TILLAMOOK BAY COMMUNITY COLLEGE
TILLAMOOK COUNTY, OREGON

ANNUAL FINANCIAL REPORT
Year Ended June 30, 2024

KENNETH KUHNS & CO.
Certified Public Accountants
570 Liberty Street S.E., Suite 210
Salem, Oregon 97301-3594

Telephone: (503) 585-2550

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ANNUAL FINANCIAL REPORT
Year Ended June 30, 2024

TILLAMOOK BAY COMMUNITY COLLEGE
Tillamook County, Oregon

OFFICERS AND MEMBERS OF THE GOVERNING BOARD

June 30, 2024

CHAIRPERSON

Mary Faith Bell

VICE-CHAIRPERSON

Andrea Goss

OTHER MEMBERS

Kathy Gervasi

Shannon Hoff

Mary Jones

Betsy McMahon

Tamra Perman

PRESIDENT, CLERK, AND REGISTERED AGENT

Dr. Paul Jarrell — 4301 Third Street, Tillamook, Oregon 97141

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INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

December 19, 2024

Board of Education
Tillamook Bay Community College
Tillamook, Oregon

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tillamook Bay Community College as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Tillamook Bay Community College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tillamook Bay Community College as of June 30, 2024, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tillamook Bay 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 opinion.

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 Tillamook Bay 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tillamook Bay 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 Tillamook Bay 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 management's discussion and analysis and the required supplementary information as listed in the table of contents 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Tillamook Bay Community College's basic financial statements. The other supplementary information listed in the table of contents and schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and schedule of expenditures of federal awards are 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 statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does 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.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024 on our consideration of Tillamook Bay 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 entity'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 Tillamook Bay Community College's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 19, 2024 on our consideration of Tillamook Bay Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is 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 entity's internal control over financial reporting or on compliance.

Kenneth Kuhns & Co

Kenneth Kuhns & Co.

MANAGEMENT'S DISCUSSION AND ANALYSIS

TILLAMOOK BAY COMMUNITY COLLEGE

Management's Discussion and Analysis

This section of Tillamook Bay Community College's (the College) annual financial report presents an analysis of the College's financial performance during the fiscal year ended June 30, 2024. Management is responsible for the preparation of this MD&A as well as for the financial statements and related footnote disclosures. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. This discussion is designed to focus on current activities, resulting changes and current known facts.

Accounting Standards

The financial statements have been prepared in accordance with Governmental Accounting Standards Board Statement No. 35, "Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities" which were adopted in November 1999. The College was required to adopt this standard for the fiscal year ending June 30, 2004.

The College implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27", and Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68", in the fiscal year ending June 30, 2015. Additional information regarding the College's pension plans can be found in Note 6 to the financial statements.

Using the Financial Statements

This discussion and analysis is 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 supplementary information in addition to the basic financial statements themselves.

The entity-wide financial statements are designed to provide readers with a broad overview of the College's finances in a manner similar to a private-sector business. These statements focus on the financial condition of the College, the results of operations, and cash flows of the College as a whole. The entity-wide statements are comprised of the following:

- The *Statement of Net Position* presents the College's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in the net position are indicators of the improvement or deterioration of the College's financial health when considered along with non-financial facts such as enrollment levels and the condition of the facilities.

- The *Statement of Revenues, Expenses and Changes in Net Position* presents the revenues earned and the expenses incurred during the year. All changes in net position are reported under 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 occurred. 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 assets over the expected useful life of these assets. Revenues and expenses are reported as either operating or non-operating. The primary sources of operating revenues include tuition, grants and contracts. State appropriations and property taxes are classified as non-operating revenues. Because of the College's dependency on state aid and property tax revenue, this statement presents an operating loss although overall net position remains positive.

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

- The *Notes to Basic Financial Statements* provide additional information that is essential to a full understanding of the data provided in the entity-wide financial statements.

Financial Highlights

The College's net position increased from $16,003,886 at July 1, 2023 to $19,937,401 at June 30, 2024. This $3,933,515 increase represents the amount by which revenues exceeded expenditures during the 2023-24 fiscal year.

The State's appropriation for community college support is split into five or three payments in the first and second years of the biennium. In FY 2024, the College received five quarterly payments. In FY 2023, the College received three quarterly payments.

The College's net position at June 30, 2024 consisted of $14,626,780 net investment in capital assets, $308,306 restricted for specific purposes, and $5,002,315 unrestricted and available for expenditure.

During 2022-23, the College raised $15,450,489 through the sale of general obligation bonds.

Analysis of the Statement of Net Position

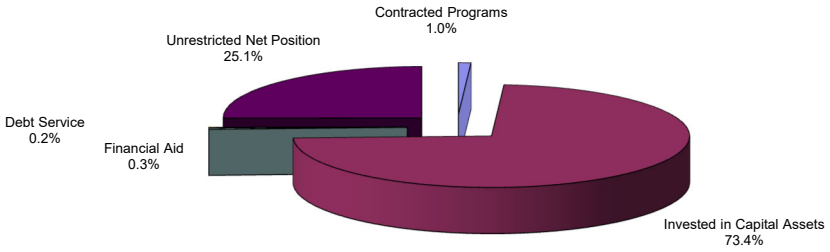
This Statement includes all assets and deferred outflows and liabilities and deferred inflows of the College using the accrual basis of accounting. Net position is the difference between assets and deferred outflows and liabilities and deferred inflows, and is one measure of the financial condition of the College.

	2024	2023
Assets and Deferred Outflows		
Current assets	$ 10,403,663	$ 9,396,612
Capital assets, net of deprecation	18,155,705	16,945,656
Restricted cash	15,180,936	15,385,676
Deferred outflows	2,526,604	1,773,434
Total assets and deferred outflows	46,266,908	43,501,378
Liabilities and Deferred Inflows		
Current liabilities	2,667,117	3,134,632
Long term debt and pension transition liability	17,981,938	18,829,378
Net pension liability	4,871,301	4,364,825
Deferred inflows	809,151	1,168,657
Total liabilities and deferred inflows	26,329,507	27,497,492
Net Position		
Net investment in capital assets	14,626,780	13,132,641
Restricted	308,306	217,028
Unrestricted	5,002,315	2,654,217
Total net position	$ 19,937,401	$ 16,003,886

Current assets include operational cash and investments. The College's current assets of $10,403,663 are sufficient to cover the College's current liabilities of $2,667,117. This represents a current ratio of 3.9. Receivables consist of taxes, student accounts and various operating receivables. The College's largest non-current assets are its investment in capital assets of $18,155,705, net of depreciation, and restricted cash and investments of $15,180,936 consisting of unspent general obligation bond proceeds.

The College's current liabilities consist primarily of accounts payable, payroll and payroll taxes payable, compensated absences payable, unearned revenue from tuition and fees and the current portion of the long-term debt. The non-current liabilities consist of general obligation bonds and pension obligation bonds long-term debt of $17,824,060, a pension transition liability of $157,878 and a net pension liability of $4,871,301.

The largest portion of the College's net position is the $14,626,780 net investment in capital assets. The College's restricted net position consists of amounts set aside for grants and contracts, debt service and financial aid. The College's unrestricted net position consists of amounts for the continuing operation of the College. The following chart shows the allocation of net position for the College:



Analysis of the Statement of Revenues, Expenses and Changes in Net Position

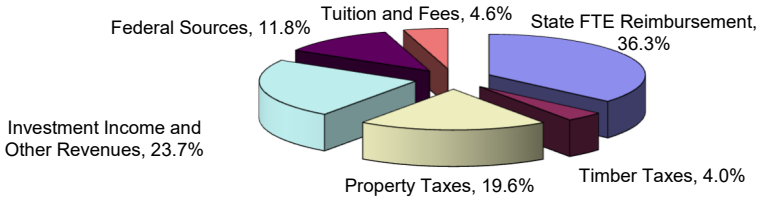
The *Statement of Revenues, Expenses and Changes in Net Position* presents the operating results of the College as well as the non-operating revenues and expenses. Annual state reimbursements and property taxes, while budgeted for operations, are considered non-operating revenues according to accounting principles generally accepted in the United States of America (GAAP).

