has identified a hedge, check here and enter the following information:
- b** Name of hedge provider ▶ _____
- c** Type of hedge ▶ _____
- d** Term of hedge ▶ _____
- 42** If the issuer has superintegrated the hedge, check box ▶
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ▶
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here and enter the amount of reimbursement ▶ _____
- b** Enter the date the official intent was adopted ▶ _____

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

▶ Saundra L. Buchanan 3/15/12 ▶ **Saundra L. Buchanan, Chief Financial Officer**
Signature of issuer's authorized representative Date Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name James P. Shannon	Preparer's signature 	Date 3/15/12	Check <input type="checkbox"/> if self-employed	PTIN P010813443
Firm's name ▶ Mersereau Shannon LLP			Firm's EIN ▶ 93-1036465	
Firm's address ▶ 1 SW Columbia Street, Suite 1600 Portland, OR 97258			Phone no. 503-226-6400	

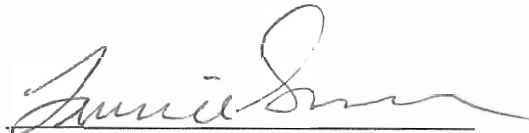
Affidavit of Filing IRS Form 8038-G

I, Laurie Suran, being first duly sworn, do hereby depose and state that on March 23, 2012, I did cause to be filed with the Internal Revenue Service IRS Form 8038-G in the form attached hereto relating to the following:

Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds, Series 2012 - \$13,790,000

The above was placed in a postage-paid envelope addressed to the Internal Revenue Service Center, Ogden Utah 84201 and sent via Certified Mail, No. 7007 0710 0002 6408 0000.

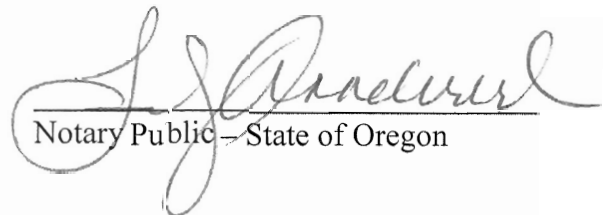
IN WITNESS WHEREOF, the undersigned has hereunto set her hand this 23rd day of March, 2012.



Laurie Suran
Legal Assistant
Mersereau Shannon LLP

STATE OF OREGON)
) ss.
County of Multnomah)

Signed and sworn to before me on Mar 23, 2012 by Laurie Suran.



Notary Public - State of Oregon

28

ESCROW DEPOSIT AGREEMENT

This Escrow Deposit Agreement is dated as of the 15th day of March 2012, and executed by and between Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the “District”) and U.S. Bank National Association (the “Escrow Agent”) and its successors.

Pursuant to the Resolution of the District adopted December 13, 2011 (the “Resolution”), the Board of Directors of the District authorized the issuance and negotiated sale of General Obligation Refunding Bonds, Series 2012 (the “Series 2012 Bonds”) to refund all or a portion of the District’s outstanding General Obligation Bonds, Series 2005 (the “Series 2005 Bonds”), and to pay the costs of issuance of the Series 2012 Bonds. The Series 2005 Bonds were issued to finance the costs of capital construction and improvements for health science training and classroom facilities, renovate existing facilities, demolish unusable buildings, purchase land and pay costs of issuance of the Series 2005 Bonds.

The Series 2005 Bonds are dated May 25, 2005, and were issued in the original principal amount of \$18,500,000. The Series 2005 Bonds maturing on and after June 15, 2016, are subject to redemption at the option of the District, in whole or in part, on any date on and after June 15, 2015, at a price of par plus accrued interest, if any, to the date of redemption. There is currently \$15,955,000 of the Series 2005 Bonds outstanding of which \$13,100,000 is being refunded. The portion of the Series 2005 Bonds being refunded is referred to herein as the “Refunded Bonds.”

Proceeds of the Series 2012 Bonds will be applied to purchase direct non-callable United States Treasury Obligations (the “Government Obligations”) which will be for the purpose of providing funds sufficient to refund on June 15, 2015, the first optional redemption date, the callable portion of the Series 2005 Bonds which mature on June 15, 2016, to and including the final maturity of June 15, 2025, at 100% of par value. The deposit of cash and the Government Obligations in the Escrow Deposit Fund shall constitute an irrevocable deposit and escrow for the benefit of the holders of the Refunded Bonds.

A portion of the proceeds of the Series 2012 Bonds will be applied to pay the costs of issuance of the Series 2012 Bonds.

The District and the Escrow Agent agree:

Section 1. The Escrow Agent agrees to serve as Escrow Agent and acknowledges the receipt of a copy of the Resolution. The Resolution is incorporated herein by this reference into this Escrow Deposit Agreement.

Section 2. The District hereby irrevocably exercises its option to call and redeem on June 15, 2015, the first optional redemption date, at 100% of par value, the outstanding principal of the

Refunded Bonds consisting of the Series 2005 Bonds maturing June 15, 2016 through and including June 15, 2025, in the aggregate principal amount of \$13,100,000.

The Escrow Agent shall direct the paying agent for the Refunded Bonds (the "Paying Agent") to provide the Notice of Redemption, substantially in the form attached hereto as Exhibit A, not less than thirty (30) days prior to June 15, 2015 (the "Redemption Date"), to the owners of the Refunded Bonds as well as to the Municipal Debt Advisory Commission of the State of Oregon (the "MDAC"): (i) by electronic submission to DMD@OST.state.or.us; (ii) by mail or delivery to Debt Management Division of the Office of the State Treasurer, 350 Winter Street NE, Suite 100, Salem, Oregon 97301; or (iii) by facsimile to 503-378-2870, and to the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access System ("EMMA"). The Escrow Agent shall also direct the Paying Agent to provide the Material Event Notice of Defeasance, substantially in the form attached hereto as Exhibit B, to the owners of the Refunded Bonds as well as to the MSRB, by EMMA, on the closing date. Such notices shall be published in the manner provided in the Series 2005 Bonds authorizing documents.

Section 3. The Escrow Agent shall irrevocably establish and maintain a special, segregated and irrevocable trust fund designated as the Columbia Gorge Community College District 2012 Escrow Deposit Fund (the "Escrow Deposit Fund"). The District shall deposit to the Escrow Deposit Fund cash funds in the amount of \$310,706.88 and Government Obligations, as described in Exhibit C, in such amounts, terms and rates of interest sufficient that the cash funds and maturing principal and interest on the Government Obligations will be sufficient to refund on June 15, 2015, the first optional redemption date, all of the outstanding Refunded Bonds at 100% of par value and to pay the accrued interest due on the Refunded Bonds commencing June 15, 2012, to and including June 15, 2015.

Funds on deposit in the Escrow Deposit Fund shall be irrevocably pledged only to the debt service on and principal payments of the Refunded Bonds. Amounts earned on the cash and Government Obligations in the Escrow Deposit Fund shall be retained therein until applied in accordance with this Agreement. Upon redemption or final maturity of the Refunded Bonds, any unexpended cash funds, Government Obligations and the earnings thereon shall be transferred to the District.

Section 4. The District covenants that no part of the moneys or funds at any time in the Escrow Deposit Fund will be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause the Series 2012 Bonds to be "arbitrage bonds" as defined in Section 148 of the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

Section 5. "Government Obligations" shall mean non-callable direct obligations of or non-callable non-prepayable obligations, the principal of and interest on which are unconditionally guaranteed by the United States of America. Investments in mutual funds or unit investment trusts are prohibited. The Government Obligations shall consist of the obligations described in the attached Exhibit C, and any such obligations substituted for them in accordance with this Escrow Deposit Agreement.

Section 6. The Escrow Agent establishes the Escrow Deposit Fund and accepts cash in the amount of \$310,706.88 and the Government Obligations as described in Exhibit C attached hereto for deposit pursuant to this Escrow Deposit Agreement. Except as otherwise expressly provided herein, the Escrow Agent shall have no duty to make substitutions of the Government Obligations, or to sell, transfer or otherwise dispose of the Government Obligations. At the written request of the District and upon compliance with the conditions stated in this Escrow Deposit Agreement, the Escrow Agent shall have the power to sell, transfer, otherwise dispose of or request the redemption of the Government Obligations and to substitute other Government Obligations. The Escrow Agent shall purchase the substituted Government Obligations with the proceeds derived from the sale, transfer, disposition or redemption of Government Obligations. Government Obligations may be substituted only if the District provides the Escrow Agent with (a) an unqualified opinion of a firm of nationally recognized municipal bond attorneys to the effect that the substitution will not cause the Series 2012 Bonds nor the Refunded Bonds to be “arbitrage bonds” as hereinafter defined and (b) a certification of an independent certified public accountant that after such substitution or reinvestment sufficient monies and securities, excluding reinvestment earnings, remains in the Escrow Deposit Fund to pay principal and interest when due on the Refunded Bonds.

If the foregoing conditions have been met and substitution is made, the Escrow Agent shall pay to the District as and when realized and collected any moneys in excess of the amount required to pay when due the amounts as set forth in Section 3 hereof as shown in the then-currently applicable certified public accountant certification. The District agrees to reimburse the Escrow Agent for all expenses and professional fees incurred in connection with any substitution of Government Obligations made at the request of the District.

The Escrow Agent may conclusively rely, as of the truth of the statements and the correctness of the opinions expressed therein, and shall be protected and indemnified as stated in this Escrow Deposit Agreement, in acting or refraining from acting, upon any written notice instruction, request, certificate, document, report or opinion furnished to the Escrow Agent and reasonably believed by the Escrow Agent to have been signed or presented by the proper party, and as stated in such notice, instruction, request, certificate, document, report or opinion.

Section 7. The Escrow Agent shall provide funds, from the cash and the matured principal of and interest on any Government Obligations in the Escrow Deposit Fund, to the Paying Agent of the Refunded Bonds to pay principal due on the Refunded Bonds at their maturity or redemption date. At the written direction of the District, the Escrow Agent may invest the cash deposited and the matured principal of and interest on the Government Obligations until needed to pay the principal and interest due with respect to the Refunded Bonds; provided, however, that such reinvestment (1) may only be in Government Obligations directed by the District, (2) shall be structured by the District in amount and maturity to pay the debt service on the Refunded Bonds when due at maturity or redemption, as evidenced by a report of an independent accounting firm or a verification agent delivered to the Escrow Agent, and (3) shall be at a yield that does not exceed 2.0671%, and (4) shall not cause interest on the Refunded Bonds to be included in gross income of the holders of the Refunded Bonds for federal income tax purposes, as evidenced by an opinion of bond counsel delivered to the Escrow Agent. The Escrow Agent shall be under no duty or obligation to inquire whether the investments

hereunder are properly invested and may rely on all specific directions in this Escrow Agreement with respect to the investment or reinvestment of balances held hereunder. Funds, if any, remaining in the Escrow Deposit Fund after the redemption or maturity of the Refunded Bonds shall be transferred to the District.

The obligation of the Escrow Agent to provide such payments as herein provided shall be limited to the cash and the principal of and any interest on the Government Obligations and the cash, in the Escrow Deposit Fund. The Escrow Agent shall have no liability for the insufficiency of the principal of and interest earned on any Government Obligations or other funds deposited with it in the Escrow Deposit Fund or the failure of any obligor of any Government Obligations or funds to make timely payments thereon, except for the obligation to notify the District of the occurrence of a failure of payment. The Escrow Agent shall not be liable for any loss resulting from or diminution in the market value of any investment made pursuant to this Agreement in compliance with the provisions thereof. The Escrow Agent undertakes to perform only such duties as are expressly and specifically set forth in the Escrow Deposit Agreement and no implied duties or obligations shall be read into the Escrow Deposit Agreement against the Escrow Agent.

Section 8. In consideration of its fee, the Escrow Agent agrees to establish the Escrow Deposit Fund and to comply with the provisions of this Escrow Deposit Agreement. The District agrees to pay to the Escrow Agent its reasonable fees and expenses for any additional action taken pursuant to this Escrow Deposit Agreement at the request of the District and the fees and expenses of any independent consultants, including, without limitation, attorneys, accountants and any other special consultants, from any moneys of the District lawfully available therefor. However, in no event shall the Escrow Agent have any lien whatsoever upon any of the moneys and any Government Obligations in the Escrow Deposit Fund for the payment of such fees and expenses. The District assumes liability for, and to the extent permitted by law agrees to indemnify, protect, save and hold harmless the Escrow Agent and its respective successors, assigns, agents, officers, directors and employees from and against all liabilities, losses, claims, costs, expenses (including, without limitation, legal fees and expenses), judgments, suits and damages of whatsoever kind and nature which may be imposed on, incurred by or asserted against the Escrow Agent and in any manner relating to or arising out of the execution and delivery of this Escrow Deposit Agreement, the establishment of the Escrow Deposit Fund, the acceptance of moneys and securities deposited therein, the purchase of Government Obligations, the retention of moneys and Government Obligations or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Escrow Deposit Agreement, which may arise by reason of any act, omission or error of the Escrow Agent made in good faith in the conduct of its duties; provided, however, that the District shall not be required to indemnify the Escrow Agent against its own negligence or its own willful misconduct. In no event shall the District be liable to any person by reason of the transactions contemplated hereby other than to the Escrow Agent. The indemnities contained in this paragraph shall survive the termination of this Escrow Deposit Agreement and the earlier removal or resignation of the Escrow Agent.

The Escrow Agent shall be under no obligation to inquire into or be in any way responsible for the performance or nonperformance by the District of any of its obligations, or to protect any of the

District's rights under any bond proceedings or any of the District's other contracts with or franchises or privileges from any state, county, municipality or other governmental agency or with any person.

Section 9. No Paying Agent's fees or Escrow Agent's fees or other charges of any nature may be paid from the escrowed money or Government Obligations prior to payment of the Refunded Bonds. The District agrees that it will pay any and all such fees from its other legally available funds as such payments become due prior to such payment.

Section 10. If there shall be insufficient funds on hand in the Escrow Deposit Fund for the payment of principal and interest due on the Refunded Bonds, the Escrow Agent shall promptly notify the District of such deficiency upon becoming aware of such deficiency. Upon receipt of such notification, the District shall immediately deposit funds in the Escrow Deposit Fund in the amount of the deficiency. The Escrow Agent shall never be required to risk, use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder. In no event shall the Escrow Agent be liable for any special, indirect, punitive or consequential damages. The Escrow Agent is not required to resolve conflicting demands to money or property in its possession under this Escrow Deposit Agreement.

Section 11. This Escrow Deposit Agreement shall terminate when all transfers and payments required by this Agreement have been made.

Section 12. A successor escrow agent shall be appointed by the District as escrow agent upon thirty (30) days prior written notice from either party to this Agreement of the resignation or removal of the Escrow Agent. No substitution shall be effective unless a successor escrow agent shall have been appointed by the District and such successor escrow agent shall have accepted such appointment. In such event, the substitution shall be effective immediately upon the acceptance of appointment by the successor escrow agent.

If within thirty (30) days after giving the notice of escrow agent substitution, no successor escrow agent shall have been appointed and shall have accepted appointment, either party to this Agreement may petition any court of competent jurisdiction for the appointment of a successor escrow agent. In no event may the Escrow Agent withdraw from this Agreement if a successor escrow agent is not obtainable.

If the removal is caused by or results from willful misconduct on the part of the Escrow Agent, the Escrow Agent shall reimburse the District for its reasonable expenses incurred in connection with such substitution.

Section 13. If any one or more of the covenants or agreements provided in this Escrow Deposit Agreement on the part of the parties hereto to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Deposit Agreement.

Section 14. All notices or other communications provided for or permitted hereunder shall be in writing and shall be mailed by first class mail, postage prepaid,

If to the District: Columbia Gorge Community College District
400 East Scenic Drive
The Dalles, Oregon 97058-3434
Attention: Chief Financial Officer

If to the Escrow Agent: U.S. Bank National Association
555 SW Oak Street, PD-OR-P6TD
Portland, Oregon 97204
Attention: Corporate Trust Services

Section 15. The Escrow Agent shall mail a report to the District annually of the receipt, income, investments, redemptions and payments of and from all of the funds and accounts established hereunder during the next preceding fiscal year.

Section 16. The District acknowledges that regulations of the Comptroller of the Currency grant the District the right to receive brokerage confirmations of the security transactions as they occur. To the extent permitted by law, the District specifically waives compliance with 12 CFR 12 and has notified the Escrow Agent hereunder, that no brokerage confirmations need be sent relating to security transactions as they occur.

Section 17. This Escrow Deposit Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Oregon without giving effect to principles of conflicts of law.

Section 18. This Escrow Deposit Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as an original and shall constitute and be but one and the same instrument. The paragraph headings used herein are for convenience of reference only.

Section 19. Except as specifically provided herein, if the last day for making any payment or taking any action, including without limitation, exercising any remedy under this Escrow Deposit Agreement falls on a day other than a Business Day, such payment may be made, or such action may be taken, on the next succeeding Business Day, and if so made or taken, shall have the same effect as if made or taken on the date required by this Escrow Deposit Agreement. The amount of any payment due hereunder shall not be affected because payment is so made on a date other than the date specified in this Escrow Deposit Agreement pursuant to this Section.

[Signatures follow next page]

IN WITNESS WHEREOF, the parties hereto have each caused this Escrow Deposit Agreement to be executed by their duly authorized officers as of the day first above written.

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

By *Saundra L. Buchanan*
Saundra L. Buchanan
Chief Financial Officer

“District”

U.S. BANK NATIONAL ASSOCIATION

By *Cheryl Nelson*
Authorized Representative

“Escrow Agent”

EXHIBIT A

NOTICE OF REDEMPTION

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

SERIES 2005

DATED: May 25, 2005

NOTICE IS HEREBY GIVEN that Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon has called for redemption prior to maturity on June 15, 2015, a portion of its outstanding General Obligation Bonds, Series 2005. The Bonds to be redeemed have the following maturity dates, maturity amounts and rates:

<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>RATE</u>	<u>CUSIP NO. 197659</u>
6/15/2016	\$250,000	5.000%	BS3
6/15/2016	\$625,000	4.000%	CC7
6/15/2017	\$1,000,000	5.000%	BT1
6/15/2018	\$1,040,000	5.000%	BU8
6/15/2019	\$1,130,000	5.000%	BV6
6/15/2020	\$1,000,000	5.000%	BW4
6/15/2020	\$255,000	4.500%	CD5
6/15/2021	\$1,330,000	5.000%	BX2
6/15/2022	\$1,440,000	5.000%	BY0
6/15/2023	\$1,555,000	5.000%	BZ7
6/15/2025	\$3,475,000	4.250%	CB9

The Bonds will be redeemed at a price equal to 100% of their principal value, plus accrued interest to June 15, 2015. All interest on such bonds shall cease to accrue on and after June 15, 2015. The Bonds will be due and payable at the following address:

If by Mail

U.S. Bank National Association
Corporate Trust Services
P.O. Box 64111
St. Paul, MN 55764-0111

If by Hand or Overnight Delivery

U.S. Bank National Association
60 Livingston Avenue
1st Floor – Bond Drop Window
St. Paul, MN 55101

Inquiries may be directed to the Paying Agent at 1-800-934-6802.

UNDER SECTION 3406(a)(1) OF THE INTERNAL REVENUE CODE THE REGISTRAR MAY BE OBLIGATED TO WITHHOLD A PERCENTAGE OF THE PRINCIPAL OF A HOLDER WHO HAS FAILED TO FURNISH THE REGISTRAR WITH A VALID TAXPAYER IDENTIFICATION NUMBER AND A CERTIFICATION THAT THE OWNER IS NOT SUBJECT TO BACKUP WITHHOLDING. OWNERS WHO WISH TO AVOID THE APPLICATION OF THESE PROVISIONS SHOULD SUBMIT A COMPLETED IRS FORM W-9 WHEN PRESENTING THEIR CERTIFICATES FOR PAYMENT.

The District and Escrow Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Prior Bond. They are included solely for the convenience of the holders.

BY: U.S. Bank, National Association
as Escrow Agent

Dated: _____.

EXHIBIT B

MATERIAL EVENT NOTICE OF DEFEASANCE

COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON
GENERAL OBLIGATION BONDS
SERIES 2005
DATED: May 25, 2005

<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>RATE</u>	<u>CUSIP NO. 197659</u>
6/15/2016	\$250,000	5.000%	BS3
6/15/2016	\$625,000	4.000%	CC7
6/15/2017	\$1,000,000	5.000%	BT1
6/15/2018	\$1,040,000	5.000%	BU8
6/15/2019	\$1,130,000	5.000%	BV6
6/15/2020	\$1,000,000	5.000%	BW4
6/15/2020	\$255,000	4.500%	CD5
6/15/2021	\$1,330,000	5.000%	BX2
6/15/2022	\$1,440,000	5.000%	BY0
6/15/2023	\$1,555,000	5.000%	BZ7
6/15/2025	\$3,475,000	4.250%	CB9

NOTICE IS HEREBY GIVEN that for the payment of principal of the refunded portion of the outstanding bonds designated Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, dated May 25, 2005, and maturing on June 15, 2016 through and including June 15, 2025 (the "Prior Bonds"), there have been deposited in escrow with U.S. Bank National Association (the "Escrow Agent"), moneys which, except to the extent maintained in cash, have been invested in non-callable direct and general obligations of the United States of America, as permitted by the Escrow Deposit Agreement dated March 15, 2012, by and between Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, as Issuer, and U.S. Bank National Association, as Escrow Agent. The money so maintained in cash and the projected principal and interest payments to be received from the investments so made have been calculated to be sufficient to pay the redemption price of 100% of par of the Prior Bonds on the call date of June 15, 2015. Accordingly, the Prior Bonds will be secured solely by and payable solely from the foregoing sources.

The District and Escrow Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Prior Bond. They are included solely for the convenience of the holders.

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

By: U.S. Bank National Association
as Escrow Agent

Dated: March 15, 2012

EXHIBIT C**GOVERNMENT OBLIGATIONS****ESCROW**

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLG	12/15/2012	\$ 259,721.00	0.140%	\$ 259,721.00
SLG	06/15/2013	276,960.00	0.190%	276,960.00
SLG	12/15/2013	277,223.00	0.260%	277,223.00
SLG	06/15/2014	277,583.00	0.330%	277,583.00
SLG	12/15/2014	278,042.00	0.400%	278,042.00
SLG	06/15/2015	13,378,597.00	0.480%	13,378,597.00
		<u>\$14,748,126.00</u>		<u>\$14,748,126.00</u>

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
03/15/2012	\$14,748,126.00	\$310,706.88	\$15,058,832.88	0.470864%

29

U.S. BANK NATIONAL ASSOCIATION
AUTHORIZED SIGNER(S)

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

ARTICLE VI. CONVEYANCES, CONTRACTS, ETC.

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

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

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

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

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

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

Cheryl Nelson
Vice President

WILL SIGN:



IN WITNESS WHEREOF, I have hereunto set my hand to be affixed hereto this 15th day of March, 2012.

U.S. Bank National Association


By: Corazon Gruenberg
Vice President

30

Cash Flow and Yield Verification Report

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

March 15, 2012

Contents

Letter	
Exhibit A	Schedule of Sources and Uses of Funds
Exhibit B	Escrow Account Cash Flow
Exhibit B-1	Cash Receipts From and Yield on the SLGS
Exhibit B-2	Debt Service Payments on the Refunded Bonds
Exhibit C	Debt Service Payments and Yield on the Bonds
Exhibit C-1	Net Original Issue Premium on the Bonds
Appendix I	Applicable schedules provided by Seattle-Northwest Securities Corporation



**Report of Independent Certified Public Accountants
On Applying Agreed-Upon Procedures**

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

Mersereau Shannon LLP
One Southwest Columbia, Suite 1600
Portland, Oregon

U.S. Bank National Association
555 Southwest Oak Street
Portland, Oregon

Seattle-Northwest Securities Corporation
1300 Southwest Fifth Avenue, Suite 3650
Portland, Oregon

\$13,790,000

Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds, Series 2012
Dated March 15, 2012

We have performed the procedures described in this report, which were agreed to by the Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District") and Seattle-Northwest Securities Corporation (the "Underwriter"), to verify the mathematical accuracy of certain computations contained in the schedules attached in Appendix I provided by the Underwriter. The Underwriter is responsible for these schedules. These procedures were performed solely to assist you in the issuance of the above-captioned bond issue (the "Bonds") for the purpose of refunding a portion of the District's outstanding General Obligation Bonds, Series 2005 (the "Refunded Bonds") as summarized on the next page. This engagement was performed in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the addressees of this report who are the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described in this report either for the purpose for which this report has been requested or for any other purpose.

Audit • Tax • Advisory

Grant Thornton LLP
200 S 6th Street, Suite 500
Minneapolis, MN 55402-1459

T 612.332.0001
F 612.332.8361
www.GrantThornton.com

<u>Series</u>	<u>Principal Issued</u>	<u>Dated</u>	<u>Principal Refunded</u>	<u>Maturities Refunded</u>	<u>Redemption Date</u>	<u>Redemption Price</u>
2005	\$18,500,000	May 25, 2005	\$13,100,000	6-15-16 to 6-15-23 and 6-15-25	6-15-15	100%

VERIFICATION OF ESCROW ACCOUNT CASH FLOW SUFFICIENCY

The Underwriter provided us with schedules (Appendix I) summarizing future escrow account cash receipts and disbursements. These schedules indicate that there will be sufficient cash available in the escrow account to pay the principal and interest on the Refunded Bonds assuming the Refunded Bonds will be redeemed on June 15, 2015 at 100 percent of par plus accrued interest.

The attached Exhibit A (Schedule of Sources and Uses of Funds) was compiled based upon information provided by the Underwriter.

As part of our engagement to recalculate the schedules attached as Appendix I we prepared schedules attached hereto as Exhibits B through B-2 independently calculating future escrow account cash receipts and disbursements and compared the information used in our calculations to the information listed below contained in applicable pages of the following documents:

- Subscription confirmation, dated February 22, 2012, and Schedule of U.S. Treasury Securities provided by the Underwriter used to acquire certain United States Treasury Securities - State and Local Government Series (the "SLGS") insofar as the SLGS are described as to the principal amounts, interest rates, maturity dates, issuance date and first interest payment date; and
- Official Statement and Bond Purchase Agreement for the Refunded Bonds provided by the Underwriter insofar as the Refunded Bonds are described as to the maturity and interest payment dates, principal amounts, interest rates and optional redemption date and price.

In addition, we compared the interest rates for each maturity of the SLGS, as shown on the Schedule of U.S. Treasury Securities, with the maximum allowable interest rates shown on the Department of Treasury, Bureau of Public Debt, SLGS Table for use on February 22, 2012 and found that the interest rates were equal to the maximum allowable interest rates for each maturity.

Our procedures, as summarized in Exhibits B through B-2, prove the mathematical accuracy of the schedules provided by the Underwriter summarizing future escrow account cash receipts and disbursements. The schedules provided by the Underwriter and those prepared by us reflect that the anticipated receipts from the SLGS, together with an initial cash deposit of \$310,706.88 to be deposited into the escrow account on March 15, 2012, will be sufficient to pay, when due, the principal and interest related to the Refunded Bonds assuming the Refunded Bonds will be redeemed on June 15, 2015 at 100 percent of par plus accrued interest.

VERIFICATION OF YIELDS

The Underwriter provided us with schedules (Appendix I) which indicate that the yield on the cash receipts from the SLGS is less than the yield on the Bonds. These schedules were prepared based on the assumed settlement date of March 15, 2012 using a 360-day year with interest compounded semi-annually. The term “yield”, as used herein, means that yield which, when used in computing the present value of all payments of principal and interest to be paid or received on an obligation produces an amount equal to, in the case of the cash receipts from the SLGS, the purchase price, and in the case of the Bonds, the issue price adjusted for the Oregon School Bond Guaranty of \$5,523.94. In addition, we found that the schedules provided by the Underwriter, which assume the redemption of the June 15, 2023 through June 15, 2025 maturities identified on Exhibits C and C-1 at par on June 15, 2022 plus accrued interest, correctly treat those Bonds as yield-to-call Bonds as retired on the respective dates that for each Bond produces the lowest yield for the issue that includes the Bonds. Those Bonds identified as yield-to-call Bonds on the attached Exhibits C and C-1 are those Bonds that are subject to optional redemption and that are issued at an issue price that exceeds the stated redemption price at maturity of such Bonds by more than one-fourth of one percent multiplied by the product of the stated redemption price at maturity of such Bonds and the number of complete years to the first optional redemption date for the Bonds. We found that there are no other yield-to-call Bonds other than those identified on the attached Exhibits C and C-1.

