

CLATSOP COMMUNITY COLLEGE

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2025



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**Clatsop Community College
Clatsop County, Oregon**

Annual Financial Statements

Year Ended June 30, 2025



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Position 6/Zone 3

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Position 7/Zone 3

Tim Lyman
Director

Jarrold Hogue, President

**Clatsop Community College
1651 Lexington Avenue
Astoria, Oregon 97103**

**CLATSOP COMMUNITY COLLEGE
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INDEPENDENT AUDITORS' REPORT

Board of Education
Clatsop Community College
Astoria, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Clatsop Community College, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Clatsop Community College as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clatsop Community College's basic financial statements. The schedules of revenues, expenditures, and changes in fund balance compared with budget are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information


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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025 on our consideration of the Clatsop Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Clatsop Community College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clatsop Community College's internal control over financial reporting and compliance.

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 18, 2025, on our consideration of Clatsop Community College's compliance with certain provisions of laws, regulations contracts, and grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Minimum Standards for Audits of Oregon Municipal Corporations* in considering Clatsop Community College's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Bellevue, Washington
December 18, 2025



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

**CLATSOP COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Introduction

This section of Clatsop Community College's (the College) annual audit presents an analysis of the financial activities of the College for the fiscal year ended June 30, 2025. It is designed to focus on current activities, resulting changes, and current known facts. 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 responsibility for the completeness and reliability of all information presented in this report.

Financial Highlights

Total reimbursable FTE in FY2025 was 865 compared to 883 in FY2024, a decrease of 18 FTE (2%). Enrollment stabilized during FY2025, and the College's strategic planning initiatives are intended to help grow enrollment in the future, which is critical to the State appropriation and tuition and fee revenue in the general operating fund.

During FY2025 the College provided \$3.11 million in financial aid to students. This aid was in the form of grants, scholarships, student employment opportunities, and loans funded through the federal government, State of Oregon, and local funding as shown below.

	Amount
Federal Work Study (including College match)	\$ 100,182
Federal SEOG	96,216
Federal PELL Grants	1,433,004
Federal Direct Student Loans	390,567
CCC Foundation Scholarships	293,414
Oregon Need & Oregon Promise Grant	608,550
Institutional Waivers and Grants	188,674
Total Financial Aid Provided to Students	<u>\$ 3,110,607</u>

The College's net position increased 6.3% or approximately \$1.29 million from the previous fiscal year. This resulted from several factors that will be outlined in the following sections of the management's discussion and analysis summary.

CLATSOP COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025

Overview of the Financial Statements

The discussion and analysis are intended to serve as an introduction to the College's basic financial statements, which are comprised of entity-wide financial statements prepared in accordance with the accrual basis of accounting and notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements including debt compliance reporting. The entity-wide financial statements are designed to provide readers with a broad overview of the College's finances, similar to a private-sector business.

The statement of net position presents information on all the College's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between those reported as net position. Over time, increases or decreases in net position are indicators of the improvement or erosion of the College's financial health when considered along with nonfinancial facts such as student enrollment levels and the condition of the facilities.

The statement of revenues, expenses, and changes in net position presents the revenues earned and the expenses incurred during the year. All changes in net position are reported using the accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs, regardless of the timing when the cash is received or disbursed. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The utilization of long-lived assets is reflected in the financial statements as depreciation, which amortizes the cost of the capital asset over the expected useful life. Revenues and expenses are reported as either operating or nonoperating, with operating revenues primarily coming from tuition, grants, and contracts. State appropriations, property taxes, and Pell grants for students are classified as nonoperating revenues.

The statement of cash flows presents information on cash flows from operating activities, noncapital financial activities, capital and related financing activities, and investing activities. It provides the net increase or decrease in cash between the beginning and end of the fiscal year. This statement assists in evaluating financial viability and the College's ability to meet financial obligations as they become due.

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

**CLATSOP COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Financial Analysis of the College as a Whole

Statement of Net Position

The statement of net position includes all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the College using the accrual basis of accounting, which is like the accounting presentation used by most private colleges. Net position is the difference between assets plus deferred outflows and liabilities plus deferred inflows and is one measure of the financial condition of the College.

Fiscal Year 2025 Compared to 2024

	<u>2025</u>	<u>2024</u>	<u>Percent Change</u>
ASSETS			
Current Assets	\$ 7,147,692	\$ 8,794,503	(19%)
Noncurrent Assets:			
Other Noncurrent Assets	221,620	190,201	17%
Right-of-Use Assets - SBITA - Net of Accumulated Amortization	2,653,246	3,186,083	(17%)
Right-of-Use Assets - Leases - Net of Accumulated Amortization	184,984	36,605	405%
Capital Assets, Net of Depreciation	<u>36,244,449</u>	<u>37,496,053</u>	(3%)
Total Assets	<u>\$ 46,451,991</u>	<u>\$ 49,703,445</u>	(7%)
Deferred Outflow of Resources	<u>\$ 4,630,731</u>	<u>\$ 3,749,312</u>	24%
LIABILITIES			
Current Liabilities	\$ 4,471,552	\$ 6,590,327	(32%)
Long-Term Debt, Noncurrent Portion	<u>22,802,871</u>	<u>24,576,191</u>	(7%)
Total Liabilities	<u>\$ 27,274,423</u>	<u>\$ 31,166,518</u>	(12%)
Deferred Inflow of Resources	<u>\$ 1,834,989</u>	<u>\$ 1,607,166</u>	14%
NET POSITION			
Net Investment in Capital Assets	\$ 28,492,709	\$ 28,484,882	0%
Restricted - OPEB Asset	221,620	190,201	17%
Unrestricted	<u>(6,741,019)</u>	<u>(7,996,010)</u>	16%
Total Net Position	<u>\$ 21,973,310</u>	<u>\$ 20,679,073</u>	6%

The composition of current assets, current liabilities, and noncurrent liabilities can be found on the College's detailed statement of net position financial report.

The College's current assets of \$7.15 million and current liabilities of \$4.47 million represent a current ratio of 1.60 in comparison to 1.33 in the prior fiscal year.

**CLATSOP COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Financial Analysis of the College as a Whole (Continued)

Net position increased 6.3% or approximately \$1.29 million in the current fiscal year and was caused by the following activity that impacted the statement of net position:

Current assets decreased 18.7% or approximately \$1.65 million in the current fiscal year primarily due to a \$848 thousand reduction in cash and cash equivalents described in the statement of cash flows of the detailed financial statements and a \$1.04 million reduction in governmental receivables.

The decrease in SBITA right-of-use assets is described in Note 10 of the detailed financial statements.

The reduction of capital assets reflects the current year asset additions, deletions, and the application of current year depreciation as described in Note 7 of the detailed financial statements.

The increase in deferred outflow of resources reflects the current year calculation and adjustment of PERS and OPEB asset amounts.

Current liabilities decreased 32.1% or approximately \$2.12 million in the current fiscal year primarily due to the repayment of a \$1.7 million tax anticipation note in December 2024.

The reduction in noncurrent portion of long-term debt is described in Note 8 of the detailed financial statements.

The increase in deferred inflow of resources reflects the current year calculation and adjustment of PERS and OPEB liability amounts.

Unrestricted net position increased 15.7% or approximately \$1.25 million in the current fiscal year and reflects the results of FY2025 operations combined with audit adjustments related to current year PERS and OPEB calculations..

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position present the operating results of the College, as well as the nonoperating revenues and expenses. Annual state reimbursements, property taxes and Pell grants for students, while budgeted for operations, are considered nonoperating revenues according to generally accepted accounting principles (GAAP) in the United States of America.

**CLATSOP COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Financial Analysis of the College as a Whole (Continued)

Fiscal Year 2025 Compared to 2024

	<u>2025</u>	<u>2024</u>	<u>Percent Change</u>
OPERATING REVENUES			
Student Tuition and Fees, Net of Scholarship			
Allowance of FY25 \$1,155,513 & FY24 \$874,970	\$ 1,974,443	\$ 2,100,210	(6%)
Federal Student Financial Aid Grant	196,398	198,670	(1%)
State Student Financial Aid Grant	608,550	610,090	(0%)
Federal Grants and Contracts	1,679,056	1,636,298	3%
State and Local Government Grants and Contracts	669,398	377,851	77%
Other Local Sources	24,143	30,290	(20%)
Total Operating Revenues	<u>5,151,988</u>	<u>4,953,409</u>	4%
OPERATING EXPENSES			
Educational and General:			
Instruction	\$ 5,456,358	\$ 5,870,112	(7%)
Instructional Support	2,242,052	2,568,951	(13%)
Student Services	2,541,929	2,829,448	(10%)
Institutional Support	2,569,209	3,624,114	(29%)
Operation and Maintenance of Plant	1,897,095	1,874,927	1%
Community Services	672,875	583,044	15%
Student Financial Aid	1,734,349	1,493,256	16%
Other Expense	593,919	255,333	133%
Depreciation and Amortization Expense	2,129,851	1,754,248	21%
Total Operating Expenses	<u>\$ 19,837,637</u>	<u>\$ 20,853,433</u>	(5%)
OPERATING INCOME (LOSS)	(14,685,649)	(15,900,024)	(8%)
NONOPERATING REVENUES (EXPENSES)			
State FTE Reimbursement	4,297,181	4,106,512	5%
Property Taxes and Timber Revenues	8,258,941	8,521,336	(3%)
Pell Grants	1,433,004	1,161,713	23%
Investment Income	312,273	278,176	12%
Interest Income Other	435,724	-	100%
Other Local Revenue	1,610,746	1,156,139	39%
Other Federal Revenue	187,850	233,990	(20%)
Interest Expense	(555,833)	(566,294)	(2%)
Total Nonoperating Revenues (Expenses)	<u>15,979,886</u>	<u>14,891,572</u>	7%
CHANGES IN NET POSITION	1,294,237	(1,008,452)	(228%)
Net Position - Beginning of Year	<u>20,679,073</u>	<u>21,687,525</u>	(5%)
NET POSITION - END OF YEAR	<u>\$ 21,973,310</u>	<u>\$ 20,679,073</u>	6%

**CLATSOP COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Financial Analysis of the College as a Whole (Continued)

Revenues

The major sources of funds included in operating revenues are student tuition and fees and federal, state, and local grants and contracts.

Operating revenues increased 4.0% or approximately \$199 thousand in the current fiscal year primarily due to additional state and local government grants and contracts revenue.

The major sources of funds included in nonoperating revenues are state FTE reimbursements and property taxes. Accounting standards require that these revenue sources be reported as nonoperating even though the College depends on these revenues to continue the current level of operations.

Nonoperating revenues increased 7.3% or approximately \$1.09 million in the current fiscal year. The increase was comprised primarily of growth in Pell grant activity, increased other local revenue, and the receipt of interest income related to the \$1.83 million employee retention credit federal award.

Expenses

Operating expenses totaling approximately \$19.84 million include salaries and benefits, materials and supplies, utilities, scholarships, and depreciation. The greatest percentage of total operating expenses is instruction and instructional support (38.8%). Student services expenses (10.7%) provide support to students for activities that occur outside the classroom and include enrollment services, counseling, and financial aid assistance. Institutional support (13.0%) represents the operational aspects of the College, including the administration, business office, and computer services.