	2024	2023	% Change
Operating Revenues:			
Federal sources	$ 1,677,677	$ 1,194,409	40.5%
State sources	1,009,944	1,084,286	-6.9%
Tuition and fees	652,077	471,302	38.4%
Local sources	334,607	258,268	29.6%
Other sources	268,707	221,559	21.3%
Total operating revenues	3,943,012	3,229,824	22.1%
Operating Expenses:			
Instruction	2,418,982	3,031,097	-20.2%
Instructional support	1,413,693	1,624,889	-13.0%
Student services	1,118,182	1,103,538	1.3%
College support	2,716,089	2,845,537	-4.5%
Plant operations and maintenance	513,576	518,403	-0.9%
Financial aid	698,343	234,466	197.8%
Depreciation and amortization	647,929	650,093	-0.3%
Total operating expenses	9,526,794	10,008,023	-4.8%
Operating Loss	(5,583,782)	(6,778,199)	-17.6%
Non-Operating Revenues(Expenses):			
State community college support	5,146,965	2,565,218	100.6%
Property taxes	2,772,827	2,330,499	19.0%
County timber tax	561,541	510,681	10.0%
Investment income	1,254,718	345,975	262.7%
Interest expense	(767,257)	(201,055)	281.6%
Amortization of bond premium	55,275	6,909	700.0%
Bond issuance costs	-	(197,991)	-100.0%
Total non-operating revenues(expenses)	9,024,069	5,360,236	68.4%
Income-(loss) before capital contributions	3,440,287	(1,417,963)	-342.6%
Capital Contributions	493,228	30,000	1544.1%
Change in net position	3,933,515	(1,387,963)	-383.4%
Net position, beginning of year	16,003,886	17,391,849	-8.0%
Net position, end of year	$ 19,937,401	$ 16,003,886	24.6%

Revenues:

The most significant sources of operating revenue for the College are federal, state and local grants and contracts, and student tuition and fees. Revenues from Federal sources totaled $1,677,677 in FY 2024 and $1,194,409 in FY 2023, an increase of $483,268, 40.5%. Federal sources increased due to increases in Pell student financial aid awards and increases in federal operating grants such as the Title III and HRSA grants. Tuition and fees totaled $652,077, an increase of 38.4% from the prior year. Operating revenues from state, local and other sources increased from $1,564,113 in FY 2023 to $1,613,258 in FY 2024, 3.1%, primarily due to new local grants and contracts.

One of the largest non-operating revenue sources is from the State Community College Support Fund. Revenues of $5,146,965 were received from the State of Oregon for FTE reimbursement allocation, an increase of 100.6% from the prior year primarily due to the timing of State disbursements (FY 2023 was a 3-payment year and FY 2024 was a 5-payment year). Non-operating revenues of $2,772,827 were received from property taxes during the year which represents a $442,328 increase over the prior year primarily as a result of statutorily allowed increases in assessed values in FY 2024 as well as a new voter-approved bond levy. County timber tax receipts totaled $561,541, an increase of 10.0% from the prior year. Investment income increased by 262.7% due to rising interest rates and the unspent bond proceeds on hand. The following chart shows the allocation of revenues for the College:

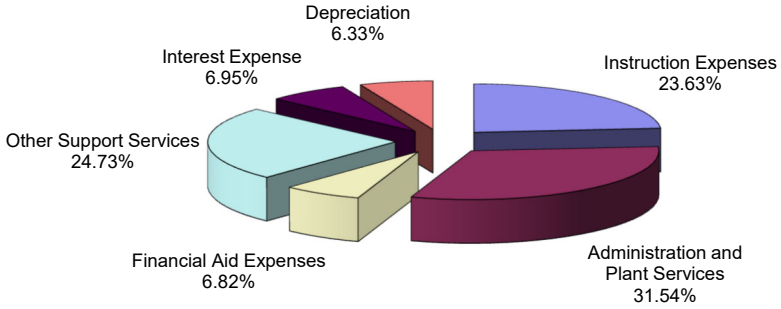


Expenses:

Operating expenses totaling $9,526,794 include salaries and benefits, materials and supplies, utilities, scholarships and depreciation. Instruction expenses represent one of the largest percentages of expenses at $2,418,982 or 25.39% of total expenses. Administration and plant services costs, including college support ($2,716,089) and plant operations and maintenance ($513,576), represent $3,229,665 or 33.90% of the total.

During FY 2024, financial aid expenses increased by $463,877 over the prior year and represent 7.33% of total expenses for the year. The increase was primarily due to increases in Federal Pell grants and other state and local financial aid programs.

In FY 2024, the College incurred interest expense on general obligation bonds, pension obligation bonds and subscription-based information technology arrangements totaling $767,257. This was an increase of $566,202 from the prior year due to scheduled interest payments on the newest bond issue beginning in 2023-24. The following chart shows the allocation of expenses for the College:



Capital Contributions:

Capital contributions represent the value of capital items donated to the College as well as grant resources and contributions restricted for capital purposes.

Analysis of the Statement of Cash Flows

This statement provides an assessment of the financial health of the College. Its primary purpose is to provide relevant information about the cash receipts and cash payments of the College during the year. The statement of cash flows also helps users assess the ability of the College to meet obligations as they become due and the need for external financing.

	2024	2023
Cash Provided By (Used In):		
Operating Activities	$ (6,142,915)	$ (4,989,501)
Noncapital Financing Activities	7,164,539	4,366,375
Capital Financing Activities	(1,387,508)	14,914,621
Investing Activities	1,254,718	345,975
Net increase (decrease) in cash	888,834	14,637,470
Cash -- Beginning of year	23,378,661	8,741,191
Cash -- End of year	$ 24,267,495	$ 23,378,661

The major sources of funds included in operating activities include financial aid receipts, grants and contracts receipts, and tuition and fees receipts. Major uses were payments made to employees and suppliers as well as to students for scholarships and grants.

State reimbursements, property taxes and timber taxes are the primary source of non-capital financing. Accounting standards require that we reflect these sources of revenue as non-operating even though the College's budget depends on these revenues for operations. Property taxes are assessed to property owners within the College's tax base.

The major sources of funds included in capital financing activities include cash received from property taxes levied for capital debt and cash received for capital outlay acquisitions. Additionally, during 2022-23 the College received approximately $15.5 million from the sale of new general obligation bonds. Major uses include payments for principal and interest on general obligation bonds and payments for the acquisition of capital assets.

Budgetary Highlights

The College adopts an annual budget at the fund level. The level of control established through a Board resolution for each fund is the major expense function level (i.e., Instruction, Instructional Support, Student Services, College Support, Plant Operations and Maintenance, Plant Additions, Financial Aid and Contingencies and Other). The College generally budgets each governmental fund type under the modified accrual basis of accounting and the accrual basis for the enterprise fund. Appropriation transfers between existing budget categories can be authorized by resolution of the Board.

Capital Assets and Debt Administration

Capital Assets:

The College's investment in capital assets at June 30, 2024 amounts to $18,155,705, net of accumulated depreciation. The investment in capital assets includes land, buildings, equipment, library collections and software subscription right-of-use assets.

Capital assets increased during the fiscal year because of significant construction activity related to bond-funded capital construction projects. Detailed information about the College's capital assets is included in Note 3 to the financial statements.

Long-Term Debt:

The College's long-term debt from general obligation bonds and pension obligation bonds decreased from $19,463,703 on July 1, 2023 to $18,867,213 on June 30, 2024 as a result of scheduled principal payments totaling $894,929 and premium amortization totaling $55,275 during the year. Detailed information about the College's long-term debt is included in Note 5 to the financial statements.

Economic Factors

The next few years will continue to be very challenging for all community colleges in Oregon. The College is committed to find the proper balance between affordability for its students and the accessibility to and quality of its instructional programs and services. It is evident that the College must continue to align its expenses with available resources. Additional grants, partnerships, tuition and fees adjustments, developing other revenue sources, and addressing expenses are current ways the College is addressing long term financial stability.

The College receives a significant portion of its revenues from the State Community College Support Fund. The State Legislature approved $795M for distribution to the State's community colleges for the 2023-25 biennium. Distributions to the community colleges are based on the college's student FTEs.

A Facilities Master Plan to determine future construction needs was completed in 2020 and capital construction funds were requested to begin construction of another building on the main campus with a large space to accommodate events, additional office space, and more classroom space, as well as renovations to the current main campus building. The Facilities Master Plan provides support for capital requests from the State. The Oregon State Legislature approved a budget for the 2021-2023 biennium that includes $8M for the College for capital construction. In May 2022, the College district's voters approved a $14.4 million bond measure for capital projects including matching funds to construct the building on the main campus.