As part of our engagement to recalculate the schedules attached as Appendix I we prepared schedules attached hereto as Exhibits B-1 and C independently calculating the yields on (i) the cash receipts from the SLGS calculated on Exhibit B-1, and (ii) the Bonds using the Official Statement provided by the Underwriter insofar as the Bonds are described as to the maturity and interest payment dates, dated date, principal amounts, interest rates, optional redemption date and price, and issue price to the public. The results of our calculations, based on the aforementioned assumptions, are summarized below:

	<u>Yield</u>	<u>Exhibit</u>
• Yield on the cash receipts from the SLGS	0.470864%	B-1
• Yield on the Bonds	2.067116%	C

Our procedures, as summarized in Exhibits B-1 and C, prove the mathematical accuracy of the schedules provided by the Underwriter summarizing the yields. The schedules provided by the Underwriter and those prepared by us reflect that the yield on the cash receipts from the SLGS is less than the yield on the Bonds.

* * * * *

We were not engaged to, and did not, perform an examination or a review in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants, the objective of which would be the expression of an examination opinion or limited assurance on the items referred to above. Accordingly we do not express such an opinion or limited assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of those to whom this letter is addressed and is not intended to be and should not be used by anyone other than these specified parties.

Grant Thornton LLP

Minneapolis, Minnesota
March 15, 2012

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

SCHEDULE OF SOURCES AND USES OF FUNDS

March 15, 2012

SOURCES:

Principal amount of the Bonds	\$13,790,000.00
Net original issue premium	1,125,553.05
College Contribution	310,706.25
	<u>\$15,226,259.30</u>

USES:

Purchase price of the SLGS	\$14,748,126.00
Beginning cash deposit to the escrow account	310,706.88
Costs of issuance	57,474.00
Underwriter's discount	104,114.50
Oregon School Bond Guaranty	5,523.94
Contingency	313.98
	<u>\$15,226,259.30</u>

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

ESCROW ACCOUNT CASH FLOW

<u>Dates</u>	<u>Cash receipts from SLGS (Exhibit B-1)</u>	<u>Debt service payments on Refunded Bonds (Exhibit B-2)</u>	<u>Cash balance</u>
Cash deposit on March 15, 2012			\$310,706.88
06-15-12	\$16,965.31	\$310,706.25	16,965.94
12-15-12	293,741.17	310,706.25	0.86
06-15-13	310,706.22	310,706.25	0.83
12-15-13	310,706.11	310,706.25	0.69
06-15-14	310,705.72	310,706.25	0.16
12-15-14	310,706.71	310,706.25	0.62
06-15-15	13,410,705.63	13,410,706.25	0.00
	<u>\$14,964,236.87</u>	<u>\$15,274,943.75</u>	

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

CASH RECEIPTS FROM AND YIELD ON THE SLGS

Receipt date	Principal	Interest rate	Interest	Cash receipts from SLGS	Present value on March 15, 2012 using a yield of 0.470864%
06-15-12			\$16,965.31	\$16,965.31	\$16,945.37
12-15-12	\$259,721	0.140%	34,020.17	293,741.17	292,706.87
06-15-13	276,960	0.190%	33,746.22	310,706.22	308,884.97
12-15-13	277,223	0.260%	33,483.11	310,706.11	308,159.36
06-15-14	277,583	0.330%	33,122.72	310,705.72	307,435.17
12-15-14	278,042	0.400%	32,664.71	310,706.71	306,714.04
06-15-15	13,378,597	0.480%	32,108.63	13,410,705.63	13,207,280.21
	<u>\$14,748,126</u>		<u>\$216,110.87</u>	<u>\$14,964,236.87</u>	<u>\$14,748,126.00</u>
Purchase price of the SLGS					<u>\$14,748,126.00</u>

The sum of the present values of the cash receipts from the SLGS on March 15, 2012, using a yield of 0.470864%, is equal to the purchase price of the SLGS.

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

DEBT SERVICE PAYMENTS ON THE REFUNDED BONDS

<u>Date</u>	<u>Principal</u>	<u>Interest rate</u>	<u>Interest</u>	<u>Debt service payments</u>
06-15-12			\$310,706.25	\$310,706.25
12-15-12			310,706.25	310,706.25
06-15-13			310,706.25	310,706.25
12-15-13			310,706.25	310,706.25
06-15-14			310,706.25	310,706.25
12-15-14		(1)	310,706.25	310,706.25
06-15-15	\$13,100,000		310,706.25	13,410,706.25
	<u>\$13,100,000</u>		<u>\$2,174,943.75</u>	<u>\$15,274,943.75</u>

(1) Actual maturity dates, principal amounts and interest rates are as follows:

<u>Maturity date</u>	<u>Principal amount</u>	<u>Interest rate</u>
06-15-16	\$250,000	5.000%
06-15-16	625,000	4.000%
06-15-17	1,000,000	5.000%
06-15-18	1,040,000	5.000%
06-15-19	1,130,000	5.000%
06-15-20	1,000,000	5.000%
06-15-20	255,000	4.500%
06-15-21	1,330,000	5.000%
06-15-22	1,440,000	5.000%
06-15-23	1,555,000	5.000%
06-15-25	3,475,000	4.250%
	<u>\$13,100,000</u>	

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

DEBT SERVICE PAYMENTS AND YIELD ON THE BONDS

Date	\$13,790,000 issue dated March 15, 2012		Interest	Total debt service	(1) Adjusted debt service	Present value on March 15, 2012 using a yield of 2.067116%
	Principal	Interest rate				
12-15-12			\$309,318.75	\$309,318.75	\$309,318.75	\$304,584.48
06-15-13	\$30,000	2.000%	206,212.50	236,212.50	236,212.50	230,217.72
12-15-13			205,912.50	205,912.50	205,912.50	198,633.70
06-15-14	135,000	2.000%	205,912.50	340,912.50	340,912.50	325,497.39
12-15-14			204,562.50	204,562.50	204,562.50	193,314.73
06-15-15	140,000	2.000%	204,562.50	344,562.50	344,562.50	322,285.89
12-15-15			203,162.50	203,162.50	203,162.50	188,083.71
06-15-16	1,015,000	2.000%	203,162.50	1,218,162.50	1,218,162.50	1,116,213.36
12-15-16			193,012.50	193,012.50	193,012.50	175,049.86
06-15-17	1,125,000	2.000%	193,012.50	1,318,012.50	1,318,012.50	1,183,123.89
12-15-17			181,762.50	181,762.50	181,762.50	161,491.38
06-15-18	1,135,000	3.000%	181,762.50	1,316,762.50	1,316,762.50	1,157,942.11
12-15-18			164,737.50	164,737.50	164,737.50	143,385.83
06-15-19	1,210,000	2.500%	164,737.50	1,374,737.50	1,374,737.50	1,184,316.78
12-15-19			149,612.50	149,612.50	149,612.50	127,570.52
06-15-20	1,305,000	3.000%	149,612.50	1,454,612.50	1,454,612.50	1,227,620.47
12-15-20			130,037.50	130,037.50	130,037.50	108,622.49
06-15-21	1,360,000	(2)	130,037.50	1,490,037.50	1,490,037.50	1,231,920.57
12-15-21			110,575.00	110,575.00	110,575.00	90,485.05
06-15-22	1,440,000	(2)	110,575.00	1,550,575.00	5,075,575.00	4,110,924.14
12-15-22			86,775.00	86,775.00	18,500.00	14,830.65
06-15-23	1,530,000	(2)	86,775.00	1,616,775.00	18,500.00	14,678.94
12-15-23			60,725.00	60,725.00	18,500.00	14,528.77
06-15-24	1,630,000	(2)	60,725.00	1,690,725.00	388,500.00	301,983.10
12-15-24			29,600.00	29,600.00	13,875.00	10,674.78
06-15-25	1,735,000	(2)	29,600.00	1,764,600.00	1,013,875.00	772,048.78
	<u>\$13,790,000</u>		<u>\$3,956,481.25</u>	<u>\$17,746,481.25</u>	<u>\$17,494,031.25</u>	<u>\$14,910,029.11</u>

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

DEBT SERVICE PAYMENTS AND YIELD ON THE BONDS

The present value of the future payments is equal to:

Principal amount of the Bonds	\$13,790,000.00
Net original issue premium	1,125,553.05
Oregon School Bond Guaranty	<u>(5,523.94)</u>
	<u><u>\$14,910,029.11</u></u>

The sum of the present values of the adjusted debt service payments of the Bonds on March 15, 2012, using a yield of 2.067116%, is equal to the issue price of the Bonds adjusted for the Oregon School Bond Guaranty.

- (1) Assumes that the June 15, 2023 through June 15, 2025 maturities identified on Exhibit C-1 are called on June 15, 2022 at 100 percent of par plus accrued interest.
- (2) Actual principal amounts and interest rates are shown on Exhibit C-1.

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

NET ORIGINAL ISSUE PREMIUM ON THE BONDS

Maturity date	Principal	Interest rate	Yield	Initial public offering price	Net original issue premium (discount)
06-15-13	\$30,000	2.000%	0.280%	102.144%	\$643.20
06-15-14	135,000	2.000%	0.430%	103.511%	4,739.85
06-15-15	140,000	2.000%	0.640%	104.367%	6,113.80
06-15-16	1,015,000	2.000%	0.780%	105.089%	51,653.35
06-15-17	1,125,000	2.000%	0.920%	105.522%	62,122.50
06-15-18	1,135,000	3.000%	1.260%	110.425%	118,323.75
06-15-19	1,210,000	2.500%	1.530%	106.631%	80,235.10
06-15-20	1,305,000	3.000%	1.840%	108.839%	115,348.95
06-15-21	865,000	2.500%	2.010%	104.115%	35,594.75
06-15-21	250,000	3.000%	2.010%	108.316%	20,790.00
06-15-21	245,000	4.000%	2.010%	116.718%	40,959.10
06-15-22	375,000	2.000%	2.200%	98.172%	(6,855.00)
06-15-22	200,000	2.750%	2.200%	105.020%	10,040.00
06-15-22	865,000	4.000%	2.200%	116.434%	142,154.10
06-15-23	1,220,000	3.000%	2.350%	105.888% (1) (2)	71,833.60
06-15-23	310,000	5.000%	2.350%	124.010% (1) (2)	74,431.00
06-15-24	370,000	2.500%	2.670%	98.231%	(6,545.30)
06-15-24	1,000,000	4.000%	2.470%	113.777% (1) (2)	137,770.00
06-15-24	260,000	5.000%	2.440%	123.088% (1) (2)	60,028.80
06-15-25	450,000	2.500%	2.840%	96.265%	(16,807.50)
06-15-25	550,000	3.000%	2.800%	101.768% (1)	9,724.00
06-15-25	530,000	4.000%	2.580%	112.714% (1) (2)	67,384.20
06-15-25	205,000	5.000%	2.510%	122.376% (1) (2)	45,870.80
	<u>\$13,790,000</u>				<u>\$1,125,553.05</u>

(1) Maturities were priced to call on June 15, 2022 at 100 percent of par.

(2) Represents the yield-to-call Bonds included for purposes of computing yield on the Bonds.

APPENDIX I

**Applicable schedules provided by
Seattle-Northwest Securities Corporation**

SOURCES AND USES OF FUNDS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Dated Date 03/15/2012
Delivery Date 03/15/2012

Sources:

Bond Proceeds:	
Par Amount	13,790,000.00
Net Premium	<u>1,125,553.05</u>
	14,915,553.05

Other Sources of Funds:	
College Contribution	310,706.25
	<u>15,226,259.30</u>

Uses:

Refunding Escrow Deposits:	
Cash Deposit	310,706.88
SLGS Purchases	<u>14,748,126.00</u>
	15,058,832.88

Delivery Date Expenses:	
Cost of Issuance	57,474.00
Underwriter's Discount	104,114.50
Oregon School Bond Guaranty	<u>5,523.94</u>
	167,112.44

Other Uses of Funds:	
Additional Proceeds	313.98
	<u>15,226,259.30</u>

ESCROW SUFFICIENCY

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
03/15/2012	-	310,706.88	310,706.88	310,706.88
06/15/2012	310,706.25	16,965.31	-293,740.94	16,965.94
12/15/2012	310,706.25	293,741.17	-16,965.08	0.86
06/15/2013	310,706.25	310,706.22	-0.03	0.83
12/15/2013	310,706.25	310,706.11	-0.14	0.69
06/15/2014	310,706.25	310,705.72	-0.53	0.16
12/15/2014	310,706.25	310,706.71	0.46	0.62
06/15/2015	13,410,706.25	13,410,705.63	-0.62	-
	15,274,943.75	15,274,943.75	0.00	

ESCROW CASH FLOW

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Date	Principal	Interest	Net Escrow Receipts	Present Value to 03/15/2012 @ 0.4708644%
06/15/2012	-	16,965.31	16,965.31	16,945.37
12/15/2012	259,721.00	34,020.17	293,741.17	292,706.87
06/15/2013	276,960.00	33,746.22	310,706.22	308,884.97
12/15/2013	277,223.00	33,483.11	310,706.11	308,159.36
06/15/2014	277,583.00	33,122.72	310,705.72	307,435.17
12/15/2014	278,042.00	32,664.71	310,706.71	306,714.04
06/15/2015	13,378,597.00	32,108.63	13,410,705.63	13,207,280.21
	14,748,126.00	216,110.87	14,964,236.87	14,748,126.00

Escrow Cost Summary

Purchase date	03/15/2012
Purchase cost of securities	14,748,126.00
	<hr/>
Target for yield calculation	14,748,126.00

ESCROW COST

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	12/15/2012	259,721	0.140%	259,721.00
SLGS	06/15/2013	276,960	0.190%	276,960.00
SLGS	12/15/2013	277,223	0.260%	277,223.00
SLGS	06/15/2014	277,583	0.330%	277,583.00
SLGS	12/15/2014	278,042	0.400%	278,042.00
SLGS	06/15/2015	13,378,597	0.480%	13,378,597.00
		14,748,126		14,748,126.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
03/15/2012	14,748,126	310,706.88	15,058,832.88	0.470864%
	14,748,126	310,706.88	15,058,832.88	

ESCROW DESCRIPTIONS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Mar 15, 2012:						
SLGS	Certificate	12/15/2012	12/15/2012	259,721	0.140%	0.140%
SLGS	Note	06/15/2013	06/15/2012	276,960	0.190%	0.190%
SLGS	Note	12/15/2013	06/15/2012	277,223	0.260%	0.260%
SLGS	Note	06/15/2014	06/15/2012	277,583	0.330%	0.330%
SLGS	Note	12/15/2014	06/15/2012	278,042	0.400%	0.400%
SLGS	Note	06/15/2015	06/15/2012	13,378,597	0.480%	0.480%
				14,748,126		

SLGS Summary

SLGS Rates File	22FEB12
Total Certificates of Indebtedness	259,721.00
Total Notes	14,488,405.00
<hr/>	
Total original SLGS	14,748,126.00

PROOF OF COMPOSITE ESCROW YIELD

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

All restricted escrows funded by bond proceeds

Date	Security Receipts	Present Value to 03/15/2012 @ 0.4708644%
06/15/2012	16,965.31	16,945.37
12/15/2012	293,741.17	292,706.87
06/15/2013	310,706.22	308,884.97
12/15/2013	310,706.11	308,159.36
06/15/2014	310,705.72	307,435.17
12/15/2014	310,706.71	306,714.04
06/15/2015	13,410,705.63	13,207,280.21
	14,964,236.87	14,748,126.00

Escrow Cost Summary

Purchase date	03/15/2012
Purchase cost of securities	14,748,126.00
Target for yield calculation	14,748,126.00

ESCROW REQUIREMENTS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Period Ending	Interest	Principal Redeemed	Total
06/15/2012	310,706.25	-	310,706.25
12/15/2012	310,706.25	-	310,706.25
06/15/2013	310,706.25	-	310,706.25
12/15/2013	310,706.25	-	310,706.25
06/15/2014	310,706.25	-	310,706.25
12/15/2014	310,706.25	-	310,706.25
06/15/2015	310,706.25	13,100,000.00	13,410,706.25
	2,174,943.75	13,100,000.00	15,274,943.75

SUMMARY OF BONDS REFUNDED

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Obligation Bonds, Series 2005:					
2016A	06/15/2016	5.000%	250,000.00	06/15/2015	100.000
2016B	06/15/2016	4.000%	625,000.00	06/15/2015	100.000
SERIAL2	06/15/2017	5.000%	1,000,000.00	06/15/2015	100.000
	06/15/2018	5.000%	1,040,000.00	06/15/2015	100.000
	06/15/2019	5.000%	1,130,000.00	06/15/2015	100.000
	06/15/2020	5.000%	1,000,000.00	06/15/2015	100.000
2020A	06/15/2020	4.500%	255,000.00	06/15/2015	100.000
SERIAL3	06/15/2021	5.000%	1,330,000.00	06/15/2015	100.000
	06/15/2022	5.000%	1,440,000.00	06/15/2015	100.000
	06/15/2023	5.000%	1,555,000.00	06/15/2015	100.000
TERM	06/15/2025	4.250%	3,475,000.00	06/15/2015	100.000
			13,100,000.00		

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Date	Debt Service	Present Value to 03/15/2012 @ 2.0671164%
12/15/2012	309,318.75	304,584.48
06/15/2013	236,212.50	230,217.72
12/15/2013	205,912.50	198,633.70
06/15/2014	340,912.50	325,497.39
12/15/2014	204,562.50	193,314.73
06/15/2015	344,562.50	322,285.89
12/15/2015	203,162.50	188,083.71
06/15/2016	1,218,162.50	1,116,213.36
12/15/2016	193,012.50	175,049.86
06/15/2017	1,318,012.50	1,183,123.89
12/15/2017	181,762.50	161,491.38
06/15/2018	1,316,762.50	1,157,942.11
12/15/2018	164,737.50	143,385.83
06/15/2019	1,374,737.50	1,184,316.78
12/15/2019	149,612.50	127,570.52
06/15/2020	1,454,612.50	1,227,620.47
12/15/2020	130,037.50	108,622.49
06/15/2021	1,490,037.50	1,231,920.57
12/15/2021	110,575.00	90,485.05
06/15/2022	5,075,575.00	4,110,924.14
12/15/2022	18,500.00	14,830.65
06/15/2023	18,500.00	14,678.94
12/15/2023	18,500.00	14,528.77
06/15/2024	388,500.00	301,983.10
12/15/2024	13,875.00	10,674.78
06/15/2025	1,013,875.00	772,048.78
	<hr/>	<hr/>
	17,494,031.25	14,910,029.11

Proceeds Summary

Delivery date	03/15/2012
Par Value	13,790,000.00
Premium (Discount)	1,125,553.05
Arbitrage expenses	-5,523.94
	<hr/>
Target for yield calculation	14,910,029.11

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
 General Obligation Refunding Bonds, Series 2012
 Revised Final Numbers

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 03/15/2012 @ 2.0671164%
SERIAL	06/15/2023	3.000%	2.350%	06/15/2022	100.000	32,738.98
SERIAL	06/15/2023	5.000%	2.350%	06/15/2022	100.000	9,133.74
SERIAL	06/15/2024	4.000%	2.470%	06/15/2022	100.000	39,869.46
SERIAL	06/15/2024	5.000%	2.440%	06/15/2022	100.000	10,057.76
SERIAL	06/15/2025	4.000%	2.580%	06/15/2022	100.000	26,764.71
SERIAL	06/15/2025	5.000%	2.510%	06/15/2022	100.000	9,389.76

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 03/15/2012 @ 2.0671164%	Increase to NPV
SERIAL	06/15/2023	3.000%	2.350%	-	-	41,816.12	9,077.14
SERIAL	06/15/2023	5.000%	2.350%	-	-	16,385.08	7,251.34
SERIAL	06/15/2024	4.000%	2.470%	-	-	70,387.35	30,517.89
SERIAL	06/15/2024	5.000%	2.440%	-	-	22,097.49	12,039.73
SERIAL	06/15/2025	4.000%	2.580%	-	-	50,780.36	24,015.65
SERIAL	06/15/2025	5.000%	2.510%	-	-	23,484.63	14,094.87

BOND PRICING

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Revised Final Numbers

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Serial Bond:							
	06/15/2013	30,000	2.000%	0.280%	102.144	-	643.20
	06/15/2014	135,000	2.000%	0.430%	103.511	-	4,739.85
	06/15/2015	140,000	2.000%	0.640%	104.367	-	6,113.80
	06/15/2016	1,015,000	2.000%	0.780%	105.089	-	51,653.35
	06/15/2017	1,125,000	2.000%	0.920%	105.522	-	62,122.50
	06/15/2018	1,135,000	3.000%	1.260%	110.425	-	118,323.75
	06/15/2019	1,210,000	2.500%	1.530%	106.631	-	80,235.10
	06/15/2020	1,305,000	3.000% ^f	1.840%	108.839	-	115,348.95
	06/15/2021	865,000	2.500%	2.010%	104.115	-	35,594.75
	06/15/2021	250,000	3.000%	2.010%	108.316	-	20,790.00
	06/15/2021	245,000	4.000%	2.010%	116.718	-	40,959.10
	06/15/2022	375,000	2.000%	2.200%	98.172	-	-6,855.00
	06/15/2022	200,000	2.750%	2.200%	105.020	-	10,040.00
	06/15/2022	865,000	4.000%	2.200%	116.434	-	142,154.10
	06/15/2023	1,220,000	3.000%	2.350%	105.888 C	2.399%	71,833.60
	06/15/2023	310,000	5.000%	2.350%	124.010 C	2.533%	74,431.00
	06/15/2024	370,000	2.500%	2.670%	98.231	-	-6,545.30
	06/15/2024	1,000,000	4.000%	2.470%	113.777 C	2.673%	137,770.00
	06/15/2024	260,000	5.000%	2.440%	123.088 C	2.765%	60,028.80
	06/15/2025	450,000	2.500%	2.840%	96.265	-	-16,807.50
	06/15/2025	550,000	3.000%	2.800%	101.768 C	2.839%	9,724.00
	06/15/2025	530,000	4.000%	2.580%	112.714 C	2.841%	67,384.20
	06/15/2025	205,000	5.000%	2.510%	122.376 C	2.947%	45,870.80
13,790,000							1,125,553.05

Dated Date	03/15/2012	
Delivery Date	03/15/2012	
First Coupon	12/15/2012	
Par Amount	13,790,000.00	
Premium	1,125,553.05	
Production	14,915,553.05	108.162096%
Underwriter's Discount	-104,114.50	-0.755000%
Purchase Price	14,811,438.55	107.407096%
Accrued Interest	-	
Net Proceeds	14,811,438.55	

31

CCC

Charles Carter Company

February 22, 2012

Ms. Sandra Buchanan
Chief Financial Officer
Columbia Gorge Community College
400 E. Scenic Drive
The Dalles, Oregon 97058

Re: \$13,790,000 General Obligation Refunding Bonds, Series 2012

Dear Ms. Buchanan:

The Columbia Gorge Community College, in Hood River and Wasco Counties, Oregon herein referred to as the College has retained the Charles Carter Company, pursuant to Oregon Administrative Rule 170-062-0000(2), to act as an independent expert advisor to review the proposed sale of the College's above-referenced Bonds.

The Bonds are General Obligation Refunding Bonds, Series 2012 in the amount of \$13,790,000 and are dated May 15, 2012. Interest on the bonds will be paid on December 15, 2012, and semi-annually on June 15 and December 15 to maturity. Principal payments are due June 15, 2013, through June 15, 2025.

The Bonds were issued at interest rates that resulted in a True Interest Cost of 2.237%. The spread or Underwriter's fee was \$7.55 per \$1,000 of Bonds issued.

Present value savings resulting from the bond issue was \$849,312.61, which equals 5.694% of the refunding bond proceeds.

As financial advisor, my role is to advise the College as to the desirability or undesirability of doing an advance refunding as required by State administrative rule for an advance refunding. The Charles Carter Company has reviewed the assumptions included in the plan and that the plan is consistent with this rule.

The interest rates on the College's bonds are very competitive and are favorable to the College considering the factors of size, structure, and rating. The Underwriter's spread was fair and reflects current market pricing for similar issues. Additionally, the issuance of the Bonds satisfies the savings test as required by OAR 170-062-0000(3). Therefore, issuance of the Bonds as an advance refunding is desirable.

CCC

Charles Carter Company

February 22, 2012

Page 2

Thank you for the opportunity to serve the Columbia Gorge Community College. I look forward to working with you in the future.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Charles H. Carter III". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Charles H. Carter III

CHC:pst

cc: Larry Groth
Jim Shannon
Carol Samuels

32



All of **us** serving you®

Global Corporate Trust Services
555 SW Oak St. PD-OR-P6TD
Portland, OR 97204

MATERIAL EVENT NOTICE OF PARTIAL DEFEASANCE

**COLUMBIA GORGE COMMUNITY COLLEGE DISTRICT
HOOD RIVER AND WASCO COUNTIES, OREGON
GENERAL OBLIGATION BONDS SERIES 2005
DATED: May 25, 2005**

<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>RATE</u>	<u>CUSIP NO* 197659</u>
6/15/2016	\$250,000	5.000%	BS3
6/15/2016	\$625,000	4.000%	CC7
6/15/2017	\$1,000,000	5.000%	BT1
6/15/2018	\$1,040,000	5.000%	BU8
6/15/2019	\$1,130,000	5.000%	BV6
6/15/2020	\$1,000,000	5.000%	BW4
6/15/2020	\$255,000	4.500%	CD5
6/15/2021	\$1,330,000	5.000%	BX2
6/15/2022	\$1,440,000	5.000%	BY0
6/15/2023	\$1,555,000	5.000%	BZ7
6/15/2025	\$3,475,000	4.250%	CB9

NOTICE IS HEREBY GIVEN that for the payment of principal of the refunded portion of the outstanding bonds designated Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, dated May 25, 2005, and maturing on June 15, 2016 through and including June 15, 2025 (the "Prior Bonds"), there have been deposited in escrow with U.S. Bank National Association (the "Escrow Agent"), moneys which, except to the extent maintained in cash, have been invested in non-callable direct and general obligations of the United States of America, as permitted by the Escrow Deposit Agreement dated March 15, 2012, by and between Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, as Issuer, and U.S. Bank National Association, as Escrow Agent. The money so maintained in cash and the projected principal and interest payments to be received from the investments so made have been calculated to be sufficient to pay the redemption price of 100% of par of the Prior Bonds on the call date of June 15, 2015. Accordingly, the Prior Bonds will be secured solely by and payable solely from the foregoing sources.

*The District and Escrow Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Prior Bond. They are included solely for the convenience of the holders.

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

By: U.S. Bank National Association
as Escrow Agent

Dated: March 16, 2012

3 3

Columbia Gorge Community College, Oregon

Preliminary Advance Refunding Plan

February 2, 2012



February 2, 2012

Ms. Laura Lockwood-McCall
Debt Management Division
Oregon State Treasury
350 Winter Street NE
100 Labor and Industry Building
Salem, Oregon 97310

Dear Laura:

On behalf of Columbia Gorge Community College, Oregon (the "District"), I am hereby requesting preliminary approval of an Advance Refunding Plan for the refunding of the District's General Obligation Bonds, Series 2005.

Purpose of Issue

The District seeks approval of its advance refunding plan in order to achieve debt service savings.

Bonds to be Refunded

The District issued its General Obligation Bonds, Series 2005 in the aggregate par amount of \$18,500,000 to finance capital construction and improvements for health science training and classroom facilities, renovate existing facilities, demolish unusable building, purchase land, and to pay costs of issuance.

The Bonds to be refunded are all or a portion of the District's outstanding General Obligation, Series 2005 dated May 25, 2005 (the "Refunded Bonds"). The Refunded Bonds are subject to optional redemption on June 15, 2015 at a price of par. The Refunded Bonds will be escrowed to the call date.

Refunding Bonds

The Refunding Bonds will be sold as a single series. The Bonds are expected to mature June 15, 2014 through June 15, 2025. The expected optional redemption prior to maturity for the Bonds is on June 15, 2022 at a price of par. Final decision on the terms of the Refunding Bonds will be supplied in the final plan. The bond sale is tentatively scheduled for February 22, 2012 with closing occurring on March 15, 2012.