Operating expenses decreased 4.9% or approximately \$1.02 million in the current fiscal year primarily due to a \$1.07 million reduction in salary and benefit costs.

Capital Financing Activities

The College continued to make principal and interest payments on existing bonds during the fiscal year.

Investing Activities

The College earned interest on bank balances and funds invested in the long-term governmental investment pool.

Budgetary Highlights

The College adopts an annual budget at the fund level, which is under the modified accrual basis of accounting for governmental funds. The original budget was amended for the General fund, Grant & Financial Aid fund, Unexpended Plant fund and the Clubs and Organizations fund. The amendment was necessary due to unknown circumstances at the time the budgets were originally prepared. For more information, please refer to the budgetary schedules as Supplementary Information in the Financial Section of this report.

**CLATSOP COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Financial Analysis of the College as a Whole (Continued)

Capital Assets and Debt

The College's investment in capital assets as of June 30, 2025 is \$39.1 million, net of accumulated depreciation. Investment in capital assets includes land, buildings, improvements, machinery and equipment, and library books. Additional information on the College's capital assets can be found in the footnotes of the report.

The College has loans for ERP implementation, energy improvements, PERS pension obligations and facility bond obligations. Total outstanding debt as of June 30, 2025 is \$13.7 million and additional information on the College's debt can be found in the footnotes of the report.

Oregon Revised Statutes Chapter 341 limits the amount of general obligation bonds which an Oregon community college may have outstanding at any time to 1.5 percent of the true cash value of the taxable property within the community college district. The College has \$6.5 million in general obligation bonds outstanding at June 30, 2025. Subject to voter approval, the College could issue up to a total of approximately \$248 million of general obligation bonds to stay within the limit. Obligations secured by lease payments and other non-general obligations are not subject to the debt limitations described in this section.

Economic Factors and Next Year's Budget

Maintaining a balanced general operating fund budget is a critical strategic objective. The College has implemented a strategic budgeting process to optimize resource identification, allocation and sustainability. As part of this approach, the College will assess and align staffing and program expenditures with current and projected fiscal forecasts and enrollment patterns. This will help ensure financial stability while advancing student success, regional needs and organizational effectiveness.

Efforts to enhance student retention and support services remain a priority in budget development for the current and future fiscal years. The 2025-2030 Strategic Plan Framework identifies five strategic priorities: Improve Student Access, Increase Student Success, Strengthen Our Reputation, Increase Organizational Effectiveness, and Build and Sustain Partnerships. Each priority is supported by specific objectives that integrate into the budget development process, ensuring our financial planning aligns with our mission to empower all students to reach their full potential.

Property tax continues to be the most significant revenue component of the College's general operating fund, accounting for 43.2% of FY2025 total revenue and approximately 43.5% of FY2026 anticipated revenue. Valuations and the resulting assessments are closely tracked, allowing the College to forecast this revenue component in a consistent manner.

State appropriations, primarily allocated based on FTE, accounted for 30.4% of FY2025 total general operating fund revenue and remains over 30% of the College's FY2026 anticipated revenue. Strategic enrollment and student retention efforts will help maintain/grow FTE and the College's resulting share of this statewide revenue component. Unfortunately, State revenue projections are indicating the possibility of a funding reduction in the current biennium.

Tuition and fee revenue in the general operating fund increased slightly, accounting for 22.1% of FY2025 total revenue and approximately 22.5% of anticipated revenue in FY2026. This revenue component can be difficult to forecast due to the many variables that impact enrollment and the resulting tuition and fees generated.

**CLATSOP COMMUNITY COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Financial Analysis of the College as a Whole (Continued)

Economic Factors and Next Year's Budget (Continued)

Labor costs including benefits represent 78% of expenditures in the general operating fund in FY2025 and will continue to pressure available financial resources due to negotiated agreements and higher benefit costs.

Other costs of college operation continue to increase and have been adversely affected by economic conditions including inflation. Aging College facilities and infrastructure create the need for continual maintenance, renovation, and occasional replacement to meet current student, staff, and regional needs.

Implementing technology, software, and equipment solutions that best meet student, staff, and regional needs drives College technology investment along with continued need in cyber security.

Requests for Information

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

Jarrold Hogue, President
Clatsop Community College
1651 Lexington Avenue
Astoria, OR 97103

CLATSOP COMMUNITY COLLEGE
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government	Component Unit Clatsop Community College Foundation
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,365,544	\$ 336,965
Restricted Cash and Cash Equivalents	908,919	-
Restricted Investments	-	7,296,127
Receivables:		
Property Taxes	435,776	-
Governmental	1,973,157	-
Student Receivables, Net	127,489	-
Inventories	44,498	-
Other	292,309	-
Total Current Assets	<u>7,147,692</u>	<u>7,633,092</u>
NONCURRENT ASSETS		
Capital Assets - Net of Accumulated Depreciation	36,244,449	-
Right-of-Use Assets - SBITA - Net of Accumulated Amortization	2,653,246	-
Right-of-Use Assets - Leases - Net of Accumulated Amortization	184,984	-
OPEB Asset	221,620	-
Total Noncurrent Assets	<u>39,304,299</u>	<u>-</u>
Total Assets	<u><u>\$ 46,451,991</u></u>	<u><u>\$ 7,633,092</u></u>
DEFERRED OUTFLOW OF RESOURCES		
Related to Pensions	\$ 4,470,942	\$ -
Related to OPEB	10,069	-
Loss on Refunding	149,720	-
Total Deferred Outflow of Resources	<u><u>\$ 4,630,731</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

CLATSOP COMMUNITY COLLEGE
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2025

	Primary Government	Component Unit Clatsop Community College Foundation
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 193,578	\$ 43,547
Payroll Liabilities	1,060,305	-
Unearned Revenue	397,989	-
Due to Student Groups	30,000	-
Other Current Liabilities	12,040	-
SBITA Payable	526,304	
Leases and Financed Purchases Payable	73,207	-
Current Portion of Long-Term Debt	2,178,129	-
Total Current Liabilities	<u>4,471,552</u>	<u>43,547</u>
NONCURRENT LIABILITIES		
Bonds and Notes Payable, Less Current Portion of Long-Term Debt	10,053,064	-
SBITA Payable	526,779	
Leases and Financed Purchases Payable	150,471	-
Net Pension Liability	11,719,443	-
OPEB Liability	176,873	-
Pre-SLGRP Transition Liability	176,241	-
Total Noncurrent Liabilities	<u>22,802,871</u>	<u>-</u>
Total Liabilities	<u>\$ 27,274,423</u>	<u>\$ 43,547</u>
DEFERRED INFLOW OF RESOURCES		
Related to Pensions	\$ 1,792,697	\$ -
Related to OPEB	42,292	-
Total Deferred Inflow of Resources	<u>\$ 1,834,989</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	\$ 28,492,709	\$ -
Restricted - OPEB Asset	221,620	-
Restricted - Unexpendable	-	1,612,747
Restricted - Expendable	-	4,812,294
Unrestricted	<u>(6,741,019)</u>	<u>1,164,504</u>
Total Net Position	<u>\$ 21,973,310</u>	<u>\$ 7,589,545</u>

See accompanying Notes to Financial Statements.

CLATSOP COMMUNITY COLLEGE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

	Primary Government	Component Unit Clatsop Community College Foundation
OPERATING REVENUES		
Student Tuition and Fees, Net of Scholarship Allowance of \$1,155,513	\$ 1,974,443	\$ -
Federal Student Financial Aid Grant	196,398	-
State Student Financial Aid Grant	608,550	-
Federal Grants and Contracts	1,679,056	-
State and Local Government Grants and Contracts	669,398	-
Other Local Sources	24,143	1,655,882
Total Operating Revenues	5,151,988	1,655,882
OPERATING EXPENSES		
Educational and General:		
Instruction	5,456,358	-
Instructional Support	2,242,052	-
Student Services	2,541,929	-
Institutional Support	2,569,209	-
Operation and Maintenance of Plant	1,897,095	-
Community Services	672,875	-
Student Financial Aid	1,734,349	-
Other Expense	593,919	871,496
Depreciation and Amortization Expense	2,129,851	-
Total Operating Expenses	19,837,637	871,496
OPERATING INCOME (LOSS)	(14,685,649)	784,386
NONOPERATING REVENUES (EXPENSES)		
State FTE Reimbursement	4,297,181	-
Property Taxes and Timber Revenues	8,258,941	-
Pell Grants	1,433,004	-
Investment Income	312,273	-
Interest Income Other	435,724	-
Other Local Revenue	1,610,746	-
Other Federal Revenue	187,850	-
Interest Expense	(555,833)	-
Total Nonoperating Revenues (Expenses)	15,979,886	-
CHANGES IN NET POSITION	1,294,237	784,386
Net Position - Beginning of Year	20,679,073	6,805,159
NET POSITION - END OF YEAR	\$ 21,973,310	\$ 7,589,545

See accompanying Notes to Financial Statements.

**CLATSOP COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

	<u>Primary Government</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	\$ 1,974,234
Paid to Students	(1,734,349)
Grants and Contracts	2,545,630
Aid Received for Students	804,948
Payments to Vendors	(3,983,890)
Payments to Employees	(12,271,230)
Other	24,143
Fiduciary Activities - Direct Lending Receipts	390,567
Fiduciary Activities - Direct Lending Disbursements	(390,567)
Net Cash Used by Operating Activities	<u>(12,640,514)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Local Property Taxes and Timber Revenues	8,298,856
State Appropriations and Other Payments	3,259,405
Nonoperating Grants	1,620,854
Interest Income	435,724
Other Local Revenue	3,237,317
Net Cash Provided by Noncapital Financing Activities	<u>16,852,156</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(121,400)
Principal Payments on Long-Term Debt, Leases, and SBITA	(4,751,893)
Interest Payments on Long-Term Debt, Leases, and SBITA	(498,414)
Net Cash Used by Capital and Related Financing Activities	<u>(5,371,707)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	<u>312,273</u>
Net Cash Provided by Investing Activities	<u>312,273</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(847,792)
Cash and Cash Equivalents - Beginning of Year	<u>5,122,255</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 4,274,463</u></u>

See accompanying Notes to Financial Statements.

**CLATSOP COMMUNITY COLLEGE
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

	<u>Primary Government</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	\$ (14,685,649)
Adjustments to Reconcile Operating Loss to Net Cash	
Used by Operating Activities:	
Depreciation and Amortization	2,129,851
(Increase) Decrease in Assets:	
Receivables (Net)	161,036
Inventories	49,067
Other Assets	(270,975)
Increase (Decrease) in Liabilities:	
Accounts Payable	(192,396)
Payroll Liabilities	26,584
Unearned Revenue	35,931
Other Current Liabilities	(43,129)
Pension Expense Changes Related to Net Pension Liability	106,074
OPEB Expense Changes Related to Net OPEB Liability	43,092
Net Cash Used by Operating Activities	<u><u>\$ (12,640,514)</u></u>
 RECONCILIATION TO STATEMENT OF NET POSITION	
Cash and Cash Equivalents	\$ 3,365,544
Restricted Cash and Cash Equivalents	908,919
Cash and Cash Equivalents - End of Year	<u><u>\$ 4,274,463</u></u>
 NONCASH TRANSACTIONS	
Capital Assets Acquired by Incurring Lease and SBITA Obligations	<u><u>\$ 178,053</u></u>

See accompanying Notes to Financial Statements.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Clatsop Community College (the College) is a public, two-year co-educational institution. The College is a municipal corporation governed under the laws prescribed by the state of Oregon, charged with educating students. A seven-member board of education is locally elected and is authorized to establish policies governing the operations of the College. It is legally separate and fiscally independent from all other state and local governments. The College is not included in any other governmental reporting entity.

