



# Portland Community College **Comprehensive Annual Financial Report**

For the year ended  
June 30, 2014  
Portland, Oregon





# PORTLAND COMMUNITY COLLEGE

PORTLAND, OREGON

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2014

Jeremy Brown, Ph.D.  
College President

Randy J. McEwen, MS  
College Vice President

Wing-Kit Chung, CPA, MBA  
Vice President for Administrative Services

Jim Langstraat, MBA  
Associate Vice President of Finance

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Kathy Stone  
Cam Lien Tran

# PORTLAND COMMUNITY COLLEGE

12000 Southwest 49th Avenue  
Portland, OR 97219

For the year ended June 30, 2014

<u>ZONE</u>	<u>BOARD OF DIRECTORS</u>	<u>TERM EXPIRES</u>
1	Denise Frisbee, Chair	June 30, 2017
2	Kali Thorne Ladd	June 30, 2017
3	Courtney Wilton	June 30, 2015
4	Jim Harper	June 30, 2017
5	Ken Madden	June 30, 2017
6	Gene Pitts	June 30, 2017
7	Deanna Palm, Vice Chair	June 30, 2015

## ADMINISTRATION

Jeremy Brown, Ph.D. College President  
Randy J. McEwen, MS, College Vice President  
Wing-Kit Chung, CPA, MBA, Vice President for Administrative Services  
Jim Langstraat, MBA, Associate Vice President of Finance  
James H. Crofts, CPA, Accounting Services Manager

# PORTLAND COMMUNITY COLLEGE

## PORTLAND, OREGON

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## PORTLAND, OREGON

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# PORTLAND COMMUNITY COLLEGE

## PORTLAND, OREGON

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# INTRODUCTORY SECTION





November 14, 2014

Board of Directors  
Portland Community College  
Portland, Oregon

## **INTRODUCTION**

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of Portland Community College (the College) for the fiscal year ended June 30, 2014 together with the audit opinion thereon of our auditors as required by Oregon State Laws. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the College. We believe the financial statements and related information are stated fairly in all material aspects in reflecting the financial position and results of operations of the College. All disclosures necessary to enable the reader to gain maximum understanding of the College's financial affairs have been included.

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

The College's CAFR has been prepared in accordance with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, and other recognized standard setting bodies. A summary of significant accounting policies is found in the notes accompanying the basic financial statements.

The budget is both a legal and operational plan for the financial operations to be conducted during the coming fiscal year and is adopted, prior to July 1 of each biennial period, by the Board of Directors after consideration by the Multnomah County Tax Supervising and Conservation Commission as well as the College Budget Planning and Advisory Committee. After adoption, the budget may be revised periodically through procedures specified by state statute and board policy. Budgetary controls are maintained through monitoring expenditures on various legally adopted appropriation levels. Depending upon the budget structure, the appropriation levels may be classified by cost centers, such as campus and division; by programs; by fund source, such as federal or state grants; or by object classification, such as personal services, materials and supplies, capital outlay, operating transfers and contingency. Budget-to-actual comparisons are provided in this report as part of the Other Supplementary Information in the Financial Section.

## ***The College***

Located in Portland, Oregon, Portland Community College, with a District of over 1,500 square miles serves all or part of Multnomah, Washington, Yamhill, Clackamas and Columbia counties. The College was originally chartered in 1961 as a part of Portland School District No. 1, and was established as an independent entity in 1968, pursuant to Oregon Revised Statutes Chapter 341.

An elected seven-member Board of Directors establishes the policies of the College. Each member of the Board of Directors is elected for a four-year term. The Portland Community College Board has statutory charge and control of all activities, operations and programs of the College including its property, personnel and finances. The District President is the Chief Executive Officer of the College and the administrative staff is responsible for the College's daily operations.

The Oregon State Board of Education establishes state standards for educational programs and facilities, approves courses of study, and adopts regulations for Oregon's community college system. Additionally, the Commissioner of the Department of Community Colleges and Workforce Development serves as administrative officer for the state of Oregon in community college matters.

*Mission, Vision and Values.* The College's mission, as adopted by the Board of Directors, is to advance the region's long-term vitality by delivering accessible, quality education to support the academic, professional, and personal development of the diverse students and communities we serve. The vision of the College is building futures for our students and communities.

The College believes that certain fundamental values characterize the institution and guide us in the accomplishment of our mission and goals. These values are:

- Effective teaching and student development programs that prepare students for their roles as citizens in a democratic society in a rapidly changing global economy
- An environment that is committed to diversity as well as the dignity and worth of the individual
- Leadership through innovation, continuous improvement, efficiency, and sustainability
- Leadership through the effective use of technology in learning and all College operations
- Being a responsible member of the communities we serve by actively participating in their development
- Quality, lifelong learning experiences that helps students to achieve their personal and professional goals
- Continuous professional and personal growth of our employees and students including emphasis on fit and healthy lifestyles that decrease disease and disability
- Academic Freedom and Responsibility - creating a safe environment where competing beliefs and ideas can be openly discussed and debated
- Collaboration predicated upon a foundation of mutual trust and support
- An agile learning environment that is responsive to the changing educational needs of our students and the communities we serve
- The public's trust by effective and ethical use of public and private resources

Institutional goals are established and approved by the Board of Directors:

**Access:** Access to learning opportunities will be expanded through the cultivation of community and business partnerships.

**Diversity:** Lifelong learning opportunities will be accessible to all and enriched by the diversity of our students, faculty, and staff.

**Quality Education:** Educational excellence will be supported through assessment of learning and practicing continuous improvement and innovation in all that we do.

Sustainability: Effective use and development of college and community resources (human, capital and technological) will contribute to the social, financial and environmental well-being of communities served.

Campuses, Administrative and Academic District Services build upon the College's mission, vision and values by creating working objectives that are meaningful to the operational entities of the College and still support the Board's institutional goals. Regular goal reports are presented to the Board of Directors during the course of the academic year with a full executive summary that is completed at the end of the academic year.

*Campus Information.* The College operates three comprehensive campuses and the Extended Learning Campus. Each provides lower-division college transfer courses, two-year associate degree programs and career/technical training programs.

*The Cascade Campus* is located in the urban heart of the city of Portland and serves over 22,200 students representing over 6,700 FTE each year in a diverse, lively and close-knit neighborhood. The campus offers a full array of educational offerings, including the first two years of courses leading to a bachelor's degree and a variety of opportunities for degrees and certificates in career technical programs.

*The Rock Creek Campus* sits about 15 miles west of downtown Portland in the rapidly growing Beaverton-Hillsboro area of Washington County. The 256-acre campus provides a beautiful setting for college transfer and career and technical programs and annually serves 24,500 students or 8,000 FTE. The campus provides a model for successful partnerships with area high schools. The campus also provides classes at other locations. A smaller center located in Hillsboro provides community education programs and selected credit courses. The center is designed to meet the needs for computer education, customized training courses and English as a Second Language program.

*The Sylvania Campus* is located in suburban southwest Portland surrounded by Lake Oswego, Tigard and Portland. It is the largest campus, serving 30,000 students or over 11,200 FTE this fiscal year. Sylvania is home for the College's nursing and dental programs, which have national reputations for excellence. Sylvania also provides college transfer and career technical programs as well as developmental education courses.

*The Southeast Campus/Extended Learning Campus* not only provides credit offerings, but adult basic education, job training and retraining, small business development, life enrichment courses, adult and continuing education, literacy, and contracted short-term training for business and industry. Annually, over 43,500 people representing more than 4,900 FTE participate in the Extended Learning Campus programs in training centers and community settings throughout the five-county district. The Extended Learning Campus operates four major facilities throughout the district, including both the CLIMB Center for Advancement in downtown Portland and a facility adjacent to the Willow Creek Westside Light Rail station, providing enhanced service and easy access for the Washington County community. With the completion of new buildings, funded through the bond program, the Southeast Campus moved to full, comprehensive campus status in fall of 2014.

### ***Local Economy***

The Portland metropolitan area's seasonally adjusted unemployment rate as of June 2014 was 5.9%, down from 7.8% one year ago. Over the past year, the area has gained 47,500 jobs, a 2.85% increase. Oregon anticipates recovering all the jobs lost in the great recession in the next six to eight months. Recent employment growth has been improving faster than the national average. However, the rate of improvement remains subpar when compared with historical periods of expansion. The Oregon Office of Economic Analysis (OEA) expects employment growth through 2016 to peak at 2.6%

The State budget allocation for all 17 Oregon community colleges in the state was approved by the legislature in the sum of \$465 million for the biennium ended June 2015, an increase of nearly 18% from the 2011-2013 final biennium level. However, funding still lags behind the pre-recessionary level of the \$500 million allocation during the 2007-09 biennium. The College's share of the state support is approximately \$64.4 million for fiscal year 2014 and \$69.5 million for fiscal year 2015. The allocation to individual colleges is based on a formula newly approved in 2011 by the State Board of Education. The new formula is based on the concept that state funding will not be provided for enrollments above a certain level, effectively implementing a cap on the number of students funded by the state at each college. In fiscal year 2014 Portland Community College served approximately 4,500 full-time equivalent students above the number funded by the state.

Another major piece of revenue comes from student tuition and fees. Tuition and fee revenue accounts for approximately 51.2% of the total General Fund operating resources. The total revenue from tuition and fees is estimated at \$96.6 million for fiscal year 2013 and \$99.2 million for fiscal year 2014.

The College receives federal funds in support of student aid. The Student Aid and Fiscal Responsibility Act (SAFRA) was signed into law in March of 2010 and eliminated the Federal Family Education Loan program and moved all federal student loans into the Direct Loan program, requiring colleges to fund and manage loans. These funds are budgeted in the Student Financial Aid Fund and are estimated at \$400 million for the biennium.

The College also receives property tax revenue to support ongoing operating costs estimated at \$28.8 million in fiscal year 2013, accounting for approximately 14.9% of the General Fund operating resources. PCC also levies property taxes to pay for the maturing principal and interest on voter approved General Obligation bonds estimated at \$46.6 million for 2013.

The College has proactively managed its budget based on reasonable projections of future funding and enrollment. This enables the College to continue to meet its student-centered mission. The College has initiated a long term planning process to ensure the financial viability of the College. An internal Budget and Planning Advisory Committee (BPAC) serves as part of the College's budget development process with committee membership including students, faculty, academic professionals, classified staff, managers and the President's Cabinet.

### ***Long-Term Financial Planning***

The population in Oregon counties in the Portland metro area is expected to increase from 1.75 million in 2010 to 1.9 million in 2015, a 7% increase. Current projections indicate that by 2020 the area will increase in population to 2.0 million. Modest population increases are anticipated in most age groups. However, a noticeable shift is expected in the age distribution of the population given a significant increase in the 50+ age brackets. Increases in the older age brackets are projected to impact the College's workforce development, healthcare, and community and continuing education programs. Some enrollment increase is also expected due to students choosing PCC as an alternative to higher-cost four-year universities and as new facilities are built out through the bond program, reaching new markets and student populations.

The September 2014 Oregon Economic and Revenue Forecast is projecting revenue growth rates in the state General Fund of 12.2% for the 2013-15 biennium and 10.8% for the 2015-17 biennium, and 7.9% for the 2017-19 biennium. Future challenges for PCC will include the potential of declining enrollment as the economy improves, a rate increase for the required PERS contribution, and the potential for future state funding to be linked to outcomes through the developing achievement compact initiatives implemented by the governor and legislature.

In November of 2008 voters of the district approved a \$374 million ballot measure for the college to issue general obligation bonds for the acquisition, construction, renovation, and improvement of various college facilities and campuses. In March 2009 the college sold \$200 million of the approved amount of bonds with the remaining \$174 million being sold in March 2013. Significant projects during the 2013-14 fiscal year included:

- Construction of the student commons and library on the Southeast Campus.
- Completion of the first phase of the major renovation to the college center building on the Sylvania Campus.
- Construction of a new academic building, student union and parking garage on the Cascade Campus.
- A 28,000 square foot addition to the Rock Creek Campus which provided additional classroom space as well as space for the Multicultural, Student learning, and Women's resources Centers.
- A 12,000 square foot addition and renovation of existing buildings to create the Swan Island Trades Center, which will serve as a base for several career technical education programs and also as a training and professional development center.

### ***Accreditation***

The Northwest Commission on Colleges and Universities (NWCCU) granted accreditation to Portland Community College in 1970. In July 2012, the NWCCU reaffirmed the accreditation of the College, based on the comprehensive, full scale evaluation and visit that took place in April and May 2012. The next accreditation evaluation and visit is set for April 2015. The Oregon Department of Education has approved all of the career-

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### ***Independent Audits***

The provisions of Oregon Revised Statutes, Section 297.405 to 297.555 require an independent audit of the fiscal affairs of the College. The firm of Kenneth Kuhns & Co. has completed their examination of the College's basic financial statements and, accordingly, has included their Independent Auditor's Report in the Financial Section of this CAFR.

The Single Audit Act and OMB Circular A-133 require state and local governments that receive and expend directly or indirectly certain amounts in federal assistance to have an audit conducted for that year. In addition, the College issues a separate report on the requirements of the Single Audit Act. Included in this report are a Schedule of Expenditures of Federal Awards, required reports on internal controls and compliance with laws and regulations, and a schedule of findings and questioned costs.

### ***Awards***

The Government Finance Officers Association of the United States of America and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Portland Community College for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. The College has achieved this prestigious award since 1992. In order to be awarded a Certificate of Achievement, the College must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

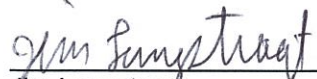
In addition, the College also received the GFOA's Distinguished Budget Presentation Award for its budget document for the biennial period beginning July 1, 2013. The College has earned this award since 2001.

In order to qualify for the Distinguished Budget Presentation Award, Portland Community College's budget document was judged to be proficient in several categories that include its use as a policy document, a financial plan, an operations guide, and a communications device.

### ***Acknowledgements***

We wish to express our appreciation to the entire Financial Services staff for their efforts and contributions to this Comprehensive Annual Financial Report. We greatly appreciate the representatives from the College Bookstore and the Print Center for their support in the preparation of this report. We further extend our thanks to the staff of Kenneth Kuhns & Co. for their efforts during this audit. We would also like to thank the members of the Board of Directors, the District President, the President's Cabinet, faculty and staff for their continued support and dedication to the financial operations of the College.

Respectfully submitted,

  
\_\_\_\_\_  
Jim Langstraat  
Associate Vice President of Finance

  
\_\_\_\_\_  
James Crofts  
Accounting Services Manager





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Portland Community College  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

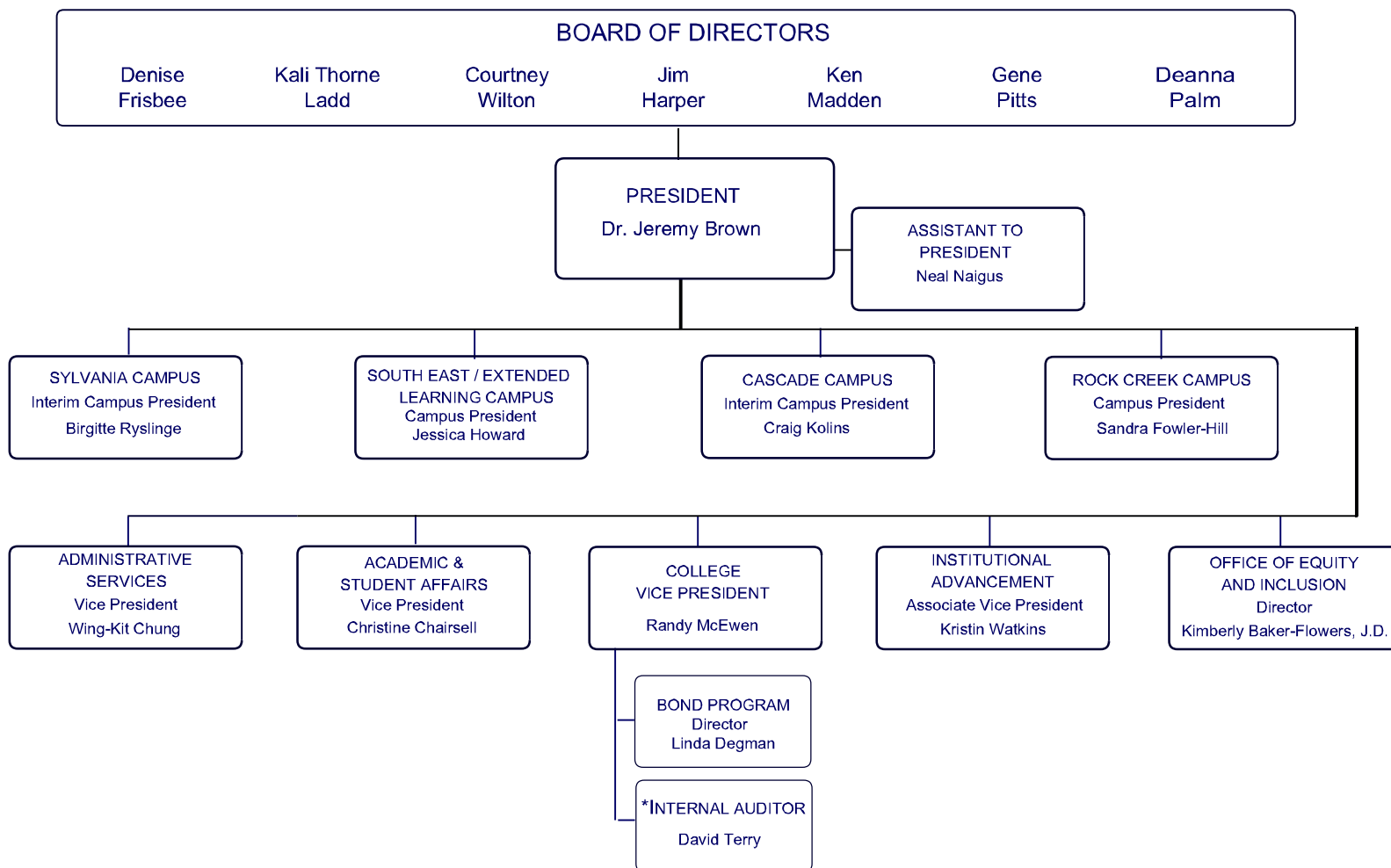
**June 30, 2013**

Executive Director/CEO

# PORTLAND COMMUNITY COLLEGE

## Administrative Organization

2013-14



\* Internal auditor also has dual reporting relationship with the Board of Directors audit committee

# FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

November 14, 2014

Board of Directors  
Portland Community College  
Portland, Oregon

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Portland Community College as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Portland Community College's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Portland Community College as of June 30, 2014, 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.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Supplementary Information and Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Portland Community College's basic financial statements. The other supplementary information listed in the table of contents, introductory section, statistical section, and schedule of expenditures of federal awards required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (OMB Circular A-133) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## **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 November 14, 2014 on our consideration of Portland Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Portland 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 November 14, 2014 on our consideration of Portland 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 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 internal control over financial reporting or on compliance.



Kenneth Kuhns & Co.





## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of Portland Community College's (the College) Comprehensive Annual Financial Report (CAFR) presents an analysis of the financial activities of the College for the fiscal years ended June 30, 2014 and 2013. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with them. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. This discussion is designed to focus on current activities and known facts, and any resulting changes.

### **FINANCIAL HIGHLIGHTS**

The significant events of fiscal year ended June 30, 2014 that impacted the College are as follows:

- Full-time equivalent students (FTE) decreased from 33,680 in 2013 to 31,940 in 2014. The total headcount of students decreased slightly from 89,903 in 2013 to 88,179 in 2014. More information about enrollment is available in the Statistical Section of this CAFR.
- FTE reimbursement from the State of Oregon increased from \$39.2 million to \$78.2 million. The increase was caused by the Oregon Legislature's deferral of its eighth quarter reimbursement from April 2013 to August 2013. The deferrals were enacted in 2003 and are scheduled to occur on alternate years so that the State can balance its biennial budget.
- Capital assets, net of depreciation, increased from \$407.1 million in 2013 to \$497.6 million in 2014 due primarily to multiple large projects in process and completed during the fiscal year. These capital additions are made possible by a \$374 million bond measure approved by voters in 2008.
- The College has increased its net position from \$292.4 million in 2013 to \$353.8 million in 2014. The majority of this increase was in non-operating revenues; with \$39.0 million pertaining to the FTE reimbursement deferral.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is an introduction to Portland Community College's basic financial statements, which include entity-wide financial statements prepared in accordance with the accrual basis of accounting and notes to the basic financial statements. Following the basic financial statements is Other Supplementary Information in the Financial Section along with a Statistical Section and an Audit Section.

The entity-wide financial statements are designed to provide readers with a broad overview of the College's finances, in a manner similar to a private-sector business. These entity-wide statements consist of (1) Statement of Net Position, (2) Statement of Revenues, Expenses and Changes in Net Position and (3) Statement of Cash Flows which are described and analyzed in the following sections of the overview. Notes to Basic Financial Statements are required to complete the entity-wide statements, and are an integral component of the basic financial statements.

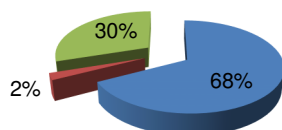
### Analysis of Net Position

The Statement of Net Position (page 12) presents information on all of the College's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position are indicators of the improvement or erosion of the College's financial health when considered along with non-financial facts such as enrollment levels and the condition of the facilities. The Statement of Net Position includes all assets and liabilities of the College using the accrual basis of accounting, which is similar to the accounting presentation used by most private colleges.

<b>Net Position (in millions)</b>			
	2014	2013	Increase (decrease) 2014-13
<b>Assets</b>			
Current assets	\$ 152.5	\$ 214.3	\$ (61.8)
Capital assets, net of depreciation	497.6	407.1	90.5
Other noncurrent assets	272.7	270.9	1.8
<b>Total assets</b>	<b>\$ 922.8</b>	<b>\$ 892.3</b>	<b>\$ 30.5</b>
<b>Liabilities</b>			
Current liabilities	\$ 71.2	\$ 72.6	\$ (1.4)
Noncurrent liabilities	497.8	527.3	(29.5)
<b>Total liabilities</b>	<b>569.0</b>	<b>599.9</b>	<b>(30.9)</b>
<b>Net position</b>			
Net investment in capital assets	238.7	196.4	42.3
Net position: restricted	8.6	7.9	0.7
Net position: unrestricted	106.5	88.1	18.4
<b>Total net position</b>	<b>353.8</b>	<b>292.4</b>	<b>61.4</b>
<b>Total liabilities and net position</b>	<b>\$ 922.8</b>	<b>\$ 892.3</b>	<b>\$ 30.5</b>

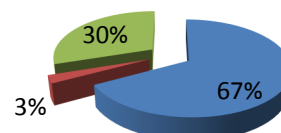
#### 2014 Net position - \$353.8 million

- Net investment in capital assets \$238.7
- Restricted \$8.6
- Unrestricted \$106.5



#### 2013 Net position - \$292.4 million

- Net investment in capital assets \$196.4
- Restricted \$7.9
- Unrestricted \$88.1



**Fiscal year 2014 compared to 2013.** Net Position increased \$61.4 million from \$292.4 million in 2013 to \$353.8 million in 2014. Current assets decreased by \$61.8million. Current assets of \$152.5 million are more than sufficient to cover current liabilities of \$71.2 million. This represents a current ratio of 2.1. The College's current liabilities consist primarily of payroll, interest and various payables for operations, and the current portion of long-term debt. Currently, \$238.7 million is the net investment in capital assets and represents an increase of \$42.3 million from the prior year. The College uses capital assets to provide services to students; consequently, these assets are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position is the amount set aside for student financial aid grants and loans. Unrestricted net position is used for the continuing operations of the College.

### **Analysis of Changes in Net Position**

The Statement of Revenues, Expenses and Changes in Net Position (page 13) present 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 of when the cash is received or disbursed. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The utilization of long-lived assets is reflected in the financial statement as depreciation, which amortizes the cost of the capital asset over the expected useful life. Revenues and expenses are reported as either operating or non-operating, with operating revenues primarily coming from tuition and fees, and federal grants. State appropriations, property taxes and student financial aid are classified as the primary non-operating revenues. Because of the College's dependency on state aid and property tax revenue, this statement presents an operating loss, while the non-operating revenues significantly offset the operating loss on overall net position.