Contacting the College's Financial Management

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

Business Office
Tillamook Bay Community College
4301 3rd Street
Tillamook, OR 97141

BASIC FINANCIAL STATEMENTS

TILLAMOOK BAY COMMUNITY COLLEGE

Statement of Net Position

June 30, 2024

ASSETS	
Current assets:	
Cash and investments	$ 9,086,559
Receivables, net:	
Accounts	218,442
Property taxes	100,571
Timber taxes	105,344
Grants	889,590
Inventories	950
Prepaid expenses	2,207
Total current assets	10,403,663
Noncurrent assets:	
Restricted cash and investments	15,180,936
Non-depreciable capital assets	3,708,502
Depreciable capital assets, net	14,447,203
Total noncurrent assets	33,336,641
Total assets	43,740,304
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	2,526,604
LIABILITIES	
Current liabilities:	
Accounts payable	438,319
Payroll payable	723,430
Compensated absences payable	243,158
Due to student organizations	6,165
Accrued interest payable	29,809
Unearned revenue	45,902
Current maturities of long-term obligations	1,180,334
Total current liabilities	2,667,117
Noncurrent liabilities:	
General obligation bonds payable, less current maturities	16,421,692
Premium on general obligation bonds, less current portion	937,368
Pension bonds payable, less current maturities	465,000
SBITA payable, less current maturities	-
Net pension liability	4,871,301
Pension transition liability	157,878
Total noncurrent liabilities	22,853,239
Total liabilities	25,520,356
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	809,151
NET POSITION	
Net investment in capital assets	14,626,780
Restricted for grants and contracts	201,427
Restricted for debt service	47,204
Restricted for financial aid	59,675
Unrestricted	5,002,315
Total net position	$ 19,937,401

The notes to the financial statements are an integral part of this statement.

TILLAMOOK BAY COMMUNITY COLLEGE

Statement of Revenues, Expenses and Changes in Net Position

For the year ended June 30, 2024

Operating revenues:	
Federal sources	$ 1,677,677
State sources	1,009,944
Tuition and fees (net of financial aid discounts and allowances of $805,484)	652,077
Local sources	334,607
Other sources	268,707
Total operating revenues	3,943,012
Operating expenses:	
Instruction	2,418,982
Instructional support	1,413,693
Student services	1,118,182
College support	2,716,089
Plant operations and maintenance	513,576
Financial aid	698,343
Depreciation and amortization	647,929
Total operating expenses	9,526,794
Operating income(loss)	(5,583,782)
Nonoperating revenues(expenses)	
State community college support	5,146,965
Property taxes	2,772,827
County timber tax	561,541
Investment income	1,254,718
Interest expense	(767,257)
Amortization of premium on general obligation bonds	55,275
Total nonoperating revenues(expenses)	9,024,069
Income before capital contributions	3,440,287
Capital contributions	493,228
Change in net position	3,933,515
Net position - July 1, 2023	16,003,886
Net position - June 30, 2024	$ 19,937,401

The notes to the financial statements are an integral part of this statement.

TILLAMOOK BAY COMMUNITY COLLEGE

Statement of Cash Flows

For the year ended June 30, 2024

Cash flows from operating activities:	
Tuition and fees	$ 672,247
Grants and contracts	2,032,985
Sales of goods and services	3,407
Financial aid receipts	1,261,282
Other cash receipts	41,094
Payments to employees for services	(7,417,759)
Payments to suppliers for goods and services	(2,037,828)
Payments for student scholarships and grants	(698,343)
Net cash used in operating activities	(6,142,915)
Cash flows from noncapital financing activities:	
Principal paid on pension bonds	(145,000)
Interest paid on pension bonds	(37,440)
Cash received from State community college support	5,146,965
Cash received from property taxes and timber taxes	2,200,014
Net cash provided by noncapital financing activities	7,164,539
Cash flows from capital and related financing activities:	
Cash received from State bonds and grants and donations for construction	493,228
Principal paid on general obligation bonds	(749,929)
Interest paid on general obligation bonds	(392,979)
Principal paid on SBITA payable	(130,808)
Interest paid on SBITA payable	(13,058)
Cash received from property taxes levied for capital debt	1,167,701
Acquisition of capital assets	(1,761,663)
Net cash used in capital and related financing activities	(1,387,508)
Cash flows from investing activities:	
Interest on investments	1,254,718
Net increase in cash and cash equivalents	888,834
Cash and cash equivalents - July 1, 2023	23,378,661
Cash and cash equivalents - June 30, 2024	$ 24,267,495
Reconciliation of operating income(loss) to net cash used in operating activities:	
Operating income(loss)	$ (5,583,782)
Adjustments to reconcile operating income(loss) to net cash used in operating activities:	
Depreciation and amortization	647,929
Decrease(increase) in:	
Accounts receivable	2,810
Grants receivable	47,833
Inventories	(264)
Prepaid expenses	2,797
Deferred outflows related to pensions	(753,170)
Increase(decrease) in:	
Operating accounts payable	(35,814)
Payroll payable	(646,777)
Compensated absences payable	40,056
Due to student organizations	(8,043)
Unearned revenue	17,360
Net pension liability	506,476
Pension transition liability	(20,820)
Deferred inflows related to pensions	(359,506)
Total adjustments	(559,133)
Net cash used in operating activities	$ (6,142,915)
Noncash capital, investing and financing activities:	
Amortization of deferred interest bonds	$ 353,714
Interest expense	(353,714)
Premium on general obligation bonds	(55,275)
Amortization of premium on general obligation bonds	55,275
Total noncash capital, investing and financing activities	$ -

The notes to the financial statements are an integral part of this statement.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Tillamook Bay Community College have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), including GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*, as amended by Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The College follows the "business-type activities" reporting requirements of GASB Statement Nos. 34 and 35.

Reporting Entity

Tillamook Bay Community College (the College) was formed on March 31, 1981, in accordance with Oregon Revised Statutes Chapter 341. The College is governed by a seven member Board of Education whose members are elected independently.

The financial statements of the College include all accounts of the College. The Board of Education is not financially accountable for any other entity that is significant to the College's financial statements. Financial accountability is determined in accordance with criteria set forth in GAAP, primarily on the basis of authority to appoint a voting majority of an organization's governing board, ability to impose its will on that organization, the potential for that organization to provide specific financial benefits or impose specific financial burdens and that organization's fiscal dependency.

Measurement Focus and Basis of Accounting

The basic financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the years in which they are levied. Grants and other similar types of revenue are recognized as soon as all eligibility requirements imposed by the grantor have been met. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

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

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments

Investments are carried at fair value. The College invests in the Oregon Local Government Investment Pool. This investment is authorized by Oregon Revised Statutes. For purposes of the statement of cash flows; cash, demand deposits, the Oregon Local Government Investment Pool and short-term investments purchased with original maturities of three months or less are considered to be cash and cash equivalents.

The College is required by Oregon law to insure its deposits with financial institutions through Federal depository insurance funds coverage or participation in institution collateral pools that insure public deposits. Amounts at the Oregon Local Government Investment Pool are exempt from such requirements.

Property Taxes Receivable

Ad valorem property taxes are levied on all taxable property as of July 1. Property taxes become an enforceable lien on that date for real property and personal property. Collection dates are November 15, February 15 and May 15. Discounts are allowed if amounts due are received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. Property taxes receivable are recognized as revenues when levied.

Accounts/Grants Receivable

Student accounts receivable are recorded as tuition and fees as assessed.

Unreimbursed grant expenditures due from grantor agencies are recorded in the financial statements as receivables and revenues. Cash received from grantor agencies in excess of related grant expenditures is recorded as unearned revenue.

Inventories

Inventories, primarily books and supplies, are valued at the lower of cost (first-in/first-out method) or market.

Capital Assets

Capital assets include land, buildings and improvements, equipment, and library books with an estimated useful life greater than one year. The College's capitalization threshold is $5,000 for all capital assets except for library books. Library books are capitalized regardless of cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as the projects are constructed. The cost of normal maintenance and repairs that do not add value or functionality to the asset are not capitalized, but are expensed as incurred.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	50
Library books	10
Equipment	5 to 10

Compensated Absences

Employees of the College are permitted to accumulate earned but unused vacation and sick pay. Vacation pay is recorded as a liability and an expense when earned. A liability does not exist for unpaid accumulated sick leave since College policy does not allow payment upon separation of service.

Pensions

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

Scholarship Discounts and Allowances

Financial aid to students is reported in the basic financial statements in accordance with guidance prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid such as loans and funds provided to students as awarded by others is accounted for as a third party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the basic financial statements as operating expenses, or scholarship discounts and allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship discounts and allowances represent the portion of aid provided to the student in the form of reduced tuition.