In May 2002, the Government Accounting Standards Board (GASB) issued Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This statement amends Statement No. 14, *The Financial Reporting Entity*, to provide additional guidance to determine whether certain organizations for which the College is not financially accountable should be reported as component units based on the nature and significance of their relationship with the College.

As defined by accounting principles generally accepted in the United States of America (U.S. GAAP), the College includes one discretely presented component unit in its financial statements: the Clatsop Community College Foundation (hereinafter referred to as the Foundation). The Foundation is a nonprofit, nongovernmental organization, whose purpose is to provide support for scholarships and programs for the College. The Foundation had an audit for the fiscal year ended June 30, 2025. Financial information about the Foundation may be obtained from the Foundation at 1651 Lexington Avenue, Astoria, OR 97103.

Significant Accounting Policies

The accounting policies of the College conform to U.S. GAAP as applicable to colleges and universities. The following is a summary of the more significant policies.

Basis of Accounting

The basic financial statements are prepared on the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. All significant intra-agency transactions have been eliminated.

Cash and Cash Equivalents

Cash consists of petty cash, cash on deposit with banks, and funds invested with the Oregon State Treasurer's Local Government Investment Pool (LGIP), which are part of the Oregon Short-Term Fund (OSTF). All are carried at cost, which approximates fair value.

The Foundation considers all liquid investments with an original maturity of three months or less to be cash equivalents, excluding amounts whose use is limited by the board of directors or donor designations.

Restricted Cash and Cash Equivalents

Current restricted cash and cash equivalents for the College consists of funds for other grant projects, \$333,507, unspent bond proceeds \$518,069, and clubs and organizations, \$57,343.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Investments

Investments at the foundation are valued at fair value in accordance with generally accepted accounting principles.

Inventories

Inventories consist of items held for resale by the bookstore and print shop. They are stated at cost determined on a first-in, first-out method.

Receivables

All accounts, student loans, grants, and property taxes receivable are shown net of an allowance for uncollectible accounts. Receivables are analyzed for their collectability based on the terms and conditions of agreements, as well as current economic conditions and consideration of the creditors ability to pay. In addition to those receivables specifically identified as uncollectible, a general allowance is established for receivables older than one year.

Student receivables are recorded as tuition is assessed or as amounts are advanced to students under various federal student financial assistance programs.

Unreimbursed expenses qualified 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 unearned revenues.

Property taxes are levied and become a lien on all taxable property as of 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.

Capital Assets

Property, buildings, equipment and right-of-use assets with an acquisition cost in excess of \$5,000 are capitalized at cost or estimated historical cost if purchased, or estimated acquisition value at the time received in the case of gifts, and an initial life extending beyond a single reporting period.

Depreciation and amortization on College buildings and equipment is recorded using the straight-line method over the following useful lives:

Computers and Other Technical Equipment	3 Years
Vehicles and All Other Equipment	7 Years
Library Materials and Land Improvements	10 Years
Building and Improvements	40 Years
Right-of-Use Assets	3 to 10 Years

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Wages and Payroll Costs

Contracts for faculty begin in September and end in mid-June. All other employee agreements begin July 1 for the ensuing fiscal year and end June 30. All salaries are paid over 12 months. The salary amounts due for payment in July and August for faculty are included in accrued payroll liabilities. Benefit payments for July and August are not accrued but rather expensed as paid. The accrued wages at June 30, 2025 were \$404,600.

Compensated Absences

The College recognizes a liability for compensated absences in accordance with GASB Statement No. 101. This liability includes (1) leave that has not been used and is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Tuition and Fees

Tuition and fees include all assessments to students for educational and general purposes. It is stated net of institutional aid provided to students. The College's fiscal year begins with summer term and ends with spring term.

Retirement Plans

The College offers two retirement options to qualifying employees: 1) the Oregon State Public Employees Retirement System (PERS), and 2) 403(b) tax-sheltered annuity plans. The College reports their proportionate share of the net PERS liability along with the associated deferred outflows of resources and deferred inflows of resources. See Note 11 *Pension Plan* for a detailed description of the plan and the proportionate share methodology. The expense and liability related to the 403(b) plans are recorded in the fiscal year in which they are withheld from employees.

Pre-SLGRP Pooled Liability

Actuarially determined liability recorded in the statement of net position based on the College's entry into the Oregon Public Employees Retirement System (PERS) State and Local Government Rate Pool. The transition liability is reduced each year by contributions to PERS and increased for interest charged by PERS. The balance at June 30, 2025 is \$176,241.

Other Postemployment Benefits Obligation (OPEB)

The College reports their proportionate share of the net PERS Retiree Health Insurance Account (RHIA) OPEB asset and the total Early Retirement Plan OPEB liability along with the associated deferred outflows of resources and deferred inflows of resources. See Note 12 *Other Postemployment Benefits* (OPEB) for a detailed description of each plan and the proportionate share methodology for each.

CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Deferred Outflows

Deferred outflows of resources represent the consumption of net position in one period that is applicable to future periods. Deferred inflows of resources represent the acquisition of net position that is applicable to future periods. Deferred outflows relate to PERS, OPEB, and loss on refunding. Deferred inflows relate to PERS and OPEB.

Budgetary Basis

The financial operations of the various funds of the College on a budgetary basis are presented in individual schedules of revenues, expenditures, and changes in fund balance compared with budget, in the supplemental information section of the financial statements.

Net Position

The College's net position is classified as follows:

Net Investment in Capital Assets – This represents the College's total investment in capital assets, net of accumulated depreciation and amortization and related debt less unspent bond proceeds.

Restricted – This includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Unrestricted – This includes resources derived from student tuition and fees, state appropriations, and sales and services or educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense toward restricted resources, and then toward unrestricted resources.

Federal Financial Assistance Programs

The College participates in federally funded programs, including primarily Pell Grants, Supplemental Educational Opportunity Grants, Federal Work-Study, Direct Loans, and TRIO Programs.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed costs may constitute a liability of the applicable funds. Such amounts, if any, cannot be determined at this time and, accordingly, no liability is reflected in the financial statements.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Revenues

Operating revenue includes activities that generally have the characteristics of exchange transactions (a transaction in which two or more entities both receive and sacrifice value, such as purchases and sales of goods or services). Examples operating revenues include student tuition and fees, sales and services of auxiliary activity, most federal, state and local grants, and contract and other operating revenue. Nonoperating revenue includes activities that have the characteristics of nonexchange transactions (a transaction in which the College receives value without directly giving equal value in return). Examples of nonoperating revenues include: local property taxes, state appropriations, some federal, state, and local grants and contracts and federal appropriations, and gifts and contributions.

Allowances

Student tuition and fees are reported net of scholarship allowances. A scholarship allowance is the difference between the College's stated rates and charges and the amounts actually paid by students and/or third parties making payments on behalf of the students. Certain governmental grants, such as Pell grants, and payments from other federal, state, or nongovernmental programs, are required to be recorded as either operating or nonoperating revenues in the College's financial statements. To the extent that revenues from such programs are applied to tuition, fees, and other student charges, the College has reported a corresponding scholarship allowance.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ.

New Accounting Standards

The Governmental Accounting Standards Board (GASB) issued Statement No. 101, *Compensated Absences*, to enhance the recognition and measurement guidance for compensated absences. The Statement is effective for fiscal years beginning after December 15, 2023. The provisions of GASB 101 require recognition of liabilities for leave that is attributable to services already rendered, accumulates, and is more likely than not to be used or otherwise paid or settled. Upon evaluation, the implementation of GASB 101 did not result in a material change to the financial statements.

The Governmental Accounting Standards Board (GASB) issued Statement No. 102, *Certain Risk Disclosures*, effective for fiscal years beginning after June 15, 2024. This Statement requires governments to disclose vulnerabilities arising from certain concentrations or constraints that could result in substantial impact on financial condition or service delivery. Based on management's evaluation of existing concentrations and constraints, none met the criteria required for disclosure under GASB 102.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

As mandated by Oregon statutes, a budget was prepared by the College administration and budget officer. The budget committee, with public input, considered and approved the budget for transmittal to the board of education on May 21, 2024. After public notices and a hearing, the final budget was adopted, appropriations made, and a tax levy declared by the board of education on June 13, 2024.

Expenditures, as amended, are appropriated at the following levels of control for each fund:

	General	Restricted (Grants/ Financial Aid)	Unexpended Plant	Plant/Debt Service	Non-Plant Debt
Total Instruction	X	X			
Total Support Services	X	X			
Total Enterprise and Community Services	X	X			
Total Facilities Acquisition and Construction			X	X	
Total Other Uses	X	X			X
Total Unappropriated Ending Fund Balance	X		X		

Expenditures and transfers cannot legally exceed appropriations except in the case of grants that cannot be estimated at the time of budget adoption.

Supplemental budgets were advertised as required. After public hearings these budgets were approved by the board. Other budget adjustments not requiring public hearings were also approved by the board. For the year ended June 30, 2025, the College was in compliance with ORS 294.456(6).

Details on budgeted and actual amounts can be found in the required supplementary information.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 CASH AND INVESTMENTS

Total cash and investments at June 30, 2025 were comprised of the following:

	Total Primary Government	Component Unit Clatsop Community College Foundation
Cash and Cash Equivalents:		
Cash on Hand	\$ 3,891	\$ -
Deposits	371,906	336,965
Oregon Short-Term Fund, LGIP	3,898,666	-
Total	<u>\$ 4,274,463</u>	<u>\$ 336,965</u>

Most of the College's cash and investments were held in custody with the Oregon State Treasury (State Treasury). These invested assets are managed through a commingled investment pool by the State Treasury. The underlying investment pool has an investment policy and set of objectives identifying risk and return parameters for the investment pool.

Deposits with State Local Government Investment Pool

The College maintains most of its cash balances on deposit with the State Treasury. These deposits at the State Treasury are held on a pooled basis as described above, in the Oregon Short-Term Fund (OSTF). The State Treasurer of the state of Oregon maintains the OSTF, of which the LGIP is a part. The OSTF is a cash and investment pool available for use by all state funds and eligible local governments. The State Treasury invests these deposits in high-grade short-term investment securities. The OSTF is managed by the Investment Division of the Oregon State Treasury within the guidelines established in the OSTF Portfolio Rules. The LGIP is an open-ended, no-load diversified portfolio offered to eligible participants who by law are made custodian of, or have control over, any public funds. At the fiscal year ended June 30, 2025, the College cash and cash equivalents on deposit at State Treasury were \$3,898,666. At June 30, 2025, the fair value of College deposits with LGIP approximates cost.