**Portland Community College**  
**Fiscal year ended June 30, 2014**

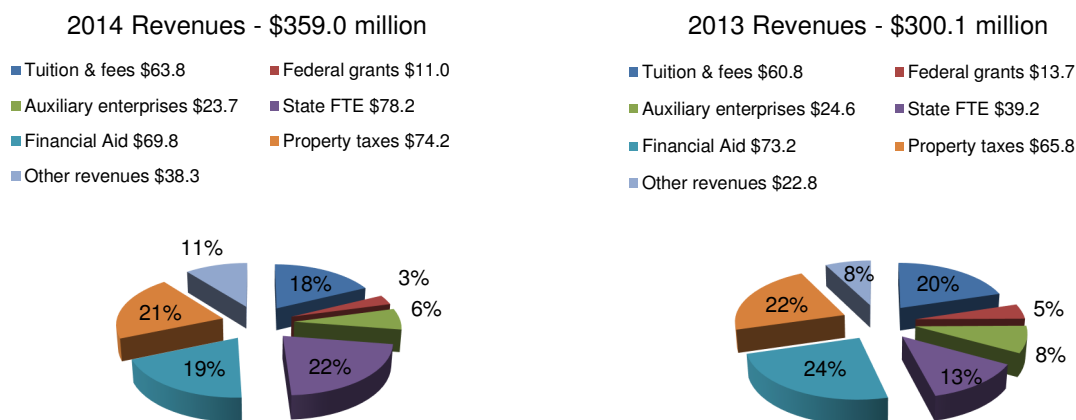
**Changes in Net Position (In Millions)**

	2014	2013	Increase (decrease) 2014-13
Operating revenues			
Student tuition and fees	\$ 63.8	\$ 60.8	\$ 3.0
Federal contracted programs	11.0	13.7	(2.7)
Auxiliary enterprises and other	23.7	24.6	(0.9)
Total operating revenues	<u>98.5</u>	<u>99.1</u>	<u>(0.6)</u>
Nonoperating revenues			
State FTE reimbursement	78.2	39.2	39.0
Property taxes	74.2	65.8	8.4
Federal financial aid	69.8	73.2	(3.4)
Other nonoperating revenues	38.3	22.8	15.5
Total nonoperating revenues	<u>260.5</u>	<u>201.0</u>	<u>59.5</u>
Total revenues	<u>359.0</u>	<u>300.1</u>	<u>58.9</u>
Operating expenses			
Educational and general	154.0	152.8	1.2
Administrative services and physical plant	52.8	48.8	4.0
Grants and contracted programs	21.9	24.8	(2.9)
Auxiliary enterprises	22.8	24.1	(1.3)
Depreciation	6.4	7.5	(1.1)
Other support services	24.2	27.2	(3.0)
Total operating expenses	<u>282.1</u>	<u>285.2</u>	<u>(3.1)</u>
Nonoperating expenses			
Other nonoperating expenses	<u>15.5</u>	<u>15.3</u>	<u>0.2</u>
Total expenses	<u>297.6</u>	<u>300.5</u>	<u>(2.9)</u>
Increase (decrease) in net position	61.4	(0.4)	61.8
Net position, beginning of year	292.4	294.3	(1.9)
Prior period adjustment	-	(1.5)	1.5
Net position, end of year	<u>\$ 353.8</u>	<u>\$ 292.4</u>	<u>\$ 61.4</u>

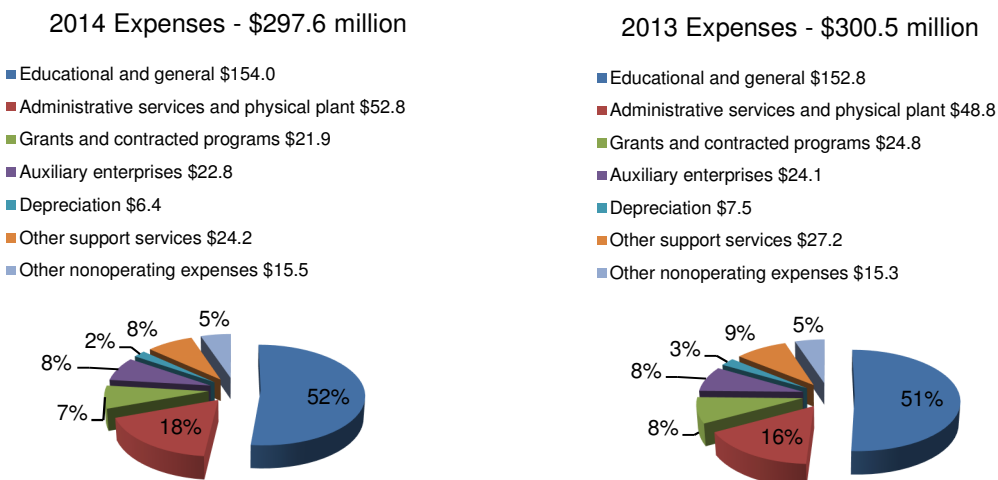
**Portland Community College**  
**Fiscal year ended June 30, 2014**

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

The following graphics show the allocation of total revenues for fiscal years 2014 and 2013:



The following graphics show the allocation of total expenses for fiscal years 2014 and 2013:



**Fiscal year 2014 compared to 2013.** The most significant source of operating revenues is tuition and fees, followed by auxiliary services and federal grants. Operating revenues decreased by \$0.6 million, which reflects decreases in federal contracted programs and auxiliary services offset by an increase in student tuition and fees.

The largest non-operating revenue source is state FTE reimbursements, followed by property taxes and federal financial aid. The increase in FTE reimbursement is a timing difference due to the deferral of the eighth quarter FTE received in fiscal year 2014. Property tax revenue rose due to the additional tax levy

**Portland Community College**  
**Fiscal year ended June 30, 2014**

for the bonds issued in March 2013. The bulk of the increase in other non-operating revenues is owed to a rise in state and local grants and contracts.

Operating expenses decreased by \$3.1 million overall. Educational expense is the largest single line item and had a slight increase of \$1.2 million. Administrative services and physical plant expenses grew \$4.0 million.

**Analysis of Cash Flows**

The primary purpose of the Statement of Cash Flows (page 14 & 15) is to provide relevant information about cash receipts and cash payments, which is a basis to assess the financial health of the College. The Statement of Cash Flows present information on cash flows from operating activities, non-capital financial activities, capital financing activities and investing activities. It provides the net increase or decrease in cash between the beginning and end of the fiscal year, and assists the evaluation of financial viability, the College's ability to meet financial obligations as they become due, and the need for external financing.

<b>Cash Flow (in millions)</b>			
	2014	2013	Increase (decrease) 2014-13
Cash provided by (used in)			
Operating activities	\$ (163.4)	\$ (158.4)	\$ (5.0)
Noncapital financing activities	182.3	141.8	40.5
Capital financing activities	(92.5)	130.0	(222.5)
Investing activities	49.4	(106.5)	155.9
Net increase (decrease) in cash	(24.2)	6.9	(31.1)
Cash and cash equivalents, beginning of year	74.2	67.3	6.9
Cash and cash equivalents, end of year	\$ 50.0	\$ 74.2	\$ (24.2)

**Fiscal year 2014 compared to 2013.** Operating Activities: The College's major sources of cash included in operating activities are student tuition and fees, federal grants and auxiliary enterprises. Major uses of cash were payments made to employees, suppliers and students for financial aid. The College used \$5.0 million more in cash in its operating activities than the prior year primarily due to a \$3.2 million increase in cash payments to suppliers, employees and student financial aid and scholarships.

Noncapital Financing Activities: Student financial aid, State FTE reimbursements and property taxes are the primary sources of noncapital financing. Cash provided by noncapital financing activity increased by \$40.5 million. The largest change from prior year is due to a \$39.0 million increase in State FTE. Accounting standards require that these sources of revenue be reported as non-operating even though the College depends on these revenues to continue the current level of operations.

Capital Financing Activities: Cash provided by capital financing activities decreased by \$222.5 million compared to last fiscal year. The decrease in cash provided is a net result of the absence of \$201.5

**Portland Community College**  
**Fiscal year ended June 30, 2014**

million in cash provided in fiscal year 2013 from bonds issued and premiums received offset mainly by a \$20.2 million increase in cash usage for capital assets.

Investing Activities: Total cash provided in investing activities increased by \$155.9 million. The increase in comparison to fiscal year 2013 is mostly due to a net \$153.5 million increase in cash provided from the sales of investments offset by cash used for purchases of investments.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The College's net investment in capital assets as of June 30, 2014, was \$497.6 million. Investment in capital assets includes land, buildings, improvements, machinery and equipment, art and historical treasures, library collections and infrastructure.

Additional information on the College's capital assets can be found in Note 3 of the Notes to Basic Financial Statements.

**Debt Administration.** At the end of the current fiscal year, the College had debt instruments with a total outstanding principal of \$525.5 million. Of this amount, \$519.0 million comprises debt backed by the full faith and credit of the College within the limitation of Sections 11 and 11(b) of Article XI of the Oregon Constitution.

State statutes limit the amount of general obligation debt the College may issue to 1.5 percent of Real Market Value of properties within the College district. The current legal debt limit is approximately \$2.3 billion, which is significantly higher than the College's outstanding general obligation debt. The College's outstanding general obligation debt of \$519.0 million is roughly 22% of the legal debt limit. Additional information on the College's long-term debt can be found in Note 4 of the Notes to Basic Financial Statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The College proactively manages its financial position and adopts budgetary guidelines and principles that address cost reductions and revenue enhancement. Since its formation in 1961, the College has adopted its budget on an annual basis in accordance with the requirement of Oregon Budget Law. In 2001, the State Legislature amended Local Budget Law allowing municipalities to adopt a budget for a period of 24 months (a biennial budget). In January 2007 the Board passed a resolution granting the District President authority to prepare and submit a biennial budget commencing July 1, 2007.

During fiscal year 2014, the College received \$11.3 million more in state revenue than fiscal year 2013. The increase is due to increases in the state funding level and earlier year's enrollment growth working through the payment structure of the state FTE reimbursement.

The College experienced unprecedented enrollment growth in the recent past due to the economic downturn. For the FY2013-15 Biennium, the College anticipates that enrollment will experience a decline from the record levels of the FY2011-13 biennium. The budget assumes that as the economy strengthens, some students will return to the workforce, but new students will enroll at PCC as an affordable alternative to the higher-cost four-year universities. Additionally, as we build out new facilities through the bond program, we will reach new markets and student populations, increasing enrollment as well.

We are estimating an annual average enrollment of approximately 28,000 credit student full-time equivalent (FTE) per year of the biennium. The FY2013-15 Biennium budget includes a tuition fee increase of \$6 per credit hour in the first year and a \$5 per credit hour increase in the second year. The tuition rate for the first year of the biennium period will be \$88 per credit hour and was to increase to \$93 for the second year of the biennium period. There are no budgeted increases in the College's fees for Technology, Transportation or College Service. The Board remains sensitive to the cost of tuition and in

**Portland Community College**  
**Fiscal year ended June 30, 2014**

light of increased state funding reduced the \$5 tuition increase for the second year of the biennium to \$4. Additionally, funds were allocated for tuition waivers for qualifying students.

The Oregon legislature has established a FY2013-15 Biennium budget of \$465 million for Community College Support Fund (CCSF) allocation through the formula approved by the State Board of Education. This reflects an increase of 17.7% from the FY2011-13 funding level of \$395 million. The CCSF allocation still remains below the \$510 million established for the FY2007-09 biennium. As the approved level of the CCSF was changing until well after the time that the college had to approve and submit an adopted budget, the FY2013-15 budget was built on a CCSF allocation of \$410 million. While the College has amended the budget to account for these additional resources, we plan to remain conservative in our planning process. The CCSF allocation has been adjusted downwards in past years when Oregon experienced an economic downturn and decline in the level of personal income tax receipts.

In spite of our efforts to budget conservatively, we will need to review our FY2013-15 Biennium budget for potential reductions based on the dynamics of the Oregon economy and declining enrollment.

Among the key measures enacted by the Oregon legislature were changes to the structure of the annual cost-of-living adjustments for participants in the Public Employees Retirement System (PERS). While these changes reduced the PERS liability, and helped the state make additional funds available, they are receiving a strong legal challenge. The Oregon Supreme Court heard testimony in October 2014 and a ruling is expected in the spring of 2015. Should all of the legislative actions be overturned the college could anticipate an additional 5.5% rate increase in the 2017-19 biennium.

The September 2014 Oregon Economic and Revenue Forecast projects growth in state general fund revenues of 10.8% for the FY2015-17 biennium, an additional growth of 7.9% for the FY2017-19 and continued growth averaging 9.9% per biennium through 2023.

## **REQUESTS FOR INFORMATION**

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

Financial Services  
Portland Community College  
P.O. Box 19000  
Portland, OR 97280-0990





PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

STATEMENT OF NET POSITION

June 30, 2014

(In Thousands)

<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 50,019
Short-term investments	81,477
Receivables, net of allowance	
Taxes	2,572
Accounts	5,424
Student accounts	7,223
Federal programs	2,451
Interest	796
Inventory and prepaid items	2,615
Total current assets	<u>152,577</u>
Noncurrent assets:	
Long-term investments	148,087
Pension asset	123,023
Net pension obligation	1,589
Leased property under capital lease, net	63
Capital assets - non-depreciable	172,494
Capital assets - depreciable	427,009
Less: Accumulated depreciation	<u>(101,990)</u>
Total noncurrent assets	<u>770,275</u>
TOTAL ASSETS	<u><u>\$ 922,852</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 11,944
Payroll liabilities	19,348
Accrued interest payable	1,160
Unearned revenue	962
Compensated absences	6,160
Other current liabilities	3,957
Current portion of long-term debt	27,718
Total current liabilities	<u>71,249</u>
Noncurrent liabilities:	
Noncurrent liabilities	525,529
Less: Current portion of long-term debt	<u>(27,718)</u>
Total noncurrent liabilities	<u>497,811</u>
TOTAL LIABILITIES	<u>569,060</u>
<b>NET POSITION</b>	
Net investment in capital assets	238,664
Net position: restricted	
Student financial aid grants and loans	8,596
Net position: unrestricted	106,532
Total net position	<u>353,792</u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 922,852</u></u>

See notes to basic financial statements.

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
Year ended June 30, 2014  
(In Thousands)

<b>OPERATING REVENUES</b>	
Student tuition and fees, net of scholarship allowances	\$ 63,775
Federal contracted programs	11,023
Nongovernment grants and contracts	5,393
Auxiliary enterprises:	
Food services	4,571
Bookstore, net of scholarship allowances	8,048
Parking operation	5,112
Other operating revenues	606
Total operating revenues	<u>98,528</u>
<b>OPERATING EXPENSES</b>	
Educational and general:	
Sylvania Campus	49,379
Rock Creek Campus	33,506
Cascade Campus	27,872
Extended Learning Campus	18,963
President and Governing Board	4,431
Academic and Student Affairs Services	19,816
Administrative Services and Physical Plant	52,824
Other support services:	
Student Activities	2,125
Grants and contracted programs	21,906
Student financial aid, net of tuition and textbooks	20,092
Auxiliary enterprises:	
Food services	4,833
Bookstore	14,059
Parking operation	3,855
Early retirement costs	228
Materials, supplies and minor equipment expense	1,796
Depreciation expense	8,320
Amortization of bond premium	(1,891)
Total operating expenses	<u>282,114</u>
Operating income (loss)	<u>(183,586)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Federal financial aid	69,780
State FTE reimbursement	78,243
State and local government grants and contracts	15,583
Property taxes	74,246
Investment income	2,388
Investment income on pension asset	20,273
Interest expense	(15,583)
Net nonoperating revenues (expenses)	<u>244,930</u>
Increase in net position	61,344
<b>NET POSITION</b>	
Net position - beginning of the year	<u>292,448</u>
Net position - end of the year	<u>\$ 353,792</u>

See notes to basic financial statements.

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

STATEMENT OF CASH FLOWS  
Year ended June 30, 2014  
(In Thousands)

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CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 63,891
Federal grants and contracts	11,023
Non-government grants and contracts	5,393
Payments to suppliers for goods and services	(49,852)
Payments to employees	(191,546)
Payments for student financial aid and other scholarships	(20,092)
Cash received from customers	17,183
Other cash receipts	<u>606</u>
Net cash used in operating activities	<u>(163,394)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Federal student financial aid grants	67,595
State and local government grants and contracts	15,583
Cash received from property taxes	28,815
Cash received from State FTE reimbursement	78,243
Interest paid on limited tax pension bonds	(4,815)
Principal paid on limited tax pension bonds	<u>(3,110)</u>
Net cash provided by noncapital financing activities	<u>182,311</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Cash received from property taxes	46,452
Principal paid on long-term debt	(27,639)
Purchase of capital assets	(89,911)
Interest paid on long-term debt	<u>(21,388)</u>
Net cash used in capital financing activities	<u>(92,486)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments	2,622
Purchases of investments	(112,115)
Proceeds from sales of investments	<u>158,896</u>
Net cash provided by investing activities	<u>49,403</u>

See notes to basic financial statements.

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

STATEMENT OF CASH FLOWS (CONTINUED)  
Year ended June 30, 2014  
(In Thousands)

NET DECREASE IN CASH	\$ (24,166)
Cash and cash equivalents - beginning of the year	<u>74,185</u>
Cash and cash equivalents - end of year	<u><u>\$ 50,019</u></u>
RECONCILIATION TO AMOUNTS SHOWN ON STATEMENTS OF NET ASSETS	
Unrestricted cash and cash equivalents	<u><u>\$ 50,019</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (183,586)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	8,320
Pension contributions paid from pension asset	10,416
Amortization expense	(1,891)
Change in net pension obligation	137
Change in OPEB liability	871
(Increases) decreases in current assets used in operations:	
Accounts receivable	(549)
Student accounts receivable	(7)
Inventory and prepaid items	215
Increases (decreases) in current liabilities used in operations:	
Accounts payable	1,546
Payroll liabilities	221
Deferred revenue	123
Other current liabilities	738
Compensated absences	52
Net cash used in operating activities	<u><u>\$ (163,394)</u></u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Investment income on pension asset	\$ 20,273
Interest capitalized on construction	8,904

See notes to basic financial statements.



**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**The College**

Portland Community College (the College) is organized under the general laws of the State of Oregon and, as such, is a public institution under the general supervision of the State Board of Education through the Department of Community Colleges and Workforce Development. The College defines itself as a primary government because it has a separately elected governing body, it is a legally separate entity, and it is fiscally independent. There are various governmental agencies, cities, school districts, and special service districts, which provide services within the College's boundaries. However, since the College is not financially accountable for any of these entities, they do not qualify as component units of the College, and therefore are not included in the basic financial statements.

**Basis of Presentation**

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The College follows the "business-type activities" reporting requirements of GASB Statement No. 35 that provides a comprehensive one-column look at the College's financial activities.

**Basis of Accounting**

The basic financial statements are accounted for on the flow of economic resources measurement focus and are prepared on the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Property taxes are recognized as revenues in the years for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the grantor have been met. The financial statements of the College have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Deferred Outflow of resources and Deferred Inflow of resources**

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

**Use of Estimates**

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

**Cash and Cash Equivalents**

Cash and cash equivalents are considered to be cash on hand, demand deposits, the Oregon Local Government Investment Pool (LGIP) and short-term investments with original maturities of three months or less from the date of acquisition.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments**

Oregon Revised Statutes authorize investment in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, repurchase agreements, and bankers' acceptances. The College has an investment policy that is more restrictive than the Oregon Revised Statutes. As of June 30, 2014 and for the year then ended, the College was in compliance with the aforementioned State of Oregon statutes and its own internal investment policies. Investments are stated at fair value, which is based on the individual investment's quoted market price as of June 30, 2014.

**Receivables**

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

Property taxes are levied and become a lien on all taxable property as of July 1. Taxes are payable on November 15, February 15 and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

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

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

**Inventory**

Inventory is stated at the lower of cost or market. Cost is determined by the retail cost method for the Bookstore and first-in/first-out method for all other inventory.

**Pension Asset**

The pension asset is the result of the transfer of the College's pension bond proceeds to PERS to cover a portion of the College's share of the cost sharing plan's unfunded actuarial liability. This pension asset is separately reported by PERS and is being used to pay a portion of the College's annual required contribution.

**Capital Assets**

Capital assets include land and land improvements; buildings and building improvements; equipment and machinery; works of art and historical treasures; infrastructure, which includes utility systems; library collections; leasehold improvements; and construction in progress. The College's capitalization policy is to capitalize all assets with a life of one year or more and minimum threshold of \$5 thousand except for buildings and building improvements, infrastructure assets, land and land improvements and leasehold improvements, which have a capitalization threshold of \$50 thousand. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value or functionality of the assets' lives are not capitalized, but are expensed as incurred.



**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Assets (Continued)**

Buildings and building improvements, equipment and machinery, infrastructure, library collections, leasehold improvements and land improvements of the College are depreciated using the straight-line method over the following useful lives:

Buildings and building improvements	25-60 years
Equipment and machinery	5-20 years
Infrastructure	25-100 years
Library collections	10 years
Leasehold improvements	5-10 years
Land improvements	10-25 years

**Deferred Inflows**

The College has no deferred inflows.

**Compensated Absences**

It is College policy to permit employees to accumulate vacation and sick leave. Unused vacation pay is recognized as an expense and accrued when earned. The College does not have a policy to pay accumulated sick leave when employees separate from service. The College's employment contracts state that vacation leave earned during the academic year must be taken before the end of the following year. Because of this policy the College recognizes all compensated absences as current liabilities.

**Long-term Debt**

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

**Deferred Outflows**

The College has no deferred outflows.

**Net Position**

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 asset related debt. Net position subject to restrictions by external parties is categorized as restricted. This category represents student financial aid grant and loan programs.

The unrestricted net position balance of \$106.5 million at June 30, 2014 includes \$0.7 million reserved for contracted grant programs, \$3.5 million reserved for future debt service, \$3.9 million reserved for risk management and \$30.1 million reserved for PERS bond debt service, with \$68.3 million remaining for other purposes.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Operating and Nonoperating Revenues and Expenses**

Operating revenues and expenses generally result from providing services to students. Principal operating revenues include tuition, charges for services and sales of educational material. Operating expenses include the cost of faculty, administration, sales and services for food services and bookstore operations, and depreciation. All other revenues, including state educational support, financial aid and state grants, and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Retirement Plans**

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

**Other Postemployment Benefits Obligation**

The College implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions for fiscal year ended June 30, 2008. The Net OPEB Obligation is recognized as a long-term liability in the Statement of Net Position, the amount of which is actuarially determined.

**Scholarship Allowances**

Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Accordingly, some types of student financial aid, such as Pell grants and scholarships awarded by the District, are considered to be scholarship allowances. These allowances are netted against tuition and fees revenues in the statement of revenues, expenses and changes in net position. The scholarship allowances for the year ended June 30, 2014 was \$146.4 million.

**Federal Financial Assistance Program**

The College participates in various federally funded programs including Pell Grants, SEOG Grants, Federal Work-Study, Federal Direct Lending, and Perkins Loans programs. In addition, the College receives a variety of federal grants including Dislocated Workers Grants, ABE/GED, and Perkins Title I. Federal programs are audited in accordance with the Single Audit Act, the U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations*, and the Compliance Supplement.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

**2. CASH AND INVESTMENTS**

The primary investment objectives of the College's investment activities are preservation of capital, liquidity, diversification and yield. The following schedule comprises the combined value of the College's cash and investment portfolio at June 30 (in thousands).