Subscription-Based Information Technology Arrangements (SBITA) Assets / SBITA Payable

SBITA assets are software which the College subscribes to for a term of more than one year. SBITA assets and related SBITA payables are recorded at the inception of the subscription at the net present value of the future subscription payments at the College's incremental borrowing rate. SBITA assets are amortized over the life of the subscription.

Net Position

Net position reported in the Statement of Net Position is the difference between the College's total assets and deferred outflows and total liabilities and deferred inflows. Net position is subdivided into three categories: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets represents capital assets, less accumulated depreciation and outstanding principal of capital assets related debt, plus unamortized loss on refunding and cash held for construction.

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position (continued)

Restricted net position represents amounts for which constraints were imposed by creditors, grantors, contributors or laws or regulations. The College's policy is to first use restricted resources when an expense is incurred for which both restricted and unrestricted resources are available.

2 – CASH AND INVESTMENTS

Cash and investments are comprised of the following at June 30, 2024:

Cash on hand	$ 410
Deposits with financial institutions	508,290
Investments	23,758,795
Total cash and investments	$ 24,267,495

Deposits with Financial Institutions

Deposits with financial institutions are bank demand deposits. The total bank balance, as shown on the bank's records at June 30, 2024, is $752,889. Of these deposits, the total covered by federal depository insurance was $250,000.

The Oregon State Treasurer is responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts, and for assuring that public funds on deposit are collateralized to the extent required by Oregon Revised Statutes (ORS) Chapter 295. ORS Chapter 295 requires depository banks to place and maintain on deposit with a third-party custodian bank securities having a value of 10%, 25%, or 110% of public funds on deposit depending primarily on the capitalization level of the depository bank.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The College follows State law with respect to custodial credit risk and has not adopted a separate policy. Deposits in excess of FDIC insured amounts were exposed to custodial credit risk as of June 30, 2024, because these deposits were uncollateralized and/or were collateralized but not held by the third-party custodian bank in the College's name.

Investments

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

At June 30, 2024, the College's investments consisted of:

Investment in Oregon Local Government Investment Pool	$ 23,757,550
Other	1,245
Total Investments	$ 23,758,795

The Oregon Local Government Investment Pool is an open-ended, no-load diversified portfolio pool. Participants' account balances in the pool are determined by the amount of participants' deposits, adjusted for withdrawals and distributed interest. Interest is calculated and accrued daily on each participant's

2 – CASH AND INVESTMENTS (continued)

Investments (continued)

account based on the ending account balance and a variable interest rate determined periodically by the Oregon Short-Term Fund. The College's investment in the Oregon Local Government Pool is approximately 99.99% of total investments.

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Oregon Short-Term Fund manages this risk by limiting the maturity of the investments held by the fund. Weighted average maturities of the investments in the Oregon Short-Term Fund at June 30, 2024 were: 83% mature within 93 days, 11% mature from 94 days to one year, and 6% mature from one to three years.

Restricted Cash and Investments

At June 30, 2024, the College had $15,180,936 in unspent general obligation bond proceeds. These unspent proceeds are restricted for capital improvements.

3 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets not being depreciated:				
Land	$ 1,634,872	$ -	$ -	$ 1,634,872
Construction in progress	269,473	1,804,157	-	2,073,630
Total capital assets not being depreciated	1,904,345	1,804,157	-	3,708,502
Capital assets being depreciated:				
Buildings and improvements	18,275,239	-	-	18,275,239
Equipment	1,737,061	47,350	-	1,784,411
Library collection	177,444	6,471	-	183,915
Right to use assets - subscriptions	411,855	-	-	411,855
Total capital assets being depreciated	20,601,599	53,821	-	20,655,420
Less accumulated depreciation for:				
Buildings and improvements	4,148,999	365,605	-	4,514,604
Equipment	1,183,742	129,069	-	1,312,811
Library collection	90,262	15,970	-	106,232
Right to use assets - subscriptions	137,285	137,285	-	274,570
Total accumulated depreciation	5,560,288	647,929	-	6,208,217
Total capital assets being depreciated, net	15,041,311	(594,108)	-	14,447,203
Total capital assets, net	$ 16,945,656	$ 1,210,049	$ -	$ 18,155,705

4 – SBITA ASSETS

SBITA assets activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Software subscriptions	$ 411,855	$ -	$ -	$ 411,855
Less accumulated amortization	(137,285)	(137,285)	-	(274,570)
Total SBITA assets being amortized, net	$ 274,570	$ (137,285)	$ -	$ 137,285

5 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2024 are as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Interest Matured and Paid
General obligation bonds payable	$ 17,640,785	$ 353,714 (a)	$ 749,929	$ 17,244,570	$ 822,878	$ 392,979
Premium on general obligation bonds	1,047,918	-	55,275	992,643	55,275	-
Pension bonds payable	775,000	-	145,000	630,000	165,000	37,440
SBITA payable	267,989	-	130,808	137,181	137,181	13,058
Pension transition liability	178,698	-	20,820	157,878	-	-
Net pension liability	4,364,825	506,476	-	4,871,301	-	-
Total long-term obligations	$ 24,275,215	$ 860,190	$ 1,101,832	$ 24,033,573	$ 1,180,334	$ 443,477

(a) - additions to general obligation bonds include accreted interest of $353,714.

Bonds Payable

In June 2005, the College issued $1,695,000 of Limited Tax Pension Obligation Bonds and transferred the net proceeds to the State of Oregon Public Employees Retirement System to payoff the College's share of the cost sharing plan's unfunded actuarial liability. The resulting side account is being used to pay a portion of the College's annual required contribution. Principal payments are due annually beginning in June 2009 through June 30, 2028. Interest is payable in December and June of each year at a fixed rate of 4.831%.

Future bonded debt requirements for the Series 2005 bond issue are as follows:

	Principal	Interest	Total
2024-25	$ 165,000	$ 30,435	$ 195,435
2025-26	180,000	22,464	202,464
2026-27	200,000	13,768	213,768
2027-28	85,000	4,106	89,106
	$ 630,000	$ 70,773	$ 700,773

5 – LONG-TERM OBLIGATIONS (continued)

Bonds Payable (continued)

In May 2007, a bond issue in the amount of $9,865,000 was passed by the voters for the purpose of funding land acquisition and capital construction in North, Central and South Tillamook County. On September 11, 2007, the College sold general obligation bonds.

In June 2016, the College issued General Obligation Refunding Bond Series 2016 in the amount of $7,120,581, the proceeds of which were used to advance refund $6,815,000 of Series 2007 General Obligation Bonds through an in-substance defeasance, and to pay bond issuance costs. The in-substance defeasance was accomplished by placing Series 2016 Bond proceeds in an irrevocable trust. The College advance refunded these bonds to reduce its total debt service payments over the life of the Series 2016 Bond by $809,536 and to obtain an economic gain (difference between the present values of the debt service payments of the old and new debt) of $736,573. All outstanding Series 2007 Bonds were redeemed on June 15, 2017. Principal on the Series 2016 Bond is due annually on June 15 beginning in 2017. Interest on the Series 2016 Bond, at 1.7% per annum, is payable semi-annually on June 15 and December 15 of each year. The Series 2016 Bond is not subject to optional redemption, in whole or part, prior to maturity.

Future bonded debt requirements for the Series 2016 bond issue is as follows:

	Principal	Interest	Total
2024-25	$ 782,878	$ 41,847	$ 824,725
2025-26	819,387	28,538	847,925
2026-27	859,316	14,608	873,924
	$ 2,461,581	$ 84,993	$ 2,546,574

In May 2022, voters approved a $14.4 million bond measure to provide funds for capital construction. In May 2023, the College issued General Obligation Bonds Series 2023A (Deferred Interest) in the amount of $8,190,662 ($15,320,000 final maturity amount) and General Obligation Bonds Series 2023B (Current Interest) in the amount of $6,205,000. Principal on the Series 2023A bonds, including deferred interest at fixed rates ranging from 5.56% to 4.58% per annum, is due annually on June 15 beginning in 2028. Principal on the Series 2023B bonds is due annually on June 15 beginning in 2025. Interest on the Series 2023B, at fixed rates ranging from 4% to 5%, is due semi-annually on June 15 and December 15 of each year. Series 2023A Bonds maturing on or after June 30, 2038 are subject to optional redemption on or after June 15, 2033, in whole or in part, at 100 percent of the accreted value as of the redemption date. Series 2023B Bonds maturing on or after June 15, 2034 are subject to optional redemption on or after June 15, 2033, in whole or in part, at par plus accrued interest to the date of redemption.