For full disclosure regarding cash and investments held in the State Treasury, a copy of the State Treasury audited annual financial report may be obtained by writing to the Oregon State Treasury, 350, Winter St. NE, Suite 100, Salem, OR 9701-3896 or via the internet at: www.oregon.gov/treasury/Reports/Pages/Annual-Reports.aspx.

Policies

The College has adopted an investment policy that states investments will be in accordance with Oregon Revised Statutes.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits

Current state statutes (ORS Chapter 295) require that all bank deposits in excess of FDIC and FSLIC insurance (currently \$250,000) be collateralized through the Oregon State Treasurer's Public Funds Collateralization Program (PFCP). ORS 295 created a shared liability structure for participating depositories though not guaranteeing that all funds are 100% protected. The College was in compliance with this statutory requirement throughout the year, and none of the College's June 30, 2025 bank balance was exposed to custodial credit risk because it was adequately insured and collateralized. The state provides a list of qualified depositories, and the College Board approves a list of depositories from this list in July each year. The cash balances held on deposit at the State Treasury are invested continuously, therefore, custodial credit risk exposure to the State Treasury is low.

Concentration of Credit Risk

College investments are entirely maintained in the local government investment pool (LGIP). OSTF follows their rules on the maximum that may be invested in any one issuer, as a percentage of the OSTF's total investments. On June 30, 2025, they were within the 5% required disclosure limits.

Foreign Currency Risk

OSTF rules prohibit investments that are not U.S. dollar-denominated; therefore, it is not exposed to this risk.

Fair Value of Financial Instruments

Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation can access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

At June 30, 2025, all of the OSTF investments were considered Level 2 investments.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Foundation Investments

The Foundation's investments are recorded at fair value and consisted of the following at June 30, 2025:

	Level 1	Level 2	Level 3	Total
Bonds	\$ 555,366	\$ -	\$ -	\$ 555,366
Mutual Funds - Equity	649,634	-	-	649,634
Common Stocks	5,450,844	-	-	5,450,844
Treasuries	628,179	-	-	628,179
Accrued Interest	-	12,104	-	12,104
Total Investments at Fair Value	<u>\$ 7,284,023</u>	<u>\$ 12,104</u>	<u>\$ -</u>	<u>\$ 7,296,127</u>

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the valuation methodologies used at June 30, 2025.

NOTE 4 RECEIVABLES

Property Taxes

Clatsop County assesses and collects all property taxes for the College. Taxes are assessed on all taxable property in the county. Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the tax is paid in full prior to November 15; taxes unpaid and outstanding after May 16 are considered delinquent. Since property may be seized and sold to satisfy any unpaid taxes, all taxes receivable at year-end are considered collectible. Taxes are billed and collected by Clatsop County and remittance to the College is made in periodic intervals. For fiscal year 2024-2025, the College imposed a tax rate of \$.7785 per \$1,000 of assessed value. Property tax receivables as of June 30, 2025 are \$435,776.

Governmental

The governmental receivables include \$422,873 in timber revenue. Total governmental receivables are \$1,973,157 and it is expected that all funds will be received so no allowance for doubtful accounts is included.

Student

This account includes three kinds of receivables: amounts owed by students and agencies for tuition and fees, amounts owed by students in collections and amounts returned due to insufficient funds, and amounts owed by agencies for other services provided by the College. Amounts owed by agencies are fully collectible. An estimated bad debt allowance is included (\$35,000) for student accounts. Net student accounts receivable as of June 30, 2025 was \$127,489.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The College carries commercial insurance for all such risks of loss, including workers' compensation and employees' health and accident insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 6 RESTRICTED NET POSITION

Clatsop Community College Foundation

Restricted net position – unexpendable of \$1,612,747 and restricted net position – expendable of \$4,812,294 in the Foundation are primarily for endowment programs and scholarships.

NOTE 7 CAPITAL ASSETS

Primary Government

The following changes occurred in capital assets for the year ended June 30, 2025.

	July 1, 2024	Transfers	Additions	Deletions	June 30, 2025
Capital Assets Not Being Depreciated:					
Land and Improvements	\$ 950,208	\$ -	\$ -	\$ -	\$ 950,208
Construction in Progress	-	-	-	-	-
Total Capital Assets Not Being Depreciated	950,208	-	-	-	950,208
Capital Assets Being Depreciated and Amortized:					
Buildings	57,011,917	-	-	-	57,011,917
Land Improvements	166,599	-	-	-	166,599
Equipment	2,841,156	-	121,400	657,857	2,304,699
Library Books	147,278	-	-	-	147,278
Right of Use Asset - SBITA	3,366,216	-	-	-	3,366,216
Right of Use Asset - Equipment Leases	83,445	-	178,053	-	261,498
Total Capital Assets Being Amortized and Depreciated	63,616,611	-	299,453	657,857	63,258,207
Less Accumulated Depreciation and Amortization for:					
Buildings	20,347,128	136,611	1,471,128	-	21,954,867
Land Improvements	166,599	-	-	-	166,599
Equipment	2,960,100	(136,611)	96,212	852,193	2,067,508
Library Books	147,278	-	-	-	147,278
Right of Use Asset - SBITA Amortization	180,133	-	532,837	-	712,970
Right of Use Asset - Equipment Leases Amortization	46,840	-	29,674	-	76,514
Total Accumulated Amortization and Depreciation	23,848,078	-	2,129,851	852,193	25,125,736
Total Capital Assets Being Amortized and Depreciated	39,768,533	-	(1,830,398)	(194,336)	38,132,471
Capital Assets, Net	\$ 40,718,741	\$ -	\$ (1,830,398)	\$ (194,336)	\$ 39,082,679

Clatsop Community College Foundation

The Foundation has no property, buildings, and equipment as of June 30, 2025.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 LONG-TERM DEBT

The College has the following long-term debt arrangements:

Tax Anticipation Note – Cash Flow

<u>Description</u>	<u>Amount</u>
Bond payable - Short-Term Borrowing Program. Bonds payable to U.S. Bank, Trustee, for \$1,700,000 at 4.820% short-term tax anticipation promissory note, Certificate of Participation, Series 2024 (Federally Taxable), maturity date December 31, 2024.	\$ 1,700,000
Less: Principal Payments 2024-2025	<u>(1,700,000)</u>
Balance - June 30, 2025	<u><u>\$ -</u></u>

Bonds Payable – Facilities – Direct Placement

Facilities bonds payable are direct obligations that pledge the full faith and credit of the College. Funds provided by the bonds are being used to improve College facilities and were approved by the board on August 6, 2007 to meet state of Oregon requirements to receive matching funds for construction. The College has presented these funds to the state to satisfy its matching requirement. Funds from the state were available once all the College's funds were expended. Payments for the debt are secured by the assets of the College.

<u>Description</u>	<u>Amount</u>
Bond payable to US Bank, Trustee, for \$5,060,000. Refunding of 2006 Full Faith & Credit obligation dated August 5, 2014 with scheduled interest and principal payments due semi-annually through June 30, 2026. Refunding saves \$30,000 annually.	\$ 1,055,000
Less: Principal Payments 2024-2025	<u>(520,000)</u>
Balance - June 30, 2025	<u><u>\$ 535,000</u></u>

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 LONG-TERM DEBT (CONTINUED)

General Obligation Bonds, 2015 qualified to participate in the Oregon School Bond Guaranty program in order to secure lower interest costs on general obligation bonds. Series 2016 (refunded Series 2009) has \$2.136 million outstanding at June 30, 2025. Series 2015 has \$5.110 million outstanding at June 30, 2025. 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).

<u>Description</u>	<u>Amount</u>
<u>General Obligation Bonds, Series 2015</u>	
Bond payable to U.S. Bank National Association, Trustee, for \$8,200,000 at 3.0% for the redevelopment of Patriot Hall and to pay the costs of issuance of the obligations, dated February 26, 2015, with scheduled interest and principal payments due semi-annually through June 15, 2035.	\$ 5,110,000
Less: Principal Payments 2024-2025	<u>(390,000)</u>
Balance - June 30, 2025	<u><u>\$ 4,720,000</u></u>
<u>General Obligation Refunding Bond, Series 2016</u>	
Bond payable to JPMorgan Chase Bank for \$3,985,000 at a price of 100% par at 1.85% per annum with all accrued interest due semi-annually through June 2029.	\$ 2,136,000
Less: Principal Payments 2024-2025	<u>(387,000)</u>
Balance - June 30, 2025	<u><u>\$ 1,749,000</u></u>

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Bonds Payable – PERS – Direct Placement

PERS bonds are direct obligations that pledge the full faith and credit of the College. Net proceeds of the Pension Bonds were deposited into a lump sum payment account at PERS for the benefit of the College. This Pension Bond was issued as part of a larger pool of pension obligations. The College's Pension Bonds refinanced a portion of the Unfunded Actuarial Liability allocated to the College in the Oregon Public Employees Retirement System. The lump sum payment reduced the College's current payroll contribution rates. Payments are secured by an intra-governmental agreement whereby payments are taken from the quarterly state appropriation prior to receipt by the College.

<u>Description</u>	<u>Amount</u>
Bond payable to Wells Fargo, Trustee, for \$7,240,000 at 4.6% to 4.8% for paying PERS unfunded actuarial liability, dated June 9, 2005, with scheduled interest and principal payments due semi-annually through June 30, 2028.	\$ 2,725,000
Less: Principal Payments 2024-2025	<u>(705,000)</u>
Balance - June 30, 2025	<u><u>\$ 2,020,000</u></u>

Bonds Payable – Enterprise Resource Planning – Direct Placement

<u>Description</u>	<u>Amount</u>
Bond payable to JP Morgan Chase Bank, for \$3,058,000 at 3.0% for ERP funding liability, dated November 29, 2022, with scheduled interest and principal payments due semi-annually through June 30, 2037.	\$ 2,983,000
Less: Principal Payments 2024-2025	<u>(5,000)</u>
Balance - June 30, 2025	<u><u>\$ 2,978,000</u></u>

The schedule of future requirements for payment of principal and interest on these obligations are as follows for the years ending June 30:

Year	Total		PERS Bonding 2005		Facilities US Bank, 2014		Facilities GO Bonds, 2015		Facilities GO Bonds, 2016		ERP System Full Faith Agreement, 2022	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 2,135,000	\$ 425,772	\$ 780,000	\$ 97,586	\$ 535,000	\$ 16,050	\$ 405,000	\$ 141,600	\$ 410,000	\$ 32,357	\$ 5,000	\$ 138,179
2027	1,914,000	352,073	860,000	59,904	-	-	415,000	129,450	426,000	24,772	213,000	137,947
2028	1,480,000	280,313	380,000	18,358	-	-	430,000	117,000	447,000	16,891	223,000	128,064
2029	1,144,000	230,438	-	-	-	-	445,000	104,100	466,000	8,621	233,000	117,717
2030	704,000	197,856	-	-	-	-	460,000	90,750	-	-	244,000	106,906
2031-2035	3,968,000	589,022	-	-	-	-	2,565,000	235,500	-	-	1,403,000	353,522
2036-2039	657,000	46,075	-	-	-	-	-	-	-	-	657,000	46,075
Total	<u>\$ 12,002,000</u>	<u>\$ 2,121,348</u>	<u>\$ 2,020,000</u>	<u>\$ 175,848</u>	<u>\$ 535,000</u>	<u>\$ 16,050</u>	<u>\$ 4,720,000</u>	<u>\$ 818,400</u>	<u>\$ 1,749,000</u>	<u>\$ 82,641</u>	<u>\$ 2,978,000</u>	<u>\$ 1,028,410</u>

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

A summary of long-term liability activity follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Bonds Payable	\$ 14,009,000	\$ -	\$ 2,007,000	\$ 12,002,000	\$ 2,135,000
Bond Premium	272,322	-	43,129	229,193	43,129
Tax Anticipation Note	1,700,000	-	1,700,000	-	-
Finance Purchase Agreement:					
Community Leasing Partners	80,750	-	26,135	54,615	26,909
SBITA Payable	2,026,246	-	973,163	1,053,083	526,304
Leases Payable	36,605	178,053	45,595	169,063	46,298
Total	18,124,923	178,053	4,795,022	13,507,954	2,777,640
 PERS Pre-SLGRP Pooled Liability	 332,893	 -	 156,652	 176,241	 -
Total	<u>\$ 18,457,816</u>	<u>\$ 178,053</u>	<u>\$ 4,951,674</u>	<u>\$ 13,684,195</u>	<u>\$ 2,777,640</u>

NOTE 9 FINANCED PURCHASE AGREEMENTS

Financed Purchase Agreements

On September 15, 2021, the College entered into a financed purchase agreement with Community Leasing Partners to acquire twenty-five SCBA's and fifty-one RIT cylinder packs. The amount financed was \$130,784 after making a down payment of \$321,127. Payments are due annually in the amount of \$28,528. The interest rate is 4.0%.