	Year Ended June 30, 2014
Cash and cash equivalents:	
Cash on hand	\$ 647
Demand deposits	9,074
Cash held by county treasurer	370
Oregon Local Government Investment Pool	41,485
	<hr/>
Total cash and cash equivalents	51,576
	<hr/>
Less cash Pension Trust Fund - Early Retirement	(1,557)
	<hr/>
Total cash and cash equivalents basic statements	50,019
	<hr/>
Investments:	
Government and agency obligations	168,820
Corporate securities	59,824
Bank obligations	920
	<hr/>
Total investments	229,564
	<hr/>
Total cash and investments	\$ 279,583
	<hr/> <hr/>

The Oregon Local Government Investment Pool, certificates of deposit, and some repurchase agreements are unrated. Other investments held at June 30 are categorized by rating as follows (in thousands):

	Year Ended June 30, 2014
Investments categorized by Standard and Poor's rating:	
Government sponsored (Treasury & Federal Agencies), AA+	\$ 168,820
Corporate notes ( A or better)	59,824
Bank obligations (CD, Banker's acceptance, Repurchase agreements)	920
	<hr/>
Total investments	\$ 229,564
	<hr/> <hr/>

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

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**2. CASH AND INVESTMENTS (Continued)**

The Oregon Local Government Investment Pool (LGIP) is subject to regulatory oversight by the Oregon Short Term Fund Board and the Oregon Short Term Investment Council and is not required to be categorized by risk. The State of Oregon Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the state that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds.

*Credit Risk:*

In accordance with ORS Chapter 294 and the College's investment guidelines, investment in commercial paper must be rated A1 by Standard & Poor's or P1 by Moody's, or an equivalent rating by any nationally recognized rating agency. Corporate securities, bonds and debentures must be rated at settlement date AA or better by Standard & Poor's, Aa or better by Moody's, or an equivalent rating by any nationally recognized rating agency.

*Concentration of credit risk:*

In accordance with GASB 40, the College is required to report all non-federal investments in any one issuer which exceed 5% of total invested funds. There are no investments that exceed this threshold as of June 30, 2014.

*Custodial credit risk – investments:*

The College has a Board approved investment policy which states that the President shall appoint an Investment Officer who will perform specific investment functions for the College. Should a counter-party fail, there is a risk that the College would not be able to recover the value of its investments that are held by an outside party. To minimize this risk, securities purchased through any of the authorized non-bank broker-dealers are held in a bank investment safekeeping division. Bond investments purchased through broker-dealers other than Wells Fargo Bank are held in the investment safekeeping division of Wells Fargo Bank. As of June 30, 2014, the College had \$229.6 million in various investment instruments including time deposits. The college has no custodial credit risk as all investments purchased with Wells Fargo Bank are held in safekeeping with US Bank.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

**2. CASH AND INVESTMENTS (Continued)**

*Interest Rate Risk:*

In accordance with the objectives of the College's investment guidelines, interest rate risk is mitigated by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations. As of June 30, 2014, investment instruments held by the College (excluding Local Government Investment Pool balances) that matured within a 180 day timeline, measured as a percentage of their respective portfolio, were as follows: Bond investments 25.1%; Workers' Compensation investments 100%; and all other investments 3.0%. Weighted average maturities of investments in the Local Government Investment Pool at June 30, 2014 were: 61.2% mature within 93 days, 12.6% mature from 93 days to one year, 25.8% mature from over one year to three years and 0.4% mature greater than three years from settlement date.

**All Other Investments maturing after 180 days (in thousands)**

<b>Standard and Poor's</b>			
<b>Bond Investments</b>	<b>Rating</b>	<b>Maturity Date</b>	<b>Market Value</b>
FFCB Coupon	AA+	05-01-2015	\$ 4,011
FFCB Coupon	AA+	05-01-2015	3,008
FFCB Coupon	AA+	06-01-2015	3,119
Bank of The West CD	NR	06-03-2015	230
FFCB Coupon	AA+	06-04-2015	4,006
FHLB Coupon	AA+	06-12-2015	2,025
Wells Fargo Financial	A+	07-01-2015	4,045
Wal-Mart Stores Corp.	AA	07-01-2015	1,042
FHLMC Coupon	AA+	08-28-2015	4,002
Microsoft Corp	AAA	09-25-2015	2,033
Umpqua Bank CD	NR	10-10-2015	230
GE Corp. Note	AA+	01-08-2016	3,241
Toyota Corp	AA-	01-11-2016	2,360
Merck & Co.	AA	01-15-2016	853
Merck & Co.	AA	01-15-2016	1,233
Albina Community Bk CD	NR	03-28-2016	230
FNMA Coupon	AA+	03-30-2016	3,006
Toyota Corp	AA-	05-17-2016	3,096
Toyota Corp	AA-	05-17-2016	1,825
FHLMC Coupon	AA+	05-27-2016	4,150
FHLMC Coupon	AA+	05-27-2016	3,113
FHLMC Coupon	AA+	05-27-2016	5,188
US Treasury	AA+	05-31-2016	5,126
FHLB Coupon	AA+	06-10-2016	3,092
US Treasury	AA+	06-30-2016	3,061
IBM Corp	A+	07-22-2016	2,052
Berkshire Hathaway Financial	AA	08-15-2016	3,095

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

**2. CASH AND INVESTMENTS (Continued)**

**Bond Investments maturing after 180 days (in thousands)**

Standard and Poor's			
Bond Investments	Rating	Maturity Date	Market Value
Bank of Nova Scotia, Corp Note	A+	01-22-2015	\$ 7,121
FFCB Coupon	AA+	02-24-2015	7,004
FHLMC Coupon	AA+	04-17-2015	13,037
FFCB Coupon	AA+	07-30-2015	10,016
FFCB Coupon	AA+	07-30-2015	7,011
FNMA Coupon	AA+	09-28-2015	7,023
FNMA Coupon	AA+	10-26-2015	11,188
FHLMC Coupon	AA+	11-24-2015	7,559
US Treasury	AA+	03-31-2016	10,354
IBM Corp	AA-	07-22-2016	5,129
Toyota Corp	AA-	09-15-2016	3,077
FFCB Coupon	AA+	09-26-2016	5,995
FFCB Coupon	AA+	11-14-2016	2,997
Wells Fargo Financial	A+	12-15-2016	4,158
FFCB Coupon	AA+	02-22-2017	2,986
FNMA Coupon	AA+	03-06-2017	1,989

*Custodial credit risk – deposits:*

In the 2008 legislative session, new regulations were enacted for collateralizing public funds under ORS 295.004. The statute established a shared liability concept to protect public entities and eliminated personal liability of public officials for balances in excess of the collateral certificates. It also reduced over collateralization and defined qualified depository institutions and addressed collateralization of public funds over \$250 thousand. Finally, it specified the types of instruments that are allowed as collateral and required qualified bank depositories to sign a pledge agreement approved by the board of directors or loan committee. Under ORS 295.004, governmental entities can maintain balances with such bank depositories following their investment policies. On June 30, 2014, the College bank balances were \$12.3 million which includes time CDs and bank accounts. Of these deposits, \$1.67 million on deposit with seven banks were covered by FDIC and the remaining balance was covered by the procedures for collateralizing public funds.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

**3. CAPITAL ASSETS**

The balances of capital assets are as follows (in thousands):

	Balance June 30, 2013	Increase	Decrease	Balance June 30, 2014
Capital assets not being depreciated:				
Land	\$ 47,986	\$ 76	\$ -	\$ 48,062
Art and historical treasure	854	137	-	991
Construction in progress	98,791	67,340	(42,690)	123,441
Total capital assets not being depreciated	147,631	67,553	(42,690)	172,494
Capital assets being depreciated:				
Land improvements	10,493	-	-	10,493
Building and improvements	298,171	68,716	-	366,887
Equipment and machinery	21,036	1,970	-	23,006
Capital lease	346	-	-	346
Library collections	1,505	111	(170)	1,446
Leasehold improvements	972	-	-	972
Infrastructure	21,049	3,156	-	24,205
Total capital assets being depreciated	353,572	73,953	(170)	427,355
Less accumulated depreciation for:				
Land improvements	6,912	696	-	7,608
Building and improvements	68,929	5,953	-	74,882
Equipment and machinery	15,557	974	-	16,531
Capital lease	214	68	-	282
Library collections	811	140	(170)	781
Leasehold improvements	556	154	-	710
Infrastructure	1,143	335	-	1,478
Total accumulated depreciation	94,122	8,320	(170)	102,272
Total capital assets being depreciated, net	259,450	65,633	-	325,083
Total capital assets, net	\$ 407,081	\$ 133,186	\$ (42,690)	\$ 497,577

Interest incurred during the construction phase of capital assets constructed with proceeds from the Series 2009 General Obligation Bonds and Series 2013 General Obligation Bonds are included as part of the capitalized cost of the assets constructed. The College's capitalized interest for the fiscal year ended June 30, 2014 was \$8.9 million.

A capital lease for copiers was acquired with an original cost of \$346 thousand for five years, from June, 2010 through June, 2015.

As of June 30, 2014, major construction projects were completed, including buildings at Rock Creek and Southeast Campuses.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

**4. LONG-TERM LIABILITIES**

Transactions for the fiscal year ended June 30, 2014 are as follows (in thousands):

	Original Amount	Outstanding July 1, 2013	Increases	Decreases	Outstanding June 30, 2014	Due Within One Year
2013 General obligation bonds, interest ranges from 3.00% - 5.00%, Maturity June 15, 2033	\$ 177,495	\$ 177,495	\$ -	\$ (7,290)	\$ 170,205	\$ 5,655
2009 General obligation refunding bonds, interest 5.00%, Maturity June 15, 2029	200,000	175,285	-	(7,410)	167,875	7,780
2005 General obligation bonds, interest ranges from 3.00% - 5.00%, Maturity June 15, 2018	87,830	59,670	-	(10,835)	48,835	10,635
2003 Limited tax pension bonds, interest ranges from 1.07% - 4.81%, Maturity June 1, 2027	119,995	102,495	-	(3,110)	99,385	3,565
1993 General obligation deferred interest bonds, interest ranges from 4.50% - 5.80%, Maturity July 1, 2013	4,465	1,165	-	(1,165)	-	-
Certificate of Participation, interest ranges from 4.20% - 5.80%, Maturity January 15, 2018	2,530	860	-	(860)	-	-
Premium on General obligation bonds	38,302	34,576	-	(1,891)	32,685	-
Capital leases	497	163	-	(80)	83	83
OPEB liability	-	5,590	871	-	6,461	-
	<u>\$ 631,114</u>	<u>\$ 557,299</u>	<u>\$ 871</u>	<u>\$ (32,641)</u>	<u>\$ 525,529</u>	<u>\$ 27,718</u>



**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

**4. LONG-TERM LIABILITIES (Continued)**

Future maturities of principal and interest of long-term debts are as follows (in thousands):

Fiscal Year Ending June 30,	Total	
	Principal	Interest
2015	\$ 27,635	\$ 23,139
2016	29,800	21,794
2017	32,110	20,341
2018	34,570	18,772
2019	22,140	17,054
2020-2024	135,280	67,276
2025-2029	156,355	30,023
2030-2033	48,410	4,653
	<u>\$ 486,300</u>	<u>\$ 203,052</u>

General Obligation Bonds are direct obligations and pledge the full faith and credit of the College.

Pension bonds are also direct obligations that pledge the full faith and credit of the College. Funds provided by the Pension bonds were used to prepay the College's pension unfunded actuarial liability (UAL).

On November 4, 2008, Portland area voters approved a \$374 million bond measure to provide for expansions in academic space and college programs within the five county college district. In March 2009, the College issued General Obligation Bonds, Series 2009 in the amount of \$200 million. The proceeds of the bonds are being used to expand, modernize, and construct facilities for additional students and programs; upgrade technology and to pay for the costs of issuing the Bonds. In March 2013, the College issued General Obligation Bonds, Series 2013 in the amount of \$177.5 million.

The Tax Reform Act of 1986 requires governmental entities issuing tax-exempt bonds to refund to the U.S. Treasury interest earnings on bond proceeds in excess of the yield on those bonds. Governmental entities must comply with arbitrage rebate requirements in order for their bonds to maintain tax-exempt status. Entities are required to remit arbitrage rebate payments for non-purpose interest to the federal government at least once every five-year period that the debt is outstanding and at maturity. Arbitrage liabilities are recorded as a reduction in investment earnings in the general fund. At June 30, 2014, the College had no arbitrage rebate liabilities.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

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**4. LONG-TERM LIABILITIES (Continued)**

In June 2010, the College entered into a capital lease agreement as lessee for financing the acquisition of equipment. The fair value of the assets was \$345,564. The future minimum lease obligations and the net present value of these minimum lease payments are as follows (in thousands):

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 89
Total minimum lease payments	89
Less:	
amount representing interest	(6)
Present value of minimum lease payments	<u>\$ 83</u>

**5. OPERATING LEASES**

**Minimum Lease Payments**

The College as lessee leases building and office facilities and other equipment under non-cancelable operating leases. The future minimum lease payments are as follows (in thousands):

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 828
2016	734
2017	566
2018	180
2019	89
Later years	<u>1,348</u>
Total	<u>\$ 3,745</u>

The expense for operating leases for the years ended June 30, 2014 was \$0.5 million.

**Solar Power Agreement**

In November 2011, the College entered into a solar power purchase agreement with SolarCity Corp. SolarCity Corp. installed and maintains a solar ground mount array on the College's Rock Creek Campus. The solar ground mount array was completed June 2012 at which time the College prepaid SolarCity Corp. \$830,000 for power generated by the solar ground mount array from 2012 through 2031.

**6. LONG-TERM LEASE**

In August 2008, the College entered into a ninety-nine year ground lease with Tri-County Metropolitan Transportation District of Oregon. The College's Willow Creek Center was built at the Southwest 185<sup>th</sup> Willow Creek Westside Light Rail Station. Payment of \$2.4 million was made in August 2008 as settlement of the lease. In January 2010, the College began making the annual payments to the landlord for parking space maintenance.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

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**6. LONG-TERM LEASE (Continued)**

In 2102, five years before the end of the lease the parties shall begin discussions regarding renewal of the lease. If the College does not elect to renew the lease or sell the rights to the lease to a third-party purchaser, the lease shall terminate at the end of the term and the improvements will become property of the landlord without compensation to the College.

**7. GROUND LEASE AND JOINT USE AGREEMENT**

On June 22, 2006, the College (lessor) entered into a ground lease and joint use agreement with Tualatin Hills Park and Recreation District (THPRD, lessee). The lease permits THPRD to develop, construct, operate and maintain certain recreational facilities on real estate owned by the College. The initial term of the lease is twenty-five years, with an option to extend for three additional five-year terms. Lease payments are \$25 annually. THPRD shall use the premises for the operation of a community recreational facility. Improvements to the property will be made by THPRD. Upon termination, the College will take possession of the property and improvements.

**8. 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; and natural disasters for which it carries commercial insurance.

The College retains the risk of liability claims under \$500 thousand per occurrence. There has been no significant reduction in insurance coverage during the year ended June 30, 2014 and no insurance settlement exceeded insurance coverage for the past three years. General liability insurance generally covers casualty losses in excess of \$500 thousand per occurrence with a loss limit of \$10 million per occurrence and a \$20 million aggregate loss limit. The College's property insurance total loss limit is \$400 million with a \$25 thousand deductible. Earthquake and flood coverage has a loss limit of \$100 million.

The College maintains a risk management program for workers' compensation and unemployment to pay claims, maintain claims reserves and pay administrative expenses. Liabilities for workers' compensation are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The College has obtained an excess coverage insurance policy to cover workers' compensation claims in excess of \$550 thousand. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. Changes in the balances of claims liabilities are as follows (in thousands):

	Year Ended June 30, 2014	Year Ended June 30, 2013
Unpaid claims, July 1	\$ 361	\$ 587
Incurred claims	126	247
Claim payments	(253)	(473)
Unpaid claims, June 30	<u>\$ 234</u>	<u>\$ 361</u>

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

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**9. PENSION PLANS**

**PERS**

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 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. Beginning January 1, 2004, all PERS member contributions go into the IAP. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

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 by writing to PERS, PO Box 23700, Tigard, OR, 97281-3700 or by calling 503-598-7377.

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is then invested in the OPSRP Individual Account Program. This contribution is Employer Paid Pre-Taxed (EPPT). The College is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2014 were 21.03% and 19.13% respectively. These rates include approximately 8.31% contributed from the pension asset. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

The College's contribution to PERS (including contributions from the pension asset) for the years ended June 30, 2014, 2013, and 2012 were \$19.7 million, \$19.2 million and \$19.0 million respectively, which was the required contribution.

**Pension Asset**

The pension asset is the result of the transfer of the College's pension bond proceeds to PERS to cover a portion of the College's share of the cost sharing plan's unfunded actuarial liability. This pension asset is separately reported by PERS and is being used to pay a portion of the College's annual required contribution. Changes in the pension asset for the last fiscal year is below (in thousands):

	Year Ended June 30, 2014
Balance, July 1	\$ 113,166
Investment income	20,273
Contributions to cost sharing plan	(10,416)
Balance, June 30	\$ 123,023

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

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**9. PENSION PLANS (Continued)**

**Early Retirement Incentive Plan**

The College maintains a single-employer, defined benefit early retirement incentive program for qualifying Faculty, Academic Professionals (AP), and Classified Employees. The College does not publish a stand-alone financial report for this plan. The Board has authority to set benefit provisions and funding policy for the plan. The management employee portion of this plan was replaced in fiscal year 2000 by a 2% employer contributed 403(b) plan. The current actuarial report used by the College is dated September 30, 2013.

*Retirement eligibility:*

Faculty and AP employees: Employees with 10 years of full-time College service immediately preceding retirement and who has 30 years of creditable service in the state PERS or who is at least age 58 and not more than age 64.

Classified employees: Employees with 10 years of full-time College service immediately preceding retirement and who is at least age 55 and not more than 61 years of age or who has 30 years of creditable service in the state PERS.

*Benefit eligibility:*

Faculty and AP employees - retire prior to age 65.

Classified employees - hired prior to July 1, 1987 and retire prior to age 62.

*Supplemental early retirement benefits:*

Faculty and AP employees - \$400 per month until age 65 or for 48 months whichever comes first.

Classified employees - \$270 per month until age 62 or for 48 months, whichever is earlier.

*Actuarial costing method:*

The actuarial funding method used to determine the cost of the Supplemental Early Retirement Program is the Entry Age Normal Cost Method (Level Percent of Pay). The objective under this method is to fund all participants' benefits under the plan as payments which are a level dollar amount each year, starting at their original participation dates and continuing until their assumed exit age. This method is used for both the Early Retirement Incentive Plan and Postemployment Healthcare Plan.

A detailed description of the calculation follows:

- The actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level percentage of pay basis over the service of the active employee between assumed entry age (date of hired) and assumed exit age(s).
- The portion of this actuarial present value allocated to the valuation year is the Normal Cost for that active employee and the sum of all individuals' normal costs is the plan's Normal Cost for the valuation year.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

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**9. PENSION PLANS (Continued)**

**Early Retirement Incentive Plan (Continued)**

- The plan's Normal Cost for the valuation year plus the accumulated value of all prior Normal Costs is the Actuarial Accrued Liability. The excess of this cost over the plan assets is Unfunded Actuarial Accrued Liability.

Under this method, the actuarial gains (losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability while leaving the Normal Cost unchanged.

*Changes since prior valuation:*

Use of the EAN Level Percent of Pay method is a change from the prior valuation, which used the Aggregate method to value Early Retirement benefits. This method change has been made in anticipation of GASB statement 67 and 68, which prescribe the use of EAN Level Percent of Pay method for disclosure purposes.

*Basis of Accounting:*

The actuarial calculations are consistent with accounting principles generally accepted in the United States of America and GASB No. 25, 27, 45 and 50.

*Asset Valuation Method:*

The actuarial value of assets is equal to the market value of the assets.

*Basic actuarial assumptions:*

- |                  |   |
|------------------|---|
| 1. Discount rate | 3.0 percent per year  |
| 2. Mortality     | Male retirees: The RP-2000 generational combined active/healthy annuitant male mortality table with 75% white 25% blue collar adjustment and 12-month setback.<br>Male actives: 85% of the male retirees' rates.<br>Female retirees: The RP-2000 generational combined active/healthy annuitant female mortality table with white collar adjustment and no setback.<br>Female actives: 50% of the female retirees' rates. |

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

**9. PENSION PLANS (Continued)**

**Early Retirement Incentive Plan (Continued)**

The College's annual pension cost and net pension obligation (surplus) for the last three years are as follows (in thousands):

	Year Ended June 30,		
	2014	2013	2012
Annual required contribution	\$ 90	\$ 90	\$ 127
Interest on net pension surplus	(52)	(56)	(71)
Adjustment to required contribution	99	107	278
Annual pension cost	137	141	334
Contribution made (*)	-	-	(7)
Decrease in pension surplus	137	141	327
Net pension surplus, beginning of year	(1,726)	(1,867)	(2,194)
Net pension surplus, end of year	<u>\$ (1,589)</u>	<u>\$ (1,726)</u>	<u>\$ (1,867)</u>
Interest on pension surplus	3.0%	3.0%	3.3%
% of annual pension cost contributed	0%	0.0%	2.2%

(\*) It is the practice of the College that for GASB reporting purposes, the annual contribution allocated to the Early Retirement Incentive Plan's assets has been calculated as the portion of the overall contribution reported by the College in excess of pay-as-you-go costs for other programs funded by the overall contributions. For the fiscal year ended June 30, 2014, pay-as-you-go OPEB and EAP costs of \$320 thousand exceeded the overall reported contribution of \$228 thousand by \$92 thousand. As such, the contribution allocated to the Early Retirement Incentive Plan is \$0 and \$92 thousand of pay-as-you-go OPEB costs were assumed to have been paid from investment earnings on earmarked Early Retirement Incentive Plan assets. In the fiscal year ended June 30, 2013, pay-as-you-go OPEB and EAP costs of \$293 thousand exceeded the overall reported contribution of \$228 thousand by \$65 thousand. As such, the contribution allocated to the Early Retirement Incentive Plan is \$0 and \$65 thousand of pay-as-you-go OPEB costs were assumed to have been paid from investment earnings on earmarked Early Retirement Incentive Plan assets.

Assets are recorded in the Early Retirement – Pension Trust Fund and are not included in the Basic Financial Statements.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

**9. PENSION PLANS (Continued)**

**Early Retirement Incentive Plan (Continued)**

Net pension surplus is defined as the excess of actual contributions over actuarially determined contributions. Funding progress based on actuarial valuations is as follows (in thousands):

Valuation Date				Percent	Covered	Percent of
July 1,	AVA (1)	AAL (2)	UAAL (3)	Funded	Payroll	Covered
						Payroll
2009	\$ 2,366	\$ 1,689	\$ (678)	140.1%	\$ 34,542	(2.0%)
2011	1,911	2,156	246	88.6%	39,569	0.6%
2013	1,507	1,925	418	78.3%	41,393	1.0%

- (1) Actuarial Value of Assets
- (2) Actuarial Accrued Liability
- (3) Unfunded Actuarial Accrued Liability

Employer contributions for the past five years are as follows (in thousands):

Year	Annual Required Contribution	Actual Contributions	Employer Contribution Percentage
2010	\$ -	\$ -	100%
2011	-	-	100%
2012	127	7	5.9%
2013	90	-	0.0%
2014	90	-	0.0%



**PORTLAND COMMUNITY COLLEGE  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

**9. PENSION PLANS (Continued)**

**Early Retirement Trust Fund Statements**

The College accounts for the Pension Trust Fund on the accrual basis of accounting. A transfer from the general fund and investment earnings covers contributions. Benefits are expensed on a "pay as you go" basis and there are no refunds paid. Information regarding the Pension Trust Fund, which is not included in the basic financial statements, is detailed in the following table (in thousands):

	<u>Year Ended June 30, 2014</u>
Assets:	
Cash and investments	\$ 1,557
Receivables	<u>13</u>
Total assets	<u><u>\$ 1,570</u></u>
Liabilities - accrued benefits payable	\$ 340
Net assets held in trust for pension benefits	<u>1,230</u>
Total liabilities and net assets	<u><u>\$ 1,570</u></u>
	<u>Year Ended June 30, 2014</u>
Revenues:	
Contributions	\$ 228
Interest income	<u>7</u>
Total revenues	<u>235</u>
Expenses - benefits	<u>512</u>
Net increase (decrease)	(277)
Beginning net assets	<u>1,507</u>
Ending net assets	<u><u>\$ 1,230</u></u>

**Other Retirement Plan**

The College contributes to a defined contribution pension plan (403(b) plan) for its management employees with at least one year of service. The College administers the plan and does not publish a stand-alone financial report for the plan. The Board has authority to set benefit provisions and funding policy for the plan. The required contribution amount is 2% of covered salary for those who have joined the plan. The expense for the plan for the years ended June 30, 2014 was \$0.3 million.