5 – LONG-TERM OBLIGATIONS (continued)

Bonds Payable (continued)

Future bonded debt requirements for the Series 2023A bond issue is as follows:

	Principal	Interest	Total
2024-25	$ -	$ -	$ -
2025-26	-	-	-
2026-27	-	-	-
2027-28	829,284	125,716	955,000
2028-29	825,676	159,324	985,000
2029-34	1,957,679	537,321	2,495,000
2034-39	1,761,194	1,558,806	3,320,000
2039-42	3,204,156	4,360,844	7,565,000
	$ 8,577,989	$ 6,742,011	$ 15,320,000

Future bonded debt requirements for the Series 2023B bond issue is as follows:

	Principal	Interest	Total
2024-25	$ 40,000	$ 308,400	$ 348,400
2025-26	65,000	306,800	371,800
2026-27	80,000	304,200	384,200
2027-28	-	301,000	301,000
2028-29	-	301,000	301,000
2029-30	-	301,000	301,000
2030-31	-	301,000	301,000
2031-32	680,000	301,000	981,000
2032-33	1,180,000	267,000	1,447,000
2033-34	1,280,000	208,000	1,488,000
2034-35	1,385,000	144,000	1,529,000
2035-36	1,495,000	74,750	1,569,750
	$ 6,205,000	$ 3,118,150	$ 9,323,150

SBITA Payable

The College has a subscription-based information technology arrangement subscription for software, with annual payments for principal and interest at 4.87% due over the next two years. Future debt requirements for the subscription payable are as follows:

	Principal	Interest	Total
2024-25	$ 137,181	$ 6,685	$ 143,866

6 – PENSION PLANS

Public Employees Retirement System

Plan Description

The College contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the College's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: 1) The Pension Program, the defined benefit portion of the plan which applies to qualifying College employees hired on or after August 29, 2003. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. 2) The Individual Account Program (IAP), the defined contribution portion of the plan. Effective January 1, 2004, all PERS member contributions began going into the IAP, but effective July 1, 2020 a portion of member contributions were redirected to help fund the defined benefits provided under OPERF Tier One/Tier Two and OPSRP. PERS members retain their existing PERS accounts, but the IAP portion of any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, postemployment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at:

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

Benefits provided

A. Tier One/Tier Two Retirement Benefit ORS Chapter 238

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 percent 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.

6 – PENSION PLANS (continued)

Death Benefits

Upon the death of a non-retired 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 non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty 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 (COLA). The COLA is capped at 2.0 percent.

B. 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 percent 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 non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. Senate Bill 111, enacted in June 2021, increased this benefit from 50% to 100%.

6 – PENSION PLANS (continued)

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 percent 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 (COLA). The COLA is capped at 2.0 percent.

C. OPSRP Individual Account 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 non-retired 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.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2021 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2023. Employer contributions for the year ended June 30, 2024 were $1,220,466, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2024 were 22.72 percent for Tier One/Tier Two General Service Members and 19.53 percent for OPSRP Pension Program General Service Members, net of 5.34 percent of side account rate relief. An additional 6 percent contribution is required for the OPSRP Individual Account Program, of which a portion is used to help fund the defined benefits provided under OPERF Tier One/Tier Two and OPSRP.

6 – PENSION PLANS (continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2024, the College reported a liability of $4,871,301 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to June 30, 2023. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities actuarially determined. PERS has established side accounts for employers that made lump sum payments to the plan in excess of their actuarially required contributions. Since different contribution rates are assessed to employers based on the value of the side accounts, the side account values were reflected separately in the proportionate share calculation. On June 30, 2023, the College's proportion was 0.02183623%.

For the year ended June 30, 2024, the College recognized pension expense of approximately $614,000. At June 30, 2024, the College reported deferred outflows of resources 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	$ 200,017	$ 16,218
Changes in assumptions	363,338	2,709
Net difference between projected and actual earnings on investments	73,515	-
Changes in proportionate share	652,379	197,705
Changes in proportion and differences between employer contributions and proportionate share of contributions	16,889	592,519
College's contributions subsequent to the measurement date	1,220,466	-
Deferred outflows/inflows at June 30, 2024	$ 2,526,604	$ 809,151

6 – PENSION PLANS (continued)

Contributions subsequent to the measurement date of $1,220,466 reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other deferred outflows of resources totaling $1,306,138 less deferred inflows of resources of $809,151 related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2025	$ 85,224
2026	(109,781)
2027	436,402
2028	112,397
2029	(27,255)
Total	$ 496,987

Actuarial assumptions

The employer contribution rates effective July 1, 2023, through June 30, 2025, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. However, Senate Bill 1049, signed into law in June 2019, requires a one-time re-amortization of Tier One/Tier Two unfunded actuarial accrued liability over a 22 year period in the December 31, 2019 actuarial valuation. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

6 – PENSION PLANS (continued)

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

Valuation Date	December 31, 2021 rolled forward to June 30, 2023
Experience Study Report	2020, published July 20, 2021
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years. However, Senate Bill 1049, signed into law in June 2019, requires a one-time re-amortization of Tier One/Tier Two UAL over a closed 22 year period in the December 31, 2019 actuarial valuation.
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Investment Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with *Moro* decision; blend based on service.
Mortality	Healthy retirees and beneficiaries: 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. Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, 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.

6 – PENSION PLANS (continued)

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
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%
Total	100.00%	
Assumed Inflation - Mean		2.35%

Discount rate

The discount rate used to measure the total pension liability was 6.90 percent 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.

Sensitivity of the College's proportionate share of the net pension liability to changes in the discount rate

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
College's proportionate share of the net pension liability	$ 7,537,267	$ 4,871,301	$ 2,640,165

6 – PENSION PLANS (continued)

Changes in plan provisions

Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of $195,000 (as indexed for inflation in future years) will be excluded when determining member benefits. Additionally, effective July 1, 2020, a portion of the 6% of salary member contribution to the Individual Account Program was redirected to Employee Pension Stability Accounts, which will help fund the defined benefits provided under Tier One/Tier Two and OPSRP. For Tier One/Tier Two members, the prospectively redirected amount was updated to 2.50% of salary, and for OPSRP members the amount was updated to 0.75% of salary. The redirection only applies to members earning $2,500 per month ($3,333 per month beginning in 2022) or more (indexed for inflation). The prospectively redirected amount was updated to 2.40% of salary for Tier One/Tier Two members and 0.65% of salary for OPSRP members beginning with the December 31, 2020 actuarial valuation.

Senate Bill 111, enacted in June 2021, increased the optional death benefit available to a surviving spouse when a retirement-eligible member dies. Previously, this benefit was based on 50% of the actuarial equivalent value of the member's retirement benefit, but this was increased to 100% of the actuarial equivalent value.

Changes in actuarial assumptions

In July 2021, the PERS Board selected a lower long-term expected rate of investment return assumption of 6.90% to be used in the December 31, 2020 and December 31, 2021 actuarial valuations. At the same time, the PERS Board reduced the inflation and payroll growth assumptions to 2.40% and 3.40%, respectively.

Pension plan fiduciary net position

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

Transition Liability

The College reports a separate liability to the plan with a balance of $157,878 at June 30, 2024. The liability represents the College's allocated share of the pre-SLGRP pooled liability. The College is being assessed an employer contribution rate of 1.33 percent of covered payroll for payment of this transition liability.

7 – 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 is a member of Property and Casualty Coverage for Education (PACE) and pays an annual premium to PACE for its property, crime, commercial general liability, automobile liability and physical damage, and other coverages. The College is also a member of Special Districts Insurance Services (SDIS) and pays an annual premium to SDIS for workers' compensation coverage. PACE and SDIS are to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

8 – CONTINGENCIES AND COMMITMENTS

Grants receivable and grant receipts are subject to adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including claims already collected, could become a liability to the College.

9 – BUDGET

The College budgets all College funds required to be budgeted in accordance with the Oregon Local Budget Law on a Non GAAP budgetary basis. The College follows these procedures in establishing its budget:

1. In the spring of each year, the Chief Finance Officer of the College, acting as Budget Officer, submits a proposed budget to the budget committee which consists of the Board of Education and an equal number of concerned citizens of the community. Estimated revenues and expenditures are budgeted by fund and department cost centers.
2. The budget committee conducts public hearings for the purpose of obtaining taxpayer comments.
3. The budget committee approves a balanced budget to submit to the Board of Education. The estimated expenditures for each fund may not be increased by more than 10 percent by the Board and ad valorem taxes for all funds may not exceed the amount shown in the budget document unless the Board republishes the budget and holds additional public hearings.
4. The Board legally adopts the budget before July 1 through a Board resolution. The resolution authorizing appropriations for each fund set the level by which expenditures cannot legally exceed appropriations. The level of control established by the resolution for each fund is at the major expense function level (i.e. Instruction, Student Services, etc.). Appropriations lapse at year end.
5. The Board may change the budget throughout the year by appropriation transfers between levels of control and supplemental budgets as authorized by Oregon Revised Statutes. During the fiscal year ended June 30, 2024, the Board did not adopt a supplemental budget as allowed by state law.