The future payments for the equipment at June 30, 2025 is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 26,909	\$ 1,619	\$ 28,528
2027	27,706	822	28,528
Total	<u>\$ 54,615</u>	<u>\$ 2,441</u>	<u>\$ 57,056</u>

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Subscription-Based Information Technology Arrangements (SBITAs)

A summary of the Colleges SBITA terms and interest rates are as follows:

The College made principal payments of \$973,163 plus interest. The SBITAs range in contract length with the last one ending January 1, 2027. Certain SBITAs provide for increases in future minimum annual payments based on defined increases stated in the agreements and no agreements contain variable payments.

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 526,304	\$ 37,488	\$ 563,792
2027	526,779	13,436	540,215
Total	<u>\$ 1,053,083</u>	<u>\$ 50,924</u>	<u>\$ 1,104,007</u>

Per GASB 96, Paragraph 18: the future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be the interest rate implicit in the SBITA. If the interest rate cannot be readily determined by the government, the government's estimated incremental borrowing rate (an estimate of the interest rate that would be charged for borrowing the subscription payment amounts during the term) is used. The College used 4.65% as the incremental borrowing rate.

College as a Lessee

The College leases several copiers from Solutions Yes, in which the College is the lessee. The general terms of these agreements include an incremental borrowing rate of 4.83% with monthly payments. The leases are set to expire in FY2027.

The College leases security firewall hardware from Tech Finance CO LLC, in which the College is the lessee. The general terms of these agreements include an incremental borrowing rate of 4.65% with annual payments. The leases are set to expire in FY2029

The following is a schedule of principal and interest payments on these agreements:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 46,298	\$ 5,102	\$ 51,400
2027	47,078	3,231	50,309
2028	36,677	1,620	38,297
2029	39,010	236	39,246
Total	<u>\$ 169,063</u>	<u>\$ 10,189</u>	<u>\$ 179,252</u>

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 PENSION PLAN

Public Employee Retirement System (PERS)

College employees participate in one or more Oregon PERS plans (OPERS) that provide pension, death, disability, and postemployment health care benefits to members or their beneficiaries. The pension plan is a multiemployer, cost-sharing plan. In 1995, the Legislature enacted a second level or "tier" of PERS benefits for persons who established PERS membership on or after January 1, 1996. These Tier Two members do not have the Tier One assumed earnings rate guarantee, and have a higher normal retirement age of 60, compared to 58 for Tier One. Employer contributions to PERS are required by state statute and are made at actuarially determined rates as adopted by the Public Employment Retirement Board (PERB).

PERS's financial statements are prepared on the basis of a fiscal year ended June 30. The Oregon State Treasurer has statutory responsibility for custody and investment of PERS assets. As a result of this fiduciary responsibility, PERS is included as part of the primary government in the State of Oregon Annual Comprehensive Financial Report.

PERS is administered under Oregon Revised Statutes (ORS) Chapter 238. ORS 238.620 establishes the PERB as the governing body of PERS. PERS issues a publicly available financial report, which can be obtained by writing to PERS, PO Box 23700, Tigard, Oregon 97281-3700 or by calling 503-598-7377.

Copies of the Oregon Public Employees Retirement System's Annual Comprehensive Financial Report and Actuarial Valuations may be obtained from the Oregon PERS website at: <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Summary of Significant Accounting Policies

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

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

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 PENSION PLAN (CONTINUED)

Basis of Accounting

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

Proportionate Share Allocation Methodology

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

Changes Subsequent to Measurement Date

The College is not aware of any changes to benefit terms subsequent to the June 30, 2024 measurement date.

Pension Plan Liability

The components of the plan's collective net pension liability as of the measurement date of June 30, 2024 are as follows (dollars in millions):

Total Pension Liability	\$ 107,327
Plan Fiduciary Net Position	<u>85,100</u>
Plan Net Position Liability	<u><u>\$ 22,227</u></u>

Plan Benefits

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

Tier One/Tier Two Retirement Benefit (Chapter 238)

Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 PENSION PLAN (CONTINUED)

Pension Benefits

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

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

Death Benefits

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

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

Disability Benefits

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

Benefit Changes after Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes. The COLA is capped at 2.0%.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 PENSION PLAN (CONTINUED)

Oregon Public Service Retirement Plan (OPSRP) is a hybrid retirement plan with two components: a defined benefit pension plan and a defined contribution pension plan.

1. The defined benefit pension plan is provided to members who were hired on or after August 29, 2003. Employer contributions are required by state statute and are made at actuarially determined rates as adopted by the PERB. The annual required contribution rate for the OPSRP defined benefit pension plan at June 30, 2015 is 3.72%, adjusted for the side account rate relief (11.02%).
2. The defined contribution pension plan (called the Individual Account Program) (IAP) is provided to all members or their beneficiaries who are PERS or OPSRP eligible. State statutes require covered employees to contribute 6% of their annual covered salary to the IAP plan effective January 1, 2004. Plan members of PERS retain their existing PERS accounts, but member contributions beginning in 2004 will be deposited in the member's IAP, not into the member's PERS account.

OPSRP Pension Program (OPSRP DB)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

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

Death Benefits

Upon the death of a nonretired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50% of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

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

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 PENSION PLAN (CONTINUED)

OPSRP Pension Program (OPSRP DB) (Continued)

Benefit Changes After Retirement (Continued)

Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

OPSRP Pension Program (OPSRP IAP)

Pension Benefits

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

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

Death Benefits

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

Pension Plan Contributions

PERS and OPSRP employee contribution requirements are established by ORS 238.200 and ORS 238A.330, respectively, and are credited to an employee's account in the IAP and maybe amended by an act of the Oregon Legislature. PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates for the fiscal year ended June 30, 2025 were based on the December 31, 2021 actuarial valuation. The College requires members of PERS to contribute 6% of their salary covered under the plan. In addition, the College is required to contribute at an actuarially determined rate. The rate at June 30, 2025 is 11.11% for PERS Tier One/Two and 7.92% for OPSRP.

Employer contributions for the year ended June 30, 2025 were \$1,447,644 excluding amounts to fund employer specific liabilities.

CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 PENSION PLAN (CONTINUED)

Net Pension Liability

At June 30, 2025, the College reported a liability of \$11,719,443 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The basis for the College's proportion is actuarially determined by comparing employers' projected long-term contribution effort to the plan with the total projected long-term contribution effort of all employers. At June 30, 2025, the College's proportionate share was 0.05272558% which was a decrease of 0.00426397% from its last measurement.

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For fiscal year ended June 30, 2025, deferred items include:

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

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

- Measurement Period Ended June 30, 2024 - 5.3 Years
- Measurement Period Ended June 30, 2023 - 5.4 Years
- Measurement Period Ended June 30, 2022 - 5.5 Years
- Measurement Period Ended June 30, 2021 - 5.4 Years
- Measurement Period Ended June 30, 2020 - 5.3 Years

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

One year of amortization is recognized in the College's total pension expense for fiscal year 2025.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 PENSION PLAN (CONTINUED)

Pension Asset, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Pension expense for the year ended June 30, 2025 was \$1,808,620. At June 30, 2025, the College reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 694,269	\$ (27,970)
Changes of Assumptions	1,178,277	(1,510)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	744,512	-
Changes in Proportionate Share	406,240	(550,079)
Difference in Proportionate Share and Actual Employer's Contributions	-	(1,213,138)
Total	3,023,298	(1,792,697)
Net Deferred Outflow (Inflow) of Resources Before Contributions Subsequent to the Measurement Date	1,447,644	-
Net Deferred Outflow (Inflow) of Resources	<u>\$ 4,470,942</u>	<u>\$ (1,792,697)</u>

Of the amount reported as deferred outflows of resources, \$1,447,644 are related to contributions subsequent to the measurement date and will be recognized as reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (117,269)
2027	1,115,282
2028	249,459
2029	102,536
2030	(119,407)
Total	<u>\$ 1,230,601</u>

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even-numbered years.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions (Continued)

The following methods and assumptions were used in the development of the total pension liability:

Actuarial Methods:

As of:

Valuation Date

Measurement Date

Experience Study Report

Actuarial Cost Method

June 30, 2025
December 31, 2022
June 30, 2024
2022, Published July 24, 2023
Entry Age Normal

Actuarial Assumptions:

Inflation Rate

Long-Term Expected Rate of Return

Discount Rate

Projected Salary Increases

Cost of Living Adjustments

Mortality

2.40%
6.90%
6.90%
3.40%
Blend of 2.0% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> Decision; blend based on service
<i>Healthy Retirees and Beneficiaries:</i>
Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.
<i>Active Members:</i>
Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.
<i>Disabled Retirees:</i>
Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale with job category adjustments and set-backs as described in the valuation.

Discount Rate

The discount rate used to measure the total pension liability was 6.9% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 PENSION PLAN (CONTINUED)

Depletion Date Projection

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

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

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

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

Assumed Asset Allocation

<u>Asset Class/Strategy</u>	<u>Low Range</u>	<u>High Range</u>	<u>Target Range</u>
Debt Securities	20.0%	30.0%	25.0%
Public Equity	22.5%	32.5%	27.5%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio*	0.0%	5.0%	0.0%
Total			100.0%

*Opportunity Portfolio is an investment strategy and it may be invested up to 5% of total Fund assets. Based on the actual investment value at 6/30/2024

(Source: June 30, 2024 PERS Comprehensive Annual Financial Report; p. 1116)

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 PENSION PLAN (CONTINUED)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Global Equity	27.50%	7.07%
Private Equity	25.50	8.83
Core Fixed Income	25.00	4.50
Real Estate	12.25	5.83
Master Limited Partnerships	0.75	6.02
Infrastructure	1.50	6.51
Hedge Fund of Funds - Multistrategy	1.25	6.27
Hedge Fund Equity - Hedge	0.63	6.48
Hedge Fund - Macro	5.62	4.83
Assumed Inflation – Mean		2.35%

2024 PERS Annual Comprehensive Financial Report, Table 31, page 88

Sensitivity Analysis

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate Share of the Net Pension Liability (Asset)	\$ 18,486,945	\$ 11,719,443	\$ 6,051,329

The above is an analysis of the College's proportionate share of the net pension asset to changes in the discount rate. It presents the College's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.90% as well as what the College's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 11 PENSION PLAN (CONTINUED)

Plan Fiduciary Net Position as a Percentage of Total Pension Liability

See Schedule of Changes in Net Pension (Asset) Liability on page 92 of the PERS June 30, 2024 Annual Comprehensive Financial Report.