Personnel

The following personnel are involved in this transaction:

Issuer

Ms. Sandra Buchanan, Chief Financial Officer

Phone: (541) 506-6050

e-mail: sbuchanan@cgcc.cc.or.us

Ms. Jill O'Brien, Business Office Administrative Assistant

Phone: (541) 506-6051

e-mail: jobrien@cgcc.cc.or.us

FAX: (541) 506-6052

Columbia Gorge Community College

400 East Scenic Drive

The Dalles, Oregon 97058

Bond Counsel

Mr. Jim Shannon, Esq.

Phone: (503) 226-6400, ext. 211

e-mail: jshannon@mershanlaw.com

Ms. Courtney Dausz, Esq.

Phone: (503) 226-6400, ext. 216

e-mail: cdausz@mershanlaw.com

FAX: (503) 226-0383

Mersereau Shannon LLP

One S.W. Columbia, Suite 1600

Portland, Oregon 97258

Underwriter

Ms. Carol Samuels, Senior Vice President

Phone: (503) 275-8301

e-mail: csamuels@snwsc.com

Ms. Lauren Foote, Senior Associate

Phone: (503) 275-8302

email: lfoote@snwsc.com

FAX: (503) 275-8320

Seattle-Northwest Securities Corporation

1300 SW Fifth Ave., Suite 3650

Portland, Oregon 97201

Paying Agent

Ms. Cheryl Nelson

Phone: (503) 275-5708

email: cherylk.nelson@usbank.com

FAX: (503) 275-5738

U.S. Bank National Association

555 SW Oak Street PL-6

Portland, Oregon 97204

Pricing Advisor

Mr. Charles Carter

Phone: (503) 635-3802

e-mail: ccc3@spottedhorse.com

FAX: (503) 635-3454

The Charles Carter Company

1653 Devon Lane

Lake Oswego, Oregon 97034

Verification Agent

Ms. Stephanie Seroogy

Phone: (612) 677-5109

e-mail: Stephanie.Seroogy@GT.com

Mr. David LaFlamme

Phone: (612) 677-5464

e-mail: David.Laflamme@GT.com

FAX: (612) 332-8984

Grant Thornton LLP

500 Pillsbury Center North 200 South 6th Street

Minneapolis, Minnesota 55402

Escrow Account

The Escrow will be funded with State and Local Government Securities or Open Market Treasury Securities.

Enclosures

Enclosed you will find the following:

- the numerical analysis for the outstanding issue and the Refunding Obligations; and
- estimated costs of issuance associated with the Refunding Obligations.

The following will be sent under separate cover:

- a copy of the preliminary official statement;
- \$350.00 advance refunding application fee;
- a copy of the financial advisor's contract; and
- a copy of the resolution authorizing the submission of this plan.

Copies of the bond counsel opinion, escrow agreement, final official statement and escrow verification report will be sent following the sale.

Please do not hesitate to contact me if you have questions or need additional information.

Sincerely,

Lauren Foote
Senior Associate

cc: Sandra Buchanan, Columbia Gorge Community College
Jill O'Brien, Columbia Gorge Community College
Jim Shannon, Mersereau Shannon LLP
Courtney Dausz, Mersereau Shannon LLP C
Charles Carter, Charles Carter Company
Cheryl Nelson, US Bank
Stephanie Seroogy, Grant Thornton LLP
David LaFlamme, Grant Thornton LLP
Carol Samuels, SNW

Columbia Gorge Community College, Oregon

Preliminary Advance Refunding Plan

Table of Contents

1) Refunding Bonds

2) Escrow Reports

3) Refunded Bonds

Refunding Bonds

- Summary of Refunding Results
- Sources and Uses of Funds
- Costs of Issuance
- Savings
- Bond Pricing
- Refunding Bond Debt Service
- PV of Refunding Bond Debt Service

SUMMARY OF REFUNDING RESULTS

Columbia Gorge Community College District
Proposed Refunding of 2005 G.O. Bonds

Dated Date	03/15/2012
Delivery Date	03/15/2012
Arbitrage yield	1.814319%
Escrow yield	0.333687%
Bond Par Amount	13,225,000.00
True Interest Cost	2.112015%
Net Interest Cost	2.298169%
Average Coupon	3.667710%
Average Life	9.122
Par amount of refunded bonds	13,100,000.00
Average coupon of refunded bonds	4.699183%
Average life of refunded bonds	9.384
PV of prior debt to 03/15/2012 @ 1.814319%	16,175,574.32
Net PV Savings	950,460.43
Percentage savings of refunding proceeds	6.343608%

SOURCES AND USES OF FUNDS

Columbia Gorge Community College District
Proposed Refunding of 2005 G.O. Bonds

Dated Date 03/15/2012
Delivery Date 03/15/2012

Sources:

Bond Proceeds:	
Par Amount	13,225,000.00
Premium	1,757,962.15
	<hr/>
	14,982,962.15

Uses:

Refunding Escrow Deposits:	
SLGS Purchases	14,810,693.00
Delivery Date Expenses:	
Cost of Issuance	57,487.50
Underwriter's Discount	105,800.00
Oregon School Bond Guaranty	5,494.88
	<hr/>
	168,782.38
Other Uses of Funds:	
Additional Proceeds	3,486.77
	<hr/>
	14,982,962.15

COST OF ISSUANCE

Columbia Gorge Community College District
Proposed Refunding of 2005 G.O. Bonds

Cost of Issuance	\$/1000	Amount
Bond Counsel	1.89036	25,000.00
Rating Fee - Moody's	1.17202	15,500.00
OS Printing & Mailing	0.05671	750.00
Paying Agent (Upfront)*	0.31493	4,165.00
Adv Ref Fee	0.40454	5,350.00
Pricing Advisor	0.18904	2,500.00
Escrow Verification	0.18904	2,500.00
Escrow Agent	0.03025	400.00
MDAC	0.10000	1,322.50
	<hr/>	
	4.34688	57,487.50
	<hr/>	

SAVINGS

Columbia Gorge Community College District Proposed Refunding of 2005 G.O. Bonds

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings
12/15/2012	310,706.25	325,162.50	-14,456.25	-
06/15/2013	310,706.25	216,775.00	93,931.25	79,475.00
12/15/2013	310,706.25	216,775.00	93,931.25	-
06/15/2014	310,706.25	321,775.00	-11,068.75	82,862.50
12/15/2014	310,706.25	215,725.00	94,981.25	-
06/15/2015	310,706.25	320,725.00	-10,018.75	84,962.50
12/15/2015	310,706.25	214,675.00	96,031.25	-
06/15/2016	1,185,706.25	1,199,675.00	-13,968.75	82,062.50
12/15/2016	291,956.25	204,825.00	87,131.25	-
06/15/2017	1,291,956.25	1,294,825.00	-2,868.75	84,262.50
12/15/2017	266,956.25	193,925.00	73,031.25	-
06/15/2018	1,306,956.25	1,298,925.00	8,031.25	81,062.50
12/15/2018	240,956.25	182,875.00	58,081.25	-
06/15/2019	1,370,956.25	1,347,875.00	23,081.25	81,162.50
12/15/2019	212,706.25	171,225.00	41,481.25	-
06/15/2020	1,467,706.25	1,426,225.00	41,481.25	82,962.50
12/15/2020	181,968.75	158,675.00	23,293.75	-
06/15/2021	1,511,968.75	1,453,675.00	58,293.75	81,587.50
12/15/2021	148,718.75	139,250.00	9,468.75	-
06/15/2022	1,588,718.75	1,514,250.00	74,468.75	83,937.50
12/15/2022	112,718.75	118,625.00	-5,906.25	-
06/15/2023	1,667,718.75	1,578,625.00	89,093.75	83,187.50
12/15/2023	73,843.75	82,125.00	-8,281.25	-
06/15/2024	1,753,843.75	1,662,125.00	91,718.75	83,437.50
12/15/2024	38,143.75	42,625.00	-4,481.25	-
06/15/2025	1,833,143.75	1,747,625.00	85,518.75	81,037.50
	18,721,587.50	17,649,587.50	1,072,000.00	1,072,000.00

Savings Summary

Savings PV date	03/15/2012
Savings PV rate	1.814319%
PV of savings from cash flow	946,973.66
Plus: Refunding funds on hand	3,486.77
	<hr/>
Net PV Savings	950,460.43

BOND PRICING

Columbia Gorge Community College District Proposed Refunding of 2005 G.O. Bonds

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Serial Bond:							
	06/15/2014	105,000	2.000%	0.540%	103.260	-	3,423.00
	06/15/2015	105,000	2.000%	0.710%	104.136	-	4,342.80
	06/15/2016	985,000	2.000%	0.800%	105.003	-	49,279.55
	06/15/2017	1,090,000	2.000%	0.890%	105.680	-	61,912.00
	06/15/2018	1,105,000	2.000%	1.160%	105.049	-	55,791.45
	06/15/2019	1,165,000	2.000%	1.380%	104.262	-	49,652.30
	06/15/2020	1,255,000	2.000%	1.580%	103.235	-	40,599.25
	06/15/2021	1,295,000	3.000%	1.790%	110.271	-	133,009.45
	06/15/2022	1,375,000	3.000%	1.960%	109.613	-	132,178.75
	06/15/2023	1,460,000	5.000%	2.090%	126.720 C	2.292%	390,112.00
	06/15/2024	1,580,000	5.000%	2.170%	125.879 C	2.530%	408,888.20
	06/15/2025	1,705,000	5.000%	2.240%	125.148 C	2.726%	428,773.40
		13,225,000					1,757,962.15

Dated Date	03/15/2012	
Delivery Date	03/15/2012	
First Coupon	12/15/2012	
Par Amount	13,225,000.00	
Premium	1,757,962.15	
Production	14,982,962.15	113.292719%
Underwriter's Discount	-105,800.00	-0.800000%
Purchase Price	14,877,162.15	112.492719%
Accrued Interest	-	
Net Proceeds	14,877,162.15	

BOND DEBT SERVICE

Columbia Gorge Community College District
Proposed Refunding of 2005 G.O. Bonds

Dated Date 03/15/2012
Delivery Date 03/15/2012

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/15/2012	-	-	325,162.50	325,162.50	-
06/15/2013	-	-	216,775.00	216,775.00	541,937.50
12/15/2013	-	-	216,775.00	216,775.00	-
06/15/2014	105,000	2.000%	216,775.00	321,775.00	538,550.00
12/15/2014	-	-	215,725.00	215,725.00	-
06/15/2015	105,000	2.000%	215,725.00	320,725.00	536,450.00
12/15/2015	-	-	214,675.00	214,675.00	-
06/15/2016	985,000	2.000%	214,675.00	1,199,675.00	1,414,350.00
12/15/2016	-	-	204,825.00	204,825.00	-
06/15/2017	1,090,000	2.000%	204,825.00	1,294,825.00	1,499,650.00
12/15/2017	-	-	193,925.00	193,925.00	-
06/15/2018	1,105,000	2.000%	193,925.00	1,298,925.00	1,492,850.00
12/15/2018	-	-	182,875.00	182,875.00	-
06/15/2019	1,165,000	2.000%	182,875.00	1,347,875.00	1,530,750.00
12/15/2019	-	-	171,225.00	171,225.00	-
06/15/2020	1,255,000	2.000%	171,225.00	1,426,225.00	1,597,450.00
12/15/2020	-	-	158,675.00	158,675.00	-
06/15/2021	1,295,000	3.000%	158,675.00	1,453,675.00	1,612,350.00
12/15/2021	-	-	139,250.00	139,250.00	-
06/15/2022	1,375,000	3.000%	139,250.00	1,514,250.00	1,653,500.00
12/15/2022	-	-	118,625.00	118,625.00	-
06/15/2023	1,460,000	5.000%	118,625.00	1,578,625.00	1,697,250.00
12/15/2023	-	-	82,125.00	82,125.00	-
06/15/2024	1,580,000	5.000%	82,125.00	1,662,125.00	1,744,250.00
12/15/2024	-	-	42,625.00	42,625.00	-
06/15/2025	1,705,000	5.000%	42,625.00	1,747,625.00	1,790,250.00
	13,225,000		4,424,587.50	17,649,587.50	17,649,587.50

PV OF REFUNDING BOND DEBT SERVICE

Columbia Gorge Community College District
Proposed Refunding of 2005 G.O. Bonds

Summary

Dated Date 03/15/2012
Arbitrage Yield 1.814319%

Date	Bond Debt Service	Present Value to Dated Date at Arb Yield
12/15/2012	325,162.50	320,787.53
06/15/2013	216,775.00	211,935.76
12/15/2013	216,775.00	210,030.45
06/15/2014	321,775.00	308,960.80
12/15/2014	215,725.00	205,271.94
06/15/2015	320,725.00	302,440.49
12/15/2015	214,675.00	200,616.48
06/15/2016	1,199,675.00	1,111,032.50
12/15/2016	204,825.00	187,985.41
06/15/2017	1,294,825.00	1,177,688.05
12/15/2017	193,925.00	174,795.81
06/15/2018	1,298,925.00	1,160,270.64
12/15/2018	182,875.00	161,885.36
06/15/2019	1,347,875.00	1,182,444.82
12/15/2019	171,225.00	148,859.47
06/15/2020	1,426,225.00	1,228,783.43
12/15/2020	158,675.00	135,479.58
06/15/2021	1,453,675.00	1,230,015.71
12/15/2021	139,250.00	116,766.04
06/15/2022	1,514,250.00	1,258,336.97
12/15/2022	118,625.00	97,690.79
06/15/2023	1,578,625.00	1,288,351.56
12/15/2023	82,125.00	66,421.52
06/15/2024	1,662,125.00	1,332,217.49
12/15/2024	42,625.00	33,857.42
06/15/2025	1,747,625.00	1,375,674.65
	<hr/>	<hr/>
	17,649,587.50	15,228,600.66

Escrow Reports

- Escrow Requirements
- Escrow Sufficiency
- Escrow Cost
- Proof of Arbitrage Yield
- Proof of Composite Escrow Yield
- Present Value of Requirements at Arbitrage Yield

ESCROW REQUIREMENTS

Columbia Gorge Community College District
Proposed Refunding of 2005 G.O. Bonds

Period Ending	Interest	Principal Redeemed	Total
12/15/2012	310,706.25	-	310,706.25
06/15/2013	310,706.25	-	310,706.25
12/15/2013	310,706.25	-	310,706.25
06/15/2014	310,706.25	-	310,706.25
12/15/2014	310,706.25	-	310,706.25
06/15/2015	310,706.25	13,100,000.00	13,410,706.25
	1,864,237.50	13,100,000.00	14,964,237.50

ESCROW SUFFICIENCY

Columbia Gorge Community College District
Proposed Refunding of 2005 G.O. Bonds

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
06/15/2012	-	12,069.91	12,069.91	12,069.91
12/15/2012	310,706.25	298,636.40	-12,069.85	0.06
06/15/2013	310,706.25	310,706.64	0.39	0.45
12/15/2013	310,706.25	310,705.95	-0.30	0.15
06/15/2014	310,706.25	310,707.05	0.80	0.95
12/15/2014	310,706.25	310,706.07	-0.18	0.77
06/15/2015	13,410,706.25	13,410,705.51	-0.74	0.03
	14,964,237.50	14,964,237.53	0.03	

ESCROW COST

Columbia Gorge Community College District
Proposed Refunding of 2005 G.O. Bonds

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	12/15/2012	274,421	0.100%	274,421.00
SLGS	06/15/2013	286,698	0.140%	286,698.00
SLGS	12/15/2013	286,898	0.200%	286,898.00
SLGS	06/15/2014	287,186	0.250%	287,186.00
SLGS	12/15/2014	287,544	0.280%	287,544.00
SLGS	06/15/2015	13,387,946	0.340%	13,387,946.00
		14,810,693		14,810,693.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
03/15/2012	14,810,693	-	14,810,693.00	0.333687%
	14,810,693	0.00	14,810,693.00	

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
Proposed Refunding of 2005 G.O. Bonds

Date	Debt Service	Present Value to 03/15/2012 @ 1.8143193%
12/15/2012	325,162.50	320,787.53
06/15/2013	216,775.00	211,935.76
12/15/2013	216,775.00	210,030.45
06/15/2014	321,775.00	308,960.80
12/15/2014	215,725.00	205,271.94
06/15/2015	320,725.00	302,440.49
12/15/2015	214,675.00	200,616.48
06/15/2016	1,199,675.00	1,111,032.50
12/15/2016	204,825.00	187,985.41
06/15/2017	1,294,825.00	1,177,688.05
12/15/2017	193,925.00	174,795.81
06/15/2018	1,298,925.00	1,160,270.64
12/15/2018	182,875.00	161,885.36
06/15/2019	1,347,875.00	1,182,444.82
12/15/2019	171,225.00	148,859.47
06/15/2020	1,426,225.00	1,228,783.43
12/15/2020	158,675.00	135,479.58
06/15/2021	1,453,675.00	1,230,015.71
12/15/2021	139,250.00	116,766.04
06/15/2022	6,259,250.00	5,201,417.00
	17,162,837.50	14,977,467.27

Proceeds Summary

Delivery date	03/15/2012
Par Value	13,225,000.00
Premium (Discount)	1,757,962.15
Arbitrage expenses	-5,494.88
Target for yield calculation	14,977,467.27

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
Proposed Refunding of 2005 G.O. Bonds

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 03/15/2012 @ 1.8143193%
SERIAL	06/15/2023	5.000%	2.090%	06/15/2022	100.000	43,013.32
SERIAL	06/15/2024	5.000%	2.170%	06/15/2022	100.000	59,836.46
SERIAL	06/15/2025	5.000%	2.240%	06/15/2022	100.000	77,033.91

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 03/15/2012 @ 1.8143193%	Increase to NPV
SERIAL	06/15/2023	5.000%	2.090%	-	-	81,144.12	38,130.80
SERIAL	06/15/2024	5.000%	2.170%	-	-	141,627.53	81,791.07
SERIAL	06/15/2025	5.000%	2.240%	-	-	208,245.43	131,211.52

PROOF OF COMPOSITE ESCROW YIELD

Columbia Gorge Community College District
Proposed Refunding of 2005 G.O. Bonds

All restricted escrows funded by bond proceeds

Date	Security Receipts	Present Value to 03/15/2012 @ 0.3336867%
06/15/2012	12,069.91	12,059.85
12/15/2012	298,636.40	297,890.57
06/15/2013	310,706.64	309,414.43
12/15/2013	310,705.95	308,898.37
06/15/2014	310,707.05	308,384.94
12/15/2014	310,706.07	307,870.31
06/15/2015	13,410,705.51	13,266,174.52
	14,964,237.53	14,810,693.00

Escrow Cost Summary

Purchase date	03/15/2012
Purchase cost of securities	14,810,693.00
Target for yield calculation	14,810,693.00

PV OF ESCROW REQUIREMENTS AT THE ARB YEILD

Columbia Gorge Community College District
Proposed Refunding of 2005 G.O. Bonds

Summary

Dated Date	03/15/2012
Arbitrage Yield	1.814319%

Date	Escrow Requirements	Present Value to Dated Date at Arb Yield
12/15/2012	310,706.25	306,525.79
06/15/2013	310,706.25	303,770.11
12/15/2013	310,706.25	301,039.20
06/15/2014	310,706.25	298,332.85
12/15/2014	310,706.25	295,650.82
06/15/2015	13,410,706.25	12,646,162.81
	14,964,237.50	14,151,481.57

Refunded Bonds

- Summary of Bonds Refunded
- Prior Bond Debt Service
- Aggregate Debt Service

SUMMARY OF BONDS REFUNDED

Columbia Gorge Community College District Proposed Refunding of 2005 G.O. Bonds

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Obligation Bonds, Series 2005:					
2016A	06/15/2016	5.000%	250,000.00	06/15/2015	100.000
2016B	06/15/2016	4.000%	625,000.00	06/15/2015	100.000
SERIAL2	06/15/2017	5.000%	1,000,000.00	06/15/2015	100.000
	06/15/2018	5.000%	1,040,000.00	06/15/2015	100.000
	06/15/2019	5.000%	1,130,000.00	06/15/2015	100.000
2020A	06/15/2020	5.000%	1,000,000.00	06/15/2015	100.000
2020B	06/15/2020	4.500%	255,000.00	06/15/2015	100.000
SERIAL3	06/15/2021	5.000%	1,330,000.00	06/15/2015	100.000
	06/15/2022	5.000%	1,440,000.00	06/15/2015	100.000
	06/15/2023	5.000%	1,555,000.00	06/15/2015	100.000
TERM	06/15/2025	4.250%	3,475,000.00	06/15/2015	100.000
			13,100,000.00		

PRIOR BOND DEBT SERVICE

Columbia Gorge Community College District
Proposed Refunding of 2005 G.O. Bonds

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/15/2012	-	-	310,706.25	310,706.25	-
06/15/2013	-	-	310,706.25	310,706.25	621,412.50
12/15/2013	-	-	310,706.25	310,706.25	-
06/15/2014	-	-	310,706.25	310,706.25	621,412.50
12/15/2014	-	-	310,706.25	310,706.25	-
06/15/2015	-	-	310,706.25	310,706.25	621,412.50
12/15/2015	-	-	310,706.25	310,706.25	-
06/15/2016	875,000	** %	310,706.25	1,185,706.25	1,496,412.50
12/15/2016	-	-	291,956.25	291,956.25	-
06/15/2017	1,000,000	5.000%	291,956.25	1,291,956.25	1,583,912.50
12/15/2017	-	-	266,956.25	266,956.25	-
06/15/2018	1,040,000	5.000%	266,956.25	1,306,956.25	1,573,912.50
12/15/2018	-	-	240,956.25	240,956.25	-
06/15/2019	1,130,000	5.000%	240,956.25	1,370,956.25	1,611,912.50
12/15/2019	-	-	212,706.25	212,706.25	-
06/15/2020	1,255,000	** %	212,706.25	1,467,706.25	1,680,412.50
12/15/2020	-	-	181,968.75	181,968.75	-
06/15/2021	1,330,000	5.000%	181,968.75	1,511,968.75	1,693,937.50
12/15/2021	-	-	148,718.75	148,718.75	-
06/15/2022	1,440,000	5.000%	148,718.75	1,588,718.75	1,737,437.50
12/15/2022	-	-	112,718.75	112,718.75	-
06/15/2023	1,555,000	5.000%	112,718.75	1,667,718.75	1,780,437.50
12/15/2023	-	-	73,843.75	73,843.75	-
06/15/2024	1,680,000	4.250%	73,843.75	1,753,843.75	1,827,687.50
12/15/2024	-	-	38,143.75	38,143.75	-
06/15/2025	1,795,000	4.250%	38,143.75	1,833,143.75	1,871,287.50
	13,100,000		5,621,587.50	18,721,587.50	18,721,587.50

AGGREGATE DEBT SERVICE

Columbia Gorge Community College District Proposed Refunding of 2005 G.O. Bonds

Date	Proposed Refunding of 2005 G.O. Bonds Principal	Proposed Refunding of 2005 G.O. Bonds Interest	Unrefunded Bonds Principal	Unrefunded Bonds Interest	Aggregate Principal	Aggregate Interest	Aggregate Debt Service	Annual Aggregate D/S
06/15/2012	-	-	625,000	366,878.13	625,000	366,878.13	991,878.13	991,878.13
12/15/2012	-	325,162.50	-	44,453.13	-	369,615.63	369,615.63	-
06/15/2013	-	216,775.00	680,000	44,453.13	680,000	261,228.13	941,228.13	1,310,843.76
12/15/2013	-	216,775.00	-	31,703.13	-	248,478.13	248,478.13	-
06/15/2014	105,000	216,775.00	740,000	31,703.13	845,000	248,478.13	1,093,478.13	1,341,956.26
12/15/2014	-	215,725.00	-	16,200.00	-	231,925.00	231,925.00	-
06/15/2015	105,000	215,725.00	810,000	16,200.00	915,000	231,925.00	1,146,925.00	1,378,850.00
12/15/2015	-	214,675.00	-	-	-	214,675.00	214,675.00	-
06/15/2016	985,000	214,675.00	-	-	985,000	214,675.00	1,199,675.00	1,414,350.00
12/15/2016	-	204,825.00	-	-	-	204,825.00	204,825.00	-
06/15/2017	1,090,000	204,825.00	-	-	1,090,000	204,825.00	1,294,825.00	1,499,650.00
12/15/2017	-	193,925.00	-	-	-	193,925.00	193,925.00	-
06/15/2018	1,105,000	193,925.00	-	-	1,105,000	193,925.00	1,298,925.00	1,492,850.00
12/15/2018	-	182,875.00	-	-	-	182,875.00	182,875.00	-
06/15/2019	1,165,000	182,875.00	-	-	1,165,000	182,875.00	1,347,875.00	1,530,750.00
12/15/2019	-	171,225.00	-	-	-	171,225.00	171,225.00	-
06/15/2020	1,255,000	171,225.00	-	-	1,255,000	171,225.00	1,426,225.00	1,597,450.00
12/15/2020	-	158,675.00	-	-	-	158,675.00	158,675.00	-
06/15/2021	1,295,000	158,675.00	-	-	1,295,000	158,675.00	1,453,675.00	1,612,350.00
12/15/2021	-	139,250.00	-	-	-	139,250.00	139,250.00	-
06/15/2022	1,375,000	139,250.00	-	-	1,375,000	139,250.00	1,514,250.00	1,653,500.00
12/15/2022	-	118,625.00	-	-	-	118,625.00	118,625.00	-
06/15/2023	1,460,000	118,625.00	-	-	1,460,000	118,625.00	1,578,625.00	1,697,250.00
12/15/2023	-	82,125.00	-	-	-	82,125.00	82,125.00	-
06/15/2024	1,580,000	82,125.00	-	-	1,580,000	82,125.00	1,662,125.00	1,744,250.00
12/15/2024	-	42,625.00	-	-	-	42,625.00	42,625.00	-
06/15/2025	1,705,000	42,625.00	-	-	1,705,000	42,625.00	1,747,625.00	1,790,250.00
	13,225,000	4,424,587.50	2,855,000	551,590.65	16,080,000	4,976,178.15	21,056,178.15	21,056,178.15

34

Columbia Gorge Community College
Hood River and Wasco Counties, Oregon

Final Advance Refunding Plan

February 23, 2012



February 23, 2012

Ms. Laura Lockwood-McCall
Debt Management Division
Oregon State Treasury
350 Winter Street NE
100 Labor and Industry Building
Salem, Oregon 97310

**Re: Columbia Gorge Community College, Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds, Series 2012**

Dear Laura:

On behalf of Columbia Gorge Community College, Hood River and Wasco Counties, Oregon (the "District"), I am submitting information for the Final Advance Refunding Plan for the advance refunding of the District's General Obligation Bonds, Series 2005. The refunding surpassed the District's goal of 3% savings.

The following items are included for your review:

1. Savings and Escrow Reports; and
2. Copy of the Bond Purchase Agreement.

The following items will be forwarded separately:

1. Form of Opinion and Tax Certificate;
2. Final Official Statement;
3. Financial Advisor's Letter; and
4. Escrow Verification Report.

Please let me know if there is additional information we may provide at this time. Closing is scheduled for Thursday, March 15th, 2012.