**PORTLAND COMMUNITY COLLEGE  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

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**10. POSTEMPLOYMENT HEALTHCARE PLAN**

The College implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension for the fiscal year ended June 30, 2008. This implementation allows the College to report its liability for other postemployment benefits consistent with newly established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements.

The College operates a single-employer retiree benefit plan that provides postemployment health, dental, vision and prescription coverage benefits to eligible employees and their eligible dependents. This "plan" is not a stand-alone plan and therefore does not issue its own financial statements.

The College contributes to the premiums for eligible faculty and academic professional employees and their eligible dependents up to the employer paid maximum at the time of retirement (College Paid-Cap). The maximum monthly employer paid premium contribution at June 30, 2014 is \$1,350 and is based on the number of dependents covered by a medical plan at the time of retirement. This maximum amount may change based on the contract negotiations process or if dependents come off of the plan. If the insurance premium exceeds the college contribution, the balance is then paid by the employee.

To be eligible, retired employees must be receiving pension benefits from Oregon PERS and the duration of College's contribution towards benefits is up to 72 months or until the attainment of age 65, if earlier.

Benefits and eligibility for faculty, academic professionals and classified staff are established and amended through collective bargaining with the recognized bargaining agent for each group. Benefits and eligibility for administrators and confidential support staff are established and amended by the governing body.

The College is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. Retired employees who are eligible for the College Paid-Cap which ends prior to age 65 may continue enrollment in the health plans on a self-pay basis until age 65. Retired employees who are not eligible for the College Paid-Cap may continue enrollment in the health plans on a self-pay basis until age 65.

For the fiscal year ended June 30, 2014, the College contributed \$0.3 million in College Paid-Cap payments. The College has elected not to prefund the actuarially determined future cost amount of \$6.5 million.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

**10. POSTEMPLOYMENT HEALTHCARE PLAN (Continued)**

Current healthcare premiums for plan members were as follows for the year ended June 30, 2014. Employees eligible for the College Paid-Cap pay the difference between the cap and premium. Employees eligible on a self-pay basis pay 100% of the premiums.

Medical Coverages	Employee Only	Employee + Spouse	Employee + Child(ren)	Family
MODA Plan C	\$ 498.38	\$ 1,096.43	\$ 946.93	\$ 1,544.99
MODA Plan E	432.83	952.23	822.40	1,341.81
MODA Plan H (HSA required)	324.79	714.53	617.10	1,006.85
Kaiser Plan 1	538.01	1,183.61	1,022.21	1,667.82
Vision Coverages	Employee Only	Employee + Spouse	Employee + Child(ren)	Family
MODA Plan 1	\$ 11.00	\$ 24.22	\$ 20.90	\$ 34.09
Kaiser Plan 5	7.59	16.70	14.42	23.52
Dental Coverages	Employee Only	Employee + Spouse	Employee + Child(ren)	Family
MODA Plan 4 with orthodontia	\$ 49.62	\$ 98.29	\$ 111.38	\$ 163.92
MODA Plan 6 without orthodontia	39.88	78.94	80.13	122.40
Willamette Plan 8 with orthodontia	39.20	77.61	82.59	124.13
Kaiser Plan 8 with orthodontia	60.84	133.87	115.61	188.63

The College's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the College (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC has been calculated as the sum of the Normal Cost as determined under the Entry AGE Normal (EAN) method and an amount to amortize of the unfunded accrued liability over a 30-year closed amortization period commencing July 1, 2007 (28 years as of July 1, 2009, 26 years as of July 1, 2011 and 24 years as of July 1, 2013). The following table shows the components of the College's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the College's OPEB obligation to the plan (in thousands).

	Year Ended June 30, 2014
Annual Required Contribution	\$ 1,766
Interest on net OPEB obligation	168
ARC adjustment	(321)
Annual OPEB Cost	1,613
Contributions Made	(742)
Increase in net OPEB obligation	871
Net OPEB obligation at beginning of year	5,590
Net OPEB obligation at end of year	\$ 6,461
Interest rate	3.0%

**PORTLAND COMMUNITY COLLEGE  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

**10. POSTEMPLOYMENT HEALTHCARE PLAN (Continued)**

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2014, 2013 and 2012 were as follows (in thousands):

Year	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 2,170	40.8%	\$ 4,564
2013	1,641	37.4%	5,590
2014	1,613	46.0%	6,461

Funding status and funding progress based on most recent actuarial valuations are as follows (in thousands):

Actuarial Valuation Date July 1,	AVA (1)	AAL (2)	UAAL (3)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2009	\$ -	\$ 16,498	\$ 16,498	0%	\$ 85,454	19.3%
2011	-	19,033	19,033	0%	94,614	20.1%
2013	-	16,064	16,064	0%	104,016	15.4%

- (1) Actuarial Value of Assets
- (2) Actuarial Accrued Liability
- (3) Unfunded Actuarial Accrued Liability

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2013 actuarial valuation, the Entry Age Normal (EAN) method was used to replace the Projected Unit Cost method in the prior valuation. The actuarial assumptions included a 3.0% investment rate of return (net of administrative expenses), an assumed inflation rate of 2.5%, salaries for employees are assumed to increase 3.75% annually and Medical insurance premium/Health Claim for 2014-2015 healthcare cost trend rate is 8.0%. Annual increases decrease by 0.5% each year until a 5.0% annual trend is reached. The UAAL is being amortized as a level percentage of projected payroll on a closed basis over a period of thirty years.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

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**10. POSTEMPLOYMENT HEALTHCARE PLAN (Continued)**

**Retirement Health Insurance Account (RHIA)**

As a member of Oregon Public Employees Retirement System (OPERS) the College contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating community colleges are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.59% of annual covered payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The College's contributions to RHIA for the years ended June 30, 2014, 2013 and 2012 were \$73 thousand, \$67 thousand and \$71 thousand, which equaled the required contributions each year.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

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**11. RELATED ORGANIZATION**

The Portland Community College Foundation (the Foundation) is a legally separate, tax-exempt related organization of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds are restricted to activities of the College by the donors. Even though the resources held by the Foundation are primarily for the benefit of the College, the Foundation is not considered a component unit of the College, as defined by GASB No. 39, since revenues and total assets of the Foundation are less than 2% of revenues and total assets of the College.

Summarized financial information from the Foundation's audited financial statements as of and for the years ended June 30, 2014 is as follows (in thousands):

	<u>Year Ended June 30, 2014</u>
Total assets	\$ 12,377
Total net assets	12,134
Total support and revenues	4,386
Total expenses	2,724

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2014**

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**12. COMMITMENTS AND CONTINGENCIES**

**Construction Commitments**

The College has approximately \$52 million in on-going construction commitments as of June 30, 2014. Over three-quarters of this total consists of construction contracts based on guaranteed maximum amounts with the construction manager/general contractors selected for each of the four main campuses. Remaining commitments include consulting contracts for architectural and engineering services, moving services, geotechnical, materials testing, commissioning, surveying and other services. Projects are ongoing at the Sylvania campus, Southeast campus, Cascade Campus and Rock Creek Campus, and include new classrooms, lab facilities, parking, student services and faculty workspaces to accommodate the large increase in student enrollment.

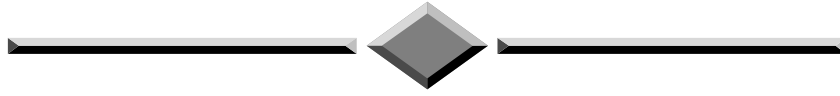
**Federal Issues**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by these agencies, principally the federal government. Any disallowed costs, including amounts already collected, may constitute a liability for the College. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time, although College management expects such amounts, if any, to be immaterial to the basic financial statements.





# **Other SUPPLEMENTARY INFORMATION**



Individual funds  
and other financial schedules



# Individual Funds

## **General Fund**

The General Fund is the College's primary operating fund. It accounts for all major instructional programs and services supporting these programs. Principal sources of revenue are property taxes, tuition and community college funding from the State of Oregon. For budgetary compliance, expenditures are budgeted by campus and non-campus programs. For reporting purposes, expenditures are further categorized into instruction, instructional support, student support, college support, facilities maintenance and operations, and transfers to other funds.

## **Continuing and Community Education Fund**

This fund was established to provide a separate accounting of revenues and expenditures for self-improvement, non-credit and non-traditional credit courses. Programs in this fund are to be financially self-supporting. Registration fees and other charges provide the majority of revenue in this fund.

## **Auxiliary Fund**

This fund accounts for a variety self-supporting College sponsored activities which cannot be accounted for in other funds or in the General Fund. Major sources of revenue include facilities usage charges and a variety of campus activities. Major program expenditures include management of campus facility rental activities and other College sponsored activities.

## **Student Activities Fund**

This fund was established to account for programs and activities related to student functions. The resources for this fund come from student fees and from fund raising activities. Programs under this fund are Child Care, Student Government, intramural activities, and other student activities.

## **Contracts and Grants Fund**

This fund accounts for Federal, State, and Local grants and contracts that fund various training programs, the development and operation of experimental grant-funded programs. This fund is dependent on grants and contract awards that will be received during the fiscal year and that require external reporting. The major source of revenue is from federal, state, and local contracts and grants.

## **Student Financial Aid Fund**

This fund was established to provide for a separate accounting of student financial assistance. Federal and state student aid programs provide the majority of revenue in this fund.

## **General Obligation Bond Fund**

This fund was established to account for the accumulation of resources for the payment of principal and interest on long-term general obligation bonds. The principal sources of revenues are property taxes and earnings on investments.

**Capital Lease/Purchase Fund**

This fund was established to account for the accumulation of resources for the payment of principal and interest related to Certificate of Participation Bonds. The primary source of revenue is a transfer from the General Fund.

**P.E.R.S. Debt Service Fund**

This fund was established to account for the accumulation of resources for the payment of principal and interest on the Limited Tax Pension Bonds. The primary source of revenue is a transfer from the P.E.R.S./Reserve Fund.

**Capital Projects Fund**

This fund was established to account for expenditures for minor construction projects, remodeling, major maintenance of facilities, and replacement of major equipment. The major source of funding is a transfer from the General Fund.

**Capital Construction Fund**

This fund accounts for all activities relating to major construction projects not accounted for in the Capital Projects Fund, including acquisition of real property, construction of new facilities and major renovations of existing facilities. This fund was established in 1992 to account for projects provided for by the voter approved bond authority. The major source of funding is bond proceeds.

**Food Services Fund**

This fund accounts for the operation of the cafeterias and related food services. The principal source of revenue is from food sales.

**Bookstore Fund**

The College Bookstore operation provides students and staff with books and instructional supplies needed to carry out their educational programs. The principal source of revenue is from sales of merchandise.

**Parking Operations Fund**

This fund accounts for the College parking program. Resources are expended for alternative transportation options and maintenance of the parking lots. The major sources of revenue are from parking permits and parking fines.

**Print Center Fund**

This fund was established to account for the College's expenses relating to printing and photocopying. The primary source of revenue is from charges for services to the College's operating funds.

**Risk Management Fund**

This fund accounts for the expenses relating to the College's management of its self-insurance operation which includes property, casualty, unemployment and worker's compensation insurance. The primary source of revenue is from charges to the College's operating funds.

**P.E.R.S./Reserve Fund**

This fund was established to centrally manage and account for the additional Public Employees Retirement System's employer rate. The primary source of revenue is from charges to the College's operating funds on all salaries subject to P.E.R.S. The Primary expenditure in this fund is a transfer of accumulated charges to the P.E.R.S. Debt Service Fund.

**Pension Trust Fund: Early Retirement**

This fund was established to account for the accumulation of resources to meet future obligations and expenses related to the College's early retirement program. Principal sources of revenue are a transfer from the General Fund and interest earnings from investments.

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
For the year ended June 30, 2014

<u>GENERAL FUND</u>			
	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
From local sources:			
District tax levy:			
Current	\$ 55,743,294	\$ 28,276,102	\$ (27,467,192)
Prior	1,453,482	534,992	(918,490)
Total district tax levy	57,196,776	28,811,094	(28,385,682)
Tuition and fees	214,900,945	99,181,499	(115,719,446)
Other sources:			
Interest from investments	1,079,268	183,454	(895,814)
Miscellaneous local sources	2,469,376	1,175,346	(1,294,030)
Total other sources	3,548,644	1,358,800	(2,189,844)
Total from local sources	275,646,365	129,351,393	(146,294,972)
From state sources:			
FTE reimbursement	133,857,169	64,403,169	(69,454,000)
Other state sources	-	1,113	1,113
Total from state sources	133,857,169	64,404,282	(69,452,887)
TOTAL REVENUES, BUDGETARY BASIS	409,503,534	193,755,675	(215,747,859)

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL

For the year ended June 30, 2014

<u>GENERAL FUND</u>			
	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
EXPENDITURES:			
Campus program areas:			
Sylvania	\$ 92,643,387	\$ 46,943,124	\$ 45,700,263
Rock Creek Campus	61,765,324	31,825,026	29,940,298
Cascade	52,388,214	26,270,310	26,117,904
Extended Learning	27,913,286	13,532,474	14,380,812
Total Campus program areas	234,710,211	118,570,934	116,139,277
Non-program areas:			
Personal Services	115,467,797	54,675,936	60,791,861
Materials & Services	44,402,466	21,252,237	23,150,229
Capital Outlay	2,330,843	947,984	1,382,859
Total Non-program areas	162,201,106	76,876,157	85,324,949
Contingencies	26,689,735	-	26,689,735
TOTAL EXPENDITURES	423,601,052	195,447,091	228,153,961
REVENUES OVER (UNDER) EXPENDITURES, BUDGETARY BASIS	(14,097,518)	(1,691,416)	12,406,102
OTHER FINANCING SOURCES (USES):			
Transfers in	10,050,654	4,642,658	(5,407,996)
Transfers out	(5,617,141)	(2,775,889)	2,841,252
TOTAL OTHER FINANCING SOURCES (USES)	4,433,513	1,866,769	(2,566,744)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES, BUDGETARY BASIS	(9,664,005)	175,353	9,839,358
Beginning fund balance	17,612,549	17,612,549	-
Ending fund balance - budgetary basis	\$ 7,948,544	\$ 17,787,902	\$ 9,839,358

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2014

CONTINUING AND COMMUNITY EDUCATION FUND

	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Other local sources	\$ 2,329,707	\$ 1,077,040	\$ (1,252,667)
Tuition and fees	11,603,901	4,167,843	(7,436,058)
TOTAL REVENUES	13,933,608	5,244,883	(8,688,725)
EXPENDITURES:			
Sylvania Campus	430,039	-	430,039
Extended Learning Campus	13,016,576	4,628,736	8,387,840
Cascade Campus	85,092	11,129	73,963
Contingency	859,633	-	859,633
TOTAL EXPENDITURES	14,391,340	4,639,865	9,751,475
REVENUES OVER (UNDER) EXPENDITURES	(457,732)	605,018	1,062,750
OTHER FINANCING SOURCES (USES)			
Transfers in	633,037	-	(633,037)
Transfers (out)	(988,156)	(949,417)	38,739
TOTAL OTHER FINANCING SOURCES (USES)	(355,119)	(949,417)	(594,298)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(812,851)	(344,399)	468,452
Beginning fund balance	812,851	812,851	-
Ending fund balance - budgetary basis	\$ -	\$ 468,452	\$ 468,452



PORTLAND COMMUNITY COLLEGE  
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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2014

AUXILIARY FUND

	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Facilities usage	\$ 603,982	\$ 265,219	\$ (338,763)
Campus activities	177,346	127,798	(49,548)
Other Revenues	60,800	35,460	(25,340)
	<u>842,128</u>	<u>428,477</u>	<u>(413,651)</u>
TOTAL REVENUES			
EXPENDITURES:			
Facilities usage	786,022	353,827	432,195
Campus activities	315,034	56,024	259,010
Sustainability	15,000	-	15,000
Contingency	238,934	-	238,934
	<u>1,354,990</u>	<u>409,851</u>	<u>945,139</u>
TOTAL EXPENDITURES			
REVENUES OVER (UNDER) EXPENDITURES	<u>(512,862)</u>	<u>18,626</u>	<u>531,488</u>
OTHER FINANCING SOURCES (USES):			
Transfers:			
Transfers in	10,385	-	(10,385)
Transfers (out)	(134,407)	(120,169)	14,238
	<u>(124,022)</u>	<u>(120,169)</u>	<u>3,853</u>
TOTAL OTHER FINANCING SOURCES (USES)			
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(636,884)	(101,543)	535,341
Beginning fund balance	<u>668,071</u>	<u>668,071</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ 31,187</u>	<u>\$ 566,528</u>	<u>\$ 535,341</u>

PORTLAND COMMUNITY COLLEGE  
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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2014

STUDENT ACTIVITIES FUND

	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Interest from investments	\$ 2,725	\$ 2,317	\$ (408)
From local sources:			
Student activities fees	3,649,800	1,686,171	(1,963,629)
Other local sources	75,000	111,739	36,739
Total from local sources	3,724,800	1,797,910	(1,926,890)
TOTAL REVENUES	3,727,525	1,800,227	(1,927,298)
EXPENDITURES:			
Sylvania Campus Programs	1,364,903	630,594	734,309
Rock Creek Campus Programs	1,039,440	465,673	573,767
Cascade Campus Programs	899,412	383,750	515,662
Extended Learning Campus Programs	368,377	165,042	203,335
District-wide Programs	335,839	78,714	257,125
Contingency	273,935	-	273,935
TOTAL EXPENDITURES	4,281,906	1,723,773	2,558,133
REVENUES OVER (UNDER) EXPENDITURES	(554,381)	76,454	630,835
Beginning fund balance	554,381	554,381	-
Ending fund balance - budgetary basis	\$ -	\$ 630,835	\$ 630,835

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2014

CONTRACTS AND GRANTS FUND

	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Local sources	\$ 11,922,650	\$ 5,392,658	\$ (6,529,992)
State sources	13,330,137	6,167,272	(7,162,865)
Federal sources	31,879,962	11,023,163	(20,856,799)
 TOTAL REVENUES	 57,132,749	 22,583,093	 (34,549,656)
EXPENDITURES:			
Local contracts	11,954,502	6,174,985	5,779,517
State grants	13,330,366	5,584,673	7,745,693
Federal grants	29,142,593	10,175,006	18,967,587
 TOTAL EXPENDITURES	 54,427,461	 21,934,664	 32,492,797
Contingency	2,066,309	-	2,066,309
REVENUES OVER (UNDER) EXPENDITURES	638,979	648,429	9,450
OTHER FINANCING SOURCES (USES):			
Transfers in	376,403	187,637	(188,766)
Transfers (out)	(3,276,181)	(1,400,332)	1,875,849
 TOTAL OTHER FINANCING SOURCES (USES)	 (2,899,778)	 (1,212,695)	 1,687,083
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(2,260,799)	(564,266)	1,696,533
Beginning fund balance	2,260,799	2,260,799	-
Ending fund balance - budgetary basis	\$ -	\$ 1,696,533	\$ 1,696,533

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2014

STUDENT FINANCIAL AID FUND

	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
From local sources:			
Interest from investments	\$ 16,620	\$ 2,969	\$ (13,651)
Private scholarships	3,782,660	104,640	(3,678,020)
Miscellaneous income	-	256,411	256,411
	<u>3,799,280</u>	<u>364,020</u>	<u>(3,435,260)</u>
Total from local sources			
From federal sources	<u>397,730,060</u>	<u>174,970,769</u>	<u>(222,759,291)</u>
TOTAL REVENUES	<u>401,529,340</u>	<u>175,334,789</u>	<u>(226,194,551)</u>
EXPENDITURES:			
College funded programs	821,544	301,247	520,297
Federal programs	401,400,152	174,486,535	226,913,617
Short term student loan program	599,620	49,246	550,374
Contingency	974,069	-	974,069
	<u>403,795,385</u>	<u>174,837,028</u>	<u>228,958,357</u>
TOTAL EXPENDITURES			
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,266,045)</u>	<u>497,761</u>	<u>2,763,806</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	1,452,490	263,898	(1,188,592)
Transfers (out)	(511,936)	(235,422)	276,514
	<u>940,554</u>	<u>28,476</u>	<u>(912,078)</u>
TOTAL OTHER FINANCING SOURCES (USES)			
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>(1,325,491)</u>	<u>526,237</u>	<u>1,851,728</u>
Beginning fund balance	<u>1,325,491</u>	<u>1,325,491</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ -</u>	<u>\$ 1,851,728</u>	<u>\$ 1,851,728</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2014

GENERAL OBLIGATION (G.O.) BOND FUND

	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
From local sources:			
Proceeds from tax levies - current year	\$ 90,642,213	\$ 45,802,840	\$ (44,839,373)
Proceeds from tax levies - prior year	800,000	667,647	(132,353)
Interest from investments	148,254	122,315	(25,939)
TOTAL REVENUES	<u>91,590,467</u>	<u>46,592,802</u>	<u>(44,997,665)</u>
EXPENDITURES:			
Principal payments	50,589,236	26,700,000	23,889,236
Interest payments	39,967,876	21,341,124	18,626,752
TOTAL EXPENDITURES	<u>90,557,112</u>	<u>48,041,124</u>	<u>42,515,988</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,033,355</u>	<u>(1,448,322)</u>	<u>(2,481,677)</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	1,033,355	(1,448,322)	(2,481,677)
Beginning fund balance	<u>4,934,770</u>	<u>4,934,770</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ 5,968,125</u>	<u>\$ 3,486,448</u>	<u>\$ (2,481,677)</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2014

CAPITAL LEASE / PURCHASE FUND

	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
EXPENDITURES:			
Principal payment	\$ 860,000	\$ 860,000	\$ -
Interest payment	28,460	28,460	-
	<u>888,460</u>	<u>888,460</u>	<u>-</u>
TOTAL EXPENDITURES	<u>888,460</u>	<u>888,460</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(888,460)</u>	<u>(888,460)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Transfer in	860,000	860,000	-
Transfer (out)	(16,308)	(16,308)	-
	<u>843,692</u>	<u>843,692</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>843,692</u>	<u>843,692</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(44,768)	(44,768)	-
Beginning fund balance	44,768	44,768	-
Ending fund balance - budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2014

P.E.R.S. DEBT SERVICE FUND

	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
EXPENDITURES:			
Principal payments	\$ 6,675,000	\$ 3,110,000	\$ 3,565,000
Interest payments	9,508,593	4,815,097	4,693,496
TOTAL EXPENDITURES	<u>16,183,593</u>	<u>7,925,097</u>	<u>8,258,496</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(16,183,593)</u>	<u>(7,925,097)</u>	<u>8,258,496</u>
OTHER FINANCING SOURCES (USES):			
Transfer from PERS Reserve Fund	<u>16,183,593</u>	<u>7,925,097</u>	<u>(8,258,496)</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	-	-	-
Beginning fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balance - budgetary basis	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2014