Transition Liability

The College reports a separate liability to the plan with a balance of \$176,241 at June 30, 2025. The liability represents the College's allocated share of the pre-SLGRP pooled liability. The College is being assessed an employer contribution rate of 19.68% of covered payroll for payment of this transition liability.

Tax Sheltered Annuities

Voluntary tax sheltered 403(b) annuity plans are available to College employees. Regular full-time employees are eligible to participate. The maximum contribution for calendar years 2025 and 2024 is \$20,500, with higher levels for employees over age 50.

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Public Employees Retirement Plan (PERS)

Plan Description

The Public Employees Retirement System (PERS) Board contracts for health insurance coverage on behalf of eligible PERS members. Eligible retirees pay their own age-adjusted premiums. To help retirees defray the cost of these premiums, PERS also administers a separate defined benefit other postemployment benefit (OPEB) plan: the Retirement Health Insurance Account (RHIA). Only Tier One and Tier Two PERS members are eligible to participate in the RHIA. Refer to Note 16 for details concerning Tier One and Tier Two membership in PERS.

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

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Public Employees Retirement Plan (PERS) (Continued)

Plan Description (Continued)

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

OPEB Plan Report

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

Basis of Accounting

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

Summary of Significant Accounting Policies

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

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

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Public Employees Retirement Plan (PERS) (Continued)

Proportionate Share Allocation Methodology

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

OPEB Plan (Asset)/Liability

The components of the total collective PERS Net OPEB (Asset)/Liability for the OPEB plan as of the measurement date of June 30, 2024 is as follows:

	Amounts in Millions
<u>Net OPEB - RHIA (Asset)</u>	
Total OPEB - RHIA Liability	\$ 334.9
Plan Fiduciary Net Position	738.8
Plan Net OPEB - RHIA (Asset)	<u>\$ (403.9)</u>

Changes Subsequent to Measurement Date

The PERS Board reviews the discount rate in odd-numbered years as part of the Board's adoption of actuarial methods and assumptions. The rate is then adopted in an administrative rule at the time the Board sets the new rate. The college is not aware of any changes to benefit terms subsequent to the June 30, 2024 measurement date.

Contributions

The OPEB plan administered by PERS is funded through actuarially determined employer contributions. For the fiscal year ended June 30, 2025, the College contributes 0.05% of PERS-covered payroll for Tier One and Tier Two plan members to fund the normal cost portion of RHIA benefits. The required employer contribution was approximately \$39 for the year ended June 30, 2025. The actual contribution equaled the annual required contribution for the fiscal year.

Net OPEB Asset/Liability

At June 30, 2025, the College reported an asset of \$221,620 for its proportionate share of the RHIA net OPEB asset. The net OPEB asset as of June 30, 2025 was measured as of June 30, 2024, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. The College's proportion of the net OPEB asset was based on the College's contributions received by RHIA during the measurement period, relative to the total employer contributions received from all of RHIA's participating employers. At June 30, 2025, the College's proportionate share was .05486892% which was an increase of .00292505% from its last measurement.

For the year ended June 30, 2025, the College recorded total OPEB expense reduction of \$40,609 due to the change in the net RHIA OPEB asset and changes to deferred outflows and deferred inflows

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Public Employees Retirement Plan (PERS) (Continued)

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For fiscal year ended June 30, 2025, deferred items include:

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

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

- Measurement Period Ended June 30, 2024 – 2.1 Years
- Measurement Period Ended June 30, 2023 – 2.3 Years
- Measurement Period Ended June 30, 2022 – 2.5 Years

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

One year of amortization is recognized in the College's total OPEB expense for fiscal year 2025.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Public Employees Retirement Plan (PERS) (Continued)

Deferred Items (Continued)

At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to RHIA OPEB from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ (4,335)
Changes of Assumptions	-	(2,803)
Net Difference Between Projected and Actual Earnings on Investments	6,257	-
Change in Proportionate Share	-	(10,000)
Difference Between Contributions and Proportionate Share of Contributions	-	-
Total (Prior to Post-MD Contributions)	6,257	(17,138)
Contributions Subsequent to the MD	39	-
Net Deferred Outflow (Inflow) of Resources	<u>\$ 6,296</u>	<u>\$ (17,138)</u>

Of the amount reported as deferred outflows of resources, \$39 is related to contributions subsequent to the measurement date and will be recognized as an increase of the net OPEB asset in the year ended June 30, 2026.

As of June 30, 2025, other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIA OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (22,069)
2027	7,081
2028	3,385
2029	722
Total	<u>\$ (10,881)</u>

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown below are based on the 2022 Experience Study, which reviewed experience for the four-year period ended on December 31, 2022.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Public Employees Retirement Plan (PERS) (Continued)

Actuarial Methods and Assumptions (Continued)

The following key methods and assumptions were used to measure the total OPEB liability:

Actuarial Methods and Assumptions:

As of:

Valuation Date

Measurement Date

Experience Study Report

Actuarial Cost Method

Actuarial Assumptions:

Inflation Rate

Long-Term Expected Rate of Return

Discount Rate

Projected Salary Increases

Retiree Healthcare Participation

Mortality

RHIA	
	June 30, 2025
	December 31, 2022
	June 30, 2024
	2022, published July 24, 2023
	Entry Age Normal

	2.40%
	6.90%
	6.90%
	3.40%
	Healthy retirees: 25.0%, Disabled retirees: 15%
	<i>Healthy retirees and beneficiaries:</i>
	Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.
	<i>Active members:</i>
	Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.
	<i>Disabled retirees:</i>
	Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Discount Rate

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

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Public Employees Retirement Plan (PERS) (Continued)

Sensitivity Analysis

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate Share of the Net OPEB - RHIA Liability (Asset)	\$ (205,153)	\$ (221,620)	\$ (235,799)

Assumed Asset Allocation

<u>Asset Class/Strategy</u>	<u>Target Allocation</u>
Debt Securities	25.00
Public Equity	27.50
Private Equity	20.00
Real Estate	12.50
Real Assets	7.50
Diversifying Strategies	7.50
Opportunity	-
Total	<u>100.00 %</u>

2024 PERS Annual Comprehensive Financial Report, Table 1, page 47

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Public Employees Retirement Plan (PERS) (Continued)

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the OIC investment advisors. Each asset assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table below shows a summary of long-term expected rate of return by asset class. For more information on the plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS audited financial statements at: <https://www.oregon.gov/pers/pages/financials/actuarial-financial-information.aspx>.

The following table shows long-term expected rate of return by asset class:

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Global Equity	27.50%	7.07%
Private Equity	25.50	8.83
Core Fixed Income	25.00	4.50
Real Estate	12.25	5.83
Master Limited Partnerships	0.75	6.02
Infrastructure	1.50	6.51
Hedge Fund of Funds - Multistrategy	1.25	6.27
Hedge Fund Equity - Hedge	0.63	6.48
Hedge Fund - Macro	5.62	4.83
Assumed Inflation – Mean		2.35%

2024 PERS Annual Comprehensive Financial Report, Table 31, page 88

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Public Employees Retirement Plan (PERS) (Continued)

Depletion Date Projection

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, generally requires that a blended discount rate be used to measure the Total OPEB Liability (the actuarial accrued liability calculated using the individual entry age normal cost method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses.

Determining the discount rate under GASB Statement No. 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB Statement No. 75 (paragraph 39) does allow for alternative evaluations of projected solvency if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

- Oregon PERS has a formal written policy to calculate an actuarially determined contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB Statement No. 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience that might impact the plan's funded position.

Based on these circumstances, it is the independent actuary's opinion that the detailed depletion date projections outlined in GASB Statement No. 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Early Retirement Plan

Plan Description

Clatsop Community College maintains a single employer defined benefit postemployment healthcare benefits plan. This plan offers healthcare assistance to eligible retired employees and their beneficiaries. There are two components to the early retirement plan. 1) Explicit Medical Benefits – certain retirees are eligible to receive paid health care premiums for themselves and their spouse, up to a monthly amount set at retirement. 2) Implicit Medical Benefits – continued medical coverage is offered to the College's eligible retirees and their spouses and dependents until Medicare eligibility. The active premium rate (whether paid by the College or by the retiree) still applies. However, in some cases the premium itself does not represent the full cost of covering these retirees (since they are older than the active population, retirees can be expected to generate higher medical claims and therefore higher premiums for the active population). This additional cost is called the "implicit subsidy."

The College does not issue a standalone report for this plan. The plan is currently unfunded as defined by current GASB standards. There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB 75.

OPEB Funding Policy

Retirement Eligibility: The retiree must be eligible to receive benefits from Oregon PERS. Eligibility requirements for earliest retirement under Oregon PERS are as follows:

- Tier 1 or Tier 2: Earlier of age 55 or any age with 30 years of service
- OPSRP: Age 55 with 5 years of service

Explicit Medical Benefits: Benefits are paid to regular employees hired prior to July 1, 2004 with 10 consecutive years of service. Regular employees include Classified, Faculty, Confidential, Administrative, and Service/Supervisory members. The benefit is provided until the earlier of the retiree's age 65 or, for non-Faculty members, the death of the retiree. Benefit amount is the College-paid coverage for the retiree and spouse. Effective July 1, 2004 the amount is capped at the medical premium amount the College is paying at the time of retirement. For non-Faculty, single coverage is capped at the one-party medical premium at retirement.

Implicit Medical Benefits: All classes of employees are eligible to continue coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage. Coverage for retirees and eligible dependents continues until Medicare eligibility for each individual (or until dependent children become ineligible). The benefit is an implicit rate subsidy.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Early Retirement Plan (Continued)

Summary of Significant Accounting Policies

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

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

Changes in Total OPEB Plan Liability

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

	Increase (Decrease) Total OPEB Liability
<u>Changes in Total OPEB Liability</u>	
Balance as of June 30, 2024	\$ 204,949
Changes for the Year:	
Service Cost	8,875
Interest on Total OPEB Liability	7,706
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes in Assumptions Changes or Other Inputs	(4,835)
Benefit Payments	<u>(39,822)</u>
Net Changes	<u>(28,076)</u>
Balance as of June 30, 2025	<u>\$ 176,873</u>

For the year ended June 30, 2025, the College recognized postemployment healthcare benefits liability expense of \$4,160 due to the changes to the total OPEB liability, deferred inflows, and amortization of deferred amounts.