Sincerely,

Lauren Foote
Assistant Vice President

cc: Sandra Buchanan, Columbia Gorge Community College
Jill O'Brien, Columbia Gorge Community College
Jim Shannon, Mersereau Shannon LLP
Courtney Dausz, Mersereau Shannon LLP
Charles Carter, Charles Carter Company
Cheryl Nelson, US Bank
Stephanie Seroogy, Grant Thornton LLP
David LaFlamme, Grant Thornton LLP
Carol Samuels, SNW

Columbia Gorge Community College
Hood River and Wasco Counties, Oregon

Final Advance Refunding Plan

Table of Contents

- 1) Refunding Bonds
- 2) Escrow Reports
- 3) Refunded Bonds
- 4) Purchase Agreement

Refunding Bonds

- Summary of Refunding Results
- Sources and Uses of Funds
- Costs of Issuance
- Savings
- Bond Pricing
- Refunding Bond Debt Service
- PV of Refunding Bond Debt Service

SUMMARY OF REFUNDING RESULTS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Dated Date	03/15/2012
Delivery Date	03/15/2012
Arbitrage yield	2.067116%
Escrow yield	0.470864%
Bond Par Amount	13,790,000.00
True Interest Cost	2.237107%
Net Interest Cost	2.345079%
Average Coupon	3.161202%
Average Life	9.076
Par amount of refunded bonds	13,100,000.00
Average coupon of refunded bonds	4.699183%
Average life of refunded bonds	9.384
PV of prior debt to 03/15/2012 @ 2.067116%	15,856,024.36
Net PV Savings	849,312.61
Percentage savings of refunding proceeds	5.694141%

SOURCES AND USES OF FUNDS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Dated Date 03/15/2012
Delivery Date 03/15/2012

Sources:

Bond Proceeds:	
Par Amount	13,790,000.00
Net Premium	1,125,553.05
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	14,915,553.05

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.63
SLGS Purchases	14,748,126.00
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	14,748,126.63

Delivery Date Expenses:	
Cost of Issuance	57,474.00
Underwriter's Discount	104,114.50
Oregon School Bond Guaranty	5,523.94
	<hr/>
	167,112.44

Other Uses of Funds:	
Additional Proceeds	313.98
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	14,915,553.05

COST OF ISSUANCE

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Cost of Issuance	\$/1000	Amount
Bond Counsel	1.81291	25,000.00
Rating Fee - Moody's	1.12400	15,500.00
OS Printing & Mailing	0.05439	750.00
Paying Agent (Upfront)	0.29695	4,095.00
Adv Ref Fee	0.38796	5,350.00
Pricing Advisor	0.18129	2,500.00
Escrow Verification	0.18129	2,500.00
Escrow Agent	0.02901	400.00
MDAC	0.10000	1,379.00
	4.16780	57,474.00

SAVINGS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings
12/15/2012	310,706.25	309,318.75	1,387.50	-
06/15/2013	310,706.25	236,212.50	74,493.75	75,881.25
12/15/2013	310,706.25	205,912.50	104,793.75	-
06/15/2014	310,706.25	340,912.50	-30,206.25	74,587.50
12/15/2014	310,706.25	204,562.50	106,143.75	-
06/15/2015	310,706.25	344,562.50	-33,856.25	72,287.50
12/15/2015	310,706.25	203,162.50	107,543.75	-
06/15/2016	1,185,706.25	1,218,162.50	-32,456.25	75,087.50
12/15/2016	291,956.25	193,012.50	98,943.75	-
06/15/2017	1,291,956.25	1,318,012.50	-26,056.25	72,887.50
12/15/2017	266,956.25	181,762.50	85,193.75	-
06/15/2018	1,306,956.25	1,316,762.50	-9,806.25	75,387.50
12/15/2018	240,956.25	164,737.50	76,218.75	-
06/15/2019	1,370,956.25	1,374,737.50	-3,781.25	72,437.50
12/15/2019	212,706.25	149,612.50	63,093.75	-
06/15/2020	1,467,706.25	1,454,612.50	13,093.75	76,187.50
12/15/2020	181,968.75	130,037.50	51,931.25	-
06/15/2021	1,511,968.75	1,490,037.50	21,931.25	73,862.50
12/15/2021	148,718.75	110,575.00	38,143.75	-
06/15/2022	1,588,718.75	1,550,575.00	38,143.75	76,287.50
12/15/2022	112,718.75	86,775.00	25,943.75	-
06/15/2023	1,667,718.75	1,616,775.00	50,943.75	76,887.50
12/15/2023	73,843.75	60,725.00	13,118.75	-
06/15/2024	1,753,843.75	1,690,725.00	63,118.75	76,237.50
12/15/2024	38,143.75	29,600.00	8,543.75	-
06/15/2025	1,833,143.75	1,764,600.00	68,543.75	77,087.50
	18,721,587.50	17,746,481.25	975,106.25	975,106.25

Savings Summary

Savings PV date	03/15/2012
Savings PV rate	2.067116%
PV of savings from cash flow	848,998.63
Plus: Refunding funds on hand	313.98
	849,312.61
Net PV Savings	849,312.61

BOND PRICING

Columbia Gorge Community College District General Obligation Refunding Bonds, Series 2012 Final Numbers

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Serial Bond:							
	06/15/2013	30,000	2.000%	0.280%	102.144	-	643.20
	06/15/2014	135,000	2.000%	0.430%	103.511	-	4,739.85
	06/15/2015	140,000	2.000%	0.640%	104.367	-	6,113.80
	06/15/2016	1,015,000	2.000%	0.780%	105.089	-	51,653.35
	06/15/2017	1,125,000	2.000%	0.920%	105.522	-	62,122.50
	06/15/2018	1,135,000	3.000%	1.260%	110.425	-	118,323.75
	06/15/2019	1,210,000	2.500%	1.530%	106.631	-	80,235.10
	06/15/2020	1,305,000	3.000%	1.840%	108.839	-	115,348.95
	06/15/2021	865,000	2.500%	2.010%	104.115	-	35,594.75
	06/15/2021	250,000	3.000%	2.010%	108.316	-	20,790.00
	06/15/2021	245,000	4.000%	2.010%	116.718	-	40,959.10
	06/15/2022	375,000	2.000%	2.200%	98.172	-	-6,855.00
	06/15/2022	200,000	2.750%	2.200%	105.020	-	10,040.00
	06/15/2022	865,000	4.000%	2.200%	116.434	-	142,154.10
	06/15/2023	1,220,000	3.000%	2.350%	105.888 C	2.399%	71,833.60
	06/15/2023	310,000	5.000%	2.350%	124.010 C	2.533%	74,431.00
	06/15/2024	370,000	2.500%	2.670%	98.231	-	-6,545.30
	06/15/2024	1,000,000	4.000%	2.470%	113.777 C	2.673%	137,770.00
	06/15/2024	260,000	5.000%	2.440%	123.088 C	2.765%	60,028.80
	06/15/2025	450,000	2.500%	2.840%	96.265	-	-16,807.50
	06/15/2025	550,000	3.000%	2.800%	101.768 C	2.839%	9,724.00
	06/15/2025	530,000	4.000%	2.580%	112.714 C	2.841%	67,384.20
	06/15/2025	205,000	5.000%	2.510%	122.376 C	2.947%	45,870.80
		13,790,000					1,125,553.05

Dated Date	03/15/2012	
Delivery Date	03/15/2012	
First Coupon	12/15/2012	
Par Amount	13,790,000.00	
Premium	1,125,553.05	
Production	14,915,553.05	108.162096%
Underwriter's Discount	-104,114.50	-0.755000%
Purchase Price	14,811,438.55	107.407096%
Accrued Interest	-	
Net Proceeds	14,811,438.55	

BOND DEBT SERVICE

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Dated Date 03/15/2012
Delivery Date 03/15/2012

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/15/2012	-	-	309,318.75	309,318.75	-
06/15/2013	30,000	2.000%	206,212.50	236,212.50	545,531.25
12/15/2013	-	-	205,912.50	205,912.50	-
06/15/2014	135,000	2.000%	205,912.50	340,912.50	546,825.00
12/15/2014	-	-	204,562.50	204,562.50	-
06/15/2015	140,000	2.000%	204,562.50	344,562.50	549,125.00
12/15/2015	-	-	203,162.50	203,162.50	-
06/15/2016	1,015,000	2.000%	203,162.50	1,218,162.50	1,421,325.00
12/15/2016	-	-	193,012.50	193,012.50	-
06/15/2017	1,125,000	2.000%	193,012.50	1,318,012.50	1,511,025.00
12/15/2017	-	-	181,762.50	181,762.50	-
06/15/2018	1,135,000	3.000%	181,762.50	1,316,762.50	1,498,525.00
12/15/2018	-	-	164,737.50	164,737.50	-
06/15/2019	1,210,000	2.500%	164,737.50	1,374,737.50	1,539,475.00
12/15/2019	-	-	149,612.50	149,612.50	-
06/15/2020	1,305,000	3.000%	149,612.50	1,454,612.50	1,604,225.00
12/15/2020	-	-	130,037.50	130,037.50	-
06/15/2021	1,360,000	** %	130,037.50	1,490,037.50	1,620,075.00
12/15/2021	-	-	110,575.00	110,575.00	-
06/15/2022	1,440,000	** %	110,575.00	1,550,575.00	1,661,150.00
12/15/2022	-	-	86,775.00	86,775.00	-
06/15/2023	1,530,000	** %	86,775.00	1,616,775.00	1,703,550.00
12/15/2023	-	-	60,725.00	60,725.00	-
06/15/2024	1,630,000	** %	60,725.00	1,690,725.00	1,751,450.00
12/15/2024	-	-	29,600.00	29,600.00	-
06/15/2025	1,735,000	** %	29,600.00	1,764,600.00	1,794,200.00
	13,790,000		3,956,481.25	17,746,481.25	17,746,481.25

PV OF REFUNDING BOND DEBT SERVICE

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Summary

Dated Date 03/15/2012
Arbitrage Yield 2.067116%

Date	Bond Debt Service	Present Value to Dated Date at Arb Yield
12/15/2012	309,318.75	304,584.48
06/15/2013	236,212.50	230,217.72
12/15/2013	205,912.50	198,633.70
06/15/2014	340,912.50	325,497.39
12/15/2014	204,562.50	193,314.73
06/15/2015	344,562.50	322,285.89
12/15/2015	203,162.50	188,083.71
06/15/2016	1,218,162.50	1,116,213.36
12/15/2016	193,012.50	175,049.86
06/15/2017	1,318,012.50	1,183,123.89
12/15/2017	181,762.50	161,491.38
06/15/2018	1,316,762.50	1,157,942.11
12/15/2018	164,737.50	143,385.83
06/15/2019	1,374,737.50	1,184,316.78
12/15/2019	149,612.50	127,570.52
06/15/2020	1,454,612.50	1,227,620.47
12/15/2020	130,037.50	108,622.49
06/15/2021	1,490,037.50	1,231,920.57
12/15/2021	110,575.00	90,485.05
06/15/2022	1,550,575.00	1,255,876.66
12/15/2022	86,775.00	69,563.78
06/15/2023	1,616,775.00	1,282,840.03
12/15/2023	60,725.00	47,689.72
06/15/2024	1,690,725.00	1,314,209.48
12/15/2024	29,600.00	22,772.87
06/15/2025	1,764,600.00	1,343,713.25
	17,746,481.25	15,007,025.73

Escrow Reports

- Escrow Requirements
- Escrow Descriptions
- Escrow Sufficiency
- Escrow Cost
- Proof of Arbitrage Yield
- Proof of Composite Escrow Yield
- Present Value of Requirements at Arbitrage Yield

ESCROW REQUIREMENTS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Period Ending	Interest	Principal Redeemed	Total
12/15/2012	310,706.25	-	310,706.25
06/15/2013	310,706.25	-	310,706.25
12/15/2013	310,706.25	-	310,706.25
06/15/2014	310,706.25	-	310,706.25
12/15/2014	310,706.25	-	310,706.25
06/15/2015	310,706.25	13,100,000.00	13,410,706.25
	1,864,237.50	13,100,000.00	14,964,237.50

ESCROW DESCRIPTIONS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Mar 15, 2012:						
SLGS	Certificate	12/15/2012	12/15/2012	259,721	0.140%	0.140%
SLGS	Note	06/15/2013	06/15/2012	276,960	0.190%	0.190%
SLGS	Note	12/15/2013	06/15/2012	277,223	0.260%	0.260%
SLGS	Note	06/15/2014	06/15/2012	277,583	0.330%	0.330%
SLGS	Note	12/15/2014	06/15/2012	278,042	0.400%	0.400%
SLGS	Note	06/15/2015	06/15/2012	13,378,597	0.480%	0.480%
				14,748,126		

SLGS Summary

SLGS Rates File	22FEB12
Total Certificates of Indebtedness	259,721.00
Total Notes	14,488,405.00
	<hr/>
Total original SLGS	14,748,126.00

ESCROW SUFFICIENCY

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
03/15/2012	-	0.63	0.63	0.63
06/15/2012	-	16,965.31	16,965.31	16,965.94
12/15/2012	310,706.25	293,741.17	-16,965.08	0.86
06/15/2013	310,706.25	310,706.22	-0.03	0.83
12/15/2013	310,706.25	310,706.11	-0.14	0.69
06/15/2014	310,706.25	310,705.72	-0.53	0.16
12/15/2014	310,706.25	310,706.71	0.46	0.62
06/15/2015	13,410,706.25	13,410,705.63	-0.62	-
	14,964,237.50	14,964,237.50	0.00	

ESCROW COST

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	12/15/2012	259,721	0.140%	259,721.00
SLGS	06/15/2013	276,960	0.190%	276,960.00
SLGS	12/15/2013	277,223	0.260%	277,223.00
SLGS	06/15/2014	277,583	0.330%	277,583.00
SLGS	12/15/2014	278,042	0.400%	278,042.00
SLGS	06/15/2015	13,378,597	0.480%	13,378,597.00
		14,748,126		14,748,126.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
03/15/2012	14,748,126	0.63	14,748,126.63	0.470864%
		14,748,126	0.63	14,748,126.63

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Date	Debt Service	Present Value to 03/15/2012 @ 2.0671164%
12/15/2012	309,318.75	304,584.48
06/15/2013	236,212.50	230,217.72
12/15/2013	205,912.50	198,633.70
06/15/2014	340,912.50	325,497.39
12/15/2014	204,562.50	193,314.73
06/15/2015	344,562.50	322,285.89
12/15/2015	203,162.50	188,083.71
06/15/2016	1,218,162.50	1,116,213.36
12/15/2016	193,012.50	175,049.86
06/15/2017	1,318,012.50	1,183,123.89
12/15/2017	181,762.50	161,491.38
06/15/2018	1,316,762.50	1,157,942.11
12/15/2018	164,737.50	143,385.83
06/15/2019	1,374,737.50	1,184,316.78
12/15/2019	149,612.50	127,570.52
06/15/2020	1,454,612.50	1,227,620.47
12/15/2020	130,037.50	108,622.49
06/15/2021	1,490,037.50	1,231,920.57
12/15/2021	110,575.00	90,485.05
06/15/2022	5,075,575.00	4,110,924.14
12/15/2022	18,500.00	14,830.65
06/15/2023	18,500.00	14,678.94
12/15/2023	18,500.00	14,528.77
06/15/2024	388,500.00	301,983.10
12/15/2024	13,875.00	10,674.78
06/15/2025	1,013,875.00	772,048.78
	17,494,031.25	14,910,029.11

Proceeds Summary

Delivery date	03/15/2012
Par Value	13,790,000.00
Premium (Discount)	1,125,553.05
Arbitrage expenses	-5,523.94
Target for yield calculation	14,910,029.11

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 03/15/2012 @ 2.0671164%
SERIAL	06/15/2023	3.000%	2.350%	06/15/2022	100.000	32,738.98
SERIAL	06/15/2023	5.000%	2.350%	06/15/2022	100.000	9,133.74
SERIAL	06/15/2024	4.000%	2.470%	06/15/2022	100.000	39,869.46
SERIAL	06/15/2024	5.000%	2.440%	06/15/2022	100.000	10,057.76
SERIAL	06/15/2025	4.000%	2.580%	06/15/2022	100.000	26,764.71
SERIAL	06/15/2025	5.000%	2.510%	06/15/2022	100.000	9,389.76

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 03/15/2012 @ 2.0671164%	Increase to NPV
SERIAL	06/15/2023	3.000%	2.350%	-	-	41,816.12	9,077.14
SERIAL	06/15/2023	5.000%	2.350%	-	-	16,385.08	7,251.34
SERIAL	06/15/2024	4.000%	2.470%	-	-	70,387.35	30,517.89
SERIAL	06/15/2024	5.000%	2.440%	-	-	22,097.49	12,039.73
SERIAL	06/15/2025	4.000%	2.580%	-	-	50,780.36	24,015.65
SERIAL	06/15/2025	5.000%	2.510%	-	-	23,484.63	14,094.87

PROOF OF COMPOSITE ESCROW YIELD

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

All restricted escrows funded by bond proceeds

Date	Security Receipts	Present Value to 03/15/2012 @ 0.4708644%
06/15/2012	16,965.31	16,945.37
12/15/2012	293,741.17	292,706.87
06/15/2013	310,706.22	308,884.97
12/15/2013	310,706.11	308,159.36
06/15/2014	310,705.72	307,435.17
12/15/2014	310,706.71	306,714.04
06/15/2015	13,410,705.63	13,207,280.21
	14,964,236.87	14,748,126.00

Escrow Cost Summary

Purchase date	03/15/2012
Purchase cost of securities	14,748,126.00
Target for yield calculation	14,748,126.00

PV OF ESCROW REQUIREMENTS AT THE ARB YEILD

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Summary

Dated Date 03/15/2012
Arbitrage Yield 2.067116%

Date	Escrow Requirements	Present Value to Dated Date at Arb Yield
12/15/2012	310,706.25	305,950.75
06/15/2013	310,706.25	302,820.92
12/15/2013	310,706.25	299,723.10
06/15/2014	310,706.25	296,656.98
12/15/2014	310,706.25	293,622.22
06/15/2015	13,410,706.25	12,543,679.15
	14,964,237.50	14,042,453.12

Refunded Bonds

- Summary of Bonds Refunded
- Prior Bond Debt Service
- Aggregate Debt Service

SUMMARY OF BONDS REFUNDED

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Obligation Bonds, Series 2005:					
2016A	06/15/2016	5.000%	250,000.00	06/15/2015	100.000
2016B	06/15/2016	4.000%	625,000.00	06/15/2015	100.000
SERIAL2	06/15/2017	5.000%	1,000,000.00	06/15/2015	100.000
	06/15/2018	5.000%	1,040,000.00	06/15/2015	100.000
	06/15/2019	5.000%	1,130,000.00	06/15/2015	100.000
2020A	06/15/2020	5.000%	1,000,000.00	06/15/2015	100.000
2020B	06/15/2020	4.500%	255,000.00	06/15/2015	100.000
SERIAL3	06/15/2021	5.000%	1,330,000.00	06/15/2015	100.000
	06/15/2022	5.000%	1,440,000.00	06/15/2015	100.000
	06/15/2023	5.000%	1,555,000.00	06/15/2015	100.000
TERM	06/15/2025	4.250%	3,475,000.00	06/15/2015	100.000
			13,100,000.00		

PRIOR BOND DEBT SERVICE

Columbia Gorge Community College District
 General Obligation Refunding Bonds, Series 2012
 Final Numbers

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/15/2012	-	-	310,706.25	310,706.25	-
06/15/2013	-	-	310,706.25	310,706.25	621,412.50
12/15/2013	-	-	310,706.25	310,706.25	-
06/15/2014	-	-	310,706.25	310,706.25	621,412.50
12/15/2014	-	-	310,706.25	310,706.25	-
06/15/2015	-	-	310,706.25	310,706.25	621,412.50
12/15/2015	-	-	310,706.25	310,706.25	-
06/15/2016	875,000	** %	310,706.25	1,185,706.25	1,496,412.50
12/15/2016	-	-	291,956.25	291,956.25	-
06/15/2017	1,000,000	5.000%	291,956.25	1,291,956.25	1,583,912.50
12/15/2017	-	-	266,956.25	266,956.25	-
06/15/2018	1,040,000	5.000%	266,956.25	1,306,956.25	1,573,912.50
12/15/2018	-	-	240,956.25	240,956.25	-
06/15/2019	1,130,000	5.000%	240,956.25	1,370,956.25	1,611,912.50
12/15/2019	-	-	212,706.25	212,706.25	-
06/15/2020	1,255,000	** %	212,706.25	1,467,706.25	1,680,412.50
12/15/2020	-	-	181,968.75	181,968.75	-
06/15/2021	1,330,000	5.000%	181,968.75	1,511,968.75	1,693,937.50
12/15/2021	-	-	148,718.75	148,718.75	-
06/15/2022	1,440,000	5.000%	148,718.75	1,588,718.75	1,737,437.50
12/15/2022	-	-	112,718.75	112,718.75	-
06/15/2023	1,555,000	5.000%	112,718.75	1,667,718.75	1,780,437.50
12/15/2023	-	-	73,843.75	73,843.75	-
06/15/2024	1,680,000	4.250%	73,843.75	1,753,843.75	1,827,687.50
12/15/2024	-	-	38,143.75	38,143.75	-
06/15/2025	1,795,000	4.250%	38,143.75	1,833,143.75	1,871,287.50
	13,100,000		5,621,587.50	18,721,587.50	18,721,587.50

AGGREGATE DEBT SERVICE

Columbia Gorge Community College District General Obligation Refunding Bonds, Series 2012 Final Numbers

Date	General Obligation Refunding Bonds, Series 2012 Principal	General Obligation Refunding Bonds, Series 2012 Interest	Unrefunded Bonds Principal	Unrefunded Bonds Interest	Aggregate Principal	Aggregate Interest	Aggregate Debt Service	Annual Aggregate D/S
06/15/2012	-	-	625,000	366,878.13	625,000	366,878.13	991,878.13	991,878.13
12/15/2012	-	309,318.75	-	44,453.13	-	353,771.88	353,771.88	-
06/15/2013	30,000	206,212.50	680,000	44,453.13	710,000	250,665.63	960,665.63	1,314,437.51
12/15/2013	-	205,912.50	-	31,703.13	-	237,615.63	237,615.63	-
06/15/2014	135,000	205,912.50	740,000	31,703.13	875,000	237,615.63	1,112,615.63	1,350,231.26
12/15/2014	-	204,562.50	-	16,200.00	-	220,762.50	220,762.50	-
06/15/2015	140,000	204,562.50	810,000	16,200.00	950,000	220,762.50	1,170,762.50	1,391,525.00
12/15/2015	-	203,162.50	-	-	-	203,162.50	203,162.50	-
06/15/2016	1,015,000	203,162.50	-	-	1,015,000	203,162.50	1,218,162.50	1,421,325.00
12/15/2016	-	193,012.50	-	-	-	193,012.50	193,012.50	-
06/15/2017	1,125,000	193,012.50	-	-	1,125,000	193,012.50	1,318,012.50	1,511,025.00
12/15/2017	-	181,762.50	-	-	-	181,762.50	181,762.50	-
06/15/2018	1,135,000	181,762.50	-	-	1,135,000	181,762.50	1,316,762.50	1,498,525.00
12/15/2018	-	164,737.50	-	-	-	164,737.50	164,737.50	-
06/15/2019	1,210,000	164,737.50	-	-	1,210,000	164,737.50	1,374,737.50	1,539,475.00
12/15/2019	-	149,612.50	-	-	-	149,612.50	149,612.50	-
06/15/2020	1,305,000	149,612.50	-	-	1,305,000	149,612.50	1,454,612.50	1,604,225.00
12/15/2020	-	130,037.50	-	-	-	130,037.50	130,037.50	-
06/15/2021	1,360,000	130,037.50	-	-	1,360,000	130,037.50	1,490,037.50	1,620,075.00
12/15/2021	-	110,575.00	-	-	-	110,575.00	110,575.00	-
06/15/2022	1,440,000	110,575.00	-	-	1,440,000	110,575.00	1,550,575.00	1,661,150.00
12/15/2022	-	86,775.00	-	-	-	86,775.00	86,775.00	-
06/15/2023	1,530,000	86,775.00	-	-	1,530,000	86,775.00	1,616,775.00	1,703,550.00
12/15/2023	-	60,725.00	-	-	-	60,725.00	60,725.00	-
06/15/2024	1,630,000	60,725.00	-	-	1,630,000	60,725.00	1,690,725.00	1,751,450.00
12/15/2024	-	29,600.00	-	-	-	29,600.00	29,600.00	-
06/15/2025	1,735,000	29,600.00	-	-	1,735,000	29,600.00	1,764,600.00	1,794,200.00
	13,790,000	3,956,481.25	2,855,000	551,590.65	16,645,000	4,508,071.90	21,153,071.90	21,153,071.90

Purchase Agreement



February 22, 2012

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

Re: Columbia Gorge Community College
\$13,790,000 General Obligation Refunding Bonds, Series 2012

Honorable Board of Education:

Seattle-Northwest Securities Corporation (the "Underwriter") offers to enter into this purchase agreement (the "Purchase Agreement") with Columbia Gorge Community College, in Hood River and Wasco Counties, Oregon (the "Issuer") (each of the Underwriter and the Issuer may be referred to herein as a "Party" or collectively as the "Parties").

Upon execution of this Purchase Agreement by the Parties, this Purchase Agreement will constitute a binding agreement between the Issuer and the Underwriter.

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

1. Purchase and Sale

Subject to the terms and conditions of this Purchase Agreement, the Underwriter hereby agrees to purchase from the Issuer for offering to the public and the Issuer hereby agrees to sell to the Underwriter all, but not less than all of the \$13,790,000 aggregate principal amount of the General Obligation Refunding Bonds, Series 2012 (the "Bonds").

The Bonds shall be dated, shall mature, shall bear interest, shall be payable, and shall have redemption provisions and other terms all as set forth in Exhibit A attached hereto. The Underwriter's purchase price for the Bonds is set forth in Exhibit A.

2. Closing

The transaction at which the Bonds are delivered by the Issuer to the Underwriter and paid for by the Underwriter is referred to herein as the "Closing" and the date of such transaction, the "Closing Date."

3. Authorization and Financing Documents

The issuance, sale and delivery of the Bonds is authorized by a Resolution (the "Resolution"), adopted by the Board of Education of the Issuer on December 13, 2011. On the Closing Date, executed copies of the Financing Documents defined in Exhibit D attached hereto shall be delivered or made available to the Underwriter.

The Bonds shall be payable and shall be secured as provided in the Resolution and as described in the document entitled Preliminary Official Statement, which is dated February 13, 2012 and which describes the Issuer and the Bonds (the "POS.")

4. Paying Agent; Enhancement

- a) US Bank National Association shall be the paying agent for the Bonds, serving as registrar and paying agent (the "Paying Agent").
- b) Payment when due of the regularly scheduled principal of and interest on the Bonds shall be guaranteed under the provisions of Oregon School Bond Guaranty (the "State Guaranty").

5. Offering

The Underwriter agrees to make a *bona fide* public offering of all the Bonds, at prices not in excess of the initial public offering prices or at yields not lower than the initial yields as set forth in Exhibit A attached hereto.

6. Official Statement

- a) Issuer represents and warrants that it ratified, approved, and "deemed final" the POS for purposes of Rule 15c2-12 (except for the omission of the following information: offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, credit enhancement, if any, ratings, and other terms of the securities depending on such matters) of the Securities Exchange Act of 1934, as amended (the "Rule"). Issuer approves and ratifies the use and distribution by the Underwriter of the POS in connection with the public offering and sale of the Bonds by the Underwriter.
- b) The final official statement shall be substantially in the form of the POS with only such changes permitted by the Rule as shall have been reviewed by the Underwriter (such final official statement, incorporating such changes, if any, shall be referred to herein as the "Final Official Statement"). The Issuer shall cooperate with the Underwriter in the preparation of the Final Official Statement

for delivery within seven (7) business days after the date hereof and, in any event, for delivery in sufficient time to accompany any order confirmation from the Underwriter to its customer and in sufficient time to permit the Underwriter to comply with the provisions of the Rule and with all applicable rules of the MSRB.