CAPITAL PROJECTS FUND

	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Interest from investments	\$ 200,000	\$ 40,840	\$ (159,160)
Other revenues	200,000	278,052	78,052
	<u>400,000</u>	<u>318,892</u>	<u>(81,108)</u>
TOTAL REVENUES			
EXPENDITURES:			
Capital outlay	7,350,616	3,228,794	4,121,822
Contingency	2,651,704	-	2,651,704
	<u>10,002,320</u>	<u>3,228,794</u>	<u>6,773,526</u>
TOTAL EXPENDITURES			
REVENUES OVER (UNDER) EXPENDITURES	<u>(9,602,320)</u>	<u>(2,909,902)</u>	<u>6,692,418</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	1,994,203	997,461	(996,742)
	<u>1,994,203</u>	<u>997,461</u>	<u>(996,742)</u>
TOTAL OTHER FINANCING SOURCES (USES)			
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(7,608,117)	(1,912,441)	5,695,676
Beginning fund balance	10,783,139	10,783,139	-
Ending fund balance - budgetary basis	<u>\$ 3,175,022</u>	<u>\$ 8,870,698</u>	<u>\$ 5,695,676</u>



PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2014

CAPITAL CONSTRUCTION FUND

	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Interest from investments	\$ 3,650,000	\$ 764,507	\$ (2,885,493)
State sources	9,000,000	7,600,000	(1,400,000)
Miscellaneous income	860,514	605,588	(254,926)
<b>TOTAL REVENUES</b>	<b>13,510,514</b>	<b>8,970,095</b>	<b>(4,540,419)</b>
EXPENDITURES:			
Sylvania Campus	37,700,000	15,191,319	22,508,681
Cascade Campus	45,500,000	24,409,681	21,090,319
Rock Creek Campus	50,250,000	11,798,356	38,451,644
Southeast Center	43,000,000	24,648,589	18,351,411
District-wide Projects	46,884,313	11,649,002	35,235,311
Contingency	26,793,784	-	26,793,784
<b>TOTAL EXPENDITURES</b>	<b>250,128,097</b>	<b>87,696,947</b>	<b>162,431,150</b>
REVENUES OVER (UNDER) EXPENDITURES	<b>(236,617,583)</b>	<b>(78,726,852)</b>	<b>157,890,731</b>
OTHER FINANCING SOURCES (USES):			
Transfers in	957,000	957,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>957,000</b>	<b>957,000</b>	<b>-</b>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<b>(235,660,583)</b>	<b>(77,769,852)</b>	<b>157,890,731</b>
Beginning fund balance	238,539,670	238,539,670	-
Ending fund balance - budgetary basis	<b>\$ 2,879,087</b>	<b>\$ 160,769,818</b>	<b>\$ 157,890,731</b>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2014

FOOD SERVICES FUND

	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Food sales	\$ 11,393,876	\$ 4,571,124	\$ (6,822,752)
TOTAL REVENUES	<u>11,393,876</u>	<u>4,571,124</u>	<u>(6,822,752)</u>
EXPENDITURES:			
Food services operations	11,019,448	4,827,817	6,191,631
Contingency	<u>881,328</u>	<u>-</u>	<u>881,328</u>
TOTAL EXPENDITURES	<u>11,900,776</u>	<u>4,827,817</u>	<u>7,072,959</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(506,900)</u>	<u>(256,693)</u>	<u>250,207</u>
OTHER FINANCING SOURCES (USES):			
Interest from investments	6,000	2,013	(3,987)
Transfers (out)	<u>(113,939)</u>	<u>(45,711)</u>	<u>68,228</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(107,939)</u>	<u>(43,698)</u>	<u>64,241</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(614,839)	(300,391)	314,448
Beginning fund balance	<u>614,839</u>	<u>614,839</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ -</u>	<u>\$ 314,448</u>	<u>\$ 314,448</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2014

BOOKSTORE FUND

	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Bookstore sales	\$ 33,056,639	\$ 14,905,473	\$ (18,151,166)
Miscellaneous income	169,348	128,896	(40,452)
TOTAL REVENUES	<u>33,225,987</u>	<u>15,034,369</u>	<u>(18,191,618)</u>
EXPENDITURES:			
Bookstore operations	33,538,893	14,056,522	19,482,371
Contingency	3,046,205	-	3,046,205
TOTAL EXPENDITURES	<u>36,585,098</u>	<u>14,056,522</u>	<u>22,528,576</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,359,111)</u>	<u>977,847</u>	<u>4,336,958</u>
OTHER FINANCING SOURCES (USES):			
Transfers (out)	(996,779)	(473,155)	523,624
Interest from investments	166,864	96,126	(70,738)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(829,915)</u>	<u>(377,029)</u>	<u>452,886</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>(4,189,026)</u>	<u>600,818</u>	<u>4,789,844</u>
Beginning fund balance	<u>14,451,447</u>	<u>14,451,447</u>	<u>-</u>
Ending fund balance - budgetary basis	<u><u>\$ 10,262,421</u></u>	<u><u>\$ 15,052,265</u></u>	<u><u>\$ 4,789,844</u></u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2014

PARKING OPERATIONS FUND

	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Parking permits	\$ 6,500,168	\$ 3,141,498	\$ (3,358,670)
Parking fines	513,486	295,993	(217,493)
Other revenue	2,355,600	1,674,860	(680,740)
TOTAL REVENUES	9,369,254	5,112,351	(4,256,903)
EXPENDITURES:			
Parking operations	9,402,788	4,235,233	5,167,555
Contingency	2,194,749	-	2,194,749
TOTAL EXPENDITURES	11,597,537	4,235,233	7,362,304
REVENUES OVER (UNDER) EXPENDITURES	(2,228,283)	877,118	3,105,401
OTHER FINANCING SOURCES (USES):			
Interest from investments	28,766	20,522	(8,244)
Transfers (in)	94,810	47,405	(47,405)
Transfers (out)	(771,502)	(393,027)	378,475
TOTAL OTHER FINANCING SOURCES (USES)	(647,926)	(325,100)	322,826
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(2,876,209)	552,018	3,428,227
Beginning fund balance	3,876,209	3,876,209	-
Ending fund balance - budgetary basis	\$ 1,000,000	\$ 4,428,227	\$ 3,428,227

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2014

PRINT CENTER FUND

	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Charges for services-internal	\$ 1,083,971	\$ 508,471	\$ (575,500)
Charges for services-external	49,706	20,264	(29,442)
Copy machine income	1,153,586	443,310	(710,276)
Miscellaneous income	145,405	-	(145,405)
	<u>2,432,668</u>	<u>972,045</u>	<u>(1,460,623)</u>
TOTAL REVENUES			
EXPENDITURES:			
Print center operations	2,285,805	990,380	1,295,425
Contingency	294,163	-	294,163
	<u>2,579,968</u>	<u>990,380</u>	<u>1,589,588</u>
TOTAL EXPENDITURES			
REVENUES OVER (UNDER) EXPENDITURES	<u>(147,300)</u>	<u>(18,335)</u>	<u>128,965</u>
OTHER FINANCING SOURCES (USES):			
Interest from investments	-	1,226	1,226
Transfers (out)	(91,542)	(38,882)	52,660
	<u>(91,542)</u>	<u>(37,656)</u>	<u>53,886</u>
TOTAL OTHER FINANCING SOURCES (USES)			
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(238,842)	(55,991)	182,851
Beginning fund balance	<u>297,033</u>	<u>297,033</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ 58,191</u>	<u>\$ 241,042</u>	<u>\$ 182,851</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2014

RISK MANAGEMENT FUND

	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Department charges & other revenues	\$ 3,450,568	\$ 1,920,185	\$ (1,530,383)
Insurance reimbursement	48,636	-	(48,636)
 TOTAL REVENUES	 3,499,204	 1,920,185	 (1,579,019)
 EXPENDITURES:			
Self-insurance & risk administration	3,922,343	1,815,365	2,106,978
Contingency	760,747	-	760,747
 TOTAL EXPENDITURES	 4,683,090	 1,815,365	 2,867,725
 REVENUES OVER (UNDER) EXPENDITURES	 (1,183,886)	 104,820	 1,288,706
 OTHER FINANCING SOURCES (USES)			
Interest from investments	129,580	17,718	(111,862)
Transfers in	189,356	94,344	(95,012)
 TOTAL OTHER FINANCING SOURCES (USES)	 318,936	 112,062	 (206,874)
 REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	 (864,950)	 216,882	 1,081,832
 Beginning fund balance	 3,656,107	 3,656,107	 -
 Ending fund balance - budgetary basis	 \$ 2,791,157	 \$ 3,872,989	 \$ 1,081,832

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2014

<u>P.E.R.S./RESERVE FUND</u>			
	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Department PERS charges	\$ 13,415,148	\$ 4,221,366	\$ (9,193,782)
TOTAL REVENUES	13,415,148	4,221,366	(9,193,782)
OPERATING EXPENSES:			
Contingency	200,000	-	200,000
TOTAL OPERATING EXPENSES	200,000	-	200,000
OTHER FINANCING SOURCES (USES):			
Transfers (out)	(20,404,477)	(9,755,332)	10,649,145
Interest from investments	741,763	158,884	(582,879)
TOTAL OTHER FINANCING SOURCES (USES)	(19,662,714)	(9,596,448)	10,066,266
REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES)	(6,447,566)	(5,375,082)	1,072,484
Beginning fund balance	35,482,573	35,482,573	-
Ending fund balance - budgetary basis	\$ 29,035,007	\$ 30,107,491	\$ 1,072,484

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2014

PENSION TRUST FUND: EARLY RETIREMENT

	2013-15 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
ADDITIONS:			
Amount provided by General Fund	\$ 456,288	\$ 228,144	\$ (228,144)
Interest from investments	120,554	6,892	(113,662)
 TOTAL ADDITIONS	 576,842	 235,036	 (341,806)
DEDUCTIONS:			
Other post-retirement benefits	1,334,848	511,580	823,268
Contingency	200,000	-	200,000
 TOTAL DEDUCTIONS	 1,534,848	 511,580	 1,023,268
 NET ADDITIONS (DEDUCTIONS):	 (958,006)	 (276,544)	 681,462
 Beginning fund balance	 1,506,979	 1,506,979	 -
 Ending fund balance - budgetary basis	 \$ 548,973	 \$ 1,230,435	 \$ 681,462



## OTHER FINANCIAL SCHEDULES

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS  
June 30, 2014

GENERAL OBLIGATION BONDS

FISCAL YEAR	SERIES 2005, ISSUED 06/15/2005		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
2014-15	\$ 10,635,000	\$ 2,441,750	\$ 13,076,750
2015-16	11,635,000	1,910,000	13,545,000
2016-17	12,710,000	1,328,250	14,038,250
2017-18	13,855,000	692,750	14,547,750
TOTALS	<u>\$ 48,835,000</u>	<u>\$ 6,372,750</u>	<u>\$ 55,207,750</u>

FISCAL YEAR	SERIES 2009, ISSUED 04/01/2009		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
2014-15	\$ 7,780,000	\$ 8,393,750	\$ 16,173,750
2015-16	8,170,000	8,004,750	16,174,750
2016-17	8,575,000	7,596,250	16,171,250
2017-18	9,005,000	7,167,500	16,172,500
2018-19	9,455,000	6,717,250	16,172,250
2019-20	9,930,000	6,244,500	16,174,500
2020-21	10,425,000	5,748,000	16,173,000
2021-22	10,945,000	5,226,750	16,171,750
2022-23	11,495,000	4,679,500	16,174,500
2023-24	12,070,000	4,104,750	16,174,750
2024-25	12,675,000	3,501,250	16,176,250
2025-26	13,305,000	2,867,500	16,172,500
2026-27	13,970,000	2,202,250	16,172,250
2027-28	14,670,000	1,503,750	16,173,750
2028-29	15,405,000	770,250	16,175,250
TOTALS	<u>\$ 167,875,000</u>	<u>\$ 74,728,000</u>	<u>\$ 242,603,000</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS  
June 30, 2014

GENERAL OBLIGATION BONDS

FISCAL YEAR	<u>SERIES 2013, ISSUED 03/28/2013</u>		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
2014-15	\$ 5,655,000	\$ 7,610,488	\$ 13,265,488
2015-16	5,935,000	7,327,738	13,262,738
2016-17	6,235,000	7,030,988	13,265,988
2017-18	6,545,000	6,719,238	13,264,238
2018-19	6,875,000	6,391,988	13,266,988
2019-20	7,215,000	6,048,238	13,263,238
2020-21	7,580,000	5,687,488	13,267,488
2021-22	7,955,000	5,308,488	13,263,488
2022-23	8,355,000	4,910,738	13,265,738
2023-24	8,770,000	4,492,988	13,262,988
2024-25	9,210,000	4,054,488	13,264,488
2025-26	9,670,000	3,593,988	13,263,988
2026-27	10,155,000	3,110,488	13,265,488
2027-28	10,660,000	2,602,738	13,262,738
2028-29	10,980,000	2,282,938	13,262,938
2029-30	11,420,000	1,843,738	13,263,738
2030-31	11,880,000	1,386,938	13,266,938
2031-32	12,355,000	911,738	13,266,738
2032-33	12,755,000	510,200	13,265,200
TOTALS	<u>\$ 170,205,000</u>	<u>\$ 81,825,634</u>	<u>\$ 252,030,634</u>

LIMITED TAX PENSION BONDS

FISCAL YEAR	<u>SERIES 2003, ISSUED 6/12/2003</u>		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
2014-15	\$ 3,565,000	\$ 4,693,496	\$ 8,258,496
2015-16	4,060,000	4,551,252	8,611,252
2016-17	4,590,000	4,385,198	8,975,198
2017-18	5,165,000	4,192,877	9,357,877
2018-19	5,810,000	3,944,441	9,754,441
2019-20	6,505,000	3,664,980	10,169,980
2020-21	7,250,000	3,352,089	10,602,089
2021-22	8,050,000	3,003,364	11,053,364
2022-23	8,910,000	2,616,159	11,526,159
2023-24	9,825,000	2,187,588	12,012,588
2024-25	10,810,000	1,715,006	12,525,006
2025-26	11,860,000	1,195,045	13,055,045
2026-27	12,985,000	624,579	13,609,579
TOTALS	<u>\$ 99,385,000</u>	<u>\$ 40,126,074</u>	<u>\$ 139,511,074</u>

Continued from page 60.

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED -- GENERAL FUND  
For the year ended June 30, 2014

TAX YEAR	ORIGINAL LEVY AND BALANCE UNCOLLECTED 7/1/2013	DISCOUNTS	ADJUSTMENTS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/14
GENERAL FUND:						
Current:						
2013-14	<u>\$ 29,546,093</u>	<u>\$ (764,969)</u>	<u>\$ (84,329)</u>	<u>\$ 10,360</u>	<u>\$ (28,006,109)</u>	<u>\$ 701,046</u>
Prior years:						
2012-13	722,940	(1,093)	(34,071)	24,133	(341,809)	370,100
2011-12	399,154	33	(13,345)	25,128	(133,918)	277,052
2010-11	263,851	11	(17,503)	33,796	(120,743)	159,412
2009-10	154,060	3	(16,027)	17,989	(49,920)	106,105
2008-09	16,847	2	(3,668)	2,655	(6,130)	9,706
2008 and prior	<u>31,329</u>	<u>-</u>	<u>(7,412)</u>	<u>4,276</u>	<u>(6,530)</u>	<u>21,663</u>
Total prior	<u>1,588,181</u>	<u>(1,044)</u>	<u>(92,026)</u>	<u>107,977</u>	<u>(659,050)</u>	<u>944,038</u>
Total General Fund	<u><u>\$ 31,134,274</u></u>	<u><u>\$ (766,013)</u></u>	<u><u>\$ (176,355)</u></u>	<u><u>\$ 118,337</u></u>	<u><u>\$ (28,665,159)</u></u>	<u><u>\$ 1,645,084</u></u>

RECONCILIATION TO REVENUES:

	GENERAL FUND
Cash collection by county treasurer above	\$ 28,665,159
Property taxes susceptible to accrual at June 30, 2014	132,845
Property taxes susceptible to accrual at July 1, 2013	(137,890)
Taxes in lieu of property taxes and other adjustments	<u>150,982</u>
Total revenues	<u><u>\$ 28,811,096</u></u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED -- DEBT SERVICE FUND  
For the year ended June 30, 2014

TAX YEAR	ORIGINAL LEVY AND BALANCE UNCOLLECTED 7/1/2013	DISCOUNTS	ADJUSTMENTS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/14
DEBT SERVICE FUND:						
Current:						
2013-14	\$ 47,890,614	\$ (1,239,907)	\$ (136,779)	\$ 16,805	\$ (45,393,654)	\$ 1,137,079
Prior years:						
2012-13	994,529	(1,500)	(48,300)	33,078	(469,458)	508,349
2011-12	451,898	36	(17,239)	28,327	(151,065)	311,957
2010-11	333,233	13	(22,487)	42,641	(152,322)	201,078
2009-10	192,935	5	(20,277)	22,505	(62,455)	132,713
2008-09	13,226	1	(2,887)	2,083	(4,814)	7,609
2008 and prior	20,128	-	(5,452)	3,042	(4,984)	12,734
Total prior	2,005,949	(1,445)	(116,642)	131,676	(845,098)	1,174,440
Total Debt Service Fund	\$ 49,896,563	\$ (1,241,352)	\$ (253,421)	\$ 148,481	\$ (46,238,752)	\$ 2,311,519

RECONCILIATION TO REVENUES:		DEBT SERVICE FUND
Cash collection by county treasurer above		\$ 46,238,752
Property taxes susceptible to accrual at June 30, 2014		199,324
Property taxes susceptible to accrual at July 1, 2013		(180,825)
Taxes in lieu of property taxes and other adjustments		213,236
Total revenues		\$ 46,470,487



# STATISTICAL SECTION





# **STATISTICAL SECTION**

This part of Portland Community College's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information conveys regarding the College's overall financial health.

## **Financial Trends**

These schedules contain trend information to help the reader understand how the College's financial performance and well-being have changed over time.

## **Revenue Capacity**

These schedules contain information to help the reader assess the College's most significant revenue sources, tuition and property tax.

## **Debt Capacity**

These schedules present information to help the reader assess the affordability of the College's current levels of outstanding debt and the College's ability to issue additional debt in the future.

## **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the College's financial activities take place.

## **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the College's financial report relates to the services the College provides and the activities it performs.

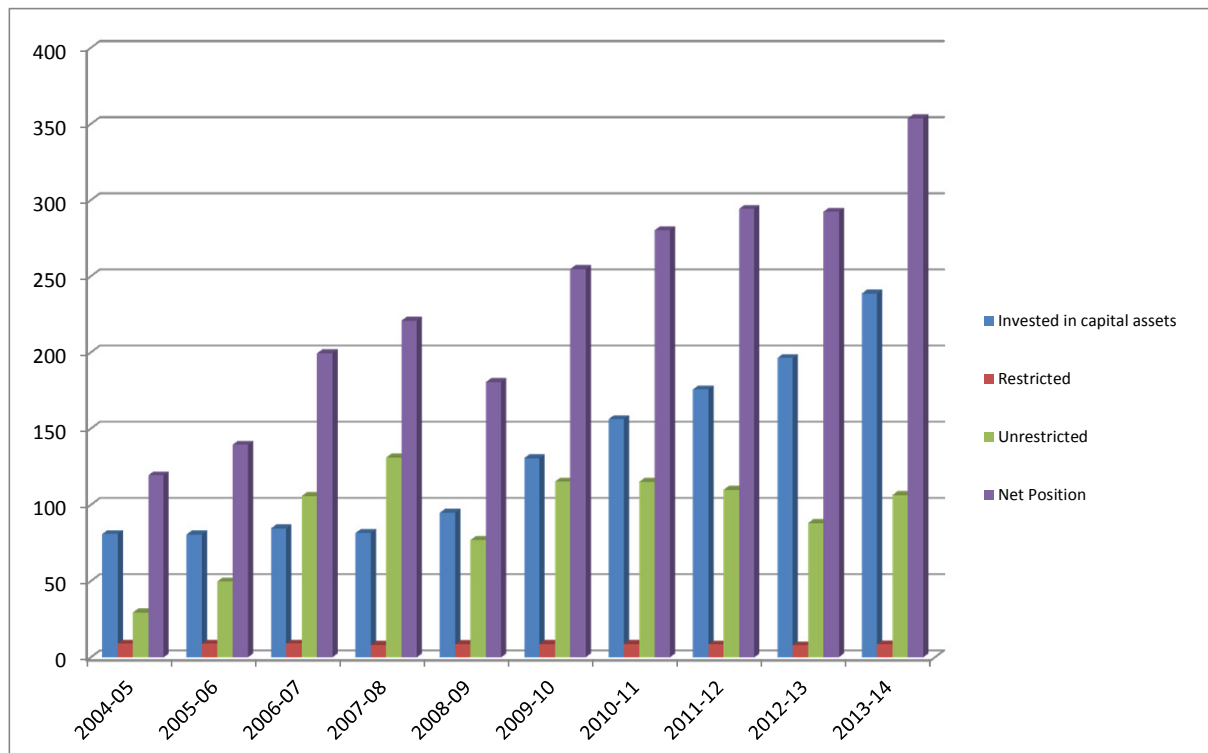
**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS (in Thousands)

	2013-14	2012-13	2011-12	2010-11
Net invested in capital assets	\$ 497,577	\$ 407,082	\$ 339,857	\$ 323,919
Less related debt	(258,913)	(210,674)	(164,041)	(167,624)
Net investment in capital assets	238,664	196,408	175,816	156,295
Net position, restricted	8,596	7,935	8,510	8,782
Net position, unrestricted	106,532	88,105	110,021	115,262
<b>TOTAL NET POSITION</b>	<b>\$ 353,792</b>	<b>\$ 292,448</b>	<b>\$ 294,347</b>	<b>\$ 280,339</b>

Note: Restated in 2011, 2010, 2008, 2007, 2006 and 2005.