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Early Retirement Plan (Continued)

Deferred Items

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

One year of amortization is recognized in the College's total OPEB expense for fiscal year 2025.

At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to the OPEB Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 3,773	\$ -
Changes of Assumptions or Other Input	-	(25,154)
Net Deferred Outflow (Inflow) of Resources	<u>\$ 3,773</u>	<u>\$ (25,154)</u>

As of June 30, 2025, other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB. OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ (13,238)
2027	(8,143)
Total	<u>\$ (21,381)</u>

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The following key methods and assumptions were used to measure the total OPEB liability:

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Early Retirement Plan (Continued)

Actuarial Methods and Assumptions (Continued)

Actuarial Methods and Assumptions	
Valuation Date	July 1, 2023 Standard actuarial update procedures were used to project/discount from valuation to measurement dates.
Measurement Date	June 30, 2025
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal, level percent of pay
Discount Rate	5.20%
General Inflation	2.40%
Payroll Growth	3.4%, plus salary merit scale for school districts from most recent Oregon PERS experience study

Source: Actuarial Valuation Update Report as of July 14, 2025

Discount Rate

Unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The Bond Buyer 20-Year General Obligation Bond Index was used to determine the discount rate for the OPEB liability. The discount rate in effect for the June 30, 2025 reporting date is 5.20%.

Plan Assets

The College's Early Retirement OPEB Plan is currently "unfunded" in accordance with the relevant GASB statements.

The sensitivity analysis below shows the sensitivity of the College's total OPEB liability calculated using the discount rate of 5.20%, as well as what the total OPEB liability would be if it were calculated using a discount rate at 4.20% and 6.20%:

	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
OPEB Liability	\$ 180,787	\$ 176,873	\$ 172,785

**CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Early Retirement Plan (Continued)

Sensitivity Analysis

The sensitivity analysis below shows the sensitivity of the College's total OPEB liability calculated using the current healthcare cost trend rates, as well as what the net OPEB liability would be if it were calculated using healthcare trend rates that are one percentage point lower, or one percentage point higher than the current rates:

	1% (4.20% current, 3.00% ultimate)	Current (5.20% current, 4.00% ultimate)	1% (6.20% current, 5.00% ultimate)
	<u>Decrease</u>	<u>Trend Rates</u>	<u>Increase</u>
OPEB Liability Using Current Healthcare Cost Trend Rates	\$ 169,394	\$ 176,873	\$ 184,763

Payable to the Early Retirement Plan

At June 30, 2025, the College reported a payable of \$0 for the outstanding amount of contributions to the early retirement plan for the year ended June 30, 2025.

NOTE 13 COMMITMENTS AND CONTINGENCIES

Amounts received and expended by the College under various federal and state grants, contracts and other programs are subject to audit and potential disallowance. From time to time the College is named as a defendant in legal proceedings or cited in regulatory actions related to the conduct of its operations. In the normal course of business, the College also has various other commitments and contingent liabilities which are not reflected in the accompanying financial statements. In the opinion of management, the College will not be affected materially by the final outcome of any of these proceedings, or insufficient information exists to make an opinion.

CLATSOP COMMUNITY COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 COMPONENT UNIT REPORTING

The Clatsop Community College Foundation (the Foundation) is a legally separate, tax-exempt organization that is reported as a discretely presented component unit of the College. The Foundation was established to support the College's mission and programs through fundraising and other activities.

During the year ended June 30, 2025, scholarships of \$293,414 and gifts and grants of \$476,092 were transferred from the Foundation to the College. The College and the Foundation agreed that the Foundation will reimburse the College for part of its employee costs. The Foundation reimbursed the College \$45,613 for the year ended June 30, 2025 for compensation and benefits.

The Foundation follows the Financial Accounting Standards Board (FASB) standards, while the College follows the Governmental Accounting Standards Board (GASB) standards. There are several significant differences in accounting policies between the Foundation and the College due to the different accounting standards they follow. These differences include, but are not limited to:

Revenue Recognition: The Foundation recognizes contributions and grants as revenue when they are received or unconditionally pledged, in accordance with FASB standards. The College recognizes revenue when it is earned and becomes measurable and available, in accordance with GASB standards.

Net Asset Classification: The Foundation classifies its net assets into two categories: with donor restriction and without donor restriction, as required by FASB standards. The College classifies its net position into three categories: net investment in capital assets, restricted, and unrestricted, as required by GASB standards.

The differences in accounting policies between the Foundation and the College do not have a material impact on the overall financial position or results of operations of the College. However, users of the financial statements should be aware of these differences when comparing the financial information of the Foundation and the College.

REQUIRED SUPPLEMENTARY INFORMATION

**CLATSOP COMMUNITY COLLEGE
SCHEDULE OF CONTRIBUTIONS AND SCHEDULE OF PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2025**

**Clatsop Community College
SCHEDULE OF CONTRIBUTIONS**

	(a)	(b)	(a-b)	(c)	(b/c)
Year Ended June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percent of Covered Payroll
2025	\$ 1,447,644	\$ 1,447,644	\$ -	\$ 7,973,973	18.15%
2024	1,063,113	1,063,113	-	8,831,317	12.04%
2023	984,323	984,323	-	7,927,749	12.42%
2022	965,519	965,519	-	7,722,959	12.50%
2021	679,471	679,471	-	8,072,763	8.42%
2020	697,341	697,341	-	8,154,312	8.55%
2019	436,487	436,487	-	7,688,924	5.68%
2018	374,705	374,705	-	7,135,037	5.25%
2017	215,846	215,846	-	6,606,897	3.27%
2016	306,963	306,963	-	6,481,333	4.74%

**Clatsop Community College
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	(a)	(b)	(c)	(b/c)	
Year Ended * June 30,	College's Proportion of the Net Pension Liability (Asset)	College's Proportionate Share of the Net Pension Liability (Asset)	College's Covered Payroll	College's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.05272558%	\$ 11,719,443	\$ 8,831,317	132.70%	79.30%
2023	0.05698955%	10,674,534	7,927,749	134.65%	81.70%
2022	0.05676976%	8,692,589	7,722,959	112.56%	84.50%
2021	0.05417102%	6,482,364	8,072,763	80.30%	87.60%
2020	0.05139604%	11,216,384	8,154,312	137.55%	75.80%
2019	0.04356747%	7,536,129	7,688,924	98.01%	80.20%
2018	0.04078398%	6,178,236	7,135,037	86.59%	82.10%
2017	0.04170001%	5,621,177	6,606,897	85.08%	83.10%
2016	0.03822211%	5,738,026	6,481,333	88.53%	80.50%
2015	0.03901406%	2,239,977	6,298,140	35.57%	91.90%

* As of measurement ending date.

CLATSOP COMMUNITY COLLEGE
SCHEDULE OF PROPORTIONATE SHARE, EMPLOYER CONTRIBUTIONS,
AND CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS FOR OTHER
POSTEMPLOYMENT BENEFITS
YEAR ENDED JUNE 30, 2025

Schedule of the College's Proportionate Share of the Net PERS RHIA OPEB Liability*

	(a)	(b)	(c)	(b/c)	
Year Ended * June 30,	College's Proportion of the Net Pension Liability (Asset)	College's Proportionate Share of the Net Pension Liability (Asset)	College's Covered Payroll	College's Proportionate Share of the Net Pension Liability/Asset as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
2024	0.05486892%	\$ (221,620)	\$ 8,831,317	-2.51%	220.60%
2023	0.05194387%	(190,201)	7,927,749	-2.40%	201.60%
2022	0.04559360%	(162,010)	7,722,959	-2.10%	194.60%
2021	0.04405275%	(151,277)	8,072,763	-1.87%	183.90%
2020	0.05750668%	(117,176)	8,154,312	-1.44%	150.10%
2019	0.06204822%	(119,900)	7,688,924	-1.56%	144.38%
2018	0.05601283%	(62,526)	7,135,037	-0.88%	124.00%
2017	0.05430037%	(22,662)	6,606,897	-0.34%	108.88%
2016	0.05832541%	15,839	6,481,333	0.24%	94.15%

* As of measurement ending date.

Schedule of the College's PERS RHIA OPEB Employer Contribution*

	(a)	(b)	(a-b)	(c)	(b/c)
Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	College's Covered Payroll	Contributions as a Percent of Covered Payroll
2025	\$ 39	\$ 39	\$ -	\$ 7,973,973	0.00%
2024	91	91	-	8,831,317	0.00%
2023	1,111	1,111	-	7,927,749	0.01%
2022	1,123	1,179	-	7,722,959	0.01%
2021	1,179	1,179	-	8,072,763	0.01%
2020	4,107	4,107	-	8,154,312	0.05%
2019	30,752	30,752	-	7,688,924	0.40%
2018	27,453	27,453	-	7,135,037	0.38%
2017	26,910	26,910	-	6,606,897	0.41%
2016	27,337	27,337	-	6,481,333	0.42%

Reporting standards require presentation for the last 10 fiscal years. Only the information above is available at this time.

CLATSOP COMMUNITY COLLEGE
SCHEDULE OF PROPORTIONATE SHARE, EMPLOYER CONTRIBUTIONS,
AND CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS FOR OTHER POSTEMPLOYMENT
BENEFITS (CONTINUED)
YEAR ENDED JUNE 30, 2025

Schedule of the College's Total Early Retirement OPEB Liability*

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service Cost	\$ 8,875	\$ 8,731	\$ 8,964	\$ 55,848	\$ 55,101	\$ 46,192	\$ 44,630	\$ 36,739
Interest	7,706	8,471	23,680	13,866	21,427	33,870	32,005	27,346
*Change of Benefit Terms	-	-	(353,186)	(232,649)	-	-	-	-
Difference Between Expected and Actual Exp	-	-	(44,050)	12,657	-	-	-	-
Changes in Assumptions - Other	(4,835)	(449)	(786)	(78,935)	-	24,076	111,413	-
Contributions - Employer - Implicit Subsidy	-	-	-	-	-	(8,597)	-	-
Contributions - Employer	-	-	-	-	-	-	-	-
Benefit Payments	(39,822)	(44,633)	(68,515)	(46,164)	(63,284)	(47,392)	(54,136)	(56,294)
Net Change in Total OPEB Liability	(28,076)	(27,880)	(433,893)	(275,377)	13,244	48,149	133,912	7,791
Total OPEB Liability - Beginning	204,949	232,829	666,722	942,099	928,855	880,706	746,794	739,003
Total OPEB Liability - Ending	<u>\$ 176,873</u>	<u>\$ 204,949</u>	<u>\$ 232,829</u>	<u>\$ 666,722</u>	<u>\$ 942,099</u>	<u>\$ 928,855</u>	<u>\$ 880,706</u>	<u>\$ 746,794</u>
Covered Employee Payroll	\$ 897,244	\$ 981,678	\$ 922,795	\$ 7,675,813	\$ 8,439,713	\$ 8,154,312	\$ 5,671,734	\$ 5,479,936
Total OPEB Liability as a Percentage of the Covered Employee Payroll	19.71%	20.88%	25.23%	8.69%	11.16%	11.39%	15.53%	13.63%

* One-time adjustment to reflect change in benefit eligibility due to clarification of plan provisions.

Reporting standards require presentation for the last 10 fiscal years. Only the information above is available at this time.