- c) The Issuer will not amend or supplement the Final Official Statement without the consent of the Underwriter. The Issuer agrees to notify the Underwriter promptly if, on or prior to the 25th day after the End of the Underwriting Period (as defined below), any event shall occur, or information come to the attention of the Issuer, that would cause the Final Official Statement (whether or not previously supplemented or amended), as of its date, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Issuer, such event requires the preparation and distribution of a supplement or amendment to the Final Official Statement, the Issuer, at its expense, shall amend or supplement the Final Official Statement in a form and manner approved by the Underwriter and will provide such number of copies of the supplement or amendment to the Final Official Statement, as the Underwriter may reasonably request. For purposes of this Purchase Agreement, the “End of the Underwriting Period” shall occur on the later of Closing Date or the date on which the Underwriter no longer retains an unsold balance of Bonds for sale to the public.
- d) The Underwriter may have assisted the Issuer in the compilation of certain information contained in the POS and to be contained in the Final Official Statement; however, in providing any such assistance, the Underwriter did not undertake to determine independently the accuracy or completeness of such information. The Underwriter has reviewed the information in the POS and will review the information in the Final Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

7. Representations, Warranties and Covenants

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

- a) The Issuer is a political subdivision duly organized and validly existing under the laws and Constitution of the State of Oregon;

- b) The Issuer has duly adopted the Resolution and it is a valid, legal and binding Resolution of the Issuer;
- c) The Issuer is duly authorized and has full legal right, power, and authority to issue, sell and deliver the Bonds and perform its obligations under the Financing Documents;
- d) The Resolution is in full force and effect and has not been superseded, rescinded or amended;
- e) The Issuer has full legal right, power and authority to and will apply or cause to be applied the proceeds of the Bonds as described in the Resolution, and the POS and the Final Official Statement.
- f) The Issuer is not, and the execution of and performance by the Issuer of its obligations under the Financing Documents will not cause the Issuer to be, (i) in violation of any constitutional provision, law, court decree, administrative regulation or judgment, other similar action, or (ii) in material default under any loan agreement, indenture, bond, note, resolution or other material agreement or instrument to which the Issuer is a party or to which the Issuer or any of its properties or assets is otherwise subject;
- g) All governmental approvals or authorizations required to be obtained by the Issuer prior to the Closing in connection with the issuance and delivery of the Bonds or the performance by the Issuer of its obligations under the Financing Documents have been or will be obtained prior to Closing;
- h) No filing or registration of the Resolution or other instrument or financing statement is required to be made to create, protect or preserve the pledge of taxes under the Resolution or is required for the validity and enforceability of the Resolution;
- i) As of the Closing, the Bonds and each of the Financing Documents will be legal, valid and binding obligations of the Issuer, will be in full force and effect, and will be enforceable in accordance with their terms except to the extent limited by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Issuer;

- j) Except as described in the Final Official Statement there is no action, suit, proceeding, inquiry or investigation before or by any court, governmental agency, public board or body pending or, to the knowledge of the Issuer, threatened against the Issuer; (i) in any way questioning the legal existence of the Issuer or the titles of the officers of the Issuer to their respective offices; (ii) in any way affecting or contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of the Bonds; (iii) wherein an unfavorable decision, ruling, or finding would have a material adverse effect on the Issuer, the collection and application of taxes to be levied for the benefit of the Issuer for the payment of the Bonds, the financial condition of the Issuer, or would have an adverse effect on the validity or enforceability of the Bonds or the Resolution, or which would in any way adversely affect the exclusion of interest on the Bonds from gross income for general federal income tax purposes; (iv) contesting the completeness or accuracy of the POS or the Final Official Statement; or (v) in any way contesting the election under which the issuance of Bonds or the tax levy related thereto was authorized and, (vi) to the actual knowledge of the Issuer, there is no reasonable basis for any action, proceeding, inquiry or investigation of the nature described in the foregoing clauses (i) through (v);
- k) The financial statements of the Issuer contained in the Final Official Statement fairly present the financial position of the Issuer as of the dates and for the periods therein set forth in accordance with the accounting standards applicable to the Issuer, and since the date thereof, except as described in the Final Official Statement there has been no material adverse change in the financial position of the Issuer;
- l) As of the date hereof, the POS does not (and as of the Closing Date, the Final Official Statement will not) contain any untrue statement of material fact nor omit any statement or information which is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that no representation or warranty is made with respect to information within the POS or the Final Official Statement relating to The Depository Trust Company in New York, New York (“DTC”), the book entry system, the State Guaranty or the Paying Agent;
- m) As described in the POS and Final Official Statement, the Issuer has agreed to enter into an undertaking to provide certain information to investors through the United States Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) service (so long as such method of disclosure continues to be approved by the Securities and Exchange Commission for such purposes) or if EMMA is not longer so approved, through such nationally

recognized municipal securities information repositories and regulatory bodies or their designees that are so approved (the “Undertaking”). The Issuer failed to comply with its annual filing requirement for an existing undertaking on its General Obligation Bonds, Series 2005. The Issuer also failed to file material event notices in a timely manner for its General Obligation Bonds, Series 1998. All of the late filings were completed by February 2, 2012.

8. Termination

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

- a) A material disruption in commercial banking or securities settlement or clearance services; or
- b) The United States shall have become engaged in hostilities or existing hostilities shall have escalated or a national emergency or other national or international calamity, including but not limited to terrorist attack(s) or other event; or
- c) A general suspension of trading or other material restrictions not in force as of the date of this Purchase Agreement on the New York Stock Exchange or other national securities exchange; or
- d) Declaration of a general banking moratorium by the United States, New York State or the State of Oregon authorities; or
- e) An actual or imminent default or moratorium in respect to payment of any United States Treasury bills, bonds or notes; or
- f) Any downgrade of the credit rating of the United States of America; or
- g) Legislation with respect to eliminating or reducing the exemption from federal or state taxation for interest income received on obligations of the general character of the Bonds shall be introduced or enacted by the legislature of the State of Oregon or by Congress of the United States or adopted by either the US House of Representatives or the United States Senate or shall have been recommended to the Congress or otherwise endorsed for passage (by press release, public

statement or other form of notice) by the President of the United States, by the Treasury Department of the United States, the Internal Revenue Service or by the chairman of the Senate Finance Committee or a decision or an order or ruling with respect to eliminating or reducing such exemption, shall have been issued by a court of the United States, including the United States Tax Court, or by or on behalf of the Treasury Department of the United States or the Internal Revenue Service; or

- h) Legislation shall hereafter be enacted, or actively considered for enactment, or a decision by a court of the United States shall hereafter be rendered, or a ruling, stop order or regulation by the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall hereafter be made, the effect of which is or would be that the offering and sale of the Bonds would be illegal or that:
 - i) The Bonds are not exempt from the registration, qualification or similar requirements of the Securities Act of 1933, as amended and as then in effect (the “33 Act”) or distribution of the Bonds, as contemplated herein or in the Final Official Statement, is in violation of or not exempt from the registration, qualification or other requirements of the 33 Act, or the Securities Exchange Act of 1934, as amended and then in effect or the Investment Company Act of 1940, as amended and then in effect (the “Investment Company Act”) or, in each case, the rules or regulations promulgated thereunder as then in effect; or
 - ii) The Resolution is not exempt from the registration, qualification or other requirements of the Trust Indenture Act of 1939, as amended and as then in effect; or
 - iii) This Purchase Agreement is subject to the Investment Company Act or require any registration under the Investment Company Act; or
- i) Any litigation, except as described in the Final Official Statement, shall be instituted or pending at Closing to restrain or enjoin the authorization, issuance, execution, sale or delivery of the Bonds or the execution and delivery of any of the Financing Documents, or in any way contesting or affecting any authority for or the validity or enforceability of the Bonds, the Resolution or any of the other Financing Documents, any moneys or securities provided for the payment of the Bonds or the existence or powers of the Issuer; or
- j) Any legislation, ordinance, rule or regulation shall be introduced in or enacted by any governmental body, board, department or agency of the State of Oregon

or of the United States, or a decision by any court of competent jurisdiction within the State of Oregon or any court of the United States shall be rendered materially adversely affecting the Issuer or the Bonds; or

- k) There shall have been established any new restrictions on transactions in securities materially affecting the free market for securities or the extension of credit by, or the charge to the net capital requirements of the Underwriter, including without limitation, the fixing of minimum or maximum prices for trading or maximum ranges of prices, by any exchange, the Securities and Exchange Commission, any other federal or state agency or the Congress of the United States, or by Executive Order; or
- l) Except for such changes to the Final Official Statement as provided in Section 6(b) of this Purchase Agreement, there shall have been a material adverse change in the affairs of the Issuer or there shall exist any event or fact or set of facts that either (a) makes untrue or incorrect in any material respect any statement or information contained in the Final Official Statement or (b) is not reflected in the Final Official Statement but should be reflected therein to make the statements and information contained therein under the circumstances in which made not misleading in any material respect; or
- m) The withdrawal or downgrading of any ratings of the Bonds or any other obligations of the Issuer with the same security pledge as the Bonds (“Similar Bonds”) or placement of any rating of the Bonds on “negative outlook,” “negative watch” or similar category implying a deterioration of the credit quality of the Bonds or Similar Bonds by the rating agency or rating agencies listed Exhibit A.

9. Closing; Conditions of Closing

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

In addition to the other requirements of this Purchase Agreement, the Underwriter's obligations hereunder are subject to and conditioned upon the Issuer, at or prior to the Closing Date, delivering or making available to Underwriter copies of the Financing Documents.

10. Fees and Expenses

The Issuer will pay the cost of preparing, printing and executing the Bonds, the fees and disbursements of the Bond Counsel, bond ratings fees, State Guaranty fees, Paying Agent fees, escrow verification fees, advance refunding fees, Financial Advisor fees, Bond registration fees, and the costs of printing and distributing the POS and Final Official Statement.

11. Miscellaneous

- a) All matters relating to this Purchase Agreement shall be governed by the laws of the State of Oregon.
- b) This Purchase Agreement is intended to benefit only the Parties hereto. Unless it can be shown that the untruth of any representation or warranty of the Issuer or the violation of any agreement of the Issuer hereunder actually was or should have been discovered by the Underwriter through its review of the information in the Final Official Statement in accordance with and as a part of its responsibilities under federal securities laws as applied to the facts and circumstances of this transaction, all representations and warranties of the Issuer

in this Purchase Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Underwriter, (ii) delivery of and payment for the Bonds hereunder, or (iii) any termination of this Purchase Agreement. If the Issuer fails to satisfy any of the foregoing conditions or covenants, or if the Underwriter's obligations are terminated for any reason permitted under this Purchase Agreement, then neither the Underwriter nor the Issuer shall have any further obligations under this Purchase Agreement, except that any expenses incurred shall be borne in accordance with the Fees and Expenses Section hereof.

- c) Any notice or other communication to be given to the Issuer by the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Chief Financial Officer, Columbia Gorge Community College, 400 East Scenic Drive, The Dalles, Oregon 97058; and any notice or other communication to be given to the Underwriter by the Issuer under this Purchase Agreement may be given by delivering the same in writing to the Manager of Public Finance, Seattle-Northwest Securities Corporation, 1300 SW Fifth Avenue, Suite 3650, Portland, Oregon 97201.
- d) This Purchase Agreement may be executed in any number of counterparts, all of which shall be one and the same instrument, and either party hereto may execute this Purchase Agreement by signing any such counterpart.
- e) This Purchase Agreement, including the Financing Documents, constitutes the entire agreement between and among the Parties, supersedes any other representations, understandings or communications between the Parties or their representatives, and may be amended only in writing and signed by both Parties. This Purchase Agreement is intended solely for the benefit of the Parties (including any successors and assigns thereof but not any holder of any Bonds). No other person shall acquire or have any rights hereunder or by virtue hereof.
- f) No Advisory or Fiduciary Role. The Issuer acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities, for resale to investors, in an arm's-length commercial transaction between the Issuer and the Underwriter and that the Underwriter has financial and other interests that differ from those of the Issuer; (ii) the Underwriter is not acting as a municipal advisor, financial advisor, or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters); (iii) the only

obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (iv) to the extent it deems appropriate, the Issuer has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable.

Respectfully submitted,

SEATTLE-NORTHWEST SECURITIES CORPORATION

By: Carol Samuels
Carol Samuels, Senior Vice President

Accepted February 22, 2012

COLUMBIA GORGE COMMUNITY COLLEGE

By: Saundra Buchanan
Saundra Buchanan, Chief Financial Officer

Time Signed: 3:42 PM

EXHIBIT A
DESCRIPTION OF THE BONDS

- (a) Principal Amount: \$13,790,000
- (b) Purchase Price: \$14,811,438.55 (\$107.407096 per \$100), representing a net original issue premium of \$1,125,553.05 and an aggregate underwriting discount of \$104,114.50.
- (c) Average Reoffering Price: 108.162096% of the par value of the Bonds.
- (d) Denominations: \$5,000, or integral multiples thereof within a maturity.
- (e) Form: Registered; Book-entry only.
- (f) Interest Payment Dates: December 15 and June 15, commencing December 15, 2012.
- (g) Maturity and Interest Rates: The Bonds shall mature on June 15 of each year and bear interest as follows (the yields and the CUSIP numbers shown below have been obtained or provided by the Underwriter):

Due June 15	Amounts	Interest Rates	Yields	CUSIP® 197659	Due June 15	Amounts	Interest Rates	Yields	CUSIP® 197659
2013	\$ 30,000	2.000%	0.280%	CF0	2022	\$ 375,000	2.000%	2.200%	CS2
2014	135,000	2.000	0.430	CG8	2022	200,000	2.750	2.200	CT0
2015	140,000	2.000	0.640	CH6	2022	865,000	4.000	2.200	CU7
2016	1,015,000	2.000	0.780	CJ2	2023	1,220,000	3.000	2.350 ⁽¹⁾	CV5
2017	1,125,000	2.000	0.920	CK9	2023	310,000	5.000	2.350 ⁽¹⁾	CW3
2018	1,135,000	3.000	1.260	CL7	2024	370,000	2.500	2.670	CX1
2019	1,210,000	2.500	1.530	CM5	2024	1,000,000	4.000	2.470 ⁽¹⁾	CY9
2020	1,305,000	3.000	1.840	CN3	2024	260,000	5.000	2.440 ⁽¹⁾	CZ6
2021	865,000	2.500	2.010	CP8	2025	450,000	2.500	2.840	DA0
2021	250,000	3.000	2.010	CQ6	2025	550,000	3.000	2.800 ⁽¹⁾	DB8
2021	245,000	4.000	2.010	CR4	2025	530,000	4.000	2.580 ⁽¹⁾	DC6
					2025	205,000	5.000	2.510 ⁽¹⁾	DD4

(1) Yield reflects pricing to the first optional redemption date of June 15, 2022.

- (h) Dated Date and Date of Delivery: March 15, 2012
- (i) Offer Expires: 5:00 p.m., on the date hereof.
- (j) Bond Counsel: Mersereau Shannon LLP
- (k) Closing: At the offices of Bond Counsel, on the Date of Delivery.
- (l) Delivery: To the Paying Agent on behalf of DTC by Fast Automated Securities Transfer.
- (m) Credit Enhancement Providers: **State School Bond Guaranty:** Oregon State Treasury, Debt Management Division.
- (n) Credit Enhancement: **State Guaranty:** Payment of the principal of and interest on the Bonds, when due, will be enhanced by the State Guarantee to be issued by the State simultaneously with the delivery of the Bonds.
- (o) Rating Agency: Moody's Investors Service ("Moody's").
- (p) Ratings: The State Guaranty is rated "Aa1" by Moody's. Moody's has assigned its underlying rating of "Aa3" to the Bonds.
- (q) Costs of printing and distributing the POS and Final Official Statement: \$750

EXHIBIT B
FINAL PRICING NUMBERS

SUMMARY OF REFUNDING RESULTS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Dated Date	03/15/2012
Delivery Date	03/15/2012
Arbitrage yield	2.067116%
Escrow yield	0.470864%
Bond Par Amount	13,790,000.00
True Interest Cost	2.237107%
Net Interest Cost	2.345079%
Average Coupon	3.161202%
Average Life	9.076
Par amount of refunded bonds	13,100,000.00
Average coupon of refunded bonds	4.699183%
Average life of refunded bonds	9.384
PV of prior debt to 03/15/2012 @ 2.067116%	15,856,024.36
Net PV Savings	849,312.61
Percentage savings of refunding proceeds	5.694141%

SAVINGS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings
12/15/2012	310,706.25	309,318.75	1,387.50	-
06/15/2013	310,706.25	236,212.50	74,493.75	75,881.25
12/15/2013	310,706.25	205,912.50	104,793.75	-
06/15/2014	310,706.25	340,912.50	-30,206.25	74,587.50
12/15/2014	310,706.25	204,562.50	106,143.75	-
06/15/2015	310,706.25	344,562.50	-33,856.25	72,287.50
12/15/2015	310,706.25	203,162.50	107,543.75	-
06/15/2016	1,185,706.25	1,218,162.50	-32,456.25	75,087.50
12/15/2016	291,956.25	193,012.50	98,943.75	-
06/15/2017	1,291,956.25	1,318,012.50	-26,056.25	72,887.50
12/15/2017	266,956.25	181,762.50	85,193.75	-
06/15/2018	1,306,956.25	1,316,762.50	-9,806.25	75,387.50
12/15/2018	240,956.25	164,737.50	76,218.75	-
06/15/2019	1,370,956.25	1,374,737.50	-3,781.25	72,437.50
12/15/2019	212,706.25	149,612.50	63,093.75	-
06/15/2020	1,467,706.25	1,454,612.50	13,093.75	76,187.50
12/15/2020	181,968.75	130,037.50	51,931.25	-
06/15/2021	1,511,968.75	1,490,037.50	21,931.25	73,862.50
12/15/2021	148,718.75	110,575.00	38,143.75	-
06/15/2022	1,588,718.75	1,550,575.00	38,143.75	76,287.50
12/15/2022	112,718.75	86,775.00	25,943.75	-
06/15/2023	1,667,718.75	1,616,775.00	50,943.75	76,887.50
12/15/2023	73,843.75	60,725.00	13,118.75	-
06/15/2024	1,753,843.75	1,690,725.00	63,118.75	76,237.50
12/15/2024	38,143.75	29,600.00	8,543.75	-
06/15/2025	1,833,143.75	1,764,600.00	68,543.75	77,087.50
	18,721,587.50	17,746,481.25	975,106.25	975,106.25

Savings Summary

Savings PV date	03/15/2012
Savings PV rate	2.067116%
PV of savings from cash flow	848,998.63
Plus: Refunding funds on hand	313.98
	849,312.61
Net PV Savings	849,312.61

BOND PRICING

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Serial Bond:							
	06/15/2013	30,000	2.000%	0.280%	102.144	-	643.20
	06/15/2014	135,000	2.000%	0.430%	103.511	-	4,739.85
	06/15/2015	140,000	2.000%	0.640%	104.367	-	6,113.80
	06/15/2016	1,015,000	2.000%	0.780%	105.089	-	51,653.35
	06/15/2017	1,125,000	2.000%	0.920%	105.522	-	62,122.50
	06/15/2018	1,135,000	3.000%	1.260%	110.425	-	118,323.75
	06/15/2019	1,210,000	2.500%	1.530%	106.631	-	80,235.10
	06/15/2020	1,305,000	3.000%	1.840%	108.839	-	115,348.95
	06/15/2021	865,000	2.500%	2.010%	104.115	-	35,594.75
	06/15/2021	250,000	3.000%	2.010%	108.316	-	20,790.00
	06/15/2021	245,000	4.000%	2.010%	116.718	-	40,959.10
	06/15/2022	375,000	2.000%	2.200%	98.172	-	-6,855.00
	06/15/2022	200,000	2.750%	2.200%	105.020	-	10,040.00
	06/15/2022	865,000	4.000%	2.200%	116.434	-	142,154.10
	06/15/2023	1,220,000	3.000%	2.350%	105.888 C	2.399%	71,833.60
	06/15/2023	310,000	5.000%	2.350%	124.010 C	2.533%	74,431.00
	06/15/2024	370,000	2.500%	2.670%	98.231	-	-6,545.30
	06/15/2024	1,000,000	4.000%	2.470%	113.777 C	2.673%	137,770.00
	06/15/2024	260,000	5.000%	2.440%	123.088 C	2.765%	60,028.80
	06/15/2025	450,000	2.500%	2.840%	96.265	-	-16,807.50
	06/15/2025	550,000	3.000%	2.800%	101.768 C	2.839%	9,724.00
	06/15/2025	530,000	4.000%	2.580%	112.714 C	2.841%	67,384.20
	06/15/2025	205,000	5.000%	2.510%	122.376 C	2.947%	45,870.80
		13,790,000					1,125,553.05

Dated Date	03/15/2012	
Delivery Date	03/15/2012	
First Coupon	12/15/2012	
Par Amount	13,790,000.00	
Premium	1,125,553.05	
Production	14,915,553.05	108.162096%
Underwriter's Discount	-104,114.50	-0.755000%
Purchase Price	14,811,438.55	107.407096%
Accrued Interest	-	
Net Proceeds	14,811,438.55	

SOURCES AND USES OF FUNDS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Dated Date 03/15/2012
Delivery Date 03/15/2012

Sources:

Bond Proceeds:

Par Amount	13,790,000.00
Net Premium	1,125,553.05

14,915,553.05

Uses:

Refunding Escrow Deposits:

Cash Deposit	0.63
SLGS Purchases	14,748,126.00
	14,748,126.63

Delivery Date Expenses:

Cost of Issuance	57,474.00
Underwriter's Discount	104,114.50
Oregon School Bond Guaranty	5,523.94
	167,112.44

Other Uses of Funds:

Additional Proceeds	313.98
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14,915,553.05

COST OF ISSUANCE

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Cost of Issuance	\$/1000	Amount
Bond Counsel	1.81291	25,000.00
Rating Fee - Moody's	1.12400	15,500.00
OS Printing & Mailing	0.05439	750.00
Paying Agent (Upfront)	0.29695	4,095.00
Adv Ref Fee	0.38796	5,350.00
Pricing Advisor	0.18129	2,500.00
Escrow Verification	0.18129	2,500.00
Escrow Agent	0.02901	400.00
MDAC	0.10000	1,379.00
	4.16780	57,474.00

SUMMARY OF BONDS REFUNDED

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Obligation Bonds, Series 2005:					
2016A	06/15/2016	5.000%	250,000.00	06/15/2015	100.000
2016B	06/15/2016	4.000%	625,000.00	06/15/2015	100.000
SERIAL2	06/15/2017	5.000%	1,000,000.00	06/15/2015	100.000
	06/15/2018	5.000%	1,040,000.00	06/15/2015	100.000
	06/15/2019	5.000%	1,130,000.00	06/15/2015	100.000
2020A	06/15/2020	5.000%	1,000,000.00	06/15/2015	100.000
2020B	06/15/2020	4.500%	255,000.00	06/15/2015	100.000
SERIAL3	06/15/2021	5.000%	1,330,000.00	06/15/2015	100.000
	06/15/2022	5.000%	1,440,000.00	06/15/2015	100.000
	06/15/2023	5.000%	1,555,000.00	06/15/2015	100.000
TERM	06/15/2025	4.250%	3,475,000.00	06/15/2015	100.000
			13,100,000.00		

AGGREGATE DEBT SERVICE

Columbia Gorge Community College District General Obligation Refunding Bonds, Series 2012 Final Numbers

Date	General Obligation Refunding Bonds, Series 2012 Principal	General Obligation Refunding Bonds, Series 2012 Interest	Unrefunded Bonds Principal	Unrefunded Bonds Interest	Aggregate Principal	Aggregate Interest	Aggregate Debt Service	Annual Aggregate D/S
06/15/2012	-	-	625,000	366,878.13	625,000	366,878.13	991,878.13	991,878.13
12/15/2012	-	309,318.75	-	44,453.13	-	353,771.88	353,771.88	-
06/15/2013	30,000	206,212.50	680,000	44,453.13	710,000	250,665.63	960,665.63	1,314,437.51
12/15/2013	-	205,912.50	-	31,703.13	-	237,615.63	237,615.63	-
06/15/2014	135,000	205,912.50	740,000	31,703.13	875,000	237,615.63	1,112,615.63	1,350,231.26
12/15/2014	-	204,562.50	-	16,200.00	-	220,762.50	220,762.50	-
06/15/2015	140,000	204,562.50	810,000	16,200.00	950,000	220,762.50	1,170,762.50	1,391,525.00
12/15/2015	-	203,162.50	-	-	-	203,162.50	203,162.50	-
06/15/2016	1,015,000	203,162.50	-	-	1,015,000	203,162.50	1,218,162.50	1,421,325.00
12/15/2016	-	193,012.50	-	-	-	193,012.50	193,012.50	-
06/15/2017	1,125,000	193,012.50	-	-	1,125,000	193,012.50	1,318,012.50	1,511,025.00
12/15/2017	-	181,762.50	-	-	-	181,762.50	181,762.50	-
06/15/2018	1,135,000	181,762.50	-	-	1,135,000	181,762.50	1,316,762.50	1,498,525.00
12/15/2018	-	164,737.50	-	-	-	164,737.50	164,737.50	-
06/15/2019	1,210,000	164,737.50	-	-	1,210,000	164,737.50	1,374,737.50	1,539,475.00
12/15/2019	-	149,612.50	-	-	-	149,612.50	149,612.50	-
06/15/2020	1,305,000	149,612.50	-	-	1,305,000	149,612.50	1,454,612.50	1,604,225.00
12/15/2020	-	130,037.50	-	-	-	130,037.50	130,037.50	-
06/15/2021	1,360,000	130,037.50	-	-	1,360,000	130,037.50	1,490,037.50	1,620,075.00
12/15/2021	-	110,575.00	-	-	-	110,575.00	110,575.00	-
06/15/2022	1,440,000	110,575.00	-	-	1,440,000	110,575.00	1,550,575.00	1,661,150.00
12/15/2022	-	86,775.00	-	-	-	86,775.00	86,775.00	-
06/15/2023	1,530,000	86,775.00	-	-	1,530,000	86,775.00	1,616,775.00	1,703,550.00
12/15/2023	-	60,725.00	-	-	-	60,725.00	60,725.00	-
06/15/2024	1,630,000	60,725.00	-	-	1,630,000	60,725.00	1,690,725.00	1,751,450.00
12/15/2024	-	29,600.00	-	-	-	29,600.00	29,600.00	-
06/15/2025	1,735,000	29,600.00	-	-	1,735,000	29,600.00	1,764,600.00	1,794,200.00
	13,790,000	3,956,481.25	2,855,000	551,590.65	16,645,000	4,508,071.90	21,153,071.90	21,153,071.90

ESCROW REQUIREMENTS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Period Ending	Interest	Principal Redeemed	Total
12/15/2012	310,706.25	-	310,706.25
06/15/2013	310,706.25	-	310,706.25
12/15/2013	310,706.25	-	310,706.25
06/15/2014	310,706.25	-	310,706.25
12/15/2014	310,706.25	-	310,706.25
06/15/2015	310,706.25	13,100,000.00	13,410,706.25
	1,864,237.50	13,100,000.00	14,964,237.50

ESCROW DESCRIPTIONS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Mar 15, 2012:						
SLGS	Certificate	12/15/2012	12/15/2012	259,721	0.140%	0.140%
SLGS	Note	06/15/2013	06/15/2012	276,960	0.190%	0.190%
SLGS	Note	12/15/2013	06/15/2012	277,223	0.260%	0.260%
SLGS	Note	06/15/2014	06/15/2012	277,583	0.330%	0.330%
SLGS	Note	12/15/2014	06/15/2012	278,042	0.400%	0.400%
SLGS	Note	06/15/2015	06/15/2012	13,378,597	0.480%	0.480%
				14,748,126		

SLGS Summary

SLGS Rates File	22FEB12
Total Certificates of Indebtedness	259,721.00
Total Notes	14,488,405.00
	<hr/>
Total original SLGS	14,748,126.00

FORM 8038 STATISTICS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Dated Date 03/15/2012
Delivery Date 03/15/2012

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bond:						
	06/15/2013	30,000.00	2.000%	102.144	30,643.20	30,000.00
	06/15/2014	135,000.00	2.000%	103.511	139,739.85	135,000.00
	06/15/2015	140,000.00	2.000%	104.367	146,113.80	140,000.00
	06/15/2016	1,015,000.00	2.000%	105.089	1,066,653.35	1,015,000.00
	06/15/2017	1,125,000.00	2.000%	105.522	1,187,122.50	1,125,000.00
	06/15/2018	1,135,000.00	3.000%	110.425	1,253,323.75	1,135,000.00
	06/15/2019	1,210,000.00	2.500%	106.631	1,290,235.10	1,210,000.00
	06/15/2020	1,305,000.00	3.000%	108.839	1,420,348.95	1,305,000.00
	06/15/2021	865,000.00	2.500%	104.115	900,594.75	865,000.00
	06/15/2021	250,000.00	3.000%	108.316	270,790.00	250,000.00
	06/15/2021	245,000.00	4.000%	116.718	285,959.10	245,000.00
	06/15/2022	375,000.00	2.000%	98.172	368,145.00	375,000.00
	06/15/2022	200,000.00	2.750%	105.020	210,040.00	200,000.00
	06/15/2022	865,000.00	4.000%	116.434	1,007,154.10	865,000.00
	06/15/2023	1,220,000.00	3.000%	105.888	1,291,833.60	1,220,000.00
	06/15/2023	310,000.00	5.000%	124.010	384,431.00	310,000.00
	06/15/2024	370,000.00	2.500%	98.231	363,454.70	370,000.00
	06/15/2024	1,000,000.00	4.000%	113.777	1,137,770.00	1,000,000.00
	06/15/2024	260,000.00	5.000%	123.088	320,028.80	260,000.00
	06/15/2025	450,000.00	2.500%	96.265	433,192.50	450,000.00
	06/15/2025	550,000.00	3.000%	101.768	559,724.00	550,000.00
	06/15/2025	530,000.00	4.000%	112.714	597,384.20	530,000.00
	06/15/2025	205,000.00	5.000%	122.376	250,870.80	205,000.00
		13,790,000.00			14,915,553.05	13,790,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	06/15/2025	3.479%	1,841,171.50	1,735,000.00	-	-
Entire Issue	-	-	14,915,553.05	13,790,000.00	9.1041	2.0671%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	161,588.50
Proceeds used for credit enhancement	5,523.94
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to currently refund prior issues	0.00
Proceeds used to advance refund prior issues	14,748,126.63
Remaining weighted average maturity of the bonds to be currently refunded	0.0000
Remaining weighted average maturity of the bonds to be advance refunded	9.3076