During the 2023-24 fiscal year, the College exceeded the college support appropriation by $172,914 in the General Fund, the transfers out appropriation by $57,782 in the General Fund, the transfers out appropriation by $105,948 in the Special Revenue Fund, the financial aid appropriation by $5,183 in the Special Revenue Fund, the transfers out appropriation by $16,935 in the Financial Aid Fund, the college support appropriation by $1,600 in the Debt Service Fund, the transfers out appropriation by $16,237 in the Enterprise Fund and the student services appropriation by $4,638 in the Agency Fund.

REQUIRED SUPPLEMENTARY INFORMATION

TILLAMOOK BAY COMMUNITY COLLEGE

Schedule of the Proportionate Share of the Net Pension Liability
Oregon Public Employees Retirement System Pension Plan
For the last ten fiscal years

Fiscal Year Ended June 30	(a) College's proportion of the net pension liability (asset)	(b) College's proportionate share of the net pension liability (asset)	(c) College's covered payroll	(b/c) 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	0.0218%	$ 4,871,301	$ 3,364,694	144.78%	81.68%
2023	0.0224%	4,364,825	2,881,349	151.49%	84.55%
2022	0.0180%	2,343,842	2,894,522	80.98%	87.57%
2021	0.0189%	4,315,508	2,398,706	179.91%	75.79%
2020	0.0186%	3,285,686	2,234,104	147.07%	80.23%
2019	0.0173%	2,510,599	2,032,585	123.52%	82.07%
2018	0.0158%	1,900,700	1,855,094	102.46%	83.12%
2017	0.0155%	2,059,167	1,736,091	118.61%	80.53%
2016	0.0138%	323,321	1,731,235	18.68%	91.88%
2015	0.0174%	(825,454)	1,614,443	-51.13%	103.60%

The amounts presented for each fiscal year were actuarially determined as of December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above.

TILLAMOOK BAY COMMUNITY COLLEGE

Schedule of Contributions
Oregon Public Employees Retirement System Pension Plan
For the last ten fiscal years

Fiscal Year Ended June 30	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) College's covered payroll	(b/c) Contributions as a percent of covered payroll
2024	$ 823,256	$ 1,220,466	$ (397,210)	$ 3,829,690	31.87%
2023	543,560	146,350	397,210	3,364,694	4.35%
2022	494,454	494,454	-	2,881,349	17.16%
2021	419,106	419,106	-	2,894,522	14.48%
2020	358,568	358,568	-	2,398,706	14.95%
2019	206,778	206,778	-	2,234,104	9.26%
2018	198,387	198,387	-	2,032,585	9.76%
2017	89,527	89,527	-	1,855,094	4.83%
2016	85,481	85,481	-	1,736,091	4.92%
2015	131,134	131,134	-	1,731,235	7.57%

The amounts presented for each fiscal year were actuarially determined as of December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above. However, the contributions above represent contributions made during the respective fiscal year indicated above.

TILLAMOOK BAY COMMUNITY COLLEGE

Notes to Required Supplementary Information
Oregon Public Employees Retirement System Pension Plan

Changes in Plan Provisions

Key changes in plan provisions effective for the June 30, 2015 measurement date are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which was published on September 18, 2013 and can be found at:
https://www.oregon.gov/pers/EMP/Documents/GASB/2014/GASB-Disclosure-Information.pdf and in a letter from the plan's actuary dated May 23, 2016 which can be found at:
https://www.oregon.gov/pers/EMP/Documents/GASB/2015/Letter-From-Actuary-5-23-16.pdf

Key changes in plan provisions effective for the June 30, 2020 measurement date are as follows:
Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of $195,000 (as indexed for inflation in future years) will be excluded when determining member benefits. Additionally, effective, July 1, 2020, a portion of the 6% of salary member contribution to the Individual Account Program will be redirected to Employee Pension Stability Accounts, which will help fund the defined benefits provided under Tier One/Tier Two and OPSRP. For Tier One/Tier Two members, the prospectively redirected amount will be 2.50% of salary, and for OPSRP members the amount will be 0.75% of salary. The redirection will only apply to members earning $2,500 per month ($3,333 per month beginning in 2022) or more (indexed for inflation). The prospectively redirected amount was updated to 2.40% of salary for Tier One/Tier Two members and 0.65% of salary for OPSRP members beginning with the December 31, 2020 actuarial valuation.

Senate Bill 111, enacted in June 2021, increased the optional death benefit available to a surviving spouse when a retirement-eligible member dies. Previously, this benefit was based on 50% of the actuarial equivalent value of the member's retirement benefit, but this was increased to 100% of the actuarial equivalent value.

Changes in Assumptions

Key changes in assumptions for the December 31, 2012 and 2013 valuations are described in the Oregon Public Employees Retirement System's 2012 Experience Study (Updated) which was published on September 18, 2013 and can be found at:
https://www.oregon.gov/PERS/Documents/Financials/Actuarial/2013/Experience-Study-Updated.pdf

Key changes in assumptions for the December 31, 2014 and 2015 valuations are described in the Oregon Public Employees Retirement System's 2014 Experience Study which was published on September 23, 2015 and can be found at:
https://www.oregon.gov/PERS/Documents/Financials/Actuarial/2015/Experience-Study.pdf

Key changes in assumptions for the December 31, 2016 and 2017 valuations are the reduction of the discount rate and the assumed investment rate of return from 7.5% to 7.2%.

Key changes in assumptions for the December 31, 2019 valuation are as follows:

Senate Bill 1049, signed into law in June 2019, requires a one-time re-amortization of Tier One/Tier Two unfunded actuarial accrued liability over a closed 22 year period in the December 31, 2019 actuarial valuation.

In July 2021, the PERS Board selected a lower long-term expected rate of investment return assumption of 6.90% to be used in the December 31, 2020 and December 31, 2021 actuarial valuations. At the same time, the PERS Board reduced the inflation and payroll growth assumptions to 2.40% and 3.40%, respectively. The PERS Board has also chosen to reflect these updated economic assumptions in the roll-forward of the December 31, 2019 actuarial valuation amounts for the June 30, 2021 measurement date.

OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION
Description of Budgeted College Funds

Other supplementary information consists of schedules required by the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State. Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual are presented on a Non GAAP budgetary basis for each College fund required to be budgeted in accordance with the Oregon Local Budget Law, and for the Agency Fund.

Budgeted College funds are as follows:

General Fund - Accounts for all resources traditionally associated with operating the College which are not required legally or by sound financial management to be accounted for in another fund.

Special Revenue Fund - Accounts for proceeds of specific revenue sources restricted for particular educational and related support programs.

Financial Aid Fund - Accounts for financial aid and scholarship programs.

Capital Projects Fund - Accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Debt Service Fund - Accounts for debt service payments on the College's Limited Tax Pension Obligation Bonds which are funded by transfers from other funds and debt service payments on the College's General Obligation Bonds which are funded by property taxes.

Enterprise Fund - Accounts for the operations of the College's store, community education program, truck driving program and customized training projects.

Agency Fund - Accounts for assets held by the College as an agency for the student government, student honorary society, and college staff.