SUPPLEMENTARY INFORMATION

CLATSOP COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE COMPARED WITH BUDGET – GENERAL FUND
YEAR ENDED JUNE 30, 2025

Unrestricted Fund	GAAP Actual	GAAP Adjustments	Budgetary Basis Actual	Budgeted Amount	(Over) Under Budget
REVENUES					
State Sources	\$ 4,297,181	\$ -	\$ 4,297,181	\$ 4,273,514	\$ (23,667)
Federal Sources	1,765	-	1,765	1,500	(265)
Local Sources:					
Current Year Property Taxes	5,805,021	-	5,805,021	5,950,000	144,979
Prior Years Property Taxes	305,567	-	305,567	150,000	(155,567)
Tuition and Fees	3,122,377	-	3,122,377	3,134,503	12,126
All Other	612,082	-	612,082	2,310,723	1,698,641
Total Revenues	14,143,993	-	14,143,993	15,820,240	1,676,247
EXPENDITURES					
Instruction	5,298,970	-	5,298,970	5,672,050	373,080
Support Services	8,394,185	-	8,394,185	8,471,173	76,988
Public Service	11,750	-	11,750	24,542	12,792
All Other	306,422	(117,747)	188,675	1,590,225	1,401,550
Total Expenditures	14,011,327	(117,747)	13,893,580	15,757,990	1,864,410
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	132,666	117,747	250,413	62,250	(188,163)
OTHER FINANCING USES					
Transfers Out	(59,680)	-	(59,680)	(62,250)	(2,570)
Total Other Financing Uses	(59,680)	-	(59,680)	(62,250)	(2,570)
NET CHANGES IN FUND BALANCE	72,986	117,747	190,733	-	(190,733)
Fund Balance - Beginning of Year	(7,413,041)	-	1,674,128	-	-
FUND BALANCE - END OF YEAR	<u>\$ (7,340,055)</u>	<u>\$ 117,747</u>	<u>\$ 1,864,861</u>	<u>\$ -</u>	<u>\$ -</u>

GAAP adjustments are for the annual accruals for compensated absences, SBITA implementation, and other GASB adjustments not budgeted by the College. (Note for the current year, there is a resulting positive amount as the GASB adjustments related to PERS and OPEB were negative.)

General Fund

The **General Fund** accounts for all current financial resources not required to be accounted for in other funds. The major sources of revenues are property taxes, timber revenues, state school support, and tuition and fees. The major expenditures are personnel and related costs, materials and services, and capital improvements.

CLATSOP COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE COMPARED WITH BUDGET – RESTRICTED FUND
YEAR ENDED JUNE 30, 2025

Restricted Fund	GAAP Actual	GAAP Adjustments	Budgetary Basis Actual	Budgeted Amount	(Over) Under Budget
REVENUES					
Federal Sources	\$ 3,886,875	\$ 914	\$ 3,887,789	\$ 3,900,000	\$ 12,211
State Sources	1,277,948	-	1,277,948	1,280,000	2,052
Local Sources	928,762	(561,661)	367,101	370,000	2,899
Tuition and Fees	7,579	-	7,579	20,000	12,421
Other	117,840	561,662	679,502	855,075	175,573
Total Revenues	6,219,004	915	6,219,919	6,425,075	205,156
EXPENDITURES					
Total Instruction	373,452	-	373,452	400,000	26,548
Total Support Services	2,090,932	33,096	2,124,028	2,180,075	56,047
Total Public Service	685,218	-	685,218	700,000	14,782
All Other	3,124,851	(32,181)	3,092,670	3,200,000	107,330
Total Expenditures	6,274,453	915	6,275,368	6,480,075	204,707
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(55,449)	-	(55,449)	(55,000)	449
OTHER FINANCING SOURCES					
Transfers In	65,694	-	65,694	66,000	306
Transfers Out	(10,245)	-	(10,245)	(11,000)	(755)
Total Other Financing Sources (Uses)	55,449	-	55,449	55,000	(449)
NET CHANGES IN FUND BALANCE	-	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GAAP adjustments represent current year adjustments required to be included in budgetary actual amounts that are not included in GAAP Actual.

Restricted Fund

The ***Restricted Fund*** consists of student financial aid programs and special grant projects. State and federal funding is received to support student financial aid programs. These programs include Pell Grants, Supplemental Educational Opportunity Grants (SEOG), Direct and Need Based Loans, and Federal Work Study. Resources, in support of special grant projects, are received from federal, state, and local sources and expended for specific grant requirements.

CLATSOP COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE COMPARED WITH BUDGET – UNEXPENDED PLANT FUND
YEAR ENDED JUNE 30, 2025

Unexpended Plant Fund	GAAP Actual	GAAP Adjustments	Budgetary Basis Actual	Budgeted Amount	(Over) Under Budget
REVENUES					
Timber Sales	\$ 1,174,039	\$ 1	\$ 1,174,040	\$ 723,588	\$ (450,452)
Other	1,780,855	(1,345,131)	435,724	1,914,737	1,479,013
Total Revenues	2,954,894	(1,345,130)	1,609,764	2,638,325	1,028,561
EXPENDITURES					
All Other Expenditures	798,275	(57,419)	740,856	1,943,265	1,202,409
Total Expenditures	798,275	(57,419)	740,856	1,943,265	1,202,409
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,156,619	(1,287,711)	868,908	695,060	(173,848)
OTHER FINANCING USES					
Transfers Out to Debt Service	(695,055)	-	(695,055)	(695,060)	5
Total Other Financing Uses	(695,055)	-	(695,055)	(695,060)	5
NET CHANGES IN FUND BALANCE	1,461,564	(1,287,711)	173,853	-	(173,843)
Fund Balance - Beginning of Year	(8,614,867)	-	2,734,315	-	-
FUND BALANCE - END OF YEAR	<u>\$ (7,153,303)</u>	<u>\$ (1,287,711)</u>	<u>\$ 2,908,168</u>	<u>\$ -</u>	<u>\$ -</u>

GAAP adjustments represent current year adjustments required to be included in budgetary actual amounts that are not included in GAAP Actual.

Unexpended Plant Fund

The ***Unexpended Plant Fund*** accounts for resources available to finance the acquisition, construction, or improvement of plant assets for the College.

CLATSOP COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE COMPARED WITH BUDGET – PLANT – RETIREMENT OF INDEBTEDNESS
YEAR ENDED JUNE 30, 2025

Plant - Retirement of Indebtedness	GAAP Actual	GAAP Adjustments	Budgetary Basis Actual	Budgeted Amount	(Over) Under Budget
REVENUES	\$ 974,314	\$ -	\$ 974,314	\$ 974,316	\$ 2
EXPENDITURES	1,669,369	-	1,669,369	1,669,376	7
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(695,055)	-	(695,055)	(695,060)	5
OTHER FINANCING SOURCES					
Transfers In from Unexpended Plant	695,055	-	695,055	695,060	(5)
Total Other Financing Sources	695,055	-	695,055	695,060	(5)
NET CHANGES IN FUND BALANCE	-	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Plant – Retirement of Indebtedness

The ***Plant – Retirement of Indebtedness Fund*** accounts for the payment of principal, interest, and other debt service charges, including contributions for sinking funds relating to debt incurred in financing College plant assets.

CLATSOP COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE COMPARED WITH BUDGET – DEBT SERVICE
YEAR ENDED JUNE 30, 2025

Debt Service Fund	GAAP Actual	GAAP Adjustments	Budgetary Basis Actual	Budgeted Amount	(Over) Under Budget
REVENUES					
Other Local Revenue	\$ 635,361	\$ -	\$ 635,361	\$ 1,160,040	\$ 524,679
Investment Income	25,105	-	25,105	5,000	(20,105)
Total Revenues	660,466	-	660,466	1,165,040	504,574
EXPENDITURES					
Total Other Uses	131,645	705,000	836,645	1,165,040	328,395
Total Expenditures	131,645	705,000	836,645	1,165,040	328,395
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	528,821	(705,000)	(176,179)	-	176,179
OTHER FINANCING SOURCES (USES)					
Transfers In from General Fund	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
NET CHANGES IN FUND BALANCE	528,821	(705,000)	(176,179)	-	176,179
Fund Balance - Beginning of Year	(1,925,414)	-	799,586	-	-
FUND BALANCE - END OF YEAR	<u>\$ (1,396,593)</u>	<u>\$ (705,000)</u>	<u>\$ 623,407</u>	<u>\$ -</u>	<u>\$ -</u>

GAAP adjustments represent current year adjustments required to be included in budgetary actual amounts that are not included in GAAP Actual.

Debt Service Fund

The ***Debt Service Fund*** accounts for resources used to pay for debt incurred by the College not related to physical plant borrowings.

CLATSOP COMMUNITY COLLEGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE COMPARED WITH BUDGET – CLUBS AND ORGANIZATIONS FUND
YEAR ENDED JUNE 30, 2025

Clubs and Organizations Fund	Actual Amount	Budgeted Amount	(Over) Under Budget
REVENUES			
Fees	\$ 24,143	\$ 55,495	\$ 31,352
Total Revenues	24,143	55,495	31,352
EXPENDITURES			
Total Other	28,286	59,495	31,209
Total Expenditures	28,286	59,495	31,209
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,143)	(4,000)	143
OTHER FINANCING SOURCES (USES)			
Transfers In	4,681	4,750	69
Transfers Out	(450)	(750)	(300)
Total Other Financing Sources	4,231	4,000	(231)
NET CHANGES IN FUND BALANCE	88	-	(88)
Fund Balance - Beginning of Year	57,255	-	-
FUND BALANCE - END OF YEAR	<u>\$ 57,343</u>	<u>\$ -</u>	<u>\$ -</u>

Clubs and Organization Fund

The Clubs and Organizations accounts for resources held by the College as custodian or fiscal agent for students, faculty, staff, and other organizations.

STATE AND FEDERAL COMPLIANCE SECTION

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY THE STATE OF OREGON

Oregon Administrative Rules 162-10-000 through 162-10-320 incorporated in the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, and comments and disclosures required in audit reports. The required statements and schedules are set forth in the preceding sections of this report. Required comments and disclosures related to the audit of such statements and schedules are set forth in the following pages.



INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Education
Clatsop Community College
Astoria, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States, the basic financial statements of Clatsop Community College (the College) as of and for the year ended June 30, 2025, and have issued our report thereon dated December 18, 2025.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clatsop Community College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including 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. The discretely presented component unit was not tested for compliance with certain provisions of laws, regulations, contracts, and grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

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

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

In connection with our testing, nothing came to our attention that caused us to believe Clatsop 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*.

OAR 162-10-0230 Internal Control

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

This report is intended solely for the information and use of the board of education, management of Clatsop 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.



CliftonLarsonAllen LLP

Bellevue, Washington
December 18, 2025



Jean Bushong, CPA
Principal
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**INDEPENDENT AUDITORS' 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
Clatsop Community College
Astoria, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component unit of Clatsop Community College (the College), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Clatsop Community College's basic financial statements, and have issued our report thereon dated December 18, 2025. The financial statements of Clatsop Community College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Clatsop Community College Foundation.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

**CliftonLarsonAllen LLP**

Bellevue, Washington

December 18, 2025



Jean Bushong, CPA

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