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Date	Debt Service	Present Value to 03/15/2012 @ 2.0671164%
12/15/2012	309,318.75	304,584.48
06/15/2013	236,212.50	230,217.72
12/15/2013	205,912.50	198,633.70
06/15/2014	340,912.50	325,497.39
12/15/2014	204,562.50	193,314.73
06/15/2015	344,562.50	322,285.89
12/15/2015	203,162.50	188,083.71
06/15/2016	1,218,162.50	1,116,213.36
12/15/2016	193,012.50	175,049.86
06/15/2017	1,318,012.50	1,183,123.89
12/15/2017	181,762.50	161,491.38
06/15/2018	1,316,762.50	1,157,942.11
12/15/2018	164,737.50	143,385.83
06/15/2019	1,374,737.50	1,184,316.78
12/15/2019	149,612.50	127,570.52
06/15/2020	1,454,612.50	1,227,620.47
12/15/2020	130,037.50	108,622.49
06/15/2021	1,490,037.50	1,231,920.57
12/15/2021	110,575.00	90,485.05
06/15/2022	5,075,575.00	4,110,924.14
12/15/2022	18,500.00	14,830.65
06/15/2023	18,500.00	14,678.94
12/15/2023	18,500.00	14,528.77
06/15/2024	388,500.00	301,983.10
12/15/2024	13,875.00	10,674.78
06/15/2025	1,013,875.00	772,048.78
	17,494,031.25	14,910,029.11

Proceeds Summary

Delivery date	03/15/2012
Par Value	13,790,000.00
Premium (Discount)	1,125,553.05
Arbitrage expenses	-5,523.94

Target for yield calculation	14,910,029.11

PROOF OF ARBITRAGE YIELD

Columbia Gorge Community College District
 General Obligation Refunding Bonds, Series 2012
 Final Numbers

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 03/15/2012 @ 2.0671164%
SERIAL	06/15/2023	3.000%	2.350%	06/15/2022	100.000	32,738.98
SERIAL	06/15/2023	5.000%	2.350%	06/15/2022	100.000	9,133.74
SERIAL	06/15/2024	4.000%	2.470%	06/15/2022	100.000	39,869.46
SERIAL	06/15/2024	5.000%	2.440%	06/15/2022	100.000	10,057.76
SERIAL	06/15/2025	4.000%	2.580%	06/15/2022	100.000	26,764.71
SERIAL	06/15/2025	5.000%	2.510%	06/15/2022	100.000	9,389.76

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Net Present Value (NPV) to 03/15/2012 @ 2.0671164%	Increase to NPV
SERIAL	06/15/2023	3.000%	2.350%	-	-	41,816.12	9,077.14
SERIAL	06/15/2023	5.000%	2.350%	-	-	16,385.08	7,251.34
SERIAL	06/15/2024	4.000%	2.470%	-	-	70,387.35	30,517.89
SERIAL	06/15/2024	5.000%	2.440%	-	-	22,097.49	12,039.73
SERIAL	06/15/2025	4.000%	2.580%	-	-	50,780.36	24,015.65
SERIAL	06/15/2025	5.000%	2.510%	-	-	23,484.63	14,094.87

ESCROW COST

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	12/15/2012	259,721	0.140%	259,721.00
SLGS	06/15/2013	276,960	0.190%	276,960.00
SLGS	12/15/2013	277,223	0.260%	277,223.00
SLGS	06/15/2014	277,583	0.330%	277,583.00
SLGS	12/15/2014	278,042	0.400%	278,042.00
SLGS	06/15/2015	13,378,597	0.480%	13,378,597.00
		14,748,126		14,748,126.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
03/15/2012	14,748,126	0.63	14,748,126.63	0.470864%
		14,748,126	0.63	14,748,126.63

ESCROW CASH FLOW

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Date	Principal	Interest	Net Escrow Receipts	Present Value to 03/15/2012 @ 0.4708644%
06/15/2012	-	16,965.31	16,965.31	16,945.37
12/15/2012	259,721.00	34,020.17	293,741.17	292,706.87
06/15/2013	276,960.00	33,746.22	310,706.22	308,884.97
12/15/2013	277,223.00	33,483.11	310,706.11	308,159.36
06/15/2014	277,583.00	33,122.72	310,705.72	307,435.17
12/15/2014	278,042.00	32,664.71	310,706.71	306,714.04
06/15/2015	13,378,597.00	32,108.63	13,410,705.63	13,207,280.21
	14,748,126.00	216,110.87	14,964,236.87	14,748,126.00

Escrow Cost Summary

Purchase date	03/15/2012
Purchase cost of securities	14,748,126.00

Target for yield calculation	14,748,126.00

ESCROW SUFFICIENCY

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
03/15/2012	-	0.63	0.63	0.63
06/15/2012	-	16,965.31	16,965.31	16,965.94
12/15/2012	310,706.25	293,741.17	-16,965.08	0.86
06/15/2013	310,706.25	310,706.22	-0.03	0.83
12/15/2013	310,706.25	310,706.11	-0.14	0.69
06/15/2014	310,706.25	310,705.72	-0.53	0.16
12/15/2014	310,706.25	310,706.71	0.46	0.62
06/15/2015	13,410,706.25	13,410,705.63	-0.62	-
	14,964,237.50	14,964,237.50	0.00	

ESCROW STATISTICS

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

Total Escrow Cost	Modified Duration (years)	PV of 1 bp change	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Global Proceeds Escrow: 14,748,126.63	3.085	4,549.25	0.470864%	0.470777%	14,042,453.12	705,500.81	172.70
14,748,126.63		4,549.25			14,042,453.12	705,500.81	172.70

Delivery date 03/15/2012
Arbitrage yield 2.067116%

PROOF OF COMPOSITE ESCROW YIELD

Columbia Gorge Community College District
General Obligation Refunding Bonds, Series 2012
Final Numbers

All restricted escrows funded by bond proceeds

Date	Security Receipts	Present Value to 03/15/2012 @ 0.4708644%
06/15/2012	16,965.31	16,945.37
12/15/2012	293,741.17	292,706.87
06/15/2013	310,706.22	308,884.97
12/15/2013	310,706.11	308,159.36
06/15/2014	310,705.72	307,435.17
12/15/2014	310,706.71	306,714.04
06/15/2015	13,410,705.63	13,207,280.21
	<u>14,964,236.87</u>	<u>14,748,126.00</u>

Escrow Cost Summary

Purchase date	03/15/2012
Purchase cost of securities	14,748,126.00
Target for yield calculation	<u>14,748,126.00</u>

EXHIBIT C
Form of Bond Counsel Supplemental Opinion

_____, 2012

Seattle-Northwest Securities Corporation
1300 SW Fifth Avenue, Suite 3650
Portland, Oregon 97201

Re: \$ _____ Columbia Gorge Community College, Hood River and Wasco Counties, Oregon, General
Obligation Refunding Bonds, Series 2012

Ladies and Gentlemen:

This opinion is rendered to you in connection with the purchase by you of the \$ _____ Columbia Gorge Community College, Hood River and Wasco Counties, Oregon, General Obligation Refunding Bonds, Series 2012 (the "Bonds") pursuant to a Purchase Agreement dated February 22, 2012 (the "Agreement"), by and between you and Columbia Gorge Community College, Hood River and Wasco Counties, Oregon (the "Seller"). All terms used in this opinion and not otherwise defined herein shall have the respective meanings assigned thereto in the Agreement or the Resolution (as defined in the Agreement). In our capacity as Bond Counsel with respect to the authorization, issuance, sale and delivery of the Bonds, we have examined the Official Statement dated February 22, 2012, relating to the Bonds (the "Official Statement"). We have also examined originals, or copies certified or otherwise identified to our satisfaction as being true copies of the originals, of such proceedings of the Seller, certificates of officials of the Seller and others and such other documents as we have deemed necessary for purposes of this opinion. Based on our review of the foregoing, we are of the opinion that:

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

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

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

4. We have reviewed the undertaking of the Seller regarding secondary market disclosure as further described in the Preliminary Official Statement and the Official Statement. In our opinion, such undertaking is valid and binding, is in full force and effect as of the date of Closing and complies with the requirements of Securities and

MERSEREAU SHANNON LLP

_____, 2012
Page 2

Exchange Commission Rule 15c2-12 as it pertains to such undertakings.

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

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

Respectfully submitted,

MERSEREAU SHANNON LLP

James P. Shannon

EXHIBIT D
CLOSING DOCUMENTS

Issuer's Closing Documents

At Closing, the Issuer shall provide or cause to be provided:

- a) Executed copies of the Financing Documents, which are defined to include the following:
 - i) Resolution;
 - ii) A copy of the Undertaking as described in the POS and Final Official Statement;
 - iii) The letter to DTC relating to the safekeeping and book entry form of the Bonds (hereinafter, the "Blanket Issuer Letter of Representation").
- b) The following opinions:
 - i) The approving opinion of Bond Counsel dated as of the Closing Date and addressed to the Issuer, substantially in the form set forth in Appendix A to the POS and a letter addressed to the Underwriter to the effect that the Underwriter may rely upon such opinion as if it were addressed to the Underwriter; and
 - ii) Supplemental opinion of Bond Counsel substantially in the form attached hereto as Exhibit C.
- c) Evidence of each of the following:
 - i) A report from each Rating Agency identified in Exhibit A assigning the Rating or Ratings listed in Exhibit A;
 - ii) That the Issuer has filed or will cause to be filed a Material Events Notice with the current nationally recognized municipal securities information repositories or the Municipal Securities Rulemaking Board identifying any applicable defeasance and calls on the Issuer's refunded bonds as described in the Documents;
- d) An executed Escrow Deposit Agreement sent to the Underwriter's Operations Department, Seattle-Northwest Securities Corporation, 1420 Fifth Avenue, Suite 4300, Seattle, Washington 98101, Attn. Operations Department Manager.
- e) A report from Grant Thornton LLP (the "Verification Agent") verifying the accuracy of (a) the mathematical computations concerning the adequacy of the maturing principal amounts of and interest earned on the Government Obligations, together with other escrowed moneys, to be placed in the escrow account to pay when due, pursuant to

stated maturity or call for redemption, as the case may be, the principal of, premium, if any, and interest on the Refunded Bonds and (b) the mathematical computations of the yield on the Bonds and the yield on the Government Obligations purchased with a portion of the proceeds of the sale of the Bonds, together with a letter from the Verification Agent consenting to the inclusion in the POS and in the Final Official Statement under the heading "Verification" of references to the Verification Agent and to its report.

- f) A certificate of The Charles Carter Company, pricing advisor to the Issuer (the Pricing Advisor), that the Pricing Advisor has reviewed the pricing terms and finds them to be favorable.
- g) A letter from the Pricing Advisor recommending the desirability of the refunding to the Issuer based on debt service savings;
- h) A completed copy of the appropriate Form 8038;
- i) The following certifications, which may be combined, executed by an authorized officer of the Issuer and dated as of the Closing Date, to the effect that:
 - i) The representations, warranties and covenants of the Issuer contained in the Purchase Agreement and in the Resolution are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;
 - ii) A Tax Certificate setting forth the facts, estimates, and circumstances in existence on the date of Closing which establish that it is not expected that the proceeds of the Bonds will be used in a manner that could cause the Bonds to be "arbitrage bonds," within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;
 - iii) Except as described in the Final Official Statement, no litigation or other proceedings are pending or, to the knowledge of the Issuer, after inquiry with local counsel, threatened in any court in any way (a) affecting the position or title of the authorized officers of the Issuer, or (b) seeking to restrain or to enjoin the authorization, issuance, sale or delivery of, or security for, any of the Bonds, or (c) contesting or affecting the validity or enforceability of the Bonds, the Resolution, this Purchase Agreement, or (d) contesting the completeness or accuracy of the POS or the Final Official Statement, or (e) contesting the powers of the Issuer or its authority with respect to the Bonds, the Resolution, or this Purchase Agreement, the agreement with the Paying Agent, the Undertaking and the Blanket Issuer Letter of Representation or (f) materially affecting the finances of the Issuer. For the purpose of this subparagraph, the Issuer may rely upon a certificate of the Issuer's legal counsel with respect to the legal matters set forth therein;

- iv) No event affecting the Issuer has occurred since the date of the Final Official Statement which should be disclosed in the Final Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements therein not misleading, and the Final Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading provided, however, that (1) no representation or warranty is made with respect to information within the Final Official Statement relating to DTC, the book-entry system, [the Insurer], the Paying Agent or the Underwriter in the italicized print on the page immediately following the cover page, and (2) the representation in this subparagraph with respect to the yields or reoffering prices on the Bonds contained in the Final Official Statement is limited to a determination by the Issuer that such information is a true and accurate presentation of the information contained on Exhibit B to this Purchase Agreement;
- v) In issuing the Bonds, the Issuer has complied with any applicable limitation on indebtedness;
- vi) The proceeds from the sale of the Bonds shall be used solely as set forth in the Resolution; and
- vii) The Issuer has complied with applicable provisions of any applicable budget law with respect to the issuance of the Bonds.
- j) Such additional certificates, instruments or opinions or other evidence as the Underwriter or the Bond Counsel may deem reasonably necessary or desirable to evidence the due authorization, issuance, execution, authentication and delivery of the Bonds, the truth and accuracy as of the time of the Closing of the representations and warranties contained in this Purchase Agreement, and the conformity of the Bonds and Resolution with the terms thereof as summarized in the POS and the Final Official Statement, and to cover such other matters as the Underwriter or the Bond Counsel reasonably requests.

Underwriter's Closing Documents

At Closing, Underwriter shall deliver or cause to be delivered to the Issuer or Bond Counsel a receipt for the Bonds and a certificate regarding the issue price of the Bonds.

35

TED WHEELER
STATE TREASURER

DARREN BOND
DEPUTY STATE TREASURER



DEBT MANAGEMENT DIVISION

350 WINTER STREET NE, SUITE 100
SALEM, OREGON 97301-3896
(503) 378-4930
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DMD@OST.STATE.OR.US

OREGON STATE TREASURY

February 9, 2012

Jim Shannon
Mersereau Shannon LLP
One S.W. Columbia, Suite 1600
Portland, Oregon 97258

Re: Preliminary Approval for Advance Refunding Columbia Gorge Community College,
General Obligation Bonds, Series 2005.

Dear Mr. Shannon:

We have reviewed the preliminary advance-refunding plan for the bonds referenced above and find that it is in compliance with Oregon Revised Statutes and with the State Treasurer's Office Oregon Administrative Rule 170-062-0000 prescribing such issuance. Based on the representations and calculations contained in the plan, preliminary approval is hereby granted with the understanding that the issuance will realize a present value debt service savings of three percent or greater as described in the plan.

This preliminary approval is based in part on the assumption that all draft documents will be completed in final form and provided as soon as available, and that the issuance costs will be at or under stated totals. This approval expires six months from this date.

Final approval will be given upon receipt of all final documents required by and in compliance with OAR 170-062-0000.

Sincerely,

Larry C. Groth, Deputy Director
Debt Management Division

C Via Email: Sandra Buchanan, Columbia Gorge Community College, sbuchanan@cgcc.cc.or.us
Carol Samuels, Seattle Northwest Securities, csamuels@snwsc.com
Charles Carter, Charles Carter Company, cc3@charlescartercompany.com



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OFFICE OF THE STATE TREASURER

DEBT MANAGEMENT DIVISION
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March 9, 2012

Jim Shannon
Mersereau Shannon LLP
One S.W. Columbia, Suite 1600
Portland, Oregon 97258

Re: Final Approval for Advance Refunding Columbia Gorge Community College General
Obligation Bonds, Series 2005.

Dear Mr. Shannon:

We have received the final advance refunding plan and the sale terms for the above transaction and find that they comply with the statutory requirements and the advance-refunding rule promulgated by this office. The transaction produces present value savings in excess of the 3% required by rule and final approval for advance refunding the above-cited bonds is hereby granted.

Please provide finalized copies of any previously submitted draft or preliminary documents to us as soon as they become available. Thank you for providing the information needed to perform our review.

Sincerely,

Deputy Director,
Debt Management Division

C Via Email: Sandra Buchanan, Columbia Gorge Community College, sbuchanan@cgcc.cc.or.us
Carol Samuels, Seattle Northwest Securities, csamuels@snwsc.com
Charles Carter, Charles Carter Company, ccc3@charlescartercompany.com

36

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OREGON STATE TREASURY
OREGON SCHOOL BOND GUARANTY PROGRAM
LETTER OF CONFIRMATION

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

March 9, 2012

**RE: \$13,790,000, Columbia Gorge Community College, Wasco County, Oregon, General
Obligation Bonds, Series 2012**

Dear Ms. Buchanan:

This letter is to confirm that Columbia Gorge Community College, in Wasco County, Oregon (the "District") has a valid Certificate of Qualification issued in accordance with the Oregon School Bond Guaranty Act, Oregon Revised Statutes (ORS) 328.321 to 328.356 (the "Act"), and has complied with the provisions of Oregon Administrative Rule 170-063-0000 (the "Rule"), Section (5) in connection with the issuance of the above-referenced bonds (the "Bonds"). The Bonds, therefore, will be guaranteed by the State of Oregon (the "State") under the provisions of the Oregon School Bond Guaranty Act if the Bonds reference the guaranty on their face and are closed within fifteen calendar days after the date of this letter.

Under the Act, you are responsible for the payment of all debt service payments on the District's Bonds. Additionally, you must make payment to your paying agent at least fifteen days prior to the scheduled debt service payment dates. If such payment does not occur, you must notify the Office of the State Treasurer as provided for in both the Act and the Rule. Please note that the guaranty does not apply to any accelerations or redemption premiums, or to any payments other than principal and interest payable to bondholders. The guaranty will cease on refunding of the qualified Bonds referenced above.

You are responsible for all disclosures under federal securities laws unless exempt as specified under the SEC no action letter (see <http://www.ost.state.or.us/divisions/DMD/OSBGP/SEC%20Exemption%20Letter.pdf>).

The State has executed a continuing disclosure undertaking (the "Master Disclosure Certificate") for the benefit of registered and beneficial holders of bonds guaranteed under the Oregon School Bond Guaranty and to assist underwriters of such bonds in complying with the SEC's Rule 15c2-12. The State has filed its Comprehensive Annual Financial Reports ("CAFR") with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") site, as required in its Master Disclosure Certificate, and will continue to provide annual copies of its CAFR to the MSRB throughout the life of the District's Bonds. The State will also file state-related material event notices on a timely basis with the MSRB, as required by the Master Disclosure Certificate.

Sincerely,

Larry Groth, Deputy Director
Debt Management Division

C: Lauren Foote, Seattle-Northwest Securities Corporation
Courtney Dausz, Mersereau Shannon LLP



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OREGON STATE TREASURY
OREGON SCHOOL BOND GUARANTY PROGRAM
CERTIFICATE OF QUALIFICATION

Sandra Buchanan
Columbia Gorge Community College
400 East Scenic Drive
The Dalles, OR 97058

February 9, 2012

Dear Ms. Buchanan:

In accordance with your request dated February 3, 2012, and pursuant to the Oregon School Bond Guaranty Act (ORS 328.321 to 328.356) and Oregon Administrative Rules 170-063-0000 (the "Rule"), we have reviewed your request for qualification under the Oregon School Bond Guaranty Act (the "Act") and determined that you are eligible to participate in the Oregon School Bond Guaranty Program (the "Program"). The period of qualification is for one year from the date of this certificate. Any bonds issued by you that meet the requirements of the Act and this certificate may be guaranteed by the State of Oregon in accordance with the provisions of the Act and the Rule, as currently in effect and as later amended. This Certificate of Qualification is not a binding commitment by the State Treasurer to guaranty any bond issue. The decision on whether to guaranty a specific bond issue will be made by the State Treasurer contingent upon compliance with section (5) and all other sections of the Rule for each bond issue. Those sections require you to file additional information with the Oregon State Treasurer's Office before bonds are issued. After an approved filing, the Oregon State Treasurer's Office will issue a letter confirming that the State's guaranty is in effect for a specific series of bonds. For the State's guaranty to apply to your bonds, the bonds must be closed within fifteen days after the confirming letter is issued.

Please note that under the Act, you will continue to be responsible for the payment of all debt service payments on your bonds. Additionally, you must make payment to your Qualified Paying Agent, as defined in the Rule, at least fifteen days prior to the scheduled debt service payment dates. If such payment does not occur, you must notify the Oregon State Treasurer's Office as provided for in both the Act and the Rule. You will also continue to be responsible for all disclosures under federal securities laws. In addition, please note that the guaranty does not apply to any accelerations or redemption premiums, or to any payments other than bond principal and interest payable to bondholders. The guaranty will cease on refunding of the bonds guaranteed under the Program.

For your convenience, we have enclosed a copy of the Act and the Rule for your careful review prior to issuance of bonds under the Program. You will also find a copy of language to be used in all preliminary official statements, official statements, or other offering documents referencing the State's guaranty.

If you have any questions about your responsibilities in connection with the program, or any other concerns, please contact the Debt Management Division at (503) 378-4930.

Sincerely,

Larry C. Grola, Deputy Director
Debt Management Division

LCG: mh

enclosures



TED WHEELER
STATE TREASURER

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To: Certificate of Qualification Recipients

From: Laura Lockwood-McCall, Director
Debt Management Division

Subject: Oregon School Bond Guaranty Program

Enclosed you will find a *Certificate of Qualification* evidencing your qualification to participate in the Oregon School Bond Guaranty Program (the “Program”). Please note that in order to have your bonds guaranteed under the Program you must forward additional information to the Office of the State Treasurer in connection with Section (5) of OAR 170-063-0000 for each bond issue that you wish to be guaranteed.

You will also find in this packet the information outlined below. Please review these documents carefully to ensure that you comply with all necessary procedures as you go through the guaranty process.

- Article XI-K of Oregon’s Constitution describing the Program.
- Oregon School Bond Guaranty Act (ORS 328.321 to 328.356).
- OAR 170-063-0000 describing administrative procedures related to the program.
- State’s Master Disclosure Certificate pertaining to the Program.
- Disclosure language describing the Program to be included in all preliminary official statements and official statements for bonds issued under the Program. This language must be used in its entirety and may not be modified or amended. (Do not include the instructions which are printed in red and shaded in gray.)

If you have any questions, or would like more information about the program, please feel free to contact the Debt Management Division at (503) 378-4930 by phone, or (503)-378-2870 by fax or at dmd@ost.state.or.us by electronic mail. We look forward to working with you on what should be a very worthwhile program for Oregon’s school districts and Oregon taxpayers alike.

HJR 71, referred by the 1997 Legislative Assembly as Measure 54, was passed by Oregon voters at the November 1998 general election. Therefore, the Constitution of the State of Oregon is amended by creating a new Article to be known as Article XI-K and to read:

ARTICLE XI-K

SECTION 1. To secure lower interest costs on the general obligation bonds of school districts, education service districts and community college districts, the State of Oregon may guarantee the general obligation bonded indebtedness of those districts as provided in sections 2 to 6 of this Article and laws enacted pursuant to this Article.

SECTION 2. In the manner provided by law and notwithstanding the limitations contained in sections 7 and 8, Article XI of this Constitution, the credit of the State of Oregon may be loaned and indebtedness incurred, in an amount not to exceed, at any one time, one-half of one percent of the true cash value of all taxable property in the state, to provide funds as necessary to satisfy the state guaranty of the bonded general obligation indebtedness of school districts, education service districts and community college districts that qualify, under procedures that shall be established by law, to issue general obligation bonds that are guaranteed by the full faith and credit of this state. The state may guarantee the general obligation debt of qualified school districts, education service districts and community college districts and may guarantee general obligation bonded indebtedness incurred to refund the school district, education service district or community college district general obligation bonded indebtedness.

SECTION 3. The Legislative Assembly may provide that reimbursement to the state shall be obtained from, but shall not be limited to, moneys that otherwise would be used for the support of the educational programs of the school district, the education service district or the community college district that incurred the bonded indebtedness with respect to which any payment under the state's guaranty is made.

SECTION 4. The State of Oregon may issue bonds if and as necessary to provide funding to satisfy the state's guaranty obligations undertaken pursuant to this Article. In addition, notwithstanding anything to the contrary in Article VIII of this Constitution, the state may borrow available moneys from the Common School Fund if such borrowing is reasonably necessary to satisfy the state's guaranty obligations undertaken pursuant to this Article. The State of Oregon also may issue bonds if and as necessary to provide funding to repay the borrowed moneys, and any interest thereon, to the Common School Fund. The bonds shall be payable from any moneys reimbursed to the state under section 3 of this Article, from any moneys recoverable from the school district, the education service district or the community college district that incurred the bonded indebtedness with respect to which any payment under the state's guaranty is made, any other funds available for these purposes and, if necessary, from state ad valorem taxes.

SECTION 5. Bonds of the state issued pursuant to this Article shall be the direct obligations of the state and shall be in such form, run for such periods of time and bear such rates of interest as shall be provided by law. The bonds may be refunded with bonds of like obligation.

SECTION 6. The Legislative Assembly shall enact legislation to carry out the provisions of this Article, including provisions that authorize the state's recovery, from any school district, education service district or community college district that incurred the bonded indebtedness with respect to which any payment under the state's guaranty is made, any amounts necessary to make the state whole. This Article shall supersede all conflicting constitutional provisions and shall supersede any conflicting provision of any law, ordinance or charter pertaining to any school district, education service district or community college district.

OREGON SCHOOL BOND GUARANTY ACT

(ORS 328.321 to 328.356)

2009 Edition

328.321 Definitions for ORS 328.321 to 328.356. As used in ORS 328.321 to 328.356:

- (1) "Common School Fund" means the state school fund described in section 2, Article VIII, Oregon Constitution.
- (2) "General obligation bond" has the meaning given that term in ORS 287A.001.
- (3) "Paying agent" means the corporate paying agent selected by the school district board for a school bond issue who is:
 - (a) Duly qualified; and
 - (b) Acceptable to the State Treasurer.
- (4) "School bond" means any general obligation bond issued by a school district.
- (5) "School district" means a common or union high school district, an education service district or a community college district.
- (6) "State bonds" means those general obligation bonds issued by the State of Oregon to meet its obligations under the state guaranty as described in ORS 328.351.
- (7) "State guaranty" means the pledge of the full faith and credit and taxing power of the State of Oregon to guarantee payment of eligible school bonds as set forth in ORS 328.321 to 328.356. [1997 c.614 §2; 1999 c.251 §1; 2007 c.783 §131]

Note: 328.321 to 328.361 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 328 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

328.325 [Repealed by 1957 c.53 §3]

328.326 State guaranty of school bonds allowed. (1)(a) The State Treasurer may, by issuing a certificate of qualification to a school district, pledge the full faith and credit and taxing power of the state to guarantee full and timely payment of the principal of, either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment, and interest on school bonds as such payments shall become due, except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration.

(b) The state guaranty shall not extend to the payment of any redemption premium.

(c) Reference to ORS 328.321 to 328.356 by its title on the face of any school bond for which the State Treasurer has issued a certificate of qualification that is effective as of the date of the issuance of the school bond conclusively establishes the state guaranty.

(2) Any school bond that has been refunded and was originally issued with a state guaranty will no longer have the benefit of the state guaranty. For purposes of this subsection, a school bond has been refunded if proceeds are deposited irrevocably in escrow to defease the applicable school bond.

(3) Only school bonds issued under a valid certificate after December 3, 1998, may be eligible for the state guaranty. [1997 c.614 §3; 1999 c.251 §2]

Note: See note under 328.321.