TILLAMOOK BAY COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
GENERAL FUND
Year Ended June 30, 2024

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
State sources	$ 4,038,496	$ 4,038,496	$ 4,249,979	$ 211,483
Local sources				
Property taxes, current year	1,517,313	1,517,313	1,562,097	44,784
Property taxes, prior years	47,833	47,833	22,296	(25,537)
Local Contract	40,640	40,640	-	(40,640)
Tuition and fees	1,165,277	1,165,277	1,272,795	107,518
Other resources	449,148	449,148	360,445	(88,703)
Total revenues	7,258,707	7,258,707	7,467,612	208,905
EXPENDITURES:				
Instruction	2,400,453	2,400,453	2,135,915	264,538
Instructional support	840,751	840,751	719,160	121,591
Student services	845,364	845,364	774,695	70,669
College support	2,622,255	2,622,255	2,795,169	(172,914)
Plant operations and maintenance	558,867	558,867	550,060	8,807
Contingency	141,677	141,677	-	141,677
Total expenditures	7,409,367	7,409,367	6,974,999	434,368
Revenues over (under) expenditures	(150,660)	(150,660)	492,613	643,273
OTHER FINANCING SOURCES (USES):				
Transfers in	471,216	471,216	491,484	20,268
Transfers out	(320,556)	(320,556)	(378,338)	(57,782)
Total other financing sources (uses)	150,660	150,660	113,146	(37,514)
Revenues and other sources over (under) expenditures and other uses	-	-	605,759	605,759
FUND BALANCE, BEGINNING	1,200,000	1,200,000	1,222,858	22,858
FUND BALANCE, ENDING	$ 1,200,000	$ 1,200,000	$ 1,828,617	$ 628,617

TILLAMOOK BAY COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
SPECIAL REVENUE FUND
Year Ended June 30, 2024

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Federal sources	$ 555,713	$ 555,713	$ 925,190	$ 369,477
State sources	946,308	946,308	675,355	(270,953)
Tuition and fees	20,000	20,000	14,316	(5,684)
Local sources	1,197,629	1,197,629	879,869	(317,760)
Other resources	129,110	129,110	181,368	52,258
Total revenues	2,848,760	2,848,760	2,676,098	(172,662)
EXPENDITURES:				
Instruction	394,590	394,590	311,092	83,498
Instructional support	973,102	973,102	787,888	185,214
Student services	614,929	614,929	415,710	199,219
College support	276,668	276,668	241,376	35,292
Plant operations and maintenance	48,550	48,550	13,809	34,741
Financial aid	55,132	55,132	60,315	(5,183)
Contingency	626,552	626,552	-	626,552
Reserves	6,748,377	6,748,377	-	6,748,377
Total expenditures	9,737,900	9,737,900	1,830,190	7,907,710
Revenues over (under) expenditures	(6,889,140)	(6,889,140)	845,908	7,735,048
OTHER FINANCING SOURCES (USES):				
Transfers in	37,500	37,500	69,105	31,605
Transfers out	(1,011,382)	(1,011,382)	(1,117,330)	(105,948)
Total other financing sources (uses)	(973,882)	(973,882)	(1,048,225)	(74,343)
Revenues and other sources over (under) expenditures and other uses	(7,863,022)	(7,863,022)	(202,317)	7,660,705
FUND BALANCE, BEGINNING	7,893,689	7,893,689	7,198,970	(694,719)
FUND BALANCE, ENDING	$ 30,667	$ 30,667	$ 6,996,653	$ 6,965,986

TILLAMOOK BAY COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
FINANCIAL AID FUND
Year Ended June 30, 2024

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Federal sources	$ 1,129,500	$ 1,129,500	$ 894,063	$ (235,437)
State sources	355,000	355,000	334,589	(20,411)
Other resources	165,069	165,069	174,206	9,137
Total revenues	1,649,569	1,649,569	1,402,858	(246,711)
EXPENDITURES:				
Financial aid	1,840,469	1,840,469	1,585,088	255,381
Revenues over (under) expenditures	(190,900)	(190,900)	(182,230)	8,670
OTHER FINANCING SOURCES (USES):				
Transfers in	126,556	126,556	143,453	16,897
Transfers out	(2,500)	(2,500)	(19,435)	(16,935)
Total other financing sources (uses)	124,056	124,056	124,018	(38)
Revenues and other sources over (under) expenditures and other uses	(66,844)	(66,844)	(58,212)	8,632
FUND BALANCE, BEGINNING	122,303	122,303	117,887	(4,416)
FUND BALANCE, ENDING	$ 55,459	$ 55,459	$ 59,675	$ 4,216

TILLAMOOK BAY COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
CAPITAL PROJECTS FUND
Year Ended June 30, 2024

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Federal sources	$ 559,944	$ 559,944	$ -	$ (559,944)
State sources	8,000,000	8,000,000	463,228	(7,536,772)
Other resources	132,500	132,500	796,820	664,320
Total revenues	8,692,444	8,692,444	1,260,048	(7,432,396)
EXPENDITURES:				
Plant Additions	24,667,094	24,667,094	1,804,157	22,862,937
Revenues over (under) expenditures	(15,974,650)	(15,974,650)	(544,109)	15,430,541
OTHER FINANCING SOURCES (USES):				
Proceeds from issuance of long-term debt	15,450,940	15,450,940	-	(15,450,940)
Transfers in	559,944	559,944	584,994	25,050
Transfers out	(36,234)	(36,234)	(226)	36,008
Total other financing sources (uses)	15,974,650	15,974,650	584,768	(15,389,882)
Revenues and other sources over (under) expenditures and other uses	-	-	40,659	40,659
FUND BALANCE, BEGINNING	-	-	15,166,337	15,166,337
FUND BALANCE, ENDING	$ -	$ -	$ 15,206,996	$ 15,206,996

TILLAMOOK BAY COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
DEBT SERVICE FUND
Year Ended June 30, 2024

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Local sources				
Property taxes, current year	$ 1,183,330	$ 1,183,330	$ 1,154,309	$ (29,021)
Property taxes, prior years	18,348	18,348	13,477	(4,871)
Other resources	1,160	1,160	16,977	15,817
Total revenues	1,202,838	1,202,838	1,184,763	(18,075)
EXPENDITURES:				
College support	1,600	1,600	3,200	(1,600)
Debt service:				
Principal	894,929	894,929	894,929	-
Interest	455,889	455,889	430,419	25,470
Total expenditures	1,352,418	1,352,418	1,328,548	23,870
Revenues over (under) expenditures	(149,580)	(149,580)	(143,785)	5,795
OTHER FINANCING SOURCES (USES):				
Transfers in	186,000	186,000	226,782	40,782
Revenues and other sources over (under) expenditures and other uses	36,420	36,420	82,997	46,577
FUND BALANCE, BEGINNING	2,015	2,015	38,397	36,382
FUND BALANCE, ENDING	$ 38,435	$ 38,435	$ 121,394	$ 82,959

TILLAMOOK BAY COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
ENTERPRISE FUND
Year Ended June 30, 2024

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Tuition and fees	$ 285,400	$ 285,400	$ 170,450	$ (114,950)
Local sources	14,000	14,000	16,279	2,279
Other resources	1,000	1,000	23,609	22,609
Total revenues	300,400	300,400	210,338	(90,062)
EXPENDITURES:				
Instruction	208,374	208,374	149,171	59,203
Instructional support	75,128	75,128	65,768	9,360
Student services	3,185	3,185	2,161	1,024
Contingency	6,100	6,100	-	6,100
Total expenditures	292,787	292,787	217,100	75,687
Revenues over (under) expenditures	7,613	7,613	(6,762)	(14,375)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	34,292	34,292
Transfers out	(18,544)	(18,544)	(34,781)	(16,237)
Total other financing sources (uses)	(18,544)	(18,544)	(489)	18,055
Revenues and other sources over (under) expenditures and other uses	(10,931)	(10,931)	(7,251)	3,680
FUND BALANCE, BEGINNING	58,598	58,598	71,999	13,401
FUND BALANCE, ENDING	$ 47,667	$ 47,667	$ 64,748	$ 17,081

TILLAMOOK BAY COMMUNITY COLLEGE

Schedule of Revenues, Expenditures and Changes in Due to Others - Budget and Actual
AGENCY FUND
Year Ended June 30, 2024

	Budget			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Other resources	$ 2,250	$ 2,250	$ 910	$ (1,340)
EXPENDITURES:				
Student services	4,315	4,315	8,953	(4,638)
Financial aid	6,600	6,600	-	6,600
Total expenditures	10,915	10,915	8,953	1,962
Revenues over (under) expenditures	(8,665)	(8,665)	(8,043)	622
OTHER FINANCING SOURCES (USES):				
Transfers in	8,000	8,000	-	(8,000)
Revenues and other sources over (under) expenditures and other uses	(665)	(665)	(8,043)	(7,378)
DUE TO OTHERS, BEGINNING	1,184	1,184	14,208	13,024
DUE TO OTHERS, ENDING	$ 519	$ 519	$ 6,165	$ 5,646