2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
\$ 300,161 (169,457)	\$ 242,922 (148,025)	\$ 211,565 (129,947)	\$ 226,769 (142,130)	\$ 228,863 (148,176)	\$ 225,776 (144,881)
130,704	94,897	81,618	84,639	80,687	80,895
8,764	8,700	8,203	9,056	8,996	8,975
115,364	76,987	131,125	105,837	49,805	29,538
\$ 254,832	\$ 180,584	\$ 220,946	\$ 199,532	\$ 139,488	\$ 119,408

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS (in Thousands)

	2013-14	2012-13	2011-12	2010-11
Operating revenues				
Student tuition and fees, net	\$ 63,775	\$ 60,845	\$ 62,216	\$ 62,644
Grants and contracted programs	16,416	19,085	20,362	21,045
Auxiliary enterprises	17,731	19,139	21,259	18,298
Other operating revenues	606	12	20	221
Total operating revenues	98,528	99,081	103,857	102,208
Nonoperating revenues				
State FTE reimbursement	78,243	39,191	71,604	41,003
Property taxes	74,246	65,790	58,282	59,895
Federal financial aid	69,780	73,239	62,720	57,471
State and local grants and contracts	15,583	9,357	8,899	11,740
Investment income	2,388	514	1,313	1,814
Investment gain on pension asset	20,273	12,918	2,651	22,373
Gain on disposal of assets	-	-	-	-
Other nonoperating revenues	-	-	-	-
Total nonoperating revenues	260,513	201,009	205,469	194,296
Total Revenues	359,041	300,090	309,326	296,504
Operating expenses				
Campus educational and campus general	129,720	129,297	134,836	118,239
Other educational and general	77,072	72,426	68,982	59,521
Grants and contracted programs	21,906	24,778	25,617	26,881
Auxiliary enterprises	22,747	24,069	23,904	20,885
Student financial aid, net tuition and textbooks	20,092	22,678	16,123	20,235
Other support services	4,149	4,434	4,479	3,614
Depreciation and amortization	6,428	7,508	7,438	6,670
Total operating expenses	282,114	285,190	281,379	256,045
Nonoperating expenses				
Interest expense	15,583	13,919	13,931	14,930
Investment loss on pension asset	-	-	-	-
Bond issuance costs	-	1,425	-	-
Loss on disposal of assets	-	-	8	22
Other nonoperating expenses	-	-	-	-
Total nonoperating expenses	15,583	15,344	13,939	14,952
Total Expenses	297,697	300,534	295,318	270,997
Capital contributions	-	-	-	-
TOTAL INCREASE (DECREASE) IN NET POSITION	\$ 61,344	\$ (444)	\$ 14,008	\$ 25,507

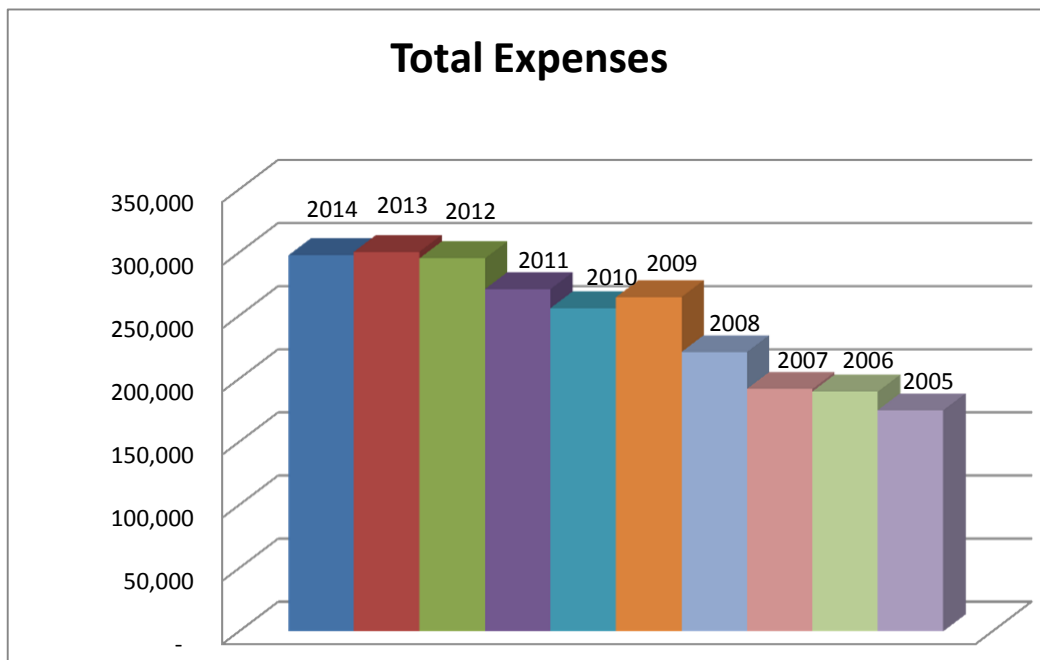
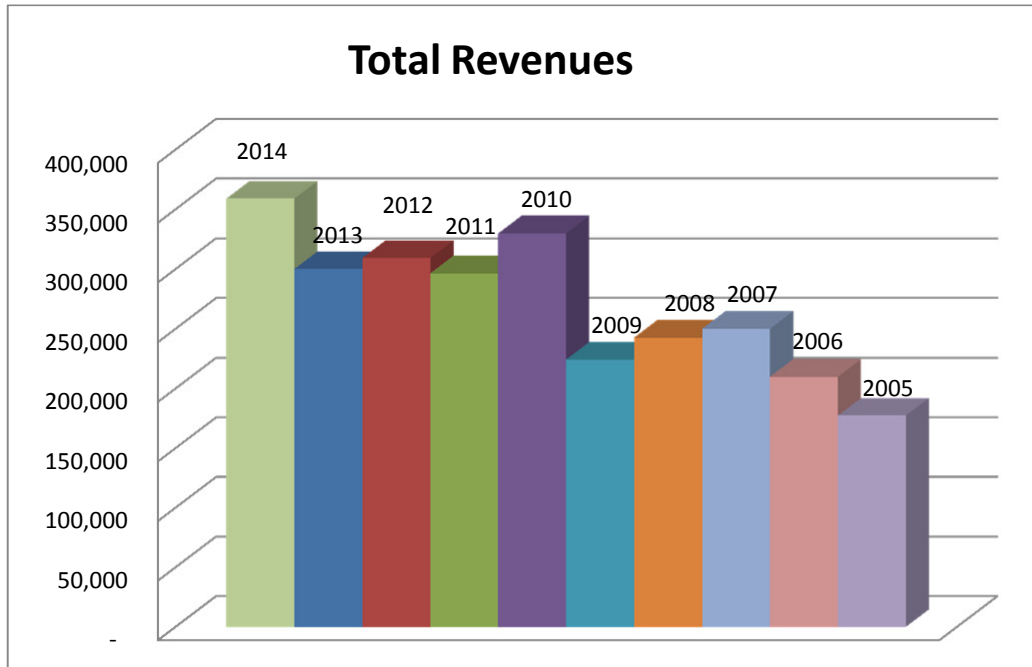
Note: Restated in 2011, 2010, 2008, 2007, 2006 and 2005.

2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
\$ 61,946	\$ 52,837	\$ 49,203	\$ 45,085	\$ 41,213	\$ 39,887
18,944	16,449	19,845	20,958	20,248	19,909
18,093	15,721	14,679	13,564	13,039	13,238
61	11	3,129	3,775	4,343	3,922
99,044	85,018	86,856	83,382	78,843	76,956
77,046	48,945	81,165	42,146	66,695	37,722
57,622	44,162	42,504	39,100	37,715	37,100
54,704	31,828	20,837	17,631	17,522	17,745
18,881	11,069	6,962	6,814	5,935	5,826
4,208	3,267	4,362	60,925	3,209	2,038
18,416	-	-	-	-	-
-	10	-	-	-	-
-	-	-	31	-	-
230,877	139,281	155,830	166,647	131,076	100,431
329,921	224,299	242,686	250,029	209,919	177,387
111,610	103,227	98,524	84,331	78,907	82,283
55,597	52,898	45,910	36,917	45,930	30,356
23,658	21,649	24,841	25,675	24,516	23,369
19,919	17,136	16,228	14,914	14,232	14,136
24,535	11,953	7,451	6,617	5,726	6,671
4,034	3,696	2,848	3,163	2,674	3,134
5,458	5,830	5,855	7,292	6,770	5,059
244,811	216,389	201,657	178,909	178,755	165,008
11,092	13,281	11,796	12,412	10,884	9,667
-	35,023	-	-	-	-
-	-	-	-	-	-
4	-	7,749	624	-	-
-	-	-	-	200	459
11,096	48,304	19,545	13,036	11,084	10,126
255,907	264,693	221,202	191,945	189,839	175,134
234	32	-	-	-	-
\$ 74,248	\$ (40,362)	\$ 21,484	\$ 58,084	\$ 20,080	\$ 2,253

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

CHANGES IN NET POSITION (Cont.)  
LAST TEN FISCAL YEARS (in Thousands)

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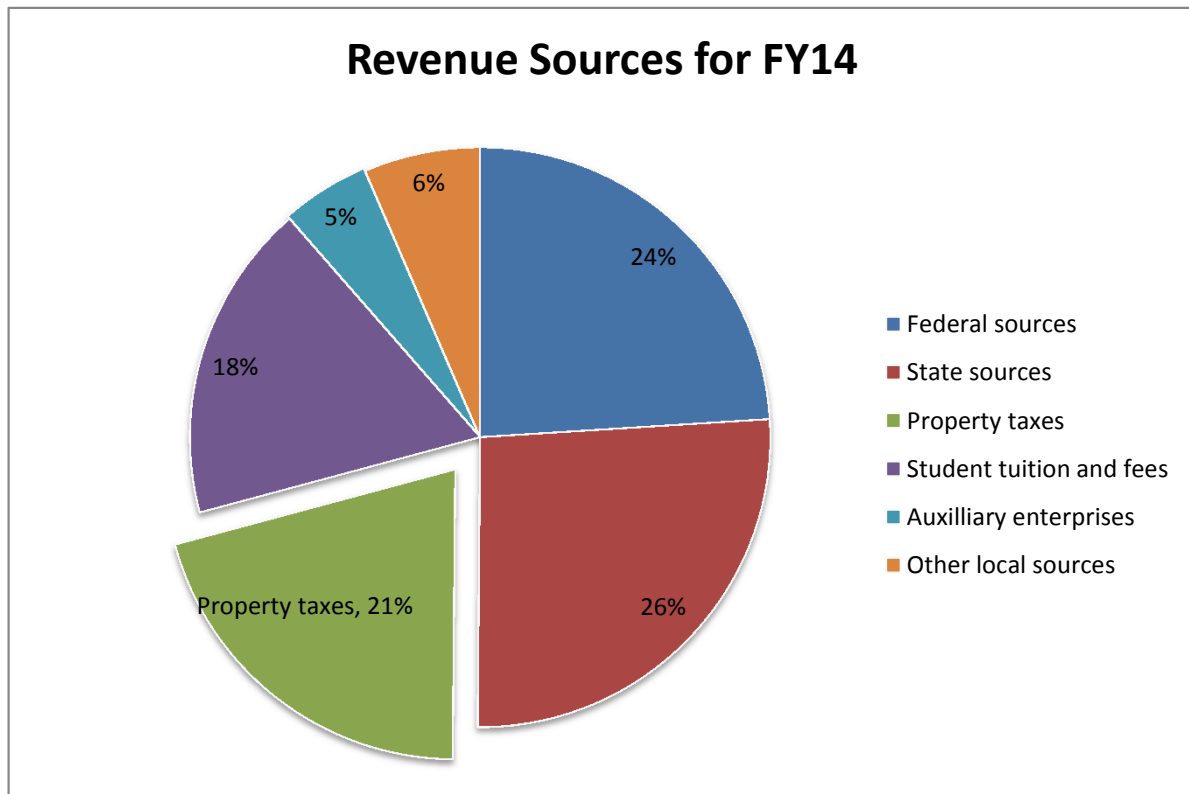
PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

REVENUES BY SOURCES  
LAST TEN FISCAL YEARS (in Thousands)

	2013-14	2012-13	2011-12	2010-11
Federal sources	\$ 86,196	\$ 92,324	\$ 83,082	\$ 78,516
State sources	93,826	48,548	80,503	52,743
Local sources:				
Property taxes (2)	74,246	65,790	58,282	59,895
Student tuition and fees, net	63,775	60,845	62,216	62,644
Auxiliary enterprise	17,731	19,139	21,259	18,298
Other local sources	23,267	13,444	3,984	24,408
Total local sources	179,019	159,218	145,741	165,245
Total revenues (1)	\$ 359,041	\$ 300,090	\$ 309,326	\$ 296,504

(1) Restated in 2011, 2010, 2008, 2007, 2006 and 2005.

(2) Most significant own-source revenue for Portland Community College.



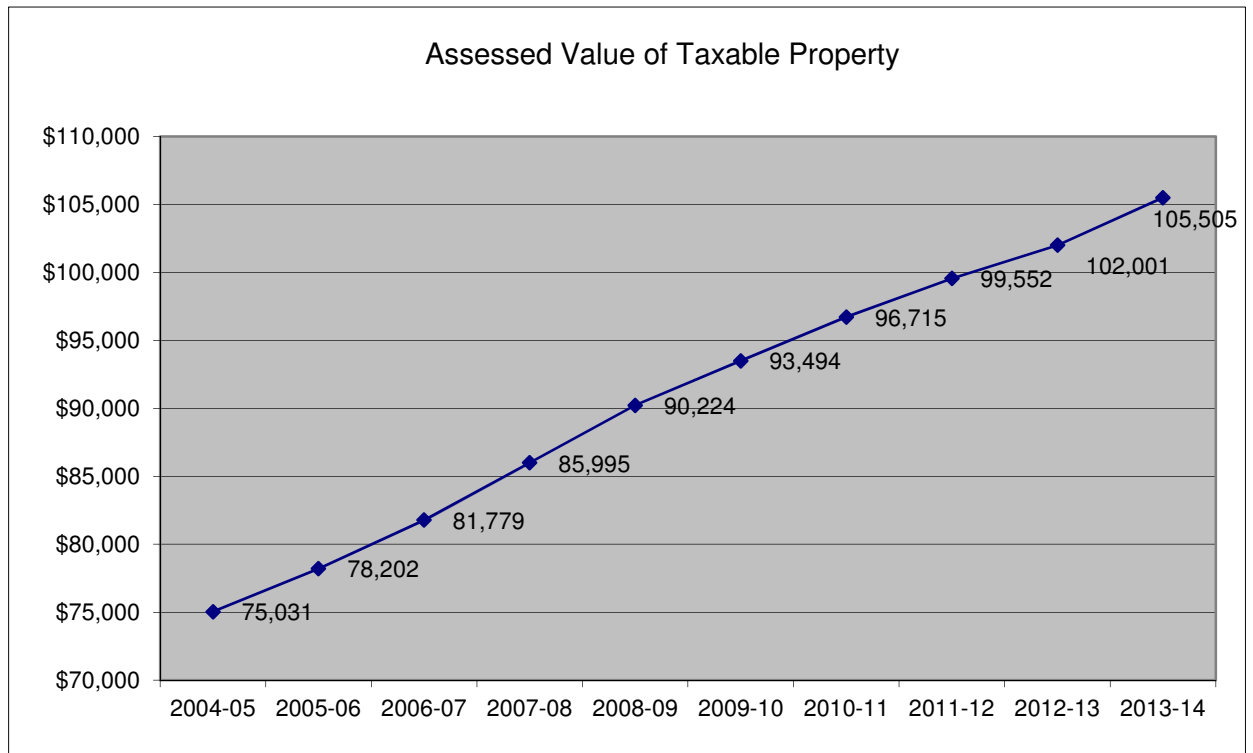


<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
\$ 73,648	\$ 48,277	\$ 40,682	\$ 38,589	\$ 37,770	\$ 37,654
<u>95,927</u>	<u>60,014</u>	<u>88,127</u>	<u>48,960</u>	<u>72,630</u>	<u>43,548</u>
57,622	44,162	42,504	39,100	37,715	37,100
61,946	52,837	49,203	45,085	41,213	39,887
18,093	15,721	14,679	13,564	13,039	13,238
22,685	3,288	7,491	64,731	7,552	5,960
<u>160,346</u>	<u>116,008</u>	<u>113,877</u>	<u>162,480</u>	<u>99,519</u>	<u>96,185</u>
<u>\$ 329,921</u>	<u>\$ 224,299</u>	<u>\$ 242,686</u>	<u>\$ 250,029</u>	<u>\$ 209,919</u>	<u>\$ 177,387</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

ASSESSED AND REAL MARKET VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS (in Thousands)

	2013-14	2012-13	2011-12	2010-11
Assessed Valuation (1)	\$ 105,504,924	\$ 102,000,829	\$ 99,551,921	\$ 96,714,788
Percentage Increased (decreased)	3.4%	2.5%	2.9%	3.4%
Direct Tax Rate (2)	\$ 0.734	\$ 0.665	\$ 0.598	\$ 0.636
Real Market Valuation	\$ 154,652,630	\$ 147,092,511	\$ 150,172,560	\$ 158,329,495
Percentage Increased (decreased)	5.1%	-2.1%	-5.2%	-4.5%
Ratio of Assessed Valuation to Real Market Valuation	68.2%	69.3%	66.3%	61.1%



(1) Property taxes are based on taxable assessed value. This is defined as the lower of maximum assessed value (MAV) or real market value. MAV is limited to 3% annual increases. The net levy is the actual imposed tax after adjustments and property tax limitations due to the passing of Measure 5 in 1990 and Measure 50 in 1997. Voter approved bond levies are not subject to these limitations.

(2) Rates per \$1,000 of assessed value. This is the combined rate of the General and Debt Service Funds.

Source: Tax Supervising and Conservation Commission, Portland, Oregon

2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
\$ 93,493,947	\$ 90,223,567	\$ 85,994,505	\$ 81,778,844	\$ 78,201,863	\$ 75,030,939
3.6%	4.9%	5.2%	4.6%	4.2%	3.9%
\$ 0.633	\$ 0.503	\$ 0.505	\$ 0.489	\$ 0.495	\$ 0.510
\$ 165,721,635	\$ 172,500,177	\$ 163,621,726	\$ 143,776,579	\$ 123,143,688	\$ 115,982,407
-3.9%	5.4%	13.8%	16.8%	6.2%	-4.9%
56.4%	52.3%	52.6%	56.9%	63.5%	64.7%

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS  
LAST TEN FISCAL YEARS (in Thousands)

	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
Levy extended by assessor (1)	<u>\$ 77,437</u>	<u>\$ 67,620</u>	<u>\$ 59,435</u>	<u>\$ 61,449</u>
Reduction of taxes receivable: (2) (3)				
Current year	<u>\$ 75,599</u>	<u>\$ 65,902</u>	<u>\$ 57,706</u>	<u>\$ 59,771</u>
First year prior	839	879	691	1,108
Second year prior	262	389	143	301
Third year prior	236	250	193	156
Fourth year prior	108	85	68	58
Fifth year prior	13	11	7	6
Sixth year prior and earlier	<u>17</u>	<u>16</u>	<u>7</u>	<u>7</u>
Total prior	<u>1,475</u>	<u>1,630</u>	<u>1,109</u>	<u>1,636</u>
Total Property Taxes	<u>\$ 77,074</u>	<u>\$ 67,532</u>	<u>\$ 58,815</u>	<u>\$ 61,407</u>

(1) Extended levy after additions and offsets by the county assessor.

(2) Amounts include collections, interest on deficiencies, discount allowed for early payment and adjustments and cancellations made by the county assessors.

(3) Amounts are based upon the tax collection year July 1 to June 30.  
Revenues as recorded in the financial statements are recognized when measurable and available.

Sources: Departments of Assessment and Taxation for Clackamas, Columbia, Multnomah, Washington and Yamhill counties  
Portland Community College financial records  
Tax Supervising and Conservation Commission

<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
<u>\$ 59,191</u>	<u>\$ 45,298</u>	<u>\$ 43,358</u>	<u>\$ 39,893</u>	<u>\$ 38,725</u>	<u>\$ 38,140</u>
<u>\$ 57,342</u>	<u>\$ 43,739</u>	<u>\$ 42,128</u>	<u>\$ 38,900</u>	<u>\$ 37,789</u>	<u>\$ 37,145</u>
950	754	656	635	704	721
226	154	156	144	177	217
105	83	86	94	101	124
47	42	43	46	51	42
6	4	6	9	4	5
7	7	4	5	5	6
<u>1,341</u>	<u>1,044</u>	<u>951</u>	<u>933</u>	<u>1,042</u>	<u>1,115</u>
<u>\$ 58,683</u>	<u>\$ 44,783</u>	<u>\$ 43,079</u>	<u>\$ 39,833</u>	<u>\$ 38,831</u>	<u>\$ 38,260</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

LARGEST PROPERTY TAXPAYERS WITHIN DISTRICT  
(in Thousands)

	2014		
	ASSESSED VALUATION	RANK	PERCENT OF TOTAL DISTRICT'S ASSESSED VALUATION
Intel Corporation	\$ 1,269,465	1	1.20 %
Portland General Electric	1,103,342	2	1.05
Northwest Natural Gas	597,231	3	0.57
Nike	566,111	4	0.54
Comcast	534,525	5	0.51
Fred Meyer Stores Inc.	314,205	6	0.30
Pacific Realty Associates	308,313	7	0.29
PacifiCorp	282,405	8	0.27
Frontier Communications	252,846	9	0.24
Weston Investment	229,181	10	0.22
	5,457,624		5.17
ALL OTHER TAXPAYERS	100,047,300		94.83
TOTAL	\$ 105,504,924		100.00 %

	2005		
	ASSESSED VALUATION	RANK	PERCENT OF TOTAL DISTRICT'S ASSESSED VALUATION
Intel Corporation	\$ 1,027,637	1	1.37 %
Portland General Electric Co.	664,851	2	0.89
Qwest Communications	551,810	3	0.74
Northwest Natural	362,109	4	0.48
Verizon Northwest Inc.	350,287	5	0.47
Nike	329,849	6	0.44
PacifiCorp.	235,222	7	0.31
Pacific Realty Associates	217,218	8	0.29
Wacker Siltronic Corp.	169,330	9	0.23
Boeing Co.	163,456	10	0.22
	4,071,769		5.43
ALL OTHER TAXPAYERS	70,959,170		94.57
TOTAL	\$ 75,030,939		100.00 %

Source: Multnomah County Assessment, Recording & Taxation  
Washington County Assessment and Taxation Department  
Yamhill County Assessment and Taxation  
Columbia County Assessor's Office  
Clackamas County Assessment and Taxation



PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

PROPERTY TAX LEVIES AND COLLECTIONS - ALL FUNDS  
LAST TEN FISCAL YEARS (in Thousands)

	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
Current tax levy	\$ 77,437	\$ 67,620	\$ 59,435	\$ 61,449	\$ 59,191
Current tax collections	\$ 73,400	\$ 64,089	\$ 56,104	\$ 57,975	\$ 55,575
Current collections as a percentage of current levy	94.8%	94.8%	94.4%	94.3%	93.9%
Delinquent tax collections	\$ 1,504	\$ 1,324	\$ 1,100	\$ 1,611	\$ 1,281
Total tax collections	\$ 74,904	\$ 65,413	\$ 57,204	\$ 59,586	\$ 56,856
Total tax collections as a percentage of current levy	96.7%	96.7%	96.2%	97.0%	96.1%
Uncollected tax	\$ 3,957	\$ 3,594	\$ 3,507	\$ 2,886	\$ 2,844
Uncollected percentage of current levy	5.1%	5.3%	5.9%	4.7%	4.8%

Sources: Clackamas, Columbia, Washington, Multnomah and Yamhill Departments of Assessment and Taxation.



<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
\$ 45,298	\$ 43,358	\$ 39,893	\$ 38,725	\$ 38,140
\$ 42,500	\$ 40,953	\$ 37,805	\$ 36,677	\$ 36,012
93.8%	94.5%	94.8%	94.7%	94.4%
\$ 936	\$ 935	\$ 856	\$ 967	\$ 1,694
\$ 43,436	\$ 41,888	\$ 38,661	\$ 37,644	\$ 37,706
95.9%	96.6%	96.9%	97.2%	98.9%
\$ 2,337	\$ 1,823	\$ 1,544	\$ 1,487	\$ 1,593
5.2%	4.2%	3.9%	3.8%	4.2%

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

RATIOS OF OUTSTANDING DEBT  
LAST TEN FISCAL YEARS (in Thousands)

	2013-14	2012-13	2011-12	2010-11
<b>Outstanding Debt</b>				
General obligation bonds (1)	\$ 419,600	\$ 448,191	\$ 272,293	\$ 292,805
Limited tax pension bonds	99,385	102,495	105,180	107,470
Certificate of participation	-	860	1,010	1,150
Note payable	-	-	300	375
Capital leases	83	163	231	290
<b>Total Outstanding Debt</b>	<b>\$ 519,068</b>	<b>\$ 551,709</b>	<b>\$ 379,014</b>	<b>\$ 402,090</b>
Student population	88	90	95	93
Total Debt per student (in dollars)	\$ 5,887	\$ 6,137	\$ 4,005	\$ 4,345
Personal income (2)	N/A	N/A	98,698,029	\$ 93,449,170
Total Debt to personal income	N/A	N/A	0.38%	0.43%

(1) General obligation bonds are reported net of premiums.

(2) Personal income is not available specifically for the District. The best estimate available and used above is the Portland metropolitan area. Data for fiscal year 2013-14 and 2012-13 is not available at this time.