328.330 [Repealed by 1957 c.53 §3]

328.331 Certificate evidencing qualification for state guaranty; rules; application; qualification standards. (1) Any school district may request that the State Treasurer issue a certificate evidencing qualification of its school bonds for the state guaranty.

(2) The State Treasurer may, in accordance with ORS chapter 183, adopt and enforce rules that prescribe procedures for school district applications to qualify for the certificate of qualification and state guaranty and rules that prescribe the standards a school district must meet to qualify and to maintain qualification. The State Treasurer, by rule, may establish, but shall not be limited to:

(a) A requirement that a school district pay a processing fee, sufficient to defray the State Treasurer's costs in processing and verifying applications, for each application and each application for annual renewal of a certificate of qualification.

(b) Deadlines or application periods in which school districts must submit applications.

(c) The character, quality and currency of the information on the financial affairs and condition of a school district that must be submitted for a school district's application to be considered.

(d) The form and character of any certifications or affidavits required of officials of the applying school districts concerning the accuracy and completeness of the information provided in conjunction with the district's application.

(e) Any other matters necessary to making reliable assessments of the fiscal and financial affairs and condition of applying school districts.

(f) The manner of designating the particular school bonds to which the State Treasurer's certificate of qualification and the state guaranty applies.

(g) Subject to Article XI-K of the Oregon Constitution, reasonable limitations on:

(A) The total aggregate outstanding amount of all school bonds the state may guarantee; and

(B) The outstanding amount of the school bonds of any single school district the state may guarantee.

(h) The method of providing notice of denial of a certificate of qualification.

(i) The method of providing notice of disqualification to school districts that fail to qualify or for which changes in financial affairs or condition or failure to provide the State Treasurer current or updated information warrant disqualification of the school district.

(j) Requirements for promptly reporting to the State Treasurer any changes in condition or occurrences that may affect a school district's eligibility to qualify or maintain its qualification to participate in the state guaranty program.

(3)(a) After reviewing the request, if the State Treasurer determines that the school district is eligible, the State Treasurer shall promptly issue the certificate of qualification and provide it to the requesting school district.

(b)(A) Unless the certificate of qualification is revoked by the State Treasurer, and subject to the fulfillment of any conditions or requirements imposed by the State Treasurer, the school

district receiving the certificate and all other persons may rely on the certificate as evidencing eligibility for the state guaranty for one year from and after the date of the certificate.

(B) No revocation of a certificate of qualification shall affect the state guaranty of any outstanding school bonds previously issued under a valid certificate.

(4) Any qualified school district that chooses to forgo the benefits of the state guaranty for a particular issue of school bonds may do so by not referring to ORS 328.321 to 328.356 on the face of its school bonds.

(5) No school district that has school bonds, the principal of or interest on which has been paid in whole or in part by the state under ORS 328.341, may be eligible to issue any additional school bonds with the state guaranty until:

(a) All payment obligations of the school district to the state under ORS 328.346 are satisfied; and

(b) The State Treasurer certifies in a writing, to be kept on file by the State Treasurer, that the school district is fiscally solvent. [1997 c.614 §4; 1999 c.251 §3]

Note: See note under 328.321.

328.335 [Repealed by 1957 c.53 §3]

328.336 Determination of ineligibility. (1)(a) If the State Treasurer determines that the state should not guarantee the school bonds of a school district, the State Treasurer shall:

(A) Prepare a determination of ineligibility; and

(B) Keep the determination on file in the office of the State Treasurer.

(b) The State Treasurer may remove a school district from the status of ineligibility and may issue a certificate of qualification for that school district when a subsequent application of the school district evidences that it is no longer imprudent for the state to guarantee the school bonds of that school district.

(2) Nothing in this section affects the state guaranty of school bonds of a school district issued:

(a) Before determination of ineligibility or before revocation of a certification of qualification;

(b) After the eligibility of the school district is restored; or

(c) Under a certificate of qualification issued under ORS 328.331. [1997 c.614 §5; 1999 c.251 §4]

Note: See note under 328.321.

328.340 [Repealed by 1957 c.53 §3]

328.341 Transfer by school districts or State Treasurer of moneys to pay debt service on school bonds. (1)(a) Each school district with outstanding, unpaid school bonds issued with the state guaranty shall transfer moneys sufficient for the scheduled debt service payment to its paying agent at least 15 days before any principal or interest payment date for the school bonds.

(b) The paying agent may, if instructed to do so by the school district, invest the moneys for the benefit of the school district until the payment date.

(c) A school district that is unable to transfer the scheduled debt service payment to the paying agent 15 days before the payment date shall immediately notify the paying agent and the State Treasurer by:

- (A) Telephone;
- (B) A writing sent by facsimile transmission; and
- (C) A writing sent by first class mail.

(2) If sufficient funds are not transferred to the paying agent as required by subsection (1) of this section, the paying agent shall notify the State Treasurer of that failure at least 10 days before the scheduled debt service payment date by:

- (a) Telephone;
- (b) A writing sent by facsimile transmission; and
- (c) A writing sent by first class mail.

(3)(a) If sufficient moneys to pay the scheduled debt service payment have not been transferred to the paying agent, the State Treasurer shall, on or before the scheduled payment date, transfer sufficient moneys to the paying agent to make the scheduled debt service payment.

(b) The payment by the State Treasurer:

- (A) Discharges the obligation of the issuing school district to its bondholders for the payment; and
- (B) Transfers the rights represented by the general obligation of the school district from the bondholders to the state.

(c) The school district shall pay to the State Treasurer all amounts paid by the treasurer to the paying agent, as well as interest, penalties and any additional costs incurred by the treasurer, as provided in ORS 328.346. [1997 c.614 §6; 1999 c.251 §5]

Note: See note under 328.321.

328.345 [Repealed by 1957 c.53 §3]

328.346 Recovery from school districts of payments on school bonds by State Treasurer.

(1)(a) If one or more payments on school bonds are made by the State Treasurer as provided in ORS 328.341, the State Treasurer shall pursue recovery from the school district of all moneys necessary to reimburse the state for all amounts paid by the treasurer to the paying agent, as well as interest, penalties and any additional costs incurred by the treasurer as described in this section. In seeking recovery, the State Treasurer may:

(A) Intercept any payments from the General Fund, the State School Fund, the income of the Common School Fund and any other source of operating moneys provided by or through the state to the school district that issued the school bonds that would otherwise be paid to the school district by the state; and

(B) Apply any intercepted payments to reimburse the state for payments made pursuant to the state guaranty until all obligations of the school district to the state arising from those payments, including interest and penalties, and any additional costs incurred by the treasurer as described in this section are paid in full.

(b) The state has no obligation to the school district or to any person or entity to replace any moneys intercepted under authority of this section.

(c) The authority of the State Treasurer to intercept payments under this subsection has priority over all claims against money provided by the state to a school district, including a claim

that is based on a funds diversion agreement under ORS 238.698. A funds diversion agreement under ORS 238.698 has priority over all other claims against money provided by the state to a school district.

(2) The school district that issued school bonds for which the state has made all or part of a debt service payment shall:

(a) Reimburse all moneys drawn or paid by the State Treasurer on its behalf;

(b) Pay interest to the state on all moneys paid by the state from the date the moneys were drawn to the date they are repaid at a rate to be determined by the State Treasurer, in the State Treasurer's discretion, to be sufficient to cover the costs of funds to the state plus the costs of administration of the state guaranty obligation and of collection of reimbursement; and

(c) Pay any applicable penalties as described in subsection (3) of this section.

(3)(a) The State Treasurer shall establish the reimbursement interest rate after considering the circumstances of any prior draws by the school district on the state, market interest and penalty rates and the cost of funds, if any, that were required to be used or borrowed by the state to make payment on the school bonds. The State Treasurer shall have authority to establish, by negotiations with the school district or otherwise, any plan of reimbursement by the school district that will result in full and complete reimbursement to the state. Subject to the requirement for full and complete reimbursement, the State Treasurer may consider incorporating into the reimbursement plan the means and methods to allow the school district to continue its operations during the time the reimbursement plan is in effect.

(b) The State Treasurer may, after considering the circumstances giving rise to the failure of the school district to make payment on its school bonds in a timely manner, impose on the school district a penalty of not more than five percent of the amount paid by the state pursuant to the state guaranty for each instance in which a payment by the state is made.

(4)(a) If the State Treasurer determines that amounts obtained under this section will not reimburse the state in full within the time determined by the State Treasurer or incorporated in the reimbursement plan from the state's payment of a school district's debt service payment, the State Treasurer shall pursue any legal action, including but not limited to mandamus, against the school district or school district board to compel the school district to:

(A) Levy and provide property tax revenues to pay debt service on its school bonds and other obligations when due; and

(B) Meet its repayment obligations to the state.

(b) With respect to any school bonds for which the State Treasurer has made payment under the state guaranty, and in addition to any other rights or remedies available at law or in equity, the state shall have the same substantive and procedural rights as would a holder of the school bonds of a school district.

(c) The Attorney General shall assist the State Treasurer in the discharge of the duties under this section.

(d) The school district shall pay the attorney fees, expenses and costs of the State Treasurer and the Attorney General.

(5)(a) Except as provided in paragraph (c) of this subsection, any school district whose funds were intercepted under this section may replace those funds from other school district moneys or from ad valorem property taxes, subject to the limitations provided in this subsection.

(b) A school district may use ad valorem property taxes or other moneys to replace intercepted funds only if the ad valorem property taxes or other moneys were derived from:

(A) Taxes originally levied to make the payment, but which were not timely received by the school district;

(B) Taxes from a special levy imposed to make up the missed payment or to replace the intercepted moneys;

(C) Moneys transferred from any lawfully available funds of the school district or the undistributed reserves, if any, of the school district; or

(D) Any other source of moneys on hand and legally available.

(c) Notwithstanding paragraphs (a) and (b) of this subsection, a school district may not replace operating funds intercepted by the state with moneys collected and held to make payments on school bonds if that replacement would divert moneys from the payment of future debt service on the school bonds and increase the risk that the state guaranty would be called upon a second time. [1997 c.614 §7; 1999 c.251 §6; 2007 c.783 §40]

Note: See note under 328.321.

328.350 [Repealed by 1957 c.53 §3]

328.351 Powers of State Treasurer when state funds are insufficient for payment of debt service. (1) If, at the time the state is required to make a debt service payment under the state guaranty on behalf of a school district, sufficient moneys of the state are not on hand and available for that purpose, the State Treasurer may, singly or in any combination:

(a) Obtain from the Common School Fund or from any other state funds that qualify to make a loan under ORS 293.205 to 293.225, if the loan would satisfy the requirements of ORS 293.205 to 293.225, a loan sufficient to make the required payment.

(b) Borrow money, if economical and convenient, as provided in ORS 286A.045.

(c) Issue state bonds as provided in subsection (2) of this section.

(d) With the approval of the Legislative Assembly, or the Emergency Board if emergency funds are lawfully available for making the required payment in the interim between sessions of the Legislative Assembly, pay moneys from the General Fund or any other funds lawfully available for the purpose or from emergency funds amounts sufficient to make the required payment.

(2) The State Treasurer may issue state bonds to meet the state guaranty obligations under ORS 328.321 to 328.356, pursuant to Article XI-K of the Oregon Constitution. The issuance of state bonds is at the determination of the State Treasurer and is exempt from ORS 286A.035.

(3) Before issuing or selling any state bonds, the State Treasurer shall prepare a written plan of financing that shall provide for:

(a) The terms and conditions under which the state bonds will be issued, sold and delivered, in accordance with any applicable provisions of ORS chapter 286A;

(b) The taxes or revenues to be anticipated;

(c) The maximum amount of state bonds that may be outstanding at any one time under the plan of financing;

(d) The sources of payment of the state bonds;

(e) The rate or rates of interest, if any, on the state bonds or a method, formula or index under which the interest rate or rates on the state bonds may be determined during the time the state bonds are outstanding; and

(f) Any other details relating to the issuance, sale and delivery of the state bonds, as may be required by the applicable provisions of ORS chapter 286A. For purposes of ORS chapter 286A, the office of the State Treasurer is the related agency authorizing the issuance of bonds and for whose benefit the bonds are issued.

(4) In identifying the taxes or revenues to be anticipated and the sources of payment of the state bonds in the financing plan, the State Treasurer may include:

(a) The intercepted revenues authorized by ORS 328.346; or

(b) Any other source of repayment or lawfully available funds and any combination of this paragraph and paragraph (a) of this subsection.

(5) The State Treasurer may include in the plan of financing the terms and conditions of arrangements entered into by the State Treasurer on behalf of the state with financial and other institutions for letters of credit, standby letters of credit, reimbursement agreements and remarketing, indexing and tender agent agreements to secure the state bonds, including payment from any legally available source of fees, charges or other amounts coming due under the agreements entered into by the State Treasurer.

(6)(a) When issuing the state bonds, the State Treasurer may exercise the powers granted by ORS chapter 286A.

(b) Each state bond shall recite that it is a valid obligation of the state and that the full faith, credit and resources of the state are pledged for the payment of the principal of and interest on the state bond from the taxes or revenues identified in accordance with its terms and the Oregon Constitution and other laws of this state.

(7) Upon the completion of any sale of the state bonds, the State Treasurer shall credit the proceeds of the sale, other than accrued interest and amounts required to pay costs of issuance of the state bonds, to the fund or account established by the State Treasurer to be applied to the purpose for which the state bonds were issued. [1997 c.614 §8; 1999 c.251 §7; 2005 c.209 §9; 2007 c.783 §132]

Note: See note under 328.321.

328.355 [Repealed by 1957 c.53 §3]

328.356 State Treasurer subject to provisions regarding issuance of general obligation bonds. If the State Treasurer issues state bonds, the treasurer shall be subject to the provisions of ORS 291.445 as an agency that is authorized to issue general obligation bonds that are ordinarily to be repaid from General Fund appropriations. [1997 c.614 §9; 1999 c.251 §8]

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OREGON STATE TREASURY

DIVISION 63

OREGON SCHOOL BOND GUARANTY PROGRAM

170-063-0000

Oregon School Bond Guaranty Program

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

(a) "OST" means the Office of the State Treasurer.

(b) The "Act" means the Oregon School Bond Guaranty Act set forth in ORS 328.321 to 328.356.

(c) "Authorized District Official" means the chairperson of the board, the superintendent, president, or business administrator for the School District, or other designee of the board.

(d) "Certificate of Qualification" means a letter from OST pursuant to Section 4 of the Act.

(e) "Determination of Ineligibility" means a letter from OST pursuant to Section 5 of the Act.

(f) "Guaranty Program" means the school bond guaranty program established by the Act.

(g) "Nationally Recognized Bond Counsel Firm" means a bond counsel firm listed in the most recent publication of The Bond Buyer's Municipal Market Place.

(h) "Qualified Bonds" means bonds that are originally issued as tax credit bonds under the Internal Revenue Code and any bonds resulting from a conversion of such tax credit bonds to an interest bearing format over and above interest payments that may be due and payable under the original terms of such tax credit bonds.

(i) "Qualified Paying Agent" means a paying agent acceptable to OST who agrees to comply with the applicable requirements of the Act and provides a letter to OST acknowledging as much.

(j) "School District" means a common or union high school district, an education service district, or a community college district.

(k) Terms not otherwise specifically defined herein shall have the meanings given in the Act.

(2) Request for Certificate of Qualification to Participate in Guaranty Program. School Districts may request a Certificate of Qualification at any time during the year by filing a Request for Certificate of Qualification. Such requests, however, must be submitted no less than three weeks prior to sale of the bonds for which the guaranty, if granted, will apply. Requests, and all other written communications pursuant to the Guaranty Program, shall be submitted to OST as provided in OAR 170-055-0001(4), and shall include:

(a) The name, county, and district number (if applicable) of the requesting School District;

- (b) The name of the business administrator or other contact person for the requesting School District;
- (c) The mailing address, phone number, fax number, and e-mail address (if applicable) of the requesting School District;
- (d) A statement of whether any of the School District's previously issued debt is covered by the Guaranty Program;
- (e) A copy of the requesting School District's most recent audited financial statements, audit opinion, and management letter; and a statement by an Authorized District Official that they have not been contacted and are not participating in any investigation by an oversight agency or, alternatively, documentation of any conclusions reached by such agency regarding their activities.
- (f) A listing of outstanding debt and associated debt service schedules, for debt issued by the School District since the date of its most recent financial audit;
- (g) A certificate, signed by an Authorized District Official:
 - (A) Stating whether the requesting School District has ever failed to pay debt service on any of its bonds, certificates of participation, or other financial obligations when due, and explaining the circumstances and resolution of any such defaults or failures;
 - (B) Describing current lawsuits against the School District challenging the ability or authority of the School District to issue bonds or that may materially affect the ability of the School District to make scheduled debt service payments on its bonds when due;
 - (C) Stating that the requesting School District has filed its current budget document(s) with the Oregon Department of Education, and in accordance with Oregon Local Budget Law;
 - (D) Outlining the amount of debt the School District is authorized by law to incur, and stating that the requesting School District is within this limit;
 - (E) Outlining the possible repayment structure of all bonds the School District may issue during the period of the requested Certificate of Qualification, including any Qualified Bonds. Such repayment structure shall cover the estimated debt service schedule and, for Qualified Bonds, include any scheduled deposits to a sinking fund and the interest rate to which such bonds may be converted, if they may be converted to an interest bearing format over and above interest payments that may be due and payable under the original terms of such bonds;
 - (F) Attesting to the accuracy and completeness of the materials provided; and
 - (G) Stating that the School District has engaged a Qualified Paying Agent, who, under the terms of the agreement between the two parties (the "Paying Agent Agreement"), has agreed to provide the School District with a written notification by January 15 of each year of the required debt service amounts (including any scheduled deposits to a sinking fund for Qualified Bonds) which are due in the then-current fiscal year and the following two fiscal years. such that the School District may have the proper information to levy adequate amounts for such payments coming due in the following fiscal years.

For example, a notification provided by January 15, 2010 shall include information on debt service due in the current FY 2010 year (July 1, 2009 through June 30, 2010), the FY 2011 year (July 1, 2010 through June 30, 2011), and FY 2012 year (July 1, 2011 through June 30, 2012).

- (h) A non-refundable application processing fee as set forth in OAR 170-061-0015; and
 - (i) Any additional materials that may be required by OST in support of the request for participation in the Guaranty Program.
- (3) Review of Request for Certificate of Qualification. Upon receipt of a request for a Certificate of Qualification, OST shall determine whether all items listed in section (2) of this rule have been provided, whether such items are current, and whether such items call into question the fiscal stability of the requesting School District. In determining the School District's eligibility under the Guaranty Program, OST may request additional information from the School District, as well as from any other person or entity that collects information pertaining to the financial well-being of the requesting School District.
- (4) Issuance of Certificate of Qualification. Upon determining that a School District is eligible to participate in the Guaranty Program, OST shall issue a Certificate of Qualification to the School District. A Certificate of Qualification will not apply to Qualified Bonds unless the School District indicated in its request for a Certificate of Qualification that it planned to issue Qualified Bonds under the Certificate of Qualification. The Certificate of Qualification:
- (a) Shall evidence the School District's immediate qualification for the Guaranty Program contingent upon compliance with section (5) and all other sections of this rule for each bond issue contemplated for guaranty under the Act;

(b) Be valid for one year from the date of its issuance;

(c) May be applied to any or all general obligation bonds or general obligation refunding bonds issued by the School District during such one-year period that comply with this rule and the Act, except Qualified Bonds for which specific approval must be noted as set forth in OAR 170-061-0015(4)(d). A bond shall be considered issued as of its dated date.

(d) Will specifically state whether it applies to Qualified Bonds issued by the School District during the period of its validity.

(5) A School District that has received a Certificate of Qualification, but did not request Qualified Bonds to be included under the Certificate of Qualification, may submit an amended request at least one month prior to the scheduled issuance date for any Qualified Bonds requesting an amended Certificate of Qualification that specifically covers the Qualified Bonds, which request shall include the information required for such bonds in OAR 170-063-0000(2). OST shall act upon such request within five business days.

(6) School Districts to Provide Information Specific to Each Bond Issued Under the Program. A School District which has received a Certificate of Qualification may, while the Certificate of Qualification is in effect, obtain the state's guaranty of a series of its bonds under the Guaranty Program, by:

(a) Fully complying with Oregon Administrative Rule 170-61-0000 (Notice and Reporting Requirements by Public Bodies When Issuing Bonds), including providing notification on MDAC Form 1 to OST at least 10 days prior to the marketing of any bonds referencing participation in the Guaranty Program, for the bonds which will be guaranteed (this may be submitted simultaneously with information described in section (2) of this rule);

(b) Submitting the following documents to OST at least five business days prior to the closing of the bonds to which the guaranty will apply:

(A) A copy of a resolution adopted by the board or governing body of the School District, authorizing the School District to issue the bonds and participate in the Guaranty Program;

(B) An opinion from a Nationally Recognized Bond Counsel Firm that the bonds, when issued, will be general obligation bonds as defined in the Act, and will be valid and binding obligations of the issuer;

(C) A certificate stating that no litigation is pending or threatened against the School District, questioning the authority of the School District to issue the bonds or levy taxes to pay the bonds;

(D) A specific statement as to whether any of the bonds will be Qualified Bonds; and

(E) Any additional materials that may be required by OST in support of the request for participation in the Guaranty Program, including but not limited to, any information or agreement requested by OST with respect to creation of sufficient debt service funds or other repayment mechanisms to pay any Qualified Bonds when payment is due.

(7) Letter of Confirmation. Not later than the day on which the bonds are scheduled to close, OST shall, if the Certificate of Qualification is in effect and the School District has complied with Section 5(a) and 5(b) of this rule, issue a letter of confirmation identifying the series of bonds to which the guaranty shall apply, and stating that the guaranty shall apply to that series of bonds if the series of bonds closes within fifteen business days after the date of the letter, and there is filed with bond counsel a certificate, signed by an Authorized District Official and dated the date of the closing, stating that no litigation is pending or threatened against the School District which questions the authority of the District to issue the bonds or levy taxes to pay the bonds. If the series of bonds described in the letter of confirmation is closed within that fifteen day period, and the non-litigation certificate is filed with bond counsel as required by this Section, the series of bonds shall be guaranteed under the Guaranty Program, and the guarantee shall not be affected by any denial or revocation pursuant to Section 9 of this rule.

(8) Guaranty Fees. School Districts whose bonds are guaranteed by the state shall submit to OST, within 10 business days of closing of any guaranteed bonds, a fee as set forth in OAR 170-061-0015.

(9) Ratings. OST will undertake to have the Oregon School Bond Guaranty Program rated by one or more of the major debt rating agencies. School Districts may contact the Debt Management Division of OST to determine which agencies have rated the program. School Districts proposing to issue bonds under the Guaranty Program may:

(a) Engage, at their own expense, one or more of the rating agencies to apply the rating of the Guaranty Program to their bonds; and

(b) At their discretion, and at their own expense, choose to obtain an underlying rating on the bonds.

(10) Denial or Revocation of Qualification/Determination of Ineligibility. OST may deny a School District's request for a Certificate of Qualification, or revoke a previously issued Certificate of Qualification, and issue a Determination of Ineligibility in accordance with the Act, if:

- (a) The School District fails to meet the provisions outlined in the Act or any of the requirements outlined in this rule;
- (b) The State has ever paid, pursuant to the Guaranty Program, any principal of or interest on any of the School District's bonds; or
- (c) OST has reason to question the financial integrity of the School District, including but not limited to, whether sufficient funds exist to repay any outstanding Qualified Bonds when payment is due.

(11) Guaranty Final Upon Issuance. Pursuant to ORS 328.336, issuance of a Determination of Ineligibility shall not affect the validity of the state's guaranty of any outstanding bonds issued under a letter of confirmation pursuant to Section (6) of this rule.

(12) Reference to Guaranty. School Districts with a valid Certificate of Qualification, and that have complied with section (5) and all other sections of this rule, shall evidence the State's guaranty of the School District's bonds by:

- (a) Referencing the guaranty on the cover of the preliminary official statement(s) and official statement(s), or other offering document(s), for the applicable bond(s);
- (b) Referencing the guaranty on the face of the School District's applicable bond(s); and
- (c) Including language describing the guaranty (to be provided by OST) in the School District's preliminary official statement(s) and official statement(s), or any other offering document(s), for the applicable bond(s). Language supplied by OST must be used in its entirety and may not be modified or amended.

(13) School Districts to Report Changes Affecting Qualification. School Districts who have had bonds guaranteed under the Guaranty Program shall promptly notify OST if at any time there are material changes or occurrences that might affect the School District's eligibility to qualify or maintain its qualification to participate in the Guaranty Program, including but not limited to:

- (a) Failure to adopt a resolution or ordinance that formally adopts the budget, sets appropriations, and if needed, levies property taxes in accordance with Oregon local budget law;
- (b) Failure to pay debt service on any outstanding bond, certificate of participation, or similar financial obligation; or
- (c) Failure to establish or levy for debt service scheduled (including any sinking fund deposits) for Qualified Bonds or a material change in any other repayment mechanism for Qualified Bonds.

(14) Notice to OST of debt service payments. School Districts who are unable to transfer scheduled debt service payments to the paying agent 15 days prior to the payment date and Qualified Paying Agents who have not received sufficient funds 10 days prior to the payment date, shall provide notice to OST as provided in OAR 170-055-0001(4) and by telephone to (503) 378-4930.

(15) Notice to OST of sinking fund deposits. School Districts shall provide written verification that they have made any required sinking fund deposits for Qualified Bonds by May 1 of each year to their Qualified Paying Agents and such Qualified Paying Agent shall promptly notify OST if they do not receive such annual verification.

(16) Repayment. Respective School Districts are responsible for paying all of their obligations guaranteed by the State under the Guaranty Program and for the advance funding of any debt service fund established for such obligations. Any funds paid by the State on behalf of a School District under the Guaranty Program shall be recovered by OST in a manner consistent with the Act.

(17) Reporting on Debt Service Fund. Any School District with outstanding Qualified Bonds guaranteed under the Guaranty Program shall report to the OST at least annually the amount of moneys paid into the School District's debt service fund to pay the Qualified Bonds together with a calculation demonstrating that such advance payments are scheduled to be fully funded and sufficient to repay the Qualified Bonds in full when payment is due. To the extent moneys are not scheduled to be paid into the debt service fund on an annual basis, the School District in its notification shall demonstrate that current balances in the debt service fund, along with any future deposits, will be sufficient to repay the Qualified Bonds in full when due. School Districts with outstanding Qualified Bonds that are subject to conversion to taxable interest bearing bonds and any Qualified Paying Agents for such Qualified Bonds shall promptly notify OST of such conversion as provided in OAR-170-055-0001(4) and by telephone to (503) 378-4930.

(18) Interest. OST will charge interest in connection with the recovery of funds under the Act. Any interest charged will be in a manner consistent with the Act.

(19) Penalty. In addition to charging interest, OST may impose a penalty on a School District for which the State made a payment under the Guaranty Program. Any penalty imposed will be consistent with the Act.

(20) Exceptions. OST may waive any or all provisions of this rule to the extent provided by law.

This rule shall be effective on the date that is adopted by OST and filed with the Secretary of State and its requirements shall apply to any Certificates of Qualification that are in effect on such date.

[Publications: Publications referenced are available from the agency.]

Stat. Auth.: ORS 286A.005(6)

Stats. Implemented: ORS 286A.014(4)

Hist.: OST 3-1998(Temp), f. 12-14-98, cert. ef. 1-2-99 thru 6-30-99; OST 2-1999, f. 6-22-99, cert. ef. 7-1-99; OST 1-2000(Temp) f. 10-31-00, cert. ef. 10-31-00 thru 4-27-01, Administrative correction 6-7-01; OST 7-2008, f. & cert. ef. 12-29-08; OST 5-2009 (Temp), f. & cert. ef. 10-30-09 thru 4-27-10; OST 1-2010 f. & cert. ef. 1-15-10

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MASTER DISCLOSURE CERTIFICATE

This Master Disclosure Certificate (the "Certificate"), dated January 21, 2011, is executed and delivered by the State of Oregon, acting by and through the State Treasurer (the "State") in connection with implementation of the Oregon School Bond Guaranty Act (the "Act") by which the timely payment of principal and interest on certain general obligation bonds (the "Guaranteed Bonds") issued from time to time by Oregon school districts is guaranteed by the State pursuant to the provisions of the Act (the "Oregon School Bond Guaranty Program").