STATISTICAL SECTION

TILLAMOOK BAY COMMUNITY COLLEGE

Schedule of Property Tax Transactions
Year Ended June 30, 2024

Fiscal Year Ended	Uncollected Balances July 1, 2023	Add Taxes Levied	Discounts Allowed	Adjustments	Collections	Uncollected Balances June 30, 2024
Current						
2023-24	$ -	$ 2,840,439	$ 71,902	$ (1,058)	$ 2,706,804	$ 60,675
Prior years						
2022-23	44,319	-	-	(648)	22,544	21,127
2021-22	17,572	-	-	(38)	7,934	9,600
2020-21	9,162	-	-	(37)	5,708	3,417
2019-20	3,474	-	-	(37)	2,716	721
2018-19	700	-	-	(37)	160	503
2017-18	637	-	-	(36)	133	468
and prior	4,719	-	-	(589)	70	4,060
TOTALS	$ 80,583	$ 2,840,439	$ 71,902	$ (2,480)	$ 2,746,069	$ 100,571

NOTE

Billing rate per thousand dollars of assessed value $ .2636 plus $ .1919 for bonds

Taxable Property Values and GO Debt Capacity

Total Assessed Value	Urban Renewal Excess	Net Assessed Value	M5 Real Market Value	GO Bond Capacity (1.5% of RMV)	GO Bonds Outstanding	Remaining Capacity
$ 6,296,186,142	$ 84,205,065	$ 6,211,981,077	$ 12,598,252,685	$ 188,973,790	$ 17,244,570	$ 171,729,220

TILLAMOOK BAY COMMUNITY COLLEGE

Top 10 Tax Payers

Taxpayer	Business/Service	Tax	Assessed Value	Percent of Value
Tillamook County Creamery Association	Dairy Products	$ 1,180,927	$ 122,112,073	1.94%
Tillamook PUD	Electrical Utility	1,092,991	98,494,338	1.56%
Stimson Lumber Company	Wood Products	991,945	86,810,754	1.38%
Store Capital Acquisitions LLC	Commercial Real Estate	304,694	24,684,170	0.39%
Charter Communications	Telecommunications	288,083	25,094,364	0.40%
Hampton Lumber Mills Co	Wood Products	266,075	22,258,210	0.35%
Lumen Technologies Inc	Telecommunications	260,580	23,892,935	0.38%
Fred Meyer Stores Inc	Grocery	234,715	19,631,690	0.31%
Pelican Brewing Company	Hospitality	214,888	17,771,960	0.28%
Kiwanda Lodge LLC	Hospitality	150,247	12,203,340	0.19%
Subtotal - ten of County's largest taxpayers			452,953,834	7.18%
All other County's taxpayers			5,843,232,308	92.82%
Total County			$ 6,296,186,142	100.00%

Tillamook County
Tax Collections [1]

Fiscal Year	Percent Collected as of Levy Year[2]	6/30/2024
2023	97.86%	97.86%
2022	98.14%	99.11%
2021	98.09%	99.56%
2020	98.05%	99.84%
2019	97.58%	99.97%
2018	97.31%	99.97%
2017	97.48%	99.98%
2016	97.24%	99.98%

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

Source: Tillamook County.

INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY OREGON STATE REGULATIONS

KENNETH KUHNS & CO.
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Salem, Oregon 97301-3594

Telephone: (503) 585-2550

INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY OREGON STATE REGULATIONS

December 19, 2024

Board of Education
Tillamook Bay Community College
Tillamook, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tillamook Bay Community College as of and for the year ended June 30, 2024, and have issued our report thereon dated December 19, 2024.

Internal Control Over Financial Reporting

Our report on Tillamook Bay Community College's internal control over financial reporting is presented elsewhere in this Annual Financial Report.

Compliance

As part of obtaining reasonable assurance about whether Tillamook Bay Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, 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.

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).

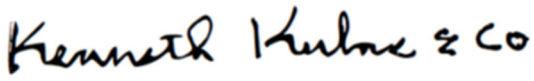
In connection with our testing nothing came to our attention that caused us to believe Tillamook Bay Community College was not in substantial compliance with certain provisions of laws, regulations, contracts and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as described in the following paragraph.

As discussed in Note 9 to the financial statements, the College overexpended certain appropriations during the year. ORS 294.456(6) provides that no greater amount be expended than appropriated except as specifically provided by law.

Purpose of this Report

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

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



Kenneth Kuhns & Co.

DISCLOSURES IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS AND THE UNIFORM GUIDANCE

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

December 19, 2024

Board of Education
Tillamook Bay Community College
Tillamook, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tillamook Bay Community College as of and for the year ended June 30, 2024, and have issued our report thereon dated December 19, 2024.

Report on Internal Control Over Financial Reporting

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

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

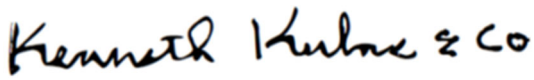
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 Tillamook Bay Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

December 19, 2024

Board of Education
Tillamook Bay Community College
Tillamook, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Tillamook Bay 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Tillamook Bay Community College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Tillamook Bay Community College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Tillamook Bay Community College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Tillamook Bay Community College's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Kenneth Kuhns & Co

Kenneth Kuhns & Co.

Tillamook Bay Community College
Schedule of Expenditures of Federal Awards
Year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/Local Grant Number	Expenditures
U.S. SMALL BUSINESS ADMINISTRATION			
Passed-through Oregon Small Business Development Center Network			
Small Business Development Center	59.037	SBA-2020-157	$ 91,574
U.S. DEPARTMENT OF EDUCATION			
Direct:			
Student Financial Aid			
Supplemental Educational Opportunity Grants	84.007		16,256
College Work Study	84.033		9,680
Pell Grant	84.063		713,763
Federal Direct Student Loan	84.268		141,576
Total Student Financial Aid			881,275
Title III	84.031A		545,859
Passed Through Oregon Department of Education:			
COVID-19 - Career Connected Learning Navigator	84.425U		94,171
Passed Through Tillamook Education Consortium			
Vocational Education Technical Grants:			
Carl D Perkins Grant	84.048		17,659
Total US Department of Education			1,538,964
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct:			
Community Project Funding/Congressionally Directed Spending - Non-Construction	93.493		247,481
Total Federal Financial Assistance			$ 1,878,019

TILLAMOOK BAY COMMUNITY COLLEGE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

1. Purpose of the Schedule:

   The accompanying schedule of expenditures of federal awards (the Schedule) is a supplementary schedule to Tillamook Bay Community College's financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of the College, it is not intended to and does not present either the financial position or changes in net position of the College.

2. Significant Accounting Policies:

   Reporting Entity: The reporting entity is fully described in Note 1 to the College's financial statements. The Schedule includes all federal financial assistance programs administered by the College for the year ended June 30, 2024.

   Basis of Presentation: The information in the Schedule is presented in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

   Federal Financial Assistance: Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

   Basis of Accounting: The expenditures in the Schedule are recognized as incurred based on the accrual basis of accounting and the cost accounting principles contained in the Uniform Guidance. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. The College has elected to use the ten percent de minimis indirect cost rate as allowed under the Uniform Guidance.

   Matching Costs: The Schedule does not include matching expenditures.

TILLAMOOK BAY COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

A - SUMMARY OF AUDIT RESULTS:

1. The independent auditor's report expresses an unmodified opinion on the financial statements of Tillamook Bay Community College.

2. There were no significant deficiencies in internal control over financial reporting reported during the audit of the financial statements of Tillamook Bay Community College.

3. No instances of noncompliance material to the financial statements of Tillamook Bay Community College were disclosed during the audit.

4. There were no significant deficiencies in internal control over compliance reported during the audit of the major federal award programs of Tillamook Bay Community College.

5. The independent auditor's report on compliance for the major federal award programs of Tillamook Bay Community College expresses an unmodified opinion.

6. No audit findings relative to the major federal award programs of Tillamook Bay Community College are reported in this schedule.

7. The program tested as a major program is as follows:

Program Name	Assistance Listing Number
Student Financial Aid Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063
Federal Direct Student Loans	84.268

8. The threshold for distinguishing Type A programs from Type B programs was $750,000.

9. Tillamook Bay Community College was determined to be a low-risk auditee.

B - FINDINGS, FINANCIAL STATEMENTS AUDIT:

None.

C - FINDINGS AND QUESTIONED COSTS, MAJOR FEDERAL AWARD PROGRAMS AUDIT:

None.

TILLAMOOK BAY COMMUNITY COLLEGE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2024

Finding 2023-001:

Year Reported – Year ended June 30, 2023.

Finding (Financial Statements Audit) – Reconciliations of the College's bank accounts and general ledger accounts were not performed on a timely basis during most of the 2022-23 fiscal year.

Status - Corrected.