Sources: Portland Community College - Institutional Effectiveness  
Portland Community College financial and statistical records  
Bureau of Economic Analysis, Regional Economic Information System

2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
\$ 312,190	\$ 325,454	\$ 128,510	\$ 140,118	\$ 150,982	\$ 160,803
109,400	111,165	112,875	114,545	116,180	117,730
1,285	1,415	1,540	1,660	1,775	1,885
466	37	56	73	90	103
342	100	199	279	365	200
\$ 423,683	\$ 438,171	\$ 243,180	\$ 256,675	\$ 269,392	\$ 280,721
94	87	87	86	88	91
\$ 4,517	\$ 5,036	\$ 2,795	\$ 2,985	\$ 3,061	\$ 3,085
\$ 88,964,975	\$ 87,893,727	\$ 88,021,653	\$ 84,151,048	\$ 79,013,985	\$ 73,287,419
0.48%	0.50%	0.28%	0.31%	0.34%	0.38%

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

RATIOS OF GENERAL BONDED DEBT  
LAST TEN FISCAL YEARS (in Thousands)

	2013-14	2012-13	2011-12	2010-11
<b>General Bonded Debt Outstanding:</b>				
General obligation bonds (1)	\$ 419,600	\$ 448,191	\$ 272,293	\$ 292,805
Limited tax pension bonds	99,385	102,495	105,180	107,470
Certificate of participation	-	860	1,010	1,150
<b>Total General bonded Debt</b>	<b>\$ 518,985</b>	<b>\$ 551,546</b>	<b>\$ 378,483</b>	<b>\$ 401,425</b>
Less: Amounts set aside to repay general debt	(3,486)	(4,935)	(1,087)	(3,917)
<b>Net General Bonded Debt</b>	<b>\$ 515,499</b>	<b>\$ 546,611</b>	<b>\$ 377,396</b>	<b>\$ 397,508</b>
Taxable Assessed Property Value (2)	\$ 105,504,924	\$ 102,000,829	\$ 99,551,921	\$ 96,714,788
Population Estimate (3)	N/A	1,284	1,267	1,254
Net bonded debt to assessed value	0.49%	0.54%	0.38%	0.41%
Net bonded debt per capita (in dollars)	N/A	\$ 426	\$ 298	\$ 317

(1) General obligation bonds are reported net of premiums.

(2) Taxable assessed property value comes from the Tax Supervising and Conservation Commission, Portland, Oregon.

(3) District population for fiscal year 2013-14 was not available at the time of this report. District population includes all of Washington and Columbia Counties and parts of Multnomah, Clackamas and Yamhill Counties. Population estimates from Portland State University, Population Research Center.

<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
\$ 312,190	\$ 325,454	\$ 128,510	\$ 140,118	\$ 150,982	\$ 160,803
109,400	111,165	112,875	114,545	116,180	117,730
<u>1,285</u>	<u>1,415</u>	<u>1,540</u>	<u>1,660</u>	<u>1,775</u>	<u>1,885</u>
\$ 422,875	\$ 438,034	\$ 242,925	\$ 256,323	\$ 268,937	\$ 280,418
<u>(3,399)</u>	<u>(3,877)</u>	<u>(3,298)</u>	<u>(2,537)</u>	<u>(3,216)</u>	<u>(3,668)</u>
\$ 419,476	\$ 434,157	\$ 239,627	\$ 253,786	\$ 265,721	\$ 276,750
\$ 93,493,947	\$ 90,223,567	\$ 85,994,505	\$ 81,778,844	\$ 78,201,863	\$ 75,030,939
1,243	1,233	1,218	1,201	1,182	1,164
0.45%	0.48%	0.28%	0.31%	0.34%	0.37%
\$ 337	\$ 352	\$ 197	\$ 211	\$ 225	\$ 238

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS (in Thousands)

	2013-14	2012-13	2011-12	2010-11
Legal debt limit (1)	2,319,789	2,206,388	2,252,588	2,374,942
Net general bonded debt applicable to debt limit	515,499	546,611	377,396	397,508
Legal debt margin	<u>\$ 1,804,291</u>	<u>\$ 1,659,776</u>	<u>\$ 1,875,192</u>	<u>\$ 1,977,434</u>
Legal debt margin as a percentage of the debt limit	77.78%	75.23%	83.25%	83.26%

**Legal Debt Margin Calculation for Fiscal Year 2014**

Real Market Value (2)	\$ 154,652,630	
Applicable percentage	1.5%	
Legal Debt Limit		\$ 2,319,789
Bonded Debt Outstanding	\$ 518,985	
Less: Amounts set aside to repay general debt	(3,486)	
Total Applicable Debt		\$ 515,499
Legal Debt Margin		<u>\$ 1,804,291</u>

- (1) The community college district bonded indebtedness shall not exceed 1.5% of the real market value of all taxable property within district in accordance with ORS 341.675.
- (2) Real market value used in calculation of debt margin comes from the Tax Supervising and Conservation Commission, Portland, Oregon.

<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
2,485,825	2,587,503	2,454,326	2,156,649	1,847,155	1,739,736
419,476	434,157	239,627	253,786	265,721	276,750
<u>\$ 2,066,349</u>	<u>\$ 2,153,346</u>	<u>\$ 2,214,699</u>	<u>\$ 1,902,863</u>	<u>\$ 1,581,434</u>	<u>\$ 1,462,986</u>
83.13%	83.22%	90.24%	88.23%	85.61%	84.09%

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

DIRECT AND OVERLAPPING GROSS BONDED DEBT  
June 30, 2014  
(dollars in Thousands)

	PERCENT OVERLAP	OVERLAPPING GROSS BONDED DEBT
<u>OVERLAPPING DISTRICT</u>		
DIRECT DEBT		
Portland Community College	100.0%	\$ 519,068
OVERLAPPING DISTRICT		
Chehalem Park & Recreation District	100.0%	5,195
City of Beaverton	100.0%	6,860
City of Hillsboro	100.0%	46,390
City of Lake Oswego	99.0%	201,489
City of Portland	86.2%	566,779
City of Sherwood	100.0%	21,775
City of St. Helens	100.0%	7,684
City of Tigard	100.0%	27,304
City of Tualatin	86.3%	7,295
City of Wilsonville	12.0%	5,202
Clackamas County	16.9%	17,799
Clackamas County School District 7J (Lake Oswego)	98.6%	97,660
Columbia County	70.5%	8,528
Columbia County School District 1J (Scappoose)	100.0%	30,645
Columbia County School District 47J (Vernonia)	100.0%	15,190
Columbia County School District 502 (St Helens)	99.8%	23,973
Metro	73.9%	188,172
Multnomah County	76.1%	237,704
Multnomah County School District 1J (Portland)	100.0%	537,022
Multnomah County School District 51J (Riverdale)	100.0%	25,228
Multnomah ESD	74.9%	24,457
Port of Portland	70.1%	46,767
Tualatin Hills Park & Rec. District	100.0%	96,703
Tualatin Valley Fire & Rescue District	85.1%	47,310
Washington County	100.0%	92,635
Washington County School District 13 (Banks)	100.0%	16,757
Washington County School District 15 (Forest Grove)	100.0%	113,719
Washington County School District 1J (Hillsboro)	100.0%	279,586
Washington County School District 23J (Tigard-Tualatin)	94.9%	105,288
Washington County School District 48J (Beaverton)	100.0%	416,415
Washington County School District 88J (Sherwood)	93.6%	102,273
Yamhill County School District 29J (Newberg)	97.9%	70,172
Other Overlapping Districts under \$5,000,000	100.0%	36,883
Total Overlapping Debt		3,526,859
TOTAL DIRECT AND OVERLAPPING DEBT		\$ 4,045,927

Source: Oregon State Treasury

The Oregon State Treasurer compiles a report based on districts that overlap the College's District.

Overlapping gross bonded debt is determined by the percentage of overlap within the other districts.

Overlapping Gross Bonded Debt includes all General Obligation (GO) bonds and Full Faith & Credit bonds.



PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

LARGEST EMPLOYERS WITHIN PORTLAND METROPOLITAN AREA (1)

2014				
	EMPLOYEES	RANK	PERCENT OF TOTAL DISTRICT'S EMPLOYMENT	
Intel Corporation	17,500	1	1.58	%
U.S. Federal Government	17,500	2	1.58	
Providence Health & Services	15,239	3	1.37	
Oregon Health & Science University	14,616	4	1.32	
State of Oregon	14,200	5	1.28	
Kaiser Permanente Northwest	11,881	6	1.07	
Legacy Health System	10,436	7	0.94	
Fred Meyer Stores	10,237	8	0.92	
City of Portland	8,558	9	0.77	
Nike Inc.	8,000	10	0.72	
SUB TOTAL	128,167		11.55	
ALL OTHER EMPLOYERS	981,181		88.45	
TOTAL	1,109,348		100.00	%

2006 (2)				
	EMPLOYEES	RANK	PERCENT OF TOTAL DISTRICT'S EMPLOYMENT	
Intel Corporation	16,740	1	1.59	%
Providence Health System	14,639	2	1.39	
Oregon Health & Science University	11,500	3	1.09	
Fred Meyer Stores	8,500	4	0.81	
Kaiser Foundation Health Plan of the NW	8,221	5	0.78	
Legacy Health Systems	8,196	6	0.78	
City of Portland	7,996	7	0.76	
Nike	7,648	8	0.73	
State of Oregon	7,180	9	0.68	
Beaverton School District	5,000	10	0.48	
SUB TOTAL	95,620		9.10	
ALL OTHER EMPLOYERS	956,395		90.91	
TOTAL	1,052,015		100.00	%

(1) Specific data for the District is not available.

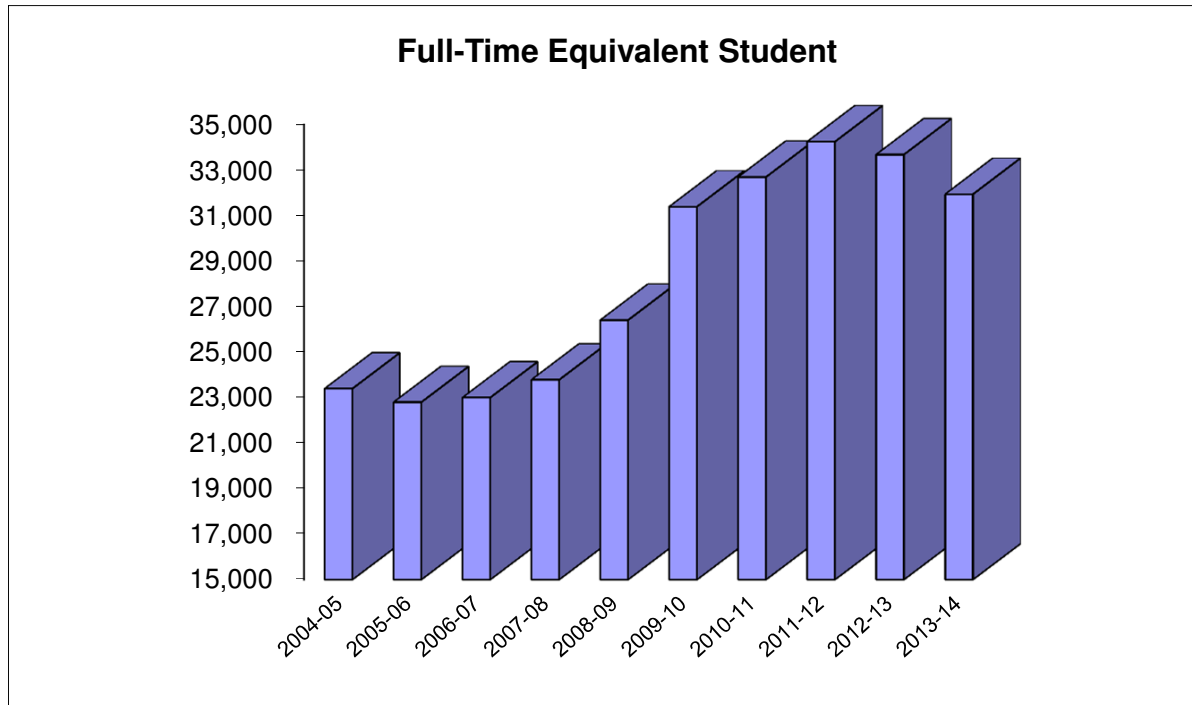
(2) We are required to report 9 years prior data, however, data for 2005 was not found in CAFR 2005 nor available from The Portland Business Journal.

Sources: Oregon Employment Department, Oregon Labor Market Information System  
Portland Business Journal July 18, 2014

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS

	2013-14	2012-13	2011-12	2010-11	2009-10
District population (estimated) (1)	N/A	1,283,687	1,267,001	1,253,981	1,243,264
Personal income (estimated, in millions) (2)	N/A	N/A	98,698	\$ 93,449	\$ 88,965
Per capita income (estimated, in dollars) (2)	N/A	N/A	43,103	\$ 41,302	\$ 39,843
FTE (3) student enrollment	31,940	33,680	34,246	32,694	31,395
Unemployment rate (estimated) (4)	6.1%	7.5%	8.0%	9.2%	10.2%



(1) District population for fiscal year 2013-14 was not available at the time of this report. District population includes all of Washington and Columbia Counties and parts of Multnomah, Clackamas and Yamhill Counties.

(2) Personal income and Per capita personal income is not available for the District. The best estimate available and used above is the Portland metropolitan area. Data for fiscal year 2013-14 and 2012-13 was not available at this time.

(3) FTE represents Full Time Equivalency enrollment. This FTE includes reimbursable and non-reimbursable FTE.

(4) Unemployment rate is for the Portland metropolitan area.

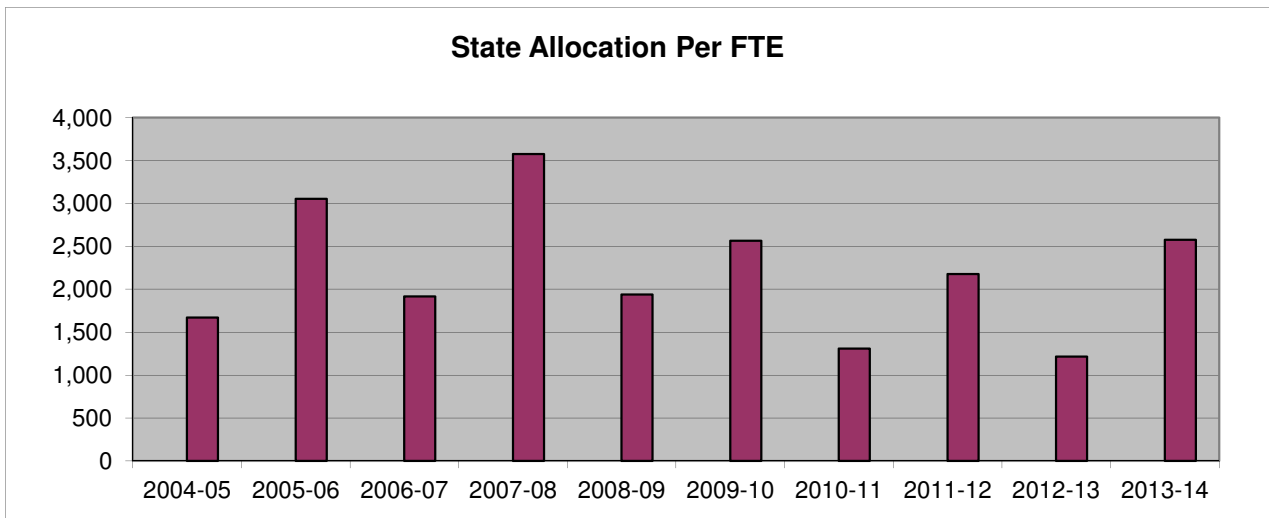
Sources: Portland State University, Population Research Center  
Portland Community College, Office of Institutional Effectiveness  
Bureau of Economic Analysis, Regional Economic Information System  
U.S. Department of Labor - Bureau of Labor Statistics

<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
1,232,567	1,218,014	1,201,048	1,182,385	1,164,115
\$ 87,894	\$ 88,022	\$ 84,151	\$ 79,014	\$ 73,287
\$ 39,206	\$ 39,942	\$ 38,842	\$ 36,845	\$ 35,430
26,419	23,794	23,011	22,808	23,406
11.7%	5.3%	4.8%	5.3%	6.3%

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

STATE ALLOCATIONS PER FTE  
LAST TEN FISCAL YEARS

	2013-14	2012-13	2011-12	2010-11	2009-10
Allocations per FTE	\$ 2,576	\$ 1,215	\$ 2,178	\$ 1,308	\$ 2,563
Annual State Funding (in thousands)	\$ 78,243	\$ 39,191	\$ 71,603	\$ 41,003	\$ 77,046
Total Reimbursable FTE	30,371	32,267	32,875	31,354	30,064



Note: Total reimbursable FTE does not include total student population.

Source: Office of Institutional Effectiveness

<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
\$ 1,939	\$ 3,574	\$ 1,917	\$ 3,054	\$ 1,669
\$ 48,945	\$ 81,165	\$ 42,146	\$ 66,695	\$ 37,722
25,236	22,713	21,988	21,842	22,596

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

ENROLLMENT STATISTICS  
LAST TEN FISCAL YEARS

	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
Total operating expenses (in thousands)	\$ 282,114	\$ 285,190	\$ 281,379	\$ 256,045	\$ 244,811
District population (estimated) (2) (in thousands)	N/A	1,284	1,267	1,254	1,243
FTE student enrollment (3)	31,940	33,680	34,246	32,694	31,395
Percent of FTE to district population	N/A	2.6%	2.7%	2.6%	2.5%
Cost per FTE (1)	\$ 8,833	\$ 8,468	\$ 8,216	\$ 7,832	\$ 7,798
Number of employees	3,979	4,071	4,181	4,153	3,904
Ratio of employees to FTE	1:8	1:8	1:8	1:8	1:8

(1) Operating costs per full time equivalent student, includes student enrollment in reimbursable and non-reimbursable courses.

(2) District population for fiscal year 2013-14 was not available. District population includes all of Washington and Columbia Counties and parts of Multnomah, Clackamas and Yamhill Counties.

(3) FTE represents Full Time Equivalency enrollment. This FTE includes reimbursable and non-reimbursable FTE.

Sources: Portland Community College - Office of Institutional Effectiveness  
Portland State University, Population Research Center

<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
\$ 216,389	\$ 201,657	\$ 178,909	\$ 178,755	\$ 161,431
1,233	1,218	1,201	1,182	1,164
26,419	23,794	23,011	22,808	23,406
2.1%	2.0%	1.9%	1.9%	2.0%
\$ 8,191	\$ 8,475	\$ 7,775	\$ 7,837	\$ 6,897
3,604	3,475	3,522	3,812	3,831
1:7	1:7	1:7	1:6	1:6

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

CAMPUS FACILITIES AND OPERATING INFORMATION  
LAST TEN FISCAL YEARS

	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
Sylvania Campus					
Buildings/leases	17	17	16	16	16
Gross square feet	887,556	887,556	885,207	885,207	885,207
Campus expenditures (1)	\$ 49,379	\$ 49,083	\$ 51,452	\$ 46,564	\$ 44,180
Cascade Campus					
Buildings/leases	11	11	9	9	9
Gross square feet	420,588	420,123	347,852	347,852	347,852
Campus expenditures (1)	\$ 27,872	\$ 28,849	\$ 30,647	\$ 26,618	\$ 24,538
Rock Creek Campus					
Buildings/leases	11	11	11	11	11
Gross square feet	574,684	565,808	542,723	542,723	542,723
Campus expenditures (1)	\$ 33,506	\$ 33,428	\$ 35,239	\$ 30,231	\$ 28,045
Extended Learning Campuses					
Buildings/leases	16	18	13	12	12
Gross square feet	484,193	509,093	329,232	314,874	314,874
Campus expenditures (1)	\$ 18,963	\$ 17,937	\$ 17,498	\$ 14,826	\$ 14,847

(1) In Thousands

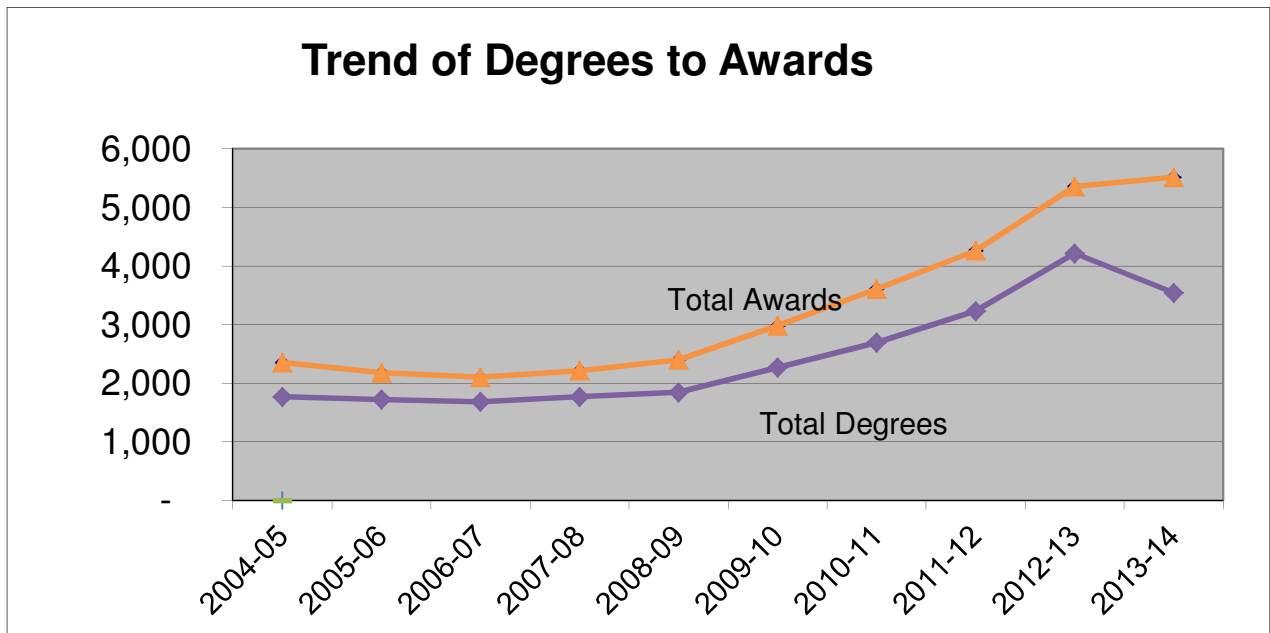


<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
15	15	15	14	14
884,559	884,559	884,559	857,559	857,559
\$ 40,850	\$ 40,028	\$ 34,707	\$ 32,394	\$ 32,089
9	9	9	9	8
347,852	347,852	347,852	347,852	293,412
\$ 22,017	\$ 20,443	\$ 16,590	\$ 15,472	\$ 15,285
11	11	10	10	10
542,723	542,723	540,323	540,323	540,323
\$ 25,175	\$ 24,289	\$ 20,230	\$ 18,345	\$ 18,931
12	11	9	9	9
246,551	241,251	247,631	247,631	247,631
\$ 15,185	\$ 13,764	\$ 12,805	\$ 12,696	\$ 11,620

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

CERTIFICATES AND DEGREES GRANTED  
LAST TEN FISCAL YEARS

	2013-14	2012-13	2011-12	2010-11
<b>Certificates</b>				
One-Year	513	313	330	269
Two-Year	96	52	76	69
Others	1,311	706	522	459
<b>Total Certificates</b>	<b>1,920</b>	<b>1,071</b>	<b>928</b>	<b>797</b>
<b>Degrees</b>				
Associate of Arts, Oregon Transfer (AAORT)	618	613	503	470
Associate of Science, Oregon Transfer (ASORT)	110	117	104	72
Associate of Science (AS)	722	857	649	515
Associate of General Studies (AGEN)	1,020	1,473	905	725
Associate of Applied Science (AAS)	1,074	1,157	1,071	912
<b>Total Degrees</b>	<b>3,544</b>	<b>4,217</b>	<b>3,232</b>	<b>2,694</b>
<b>High School Diplomas</b>	<b>51</b>	<b>68</b>	<b>101</b>	<b>115</b>
<b>Total Awards</b>	<b>5,515</b>	<b>5,356</b>	<b>4,261</b>	<b>3,606</b>



Source: Portland Community College, Office of Institutional Effectiveness

<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
244	271	240	211	234	306
48	37	56	58	59	69
<u>300</u>	<u>149</u>	<u>61</u>	<u>68</u>	<u>90</u>	<u>93</u>
<u>592</u>	<u>457</u>	<u>357</u>	<u>337</u>	<u>383</u>	<u>468</u>
342	232	204	209	218	267
75	60	55	22	9	2
456	371	328	329	365	384
599	440	439	426	400	360
<u>797</u>	<u>742</u>	<u>744</u>	<u>699</u>	<u>731</u>	<u>758</u>
<u>2,269</u>	<u>1,845</u>	<u>1,770</u>	<u>1,685</u>	<u>1,723</u>	<u>1,771</u>
<u>120</u>	<u>97</u>	<u>87</u>	<u>80</u>	<u>73</u>	<u>114</u>
<u>2,981</u>	<u>2,399</u>	<u>2,214</u>	<u>2,102</u>	<u>2,179</u>	<u>2,353</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

TUITION AND FEES  
LAST TEN FISCAL YEARS

**Portland Community College (1)**

	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
Per Credit Hour				
General Tuition	\$ 88	\$ 82	\$ 79	\$ 76
Fees	6	6	6	6
Combined Per Credit Total	<u>\$ 94</u>	<u>\$ 88</u>	<u>\$ 85</u>	<u>\$ 82</u>
Per Term - College Service & Transportation Fee (2)	\$ 19	\$ 19	\$ 19	\$ 19
Annual cost (3)	\$ 4,296	\$ 4,026	\$ 3,891	\$ 3,756

**National and Statewide Comparisons**

	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>
PCC District				
Annual Cost (3)	\$ 4,296	\$ 4,026	\$ 3,891	\$ 3,756
Percentage Change	7%	3%	4%	2%
National Community College Average (4)				
Annual Cost	N/A	\$ 2,792	\$ 2,647	\$ 2,439
Percentage Change		5%	9%	7%
Oregon Universities Average (5)				
Annual Cost	\$ 8,960	\$ 7,877	\$ 7,623	\$ 7,082
Percentage Change	14%	3%	8%	7%

(1) District tuition and fees are obtained from PCC Class Catalogs. Annual tuition is based on 15 credit hours per fall, winter and spring term.