Section 1. Purpose of Certificate. This Certificate is being executed and delivered by the State for the benefit of registered and beneficial holders of Guaranteed Bonds and to assist Underwriters of such Guaranteed Bonds in complying with paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12), as amended (the "Rule").

Section 2. Comprehensive Annual Financial Report. The State hereby agrees to provide or cause to be provided at least annually to the Municipal Securities Rulemaking Board (the "MSRB") through its EMMA ("Electronic Municipal Market Access") site, the Comprehensive Annual Financial Report (the "CAFR") of the State of Oregon for the prior fiscal year. The CAFR will be available no later than 9 months after the end of the State's fiscal year (presently June 30), beginning with the fiscal year ended June 30, 2010. The CAFR will include audited financial statements of the State prepared in accordance with generally accepted accounting principles as established by the Government Accounting Standards Board as in effect from time to time; provided, however, that if the CAFR is not available within 9 months after the end of the preceding fiscal year, unaudited financial statements will be provided with audited financial statements to follow when available. The CAFR may be provided by way of cross-reference to other documents previously provided to the MSRB. If the cross-referenced document is a final official statement within the meaning of the Rule, it shall be available from the MSRB EMMA site.

Section 3. Material Events. Subject to limitations of Section 8 below, the State agrees to provide or cause to be provided, in a timely manner, to the MSRB, within ten business days after the occurrence of the event, notice of the occurrence of any of the following events but only with respect to its guaranty of any Guaranteed Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-

TEB) or other material notices or determinations with respect to the tax-exempt status of the Guaranteed Bonds, or any other material events affecting the tax status of the Guaranteed Bonds;

- (g) modifications to rights of holders of the Guaranteed Bonds, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Guaranteed Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or other similar event of the obligated person; (Note: For the purposes of the event identified in this paragraph 1, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.);
- (m) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material and;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material.

Notice of events listed in (h) and (i) above need not be given any earlier than notice of the underlying event, if any, is required to be given to registered or beneficial owners of affected Guaranteed Bonds. The State may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if, in the judgment of the State, such other event is material with respect to the Guaranteed Bonds, but the State does not undertake any commitment to provide such notice of any event except those events listed above.

Section 4. Failure to File CAFR. The State agrees to provide or cause to be provided, in a timely manner to the MSRB notice of a failure by the State to provide the CAFR on or prior to the time set forth in Section 2.

Section 5. Dissemination Agent. The State may, from time to time, engage or appoint an agent to assist the State in disseminating information hereunder (the "Dissemination Agent"). The State may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 6. Termination of Obligations. Pursuant to paragraph (b)(5)(iii) of the Rule, the State's obligation to provide annual financial information and notice of material events, as set forth above, shall terminate if and when the State no longer remains an obligated person with respect to the Guaranteed Bonds which shall occur upon either redemption in full of the Guaranteed Bonds, or legal defeasance of the Guaranteed Bonds. In addition, and notwithstanding the provisions of Section 9 below, the State may rescind its obligations under this Master Disclosure Certificate, in whole or in part, if those portions of the Rule that required the execution and delivery of this Master Disclosure Certificate are repealed or are declared invalid by a court of competent jurisdiction.

Section 7. Enforceability and Remedies. The State agrees that this Master Disclosure Certificate is intended to be for the benefit of registered and beneficial holders of the Guaranteed Bonds and shall be enforceable by or on behalf of any such holder; provided that, the right of any holder to challenge the adequacy of the information furnished hereunder shall be limited to an action by or on behalf of holders representing at least twenty-five percent (25%) of the aggregate outstanding principal amount of Guaranteed Bonds. Any failure by the State to comply with the provisions of this undertaking shall not be a default under the Act or under the documents pursuant to which any Guaranteed Bonds are issued. This Master Disclosure Certificate confers no rights on any person or entity other than the State, holders of the Guaranteed Bonds, and any Dissemination Agent.

Section 8. Limitation on Scope of Undertaking. Notwithstanding anything expressed or implied to the contrary herein, the State makes no undertaking to provide financial information, operating data or material events disclosure on behalf of or with respect to Oregon school districts participating in the Oregon School Bond Guaranty Program. Any such information will be provided according to the terms of separate continuing disclosure undertakings executed and delivered by such school districts. The State is not responsible for the adequacy, accuracy or timeliness of such information, and any failure by a school district to comply with its undertaking shall not constitute a breach by the State under this Master Disclosure Certificate. The State shall provide only the CAFR and material events disclosure relating to the State's guaranty of Guaranteed Bonds.

Section 9. Amendment. Notwithstanding any other provision of this Master Disclosure Certificate, the State may amend this Master Disclosure Certificate without the consent of holders of the Guaranteed Bonds under the following conditions:

(a) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person or type of business conducted;

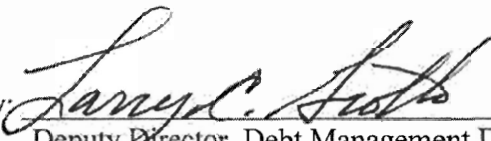
(b) This Master Disclosure Certificate, as amended, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interest of holders of the Guaranteed Bonds, as determined either by parties unaffiliated with the State (such as nationally recognized bond counsel), or by approving vote of holders representing at least sixty percent (60%) of the aggregate outstanding principal amount of the Guaranteed Bonds.

The State shall provide to the MSRB, notice of any amendment which changes the accounting principles followed by the State in preparation of its annual financial information. The initial annual financial information after the amendment shall explain, in narrative form, the reasons for the amendment and the effect of the change in the type of operating data or financial information being provided.

Section 10. Choice of Law. This Master Disclosure Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Master Disclosure Certificate addresses matters of federal securities laws, including the Rule, this Master Disclosure Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

STATE OF OREGON

By: 
Deputy Director, Debt Management Division

Date: January 21, 2011

The following information must be included on the cover page of the official statement(s) for any bonds wishing to reference participation in the Guaranty Program:

Payment of the principal of and interest on the Bonds when due is guaranteed by the full faith and credit of the

STATE OF OREGON

under the provisions of the Oregon School Bond Guaranty Act. See "Oregon School Bond Guaranty" within.

The following information must be included in the text of the official statement(s) for any bonds wishing to reference participation in the Guaranty Program. Those sections outlined with brackets “[]” must be completed with updated information provided by the Oregon Office of the State Treasurer: (updates at: [Office of the State Treasurer - Divisions](#))

OREGON SCHOOL BOND GUARANTY

Guaranty Provisions

Article XI-K of the Constitution of the State of Oregon (the “State”) allows the State to guarantee the general obligation bonded indebtedness of school districts, education service districts, and community college districts (generally “school district” or “school districts”) in order to secure lower interest costs on general obligation bonds of such districts. Payment of the principal of and interest on the Bonds when due is guaranteed by the full faith and credit of the State under the provisions of the Oregon School Bond Guaranty Act – Oregon Revised Statutes (ORS) 328.321 to 328.356 (the “Act”). As provided for in Section 328.326(1)(a) of the Act:

The State Treasurer may, by issuing a certificate of qualification to a school district, pledge the full faith and credit and taxing power of the state to guarantee full and timely payment of the principal of, either at the stated maturity or by advancement of maturity pursuant to a mandatory sinking fund payment, and interest on school bonds as such payments shall become due, except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration.

The Act further provides that (i) the guaranty of the State does not extend to the payment of any redemption premium due on any bonds guaranteed under the Guaranty Act and (ii) any bond guaranteed by the State under the Act that is refunded no longer has the benefit of the guaranty from and after the date on which that bond is considered to be paid.

Guaranty Procedures

Regularly Scheduled Debt Service Payments. Each school district with outstanding, unpaid bonds guaranteed under the Act, shall transfer moneys sufficient for the scheduled debt service payment to its paying agent at least 15 days before any principal or interest payment date for the bonds. The paying agent may invest the moneys for the benefit of the school district until the payment date. A school district that is unable to transfer the scheduled debt service payment to the paying agent 15 days before the payment date shall immediately notify the paying agent and the State Treasurer. Such notification shall be made to the Office of the State Treasurer as prescribed in the Act. The Act further provides that if sufficient funds are not transferred to the paying agent as required above, the paying agent shall notify the State Treasurer of that failure at least 10 days before the scheduled debt service payment in the manner prescribed in the Act.

Monitoring. Beginning with bonds issued with the guaranty of the State on and after October 30, 2009, a school district with outstanding, unpaid bonds which are guaranteed under the Act, must enter into an agreement with a paying agent under which the paying agent provides the district with notice by January 15 of each year of any required debt service amounts (including any scheduled deposits to a sinking fund for the bonds) due during the following fiscal year. The paying agent must also notify the district of any debt service amounts (including any

scheduled deposits to a sinking fund) that must be paid or deposited over the next two fiscal years. In addition, for bonds originally issued as tax credit bonds under the Internal Revenue Code and any bonds resulting from conversion of such bonds (“Qualified Bonds”), the district must provide written verification by May 1 of each year to its paying agent that it has made any required sinking fund deposits. The paying agent must notify the State Treasurer if it does not receive such verification. Further, the district must report to the State Treasurer, at least annually, the amount of moneys paid into its debt service fund to pay the Qualified Bonds and a calculation demonstrating that such deposits are projected to be sufficient to repay the Qualified Bonds in full when payment is due. If annual payments are not made to the debt service fund, the district must demonstrate that the current balance in the fund, plus any scheduled future deposits, will be sufficient to repay the Qualified Bonds when due.

Payment under the Guarantee. If sufficient moneys to pay a scheduled debt service payment have not been transferred to the paying agent, the State Treasurer shall, on or before the scheduled payment date, transfer sufficient moneys to the paying agent to make the scheduled debt service payment. If sufficient moneys of the State are not on hand and available at the time the State is required to make a debt service payment under its guaranty on behalf of the school district, the State Treasurer may singly or in combination:

- Obtain from the Common School Fund or from any other State funds that qualify to make a loan under ORS 293.205 to 293.225, a loan sufficient to make the required payment;
- Borrow money, if economical and convenient, as authorized by ORS 286A.045;
- Issue State general obligation bonds as provided for in Article XI-K of the Constitution and the Act; and,
- With the approval of the Legislative Assembly, or the Emergency Board if emergency funds are lawfully available for making the required payment in the interim between sessions of the Legislative Assembly, pay moneys from the General Fund or any other funds lawfully available for the purpose or from emergency funds amounts sufficient to make the required payment.

Any payment of scheduled debt service payments by the State Treasurer on behalf of a school district (i) discharges the obligation of the issuing school district to its bondholders for the payment, and (ii) transfers the rights represented by the general obligation of the school district from the bondholders to the State. If one or more payments are made by the State Treasurer as provided for in the Act, the State Treasurer shall pursue recovery from the school district of all moneys necessary to reimburse the State. In seeking recovery, the State Treasurer may (i) intercept any payments from the General Fund, the State School Fund, the income of the Common School Fund and any other source of operating moneys provided by or through the State to the school district that issued the bonds that would otherwise be paid to the school district by the State, and (ii) apply any intercepted payments to reimburse the State for payments made pursuant to the State’s guaranty until all obligations of the school district to the State arising from those payments, including any interest and penalties, are paid in full. The State has no obligation to the school district or to any person or entity to replace any moneys intercepted under the Act. The authority of the Treasurer to intercept payments under the Act has priority over all claims against money provided by the State to a school district, including a claim based on a funds diversion agreement under ORS 238.698. Additionally, in accordance with the Act, if the State Treasurer determines that it is necessary the State Treasurer shall pursue any legal action, including but not limited to mandamus, against the school district or school district board to compel the school district to (i) levy and provide property tax revenues to pay debt service on its bonds and other obligations when due, and (ii) meet its repayment obligations to the State. The Attorney General shall assist the State Treasurer in pursuing such rights of recovery under the Act.

At all times, the school district shall continue to be responsible for the payment of all debt service payments on its bonds. A school district that issued bonds for which the State makes all or part of a debt service payment shall be responsible for reimbursing all moneys drawn or paid by the State Treasurer on its behalf. In addition the school district shall pay interest to the State on all moneys paid by the State from the date the moneys were drawn to the date they are repaid at a rate to be determined by the State Treasurer, in the State Treasurer's discretion, to be sufficient to cover the costs of funds to the State plus the costs of administration of the guaranty obligation and of collection of reimbursement.

Guaranty Limit. Under Article XI-K of the State Constitution, the amount of debt that the State may incur in honoring its guaranty of school bonds may not exceed, at any one time, one-half of one percent of the real market value (RMV) of all taxable property in the State. The State of Oregon has not issued bonds to provide money to satisfy its guaranty of school bonds participating in the program and does not anticipate the need to issue bonds for this purpose in the future.

As of [] the State had guaranteed the following (not including this bond issue or those issues guaranteed between the date identified above and the date of this issue) under the Guaranty Act:

Number of school districts with Certificates of Qualification:	[]
Number of bond issues guaranteed under the Guaranty Program:	[]
Aggregate principal amount outstanding of bonds guaranteed at	[]
Aggregate debt service amount outstanding of bonds guaranteed at	[]

Guaranty Contact Person

As of the date of this OFFICIAL STATEMENT, requests for information regarding the Guaranty Program may be directed to:

Ted Wheeler, Oregon State Treasurer
Oregon School Bond Guaranty Program
Office of the State Treasurer
Debt Management Division
350 Winter Street NE, Suite 100
Salem, OR 97301-3896
Phone (503) 378-4930 – Fax (503) 378-2870

State of Oregon – Financial and Operating Information

The most recent Comprehensive Annual Financial Report (the “CAFR”) of the State, and its most recent OFFICIAL STATEMENT for its general obligation debt, are currently on file with the Electronic Municipal Market Access (“EMMA”), operated by the Municipal Securities Rulemaking Board (“MSRB”). The financial and operating information with respect to the State contained in the CAFR, and such OFFICIAL STATEMENT, are hereby included by reference in this OFFICIAL STATEMENT. Additionally, the CAFR and the most recent OFFICIAL STATEMENT for its general obligation debt are available upon request from the State’s contact person as indicated under ***Guaranty Contact Person*** above.

As of the date of this OFFICIAL STATEMENT, the outstanding general obligation bonds of the State are rated “ ” by Fitch, “ ” by Moody’s Investors Service, and “ ” by Standard & Poor’s Ratings Group.

State of Oregon – Continuing Disclosure

The State has executed a Master Disclosure Certificate (the “Certificate”) for the benefit of registered and beneficial holders of bonds guaranteed under the Guaranty Program and to assist Underwriters of such bonds in complying with paragraph (b)(5) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12) (the “Rule”). The State, in accordance with the Certificate, will provide annually copies of its most recent CAFR of the State to the Municipal Securities Rulemaking Board through depositing such information with EMMA and to the state information depository, if any, located in the State of Oregon (the “SID”). In addition, the State will provide the Municipal Securities Rulemaking Board, through EMMA, with any material event notices pertaining to the State of Oregon required under the Rule and pursuant to the Certificate.

37



PAYING AGENT AND REGISTRAR AGREEMENT

THIS PAYING AGENT AND REGISTRAR AGREEMENT, dated as of the **15th day of March, 2012** between **Columbia Gorge Community College District** (the "Issuer") and **U.S. BANK NATIONAL ASSOCIATION, Portland, Oregon office**, ("U.S. Bank").

WITNESSETH

The Issuer intends to issue its Securities described as follows:

Name of Issue: **Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds, Series 2012**

Date of Issue: **March 15th, 2012**

Total Issue: **\$13,790,000.00**

Interest Payment Dates: **June 15 and December 15, beginning December 15, 2012**

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

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

1. The Issuer shall remit, or cause to be remitted, to U.S. Bank, in immediately available and collected funds, the full amount necessary to pay the interest on the Securities due on each of the related interest dates **at least 15 business day prior to the respective interest payment dates**, and the full amount necessary to pay the principal of the Securities due on each of the related maturity or redemption dates **at least 15 day prior to the stated maturity or earlier redemption date** in accordance with the provisions of the Oregon School Bond Guaranty Act.

U.S. Bank has agreed to provide the School District with a written notification by January 15 of each year of the required debt service amounts (including any scheduled deposits to a sinking fund for Qualified Bonds) which are due in the then-current fiscal year and the following two fiscal years such that the School District may have the proper information to levy adequate amounts for such payments coming due in the following fiscal years. For example, a notification provided by January 15, 2013 shall include information on debt service due in the current FY 2013 year (July 1, 2012 through June 30, 2013), the FY 2014 year (July 1, 2013 through June 30, 2014), and FY 2014 year (July 1, 2014 through June 30, 2015).

If the Issuer is unable to transfer scheduled debt service payments 15 days prior to the payment date, and U.S. Bank have not received sufficient funds 10 days prior to the payment date, shall provide notice to OST as provided in OAR 170-055-0001(4) and by telephone to (503) 378-4930.

If applicable, the Issuer shall provide written verification that they have made any required sinking fund deposits by May 1 of each year to their Paying Agent and such Paying Agent shall promptly notify OST if they do not receive such annual verification.

U.S. Bank is authorized to pay from monies so deposited with it the principal of and interest on the Securities to the registered owner of the Securities whose name and address appears on the registration books of the Issuer maintained by U.S. Bank. At the time of the Closing, Securities are Book Entry Only registered in the name of Cede & Co. Interest and principal on the Book Entry Only Securities shall be payable by wire to the registered owner of the Securities at the address appearing on the registration books maintained by U.S. Bank. The duty of U.S. Bank for the payment of the principal of and interest on the Securities shall be to receive funds for payment therefore, and to pay from funds so deposited with it the interest on the Securities and principal of the Securities when due and presented for payment. Under no circumstances shall U.S. Bank be obligated to make principal and/or interest payments next due unless and until the Issuer has caused to be delivered to U.S. Bank, in immediately available funds, the full amount of Principal and/or interest next due. In the event a principal and/or interest payment date is not a business day, U.S. Bank shall make the principal and/or interest payment on the following business day.

2. Monies deposited with U.S. Bank prior to the payment date for payment of principal of and interest on the Securities shall be held by U.S. Bank in a U.S. Bank Money Market Account. The U.S. Bank Money Market account is a U.S. Bank National Association interest-bearing time deposit account designed to meet the needs of U.S. Bank's Corporate Trust Services Escrow Group and other Corporate Trust customers of U.S. Bank. Selection of this investment includes authorization to place funds on deposit with U.S. Bank. The deposit account is currently insured by the Federal Deposit Insurance Corporation up to \$250,000.

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

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

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

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

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

7. U.S. Bank may rely upon the documents of the Issuer authorizing the Securities and upon the Uniform Commercial Code of the State of Oregon or any other statutes which, in the opinion of counsel for U.S. Bank, to protect U.S. Bank and the Issuer without requiring complete documentation, or in registering transfers without inquiry into adverse claims, or in the transfer or registration of Securities standing in the name of the decedent in small estates where no administration is contemplated and documentation furnished conforms with the laws of the descendant's domicile, or in refusing registration where, in the judgment of U.S. Bank, an adverse claim requires such refusal. U.S. Bank reserves the right to refuse to transfer Securities until it is satisfied that the requested transfer is legally authorized; and shall incur no liability for a good faith refusal to make a transfer, which it, in its sole judgment deems improper or unauthorized. U.S. Bank shall not be obligated to register any transfer of Securities after the record date fixed for any redemption of such Securities.

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

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

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

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

12. At any time, U.S. Bank may apply to an official of the Issuer for instruction, and may consult counsel for the Issuer or bond counsel in respect to any matter arising in connection with any agency hereunder, and shall not be liable for any action taken or omitted to be taken by it in good faith in

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

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

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

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

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

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

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

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

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

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

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

Sandra Z Buchanan
By: Chief Financial Officer
Title:

ACCEPTED:

U.S. Bank National Association
Portland, Oregon

Cheryl Nelson
By: Cheryl Nelson
Title: Vice President

EXHIBIT A



U.S. Bank Customer Confidential

Schedule of Fees for Services as
Paying Agent and Registrar for
Columbia Gorge Community College
GO Refunding Bonds, Series 2012
and
Refunding Escrow Agent for
Columbia Gorge Community College
Refunding Escrow for partial 2005 GO Bonds

CTS01010A	Acceptance Fee – Paying Agent & Refunding Escrow Agent: The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time, non-refundable fee, payable at closing.	included in one-time fees
CTS04125 INIT MISC	Paying Agent, One Time One time fee for the standard paying agent services associated with the administration of the account. Administration fees are payable in advance.	\$4,095.00
CTS04160 INIT MISC	Refunding Escrow Agent, One Time One time fee for the standard agent services in administration of the defeasance escrow. Administration fees are payable in advance	\$400.00
	Direct Out of Pocket Expenses Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after the initial close, travel expenses and filing fees.	At Cost
	Extraordinary Services Extraordinary Services are duties or responsibilities of an unusual nature, including termination, but not provided for in the governing documents or otherwise set forth in this schedule. A reasonable charge will be assessed based on the nature of the services and the responsibility involved. At our option, these charges will be billed at a flat fee or at our hourly rate then in effect.	

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

January 17, 2012

38

U.S. BANK NATIONAL ASSOCIATION
AUTHORIZED SIGNER(S)

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

ARTICLE VI. CONVEYANCES, CONTRACTS, ETC.

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

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

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

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

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

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

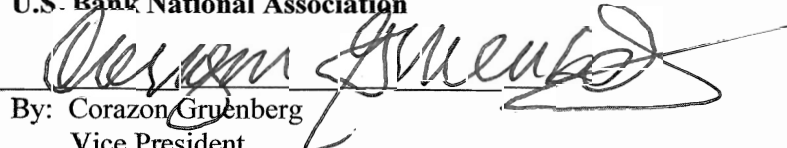
Cheryl Nelson
Vice President

WILL SIGN:



IN WITNESS WHEREOF, I have hereunto set my hand to be affixed hereto this 15th day of March, 2012.

U.S. Bank National Association

By: 
Vice President

39

MERSEREAU SHANNON LLP

PETER R. MERSEREAU
JAMES P. SHANNON, LLM
KAREN M. VICKERS
THOMAS W. MCPHERSON
BARRETT C. MERSEREAU
COURTNEY L. DAUSZ
BLAKE H. FRY

LAWYERS
FOUNDED IN 1885
SMITH & TEAL

ROBERT J. SULLIVAN, P.C.*
OF COUNSEL

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ONE S.W. COLUMBIA STREET, SUITE 1600
PORTLAND, OREGON 97258
MERSHANLAW.COM

*LICENSED IN OREGON & WASHINGTON

March 15, 2012

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

Re: \$13,790,000 Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon, (the "District") of \$13,790,000 General Obligation Refunding Bonds, Series 2012 (the "Bonds.") The Bonds are issued pursuant to the applicable provisions of Oregon Revised Statutes ("ORS") Chapters 287A and 341 and the Resolution of the District adopted by the Board of Education (the "Board") on December 13, 2011 (the "Resolution").

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

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

As to questions of fact material to our opinion, we have relied upon the certified proceedings of the District and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. We have also relied on the covenants of the District to comply with certain requirements of the Internal Revenue Code of 1986, as amended, with respect to the investment and use of proceeds of the Bonds.

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

1. The Bonds have been legally authorized and issued under and pursuant to the Constitution and Statutes of the State of Oregon and the Resolution.
2. The Bonds and the Resolution have been properly authorized, executed and delivered by the District and constitute valid binding obligations of the District enforceable in accordance with their terms.

March 15, 2012

Page 2

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

4. Assuming compliance with applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Bonds, including any original issue discount properly allocable to the owner of the Bonds, is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings. Any original issue premium properly allocable to the owner of the Bonds may not be deducted from federal gross income, but must be amortized actuarially on a constant interest rate basis over the term of such Bond, and the federal tax basis of such Bond will be decreased over its term by the amount of such amortized premium. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

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


Except as stated herein, we express no opinion regarding other federal, state or local tax consequences arising with respect to ownership of the Bonds or other matters not expressly included in items 1-5 above. The owner of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral tax consequences and each owner is advised to consult with its own tax advisor regarding such consequences.

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

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

Respectfully submitted,

MERSEREAU SHANNON LLP



James P. Shannon

40

MERSEREAU SHANNON LLP

PETER R. MERSEREAU
JAMES P. SHANNON, LLM
KAREN M. VICKERS
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*LICENSED IN OREGON & WASHINGTON

March 15, 2012

Seattle-Northwest Securities Corporation
1300 SW Fifth Ave., Suite 3650
Portland, Oregon 97201

Re: \$13,790,000 Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds, Series 2012

Ladies and Gentlemen:

We attach to this letter a copy of our Bond Counsel's Opinion in the above matter dated March 15, 2012, directed to Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon. You may rely upon our Bond Counsel's Opinion as though such opinion had been addressed to you.

Respectfully submitted,

MERSEREAU SHANNON LLP



James P. Shannon

41

MERSEREAU SHANNON LLP

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JAMES P. SHANNON, LLM
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*LICENSED IN OREGON & WASHINGTON

March 15, 2012

Seattle-Northwest Securities Corporation
1300 SW Fifth Avenue, Suite 3650
Portland, Oregon 97201

Re: \$13,790,000 Columbia Gorge Community College District
Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds, Series 2012

This opinion is rendered to you in connection with the purchase by you of the \$13,790,000 Columbia Gorge Community College, Hood River and Wasco Counties, Oregon, General Obligation Refunding Bonds, Series 2012 (the "Bonds") pursuant to a Purchase Agreement dated February 22, 2012 (the "Agreement"), by and between you and Columbia Gorge Community College, Hood River and Wasco Counties, Oregon (the "Seller"). All terms used in this opinion and not otherwise defined herein shall have the respective meanings assigned thereto in the Agreement or the Resolution (as defined in the Agreement). In our capacity as Bond Counsel with respect to the authorization, issuance, sale and delivery of the Bonds, we have examined the Official Statement dated February 22, 2012, relating to the Bonds (the "Official Statement"). We have also examined originals, or copies certified or otherwise identified to our satisfaction as being true copies of the originals, of such proceedings of the Seller, certificates of officials of the Seller and others and such other documents as we have deemed necessary for purposes of this opinion. Based on our review of the foregoing, we are of the opinion that:

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

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

3. The Agreement has been duly authorized, executed and delivered by the Seller and constitutes a valid and binding agreement of the Seller, which is enforceable in accordance with its terms, except to the extent that enforceability may be limited by or rendered ineffective by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors' rights generally; (ii) the application of equitable

principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Seller.

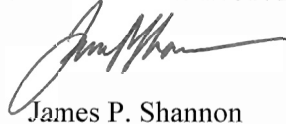
4. We have reviewed the undertaking of the Seller regarding secondary market disclosure as further described in the Preliminary Official Statement and the Official Statement. In our opinion, such undertaking is valid and binding, is in full force and effect as of the date of Closing and complies with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

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

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

Respectfully submitted,

MERSEREAU SHANNON LLP

A handwritten signature in black ink, appearing to read "James P. Shannon", is written over the printed name.

James P. Shannon

42

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March 15, 2012

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

Re: Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon
General Obligation Refunding Bonds, Series 2012 - \$13,790,000

We have acted as bond counsel in connection with the issuance by Columbia Gorge Community College District, Hood River and Wasco Counties, Oregon (the "District") of \$13,790,000 General Obligation Refunding Bonds, Series 2012, dated March 15, 2012 (the "Bonds"). We have examined a copy of a Resolution adopted December 13, 2011 (the "Resolution"), an Escrow Deposit Agreement dated March 15, 2012 (the "Escrow Deposit Agreement") between the District and U.S. Bank National Association in connection with the issuance of the Bonds and the defeasance of a portion of the District's General Obligation Bonds, Series 2005.

In addition, we have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Resolution, the Escrow Deposit Agreement and certified proceedings and other certifications of public officials furnished to us without undertaking to verify such questions of fact by independent investigation.

Based upon our examination, we are of the opinion, as of the date hereof and under existing law, that:

1. the Escrow Deposit Agreement has been validly authorized, executed and delivered by the District and is a valid agreement of the District enforceable in accordance with its terms; and
2. upon the deposit of funds pursuant to the terms of the Escrow Deposit Agreement, the District's General Obligation Bonds, Series 2005 maturing in the years 2016 through and including 2025 will be legally defeased and no longer outstanding for Oregon State Law purposes.

Respectfully submitted,

MERSEREAU SHANNON LLP



James P. Shannon