(2) College Service & Transportation Fee is assessed once per term to all credit students. The fee combines multiple small dollar fees commonly assessed to students and enhances transportation options.

(3) In previous reports, the PCC annual cost was calculated based on 12 credit hours for fall, winter and spring and part time for summer term. For consistency to the Oregon Universities statistics, we have updated the PCC Annual Cost figures to a total of 45 credit hours.

(4) U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics, Student Charges, Average tuition and required fees for full-time students.

(5) Oregon University System, Historical Budget Documents, Annual Tuition and Fee Rates based on 15 credit hours for fall, winter and spring term.

N/A - 2013-14 Annual Costs for 2-year colleges are not available at this time.

<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
\$ 74	\$ 70	\$ 68	\$ 67	\$ 64	\$ 62
6	6	6	6	6	5
<u>\$ 80</u>	<u>\$ 76</u>	<u>\$ 74</u>	<u>\$ 73</u>	<u>\$ 70</u>	<u>\$ 67</u>
\$ 19	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 3,666	\$ 3,425	\$ 3,335	\$ 3,274	\$ 3,139	\$ 3,026

<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
\$ 3,666	\$ 3,425	\$ 3,335	\$ 3,274	\$ 3,139	\$ 3,026
7%	3%	2%	4%	4%	11%
\$ 2,285	\$ 2,137	\$ 2,063	\$ 2,017	\$ 1,935	\$ 1,849
7%	4%	2%	4%	5%	9%
\$ 6,601	\$ 6,105	\$ 5,801	\$ 5,471	\$ 5,219	\$ 5,023
8%	5%	6%	5%	4%	9%

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS  
LAST TEN FISCAL YEARS (in Thousands)

	2013-14	2012-13	2011-12	2010-11	2009-10
Residential Construction (1)					
Permits	11.8	10.2	6.5	4.3	4.4
Value	\$ 2,257,252	\$ 1,773,855	\$ 1,222,124	\$ 914,517	\$ 940,129
Bank Deposits (2)	N/A	\$ 33,475,000	\$ 41,427,000	\$ 36,122,000	\$ 28,823,000
Property Values (3)					
Assessed Values:					
Real Property	\$ 103,179,134	\$ 99,627,505	\$ 97,004,090	\$ 93,794,528	\$ 90,761,489
Personal Property	3,911,730	3,796,361	3,736,655	3,948,297	3,973,480
Manufactured Structures	129,150	134,973	169,057	180,087	201,783
Public Utility	3,611,064	3,495,084	3,550,533	3,584,011	3,528,839
Total Assessed Value	110,831,078	107,053,923	104,460,335	101,506,923	98,465,591
Total Real Market Value	\$ 154,652,556	\$ 146,954,618	\$ 150,177,435	\$ 158,344,983	\$ 165,643,688

(1) For the Portland Metropolitan Area.

(2) For all of Clackamas, Columbia, Multnomah, Washington and Yamhill counties. Specific data for the District is not available. Fiscal year 2007-08 and later data was obtained from the Federal Deposit Insurance Corporation which reports amounts in millions.

(3) Real market values are used by the assessor to determine Measure 5 limitations. Taxes, however are computed based upon assessment value. The State has reverted back this year to providing district specific assessment values, prior year CAFRs reported estimates based on a total for the Clackamas, Columbia, Multnomah, Washington and Yamhill counties.

Sources: U.S. Census Bureau, Housing Units Authorized by Building Permits  
Oregon Department of Consumer Business Services, Division of Finance and Corporate Securities  
Oregon Department of Revenue, Research and Statistical Reports, Property Tax Annual Statistics  
Federal Deposit Insurance Corporation

<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
5.1	9.9	13.9	14.0	13.9
\$ 1,008,088	\$ 1,760,447	\$ 2,494,886	\$ 2,829,975	\$ 2,416,366
\$ 27,650,000	\$ 25,409,000	\$ 24,370,598	\$ 22,662,624	\$ 17,781,469
\$ 87,260,824	\$ 82,937,829	\$ 78,484,722	\$ 74,669,941	\$ 70,801,121
4,077,206	3,852,351	3,759,738	3,680,634	3,700,881
191,635	194,630	174,803	245,964	259,833
3,051,076	2,894,350	2,833,673	2,729,714	2,927,060
<u>94,580,741</u>	<u>89,879,160</u>	<u>85,252,936</u>	<u>81,326,253</u>	<u>77,688,895</u>
\$ 171,761,783	\$ 163,394,017	\$ 140,256,940	\$ 119,987,875	\$ 113,785,892

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

MISCELLANEOUS INFORMATION  
June 30, 2014

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DATE OF INCORPORATION: July 1, 1969

CENTRAL MAILING ADDRESS:

Portland Community College  
P.O. Box 19000  
Portland, OR 97280-0990  
Telephone: (971) 722-6111

MAIN CAMPUSES AND CENTERS:

Sylvania Campus  
12000 S.W. 49th  
Portland, OR 97219

Willow Creek Center  
Workforce Training Center  
241 S.W. Edgeway Dr.  
Beaverton, OR 97006

Newberg Center  
135 Werth Blvd.  
Newberg, OR 97132

Cascade Campus  
705 N. Killingsworth  
Portland, OR 97217

CLIMB Center for Advancement  
1626 SE Water Avenue  
Portland, OR 97214

Downtown Center  
722 S.W. 2nd Ave.  
Portland, OR 97204

Rock Creek Campus  
17705 N.W. Springville Road  
Portland, OR 97229

Portland Metropolitan  
Workforce Training Center  
5600 NE 42nd  
Portland, OR 97218

Hillsboro Center  
775 SE Baseline Street  
Hillsboro, OR 97123

Southeast Campus  
2305 SE 82nd  
Portland, OR 97216

CONTRACTED EDUCATION SERVICE DISTRICTS:

Oregon Coast Community College  
400 S.E. College Way  
Newport, OR 97366  
Telephone: (541) - 265-2283

Tillamook Bay Community College  
6385 Tillamook Avenue  
Bay City, OR 97107  
Telephone: (503) 377-2218



# AUDIT SECTION



## AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, and comments and disclosures required in audit reports. The required statements and schedules are set forth in the preceding sections of this report. Required comments and disclosures related to the audit of such statements and schedules are set forth in the following pages.



INDEPENDENT AUDITOR'S COMMENTS  
REQUIRED BY OREGON STATE REGULATIONS

November 14, 2014

Board of Directors  
Portland Community College  
Portland, 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 Portland Community College as of and for the year ended June 30, 2014, and have issued our report thereon dated November 14, 2014.

**Internal Control Over Financial Reporting**

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

**Compliance**

As part of obtaining reasonable assurance about whether Portland 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 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

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

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS 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 Portland Community College was not in substantial compliance with certain provisions of laws, regulations, contracts and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

### **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 Directors, 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.*

Kenneth Kuhns & Co.

**DISCLOSURES IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS AND OMB CIRCULAR A-133**





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*

November 14, 2014

Board of Directors  
Portland Community College  
Portland, 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 Portland Community College as of and for the year ended June 30, 2014, and have issued our report thereon dated November 14, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Portland Community College's internal control over financial reporting (internal control) to determine the 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 Portland Community College's internal control. Accordingly, we do not express an opinion on the effectiveness of Portland 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 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 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 may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Portland 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **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.

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

November 14, 2014

Board of Directors  
Portland Community College  
Portland, Oregon

**Report on Compliance for Each Major Federal Program**

We have audited Portland Community College's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Portland Community College's major federal programs for the year ended June 30, 2014. Portland Community College's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Portland Community College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Portland Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Portland Community College's compliance.

## ***Opinion on Each Major Federal Program***

In our opinion, Portland Community College complied, in all material respects, with the types of 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, 2014.

## **Report on Internal Control Over Compliance**

Management of Portland Community College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Portland Community College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Portland Community College's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.

**PORTLAND COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2014**

<b>FEDERAL AWARDS BY CLUSTERS</b>	<b>Federal CFDA Number</b>	<b>Pass Through Number</b>	<b>Total Expenditures</b>
<b>STUDENT FINANCIAL ASSISTANCE CLUSTER</b>			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	\$ 1,002,500
Federal Work-Study Program	84.033	N/A	808,147
Federal Pell Grant Program	84.063	N/A	60,711,747
Direct Loans Program	84.268	N/A	103,531,428
<b>Total Student Financial Assistance Cluster</b>			<b>166,053,822</b>
<b>WIA CLUSTER</b>			
Workforce Investment Act - Adult Program	17.258	11-70518	34,097
Workforce Investment Act - Adult Program	17.258	12-10100	356,879
Workforce Investment Act - Adult Program	17.258	12-10200	273,594
Workforce Investment Act - Adult Program	17.258	12-10300	150,061
Workforce Investment Act - Adult Program	17.258	13-10110	10,283
Workforce Investment Act - Adult Program	17.258	13-10215	4,611
Workforce Investment Act - Adult Program	17.258	13-10315	3,811
Workforce Investment Act - Adult Program	17.258	13-10520	48,640
Workforce Investment Act - Dislocated Workers	17.260	12-10100	188,490
Workforce Investment Act - Dislocated Workers	17.260	12-10200	295,952
Workforce Investment Act - Dislocated Workers	17.260	12-10300	152,194
WIA Dislocated Worker Formula Grants	17.278	13-10315	5,728
WIA Dislocated Worker Formula Grants	17.278	13-10115	1,750
WIA Dislocated Worker Formula Grants	17.278	12-10100	101,566
WIA Dislocated Worker Formula Grants	17.278	13-10215	5,000
WIA Dislocated Worker Formula Grants	17.278	12-10100	71,354
WIA Dislocated Worker Formula Grants	17.278	13-10100	45,429
WIA Dislocated Worker Formula Grants	17.278	13-10200	86,592
WIA Dislocated Worker Formula Grants	17.278	12-10125	206,996
WIA Dislocated Worker Formula Grants	17.278	11-70518	31,596
WIA Dislocated Worker Formula Grants	17.278	13-10520	48,584
WIA Dislocated Worker Formula Grants	17.278	13-10110	2,141
<b>Total WIA Cluster</b>			<b>2,125,348</b>
<b>TRIO CLUSTER</b>			
TRIO - Student Support Services	84.042	N/A	464,969
TRIO - Talent Search	84.044	N/A	236,275
<b>Total TRIO Cluster</b>			<b>701,244</b>
<b>SUBTOTAL CLUSTER PROGRAMS</b>			<b>168,880,414</b>
<b>NON-CLUSTER PROGRAMS</b>			<b>5,501,269</b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b>\$ 174,381,683</b>

**PORTLAND COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2014**

<b>FEDERAL AWARDS BY FEDERAL AGENCY</b>	<b>Federal CFDA Number</b>	<b>Pass Through Number</b>	<b>Total Expenditures</b>
<b>U.S. DEPARTMENT OF EDUCATION:</b>			
<b>Direct Programs:</b>			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	\$ 1,002,500
Federal Work-Study Program	84.033	N/A	808,147
Federal Pell Grant Program	84.063	N/A	60,711,747
Direct Loans Program	84.268	N/A	103,531,428
Higher Educational Institutional Aid	84.031	N/A	436,252
TRIO - Student Support Services	84.042	N/A	464,969
TRIO - Talent Search	84.044	N/A	236,275
Migrant Education - High School Equivalency Program	84.141	N/A	465,268
Child Care Means Parents in School - CCAMPIS	84.335	N/A	162,287
<b>Total Direct Programs</b>			<b>167,818,873</b>
<b>Passed through East West Inc.</b>			
Undergraduate International Studies and Foreign Language Programs	84.016	HC128-11	4,055
<b>Passed through Dept. of Community Colleges and Workforce Development</b>			
Adult Education - Basic Grants to States - Program Improvement	84.002	EE131417	26,892
Adult Education - Basic Grants to States - Multnomah Co Corrections	84.002	EE131417	24,000
Adult Education - State Grant Program - TOPS Accountability	84.002	EE131417	87,223
Adult Education - State Grant Program - Outreach Tutoring	84.002	EE131417	91,898
Adult Education - State Grant Program - Comprehensive Services	84.002	EE131417	455,058
Adult Education - State Grant Program - EI Civics	84.002	EE131417	41,678
<b>Total passed through Dept. of Community Colleges and Workforce Development</b>			<b>726,749</b>
<b>Passed through State of Oregon, Department of Education</b>			
Career & Technical Education - Basic Grants to States - Perkins Reserve	84.048	27401/22164	142,818
Career & Technical Education - Basic Grants to States - Region 2A Consortium	84.048	22141/27379	163,420
Career & Technical Education - Basic Grants to States - Perkins	84.048	27378/24847	1,274,344
Career & Technical Education - Basic Grants to States - Oregon Tradeswomen	84.048	29415	18,000
<b>Total passed through State of Oregon, Department of Education</b>			<b>1,598,582</b>
<b>Passed through State of Oregon, Department of Community Colleges and Workforce Development</b>			
Adult Education-Basic Grants to States -Perkins Non Traditional PACTEC EET	84.048	IGRA0584	6,844
Vocational Education - Basic Grants to States - Career Pathways	84.048	IGRA0465	15,474
<b>Total passed through State of Oregon, Department of Community Colleges and Workforce Development</b>			<b>22,318</b>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>170,170,577</b>
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>			
<b>Passed through State of Oregon, Department of Education</b>			
Child and Adult Care Food Program	10.558	26-16022	4,030
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>4,030</b>

See notes to schedule of expenditures of federal awards

**PORTLAND COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2014**

<b>FEDERAL AWARDS BY FEDERAL AGENCY</b>	<b>Federal CFDA Number</b>	<b>Pass Through Number</b>	<b>Total Expenditures</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
<b>Direct Program:</b>			
Grants for Training in Primary Care Medicine and Dentistry	93.884	N/A	108,631
<b>Total Direct Programs</b>			108,631
<b>Passed through Oregon Health Authority</b>			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	144301	8,282
<b>Passed through Worksystems, Inc.</b>			
ARRA-Community Services Block Grant	93.710	12-10100	22,523
<b>Passed through Portland State University:</b>			
Biomedical Research and Research Training - Bridges to Baccalaureate	93.859	209CRE138	43,340
<b>Passed through Oregon Health Sciences University:</b>			
Ryan White HIV/AIDS Dental Reimbursements	93.924	APBHD0014	2,310
<b>TOTAL U.S.DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			185,086
<b>U.S.DEPARTMENT OF LABOR:</b>			
<b>Direct Program:</b>			
Community Based Job Training Grants - HOPE	17.269	N/A	59,459
Trade Adjustment Assistance Community College and Career Training Grants	17.282	N/A	382,219
<b>Total Direct Programs</b>			441,678

**PORTLAND COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2014**

<b>FEDERAL AWARDS BY FEDERAL AGENCY</b>	<b>Federal CFDA Number</b>	<b>Pass Through Number</b>	<b>Total Expenditures</b>
<b>Passed through Worksystems, Inc:</b>			
Workforce Investment Act - Adult Program	17.258	11-70518	34,097
Workforce Investment Act - Adult Program	17.258	12-10100	356,879
Workforce Investment Act - Adult Program	17.258	12-10200	273,594
Workforce Investment Act - Adult Program	17.258	12-10300	150,061
Workforce Investment Act - Adult Program	17.258	13-10110	10,283
Workforce Investment Act - Adult Program	17.258	13-10215	4,611
Workforce Investment Act - Adult Program	17.258	13-10315	3,811
Workforce Investment Act - Adult Program	17.258	13-10520	48,640
Workforce Investment Act - Dislocated Workers	17.260	12-10100	188,490
Workforce Investment Act - Dislocated Workers	17.260	12-10200	295,952
Workforce Investment Act - Dislocated Workers	17.260	12-10300	152,194
H-1B Job Training Grants - Clean Tech Advance - Tualatin	17.268	11-70579	47,797
H-1B Job Training Grants - Metro STEP Tualatin	17.268	11-70579	229,757
H-1B Job Training Grants - MISTI Tualatin	17.268	11-70579	79,689
H-1B Job Training Grants - Clean Tech Advance - Central	17.268	11-70578	66,719
H-1B Job Training Grants - Metro STEP Central	17.268	11-70578	173,063
H-1B Job Training Grants - MISTI Central	17.268	11-70578	63,248
H-1B Job Training Grants - MISTI ETA	17.268	13-10325	46,562
Workforce Investment Act (WIA) National Emergency Grants	17.277	12-10100	1,047
Workforce Investment Act (WIA) National Emergency Grants	17.277	12-10200	2,812
WIA Dislocated Worker Formula Grants	17.278	13-10315	5,728
WIA Dislocated Worker Formula Grants	17.278	13-10115	1,750
WIA Dislocated Worker Formula Grants	17.278	12-10100	101,566
WIA Dislocated Worker Formula Grants	17.278	13-10215	5,000
WIA Dislocated Worker Formula Grants	17.278	12-10100	71,354
WIA Dislocated Worker Formula Grants	17.278	13-10100	45,429
WIA Dislocated Worker Formula Grants	17.278	13-10200	86,592
WIA Dislocated Worker Formula Grants	17.278	12-10125	206,996
WIA Dislocated Worker Formula Grants	17.278	11-70518	31,596
WIA Dislocated Worker Formula Grants	17.278	13-10520	48,584
WIA Dislocated Worker Formula Grants	17.278	13-10110	2,141
Workforce Innovation Fund	17.283	11-67566	10,439
Workforce Innovation Fund	17.283	12-10200	8,190
Workforce Innovation Fund	17.283	13-10815	57,566
<b>Total passed through Worksystems, Inc.</b>			<b>2,912,237</b>
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>			<b>3,353,915</b>
<b>NATIONAL SCIENCE FOUNDATION:</b>			
<b>Direct Programs:</b>			
Education and Human Resources - OCATE	47.076	N/A	368,499
Education and Human Resources - SSTEM Schlr Sci Tech Eng & Math	47.076	N/A	132,420
<b>Total Direct Programs</b>			<b>500,919</b>
<b>Passed through Finger Lakes Community College</b>			
Education and Human Resources -CURI	47.076	1118679	62
<b>Passed through Intel</b>			
Education and Human Resources - GTISC	47.076	RA978-G3	1,670
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>			<b>502,651</b>

See notes to schedule of expenditures of federal awards



**PORTLAND COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2014**

<b>FEDERAL AWARDS BY FEDERAL AGENCY</b>	<b>Federal CFDA Number</b>	<b>Pass Through Number</b>	<b>Total Expenditures</b>
<b>SMALL BUSINESS ADMINISTRATION:</b>			
<b>Direct Program:</b>			
Congressional Grants: Fueling Portland Green Economic Recovery	59.059	N/A	31,180
<b>Passed through Lane Community College:</b>			
Small Business Development Center - SBDC	59.037	14-152	33,606
Small Business Development Center - SBJA	59.037	13-SJB-152	44,069
Small Business Development Center - Veterans Assistance	59.037	13-4-152	4,312
<b>Total Passed through Lane Community College</b>			81,987
<b>TOTAL SMALL BUSINESS ADMINISTRATION</b>			113,167
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<b>Passed through Worksystems, Inc</b>			
Community Development Block Grants/Entitlement Grants	14.218	12-10100	48,714
Moving to Work Demonstration Program	14.881	12-10100	3,543
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			52,257
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b>\$ 174,381,683</b>

**PORTLAND COMMUNITY COLLEGE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**  
**YEAR ENDED JUNE 30, 2014**

**Note A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Portland Community College and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Matching costs, the nonfederal share of certain program costs, are not included in the Schedule. The Schedule appears in two formats: Federal Awards by program clusters, and Federal Awards by federal agency.

**Note B - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

The regulations and guidelines governing the preparation of Federal financial reports vary by Federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the Federal financial reports do not necessarily agree with the amounts reported in the accompanying Schedule which is prepared on the basis explained in Note A.

**Note C - LOANS RECEIVABLE**

Portland Community College had the following loan balances outstanding at June 30, 2014.

	Federal CFDA Number		Loans Receivable
Gross loans receivable at June 30, 2014:			
Federal Perkins Loan Program-Federal Capital Contributions	84.038	\$	6,869,763
Federal Nursing Student Loans	93.364		995,654
		\$	<u>7,865,417</u>

**Note D - LOANS DISBURSED**

Total disbursements for student loans which are guaranteed in the event of default are listed below.

	Federal CFDA Number		New Loans
Federal Perkins Loan Program	84.038	\$	881,799
Direct Loan Program	84.268		103,531,428
Nursing Student Loans	93.364		167,407
		\$	<u>104,580,634</u>

**Note E - INSTITUTIONAL CAPITAL CONTRIBUTIONS**

The College's matching institutional capital contribution was waived, for Department of Education grants, for Fiscal Year 2014. The contributions not included in expenditures is as follows:

	Federal CFDA Number		Expenditures
Federal Supplemental Educational Opportunity Grants	84.007	\$	89,121
Federal Work-Study Program	84.033		8,777
		\$	<u>97,898</u>

**PORTLAND COMMUNITY COLLEGE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**  
**YEAR ENDED JUNE 30, 2014**

**Note F - SUBRECIPIENTS**

Of the federal expenditures presented in the schedule, Portland Community College provided federal awards to subrecipients as follows:

	Federal CFDA Number	Expenditures
Workforce Investment Act - Adult Program - Foundation Skills	17.258	22,088
Workforce Investment Act - Dislocated Workers - Foundational Skills	17.278	22,088
Education and Human Resources - OCATE	47.076	<u>68,540</u>
		\$ <u><u>112,716</u></u>



PORTLAND COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2014

A - SUMMARY OF AUDIT RESULTS:

1. The independent auditor's report expresses an unmodified opinion on the financial statements of Portland Community College.
2. There were no significant deficiencies in internal control over financial reporting reported during the audit of the financial statements of Portland Community College.
3. No instances of noncompliance material to the financial statements of Portland 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 Portland Community College.
5. The independent auditor's report on compliance for the major federal award programs of Portland Community College expresses an unmodified opinion.
6. No audit findings relative to the major federal award programs of Portland Community College are reported in this schedule.
7. The programs tested as major programs included the following programs:

<u>Program Name</u>	<u>CFDA Number</u>
Student Financial Aid Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Perkins Loans	84.038
Federal Pell Grant Program	84.063
Federal Direct Loans	84.268
Nursing Student Loans	93.364

8. The threshold for distinguishing Type A programs from Type B programs was \$2,125,000.
9. Portland 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.



