



Portland Community College Comprehensive Annual Financial Report

For the year ended June 30, 2017
Portland, Oregon





PORTLAND COMMUNITY COLLEGE

PORTLAND, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2017

Mark Mitsui
College President

Sylvia Kelley
Executive Vice President

Jim Langstraat, MBA
Vice President of Finance and Administrative Services

Eric Blumenthal, MBA
Associate Vice President of Finance

James H. Crofts, CPA
Accounting Services Manager

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PORTLAND COMMUNITY COLLEGE

12000 Southwest 49th Avenue
Portland, OR 97219

For the year ended June 30, 2017

<u>ZONE</u>	<u>BOARD OF DIRECTORS</u>	<u>TERM EXPIRES</u>
1	Denise Frisbee	June 30, 2021
2	Kali Thorne Ladd, Chair	June 30, 2019
3	Michael Sonnleitner	June 30, 2019
4	Jim Harper, Vice Chair	June 30, 2021
5	Valdez Bravo	June 30, 2021
6	Mohamed Alyajouri	June 30, 2019
7	Deanna Palm	June 30, 2019

ADMINISTRATION

Mark Mitsui, College President
Sylvia Kelley, Executive Vice President
Jim Langstraat, MBA, Vice President of Finance and Administrative Services
Eric Blumenthal, MBA, Associate Vice President of Finance
James H. Crofts, CPA, Accounting Services Manager

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PORTLAND, OREGON

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INTRODUCTORY SECTION





November 15, 2017

Board of Directors
Portland Community College
Portland, Oregon

INTRODUCTION

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of Portland Community College ("College") for the fiscal year ended June 30, 2017 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.

This report consists of management's representations concerning finances of the College. To provide a reasonable basis for making these representations, the College maintains a comprehensive internal control framework 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. 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.

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 Compliance Supplement 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.

Management Discussion and Analysis

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

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 Director of the Office of Community Colleges and Workforce Development serves as administrative officer for the state of Oregon in community college matters under direction of the Higher Education Coordinating Commission (HECC).

Mission, Vision and Values. The College's mission, as adopted by the Board of Directors, is to support student success by delivering access to quality education while advancing economic development and promoting sustainability in a collaborative culture of diversity, equity, and inclusion. 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 the institution in the accomplishment of the 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 legacy goals are established and approved by the Board of Directors:

- Ensure an environment of success that encourages access and timely completion
- Prioritize the college's commitment to the creation of a nationally renowned culture for diversity, equity and inclusion

- Track and evaluate Portland Community College operations and execution of the Strategic Plan.
- Be an engaged advocate for Portland Community College in:
 - Governmental affairs and governmental advocacy
 - In support of fundraising strategies targeting the advancement of important initiatives (e.g. Future Connect, PCC Foundation efforts, etc.)
- Continue communication between the Board of Directors and the President

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 four comprehensive locations that are large, full-service facilities, offering university transfer courses, professional-technical career training, libraries, bookstores, and student services.

The Cascade Campus is located in the heart of the revitalized North Portland area and serves nearly 17,925 students representing over 5,100 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 12 miles west of downtown Portland in the rapidly growing Beaverton-Hillsboro area of Washington County. The 260-acre campus provides a beautiful setting for college transfer and career and technical programs and annually serves nearly 21,850 students or 7,250 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 and oldest campus, serving over 24,800 students or 9,100 FTE this fiscal year. Sylvania has many unique features and specialized programs. 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 is PCC's newest campus, serving roughly 12,000 students or 3,150 FTE. Thanks to the bond measure passed by voters in 2008, the Southeast Campus has more than doubled its size from 94,000 to 200,000 square feet and expanded its class offerings, allowing students to complete an associate or transfer degree without traveling to another campus.

PCC also operates eight centers, serving 22,660 students or 1,385 FTE. The PCC CLIMB (Continuous Learning for Individuals, Management & Business) Center is located on the industrial east side of Portland and offers professional development, a small business development center, and non-credit professional training in the health professions. The Willow Creek Center located in Hillsboro houses a workforce development facility serving numerous social agencies. The Swan Island Trades Center offers Career Technical Education (CTE) credit programs and noncredit Workforce Development opportunities to more than 65 industry partners. The Downtown Center serves as an administrative hub for human resources, financial and enrollment services, institutional effectiveness and the grants office. Other PCC centers include the Portland Metropolitan Workforce Training Center in Northeast Portland, Hillsboro Center in Hillsboro and Newberg Center in Newberg.

Budget

The budget is both a legal and operational plan for the financial operations to be conducted during the budget period 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 manages its budget based on reasonable projections of future funding and enrollment. This enables the College to continue to meet its student-centered mission. 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. Additional detail regarding next year's budget and economic factors is available in Management's Discussion and Analysis in the Financial Section of this report.

Local Economy

Oregon's economy is largely tracking expectations of slower growth in a mature expansion. The state continues to see healthy job gains that are enough to keep pace with a growing population and hold down the unemployment rate. The Portland metropolitan area's seasonally adjusted unemployment rate as of June 2017 was 3.7%, down from 5.0% one year ago. In the past year, the area has added 30,000 jobs for a growth rate of 2.4%.

The Portland metro area is in a state of transition. The apartment boom and neighborhood changes in the urban core are highly visible. Unfortunately, a strong regional economy and high quality of life come at the cost of housing affordability. The demand to live in the area outstrips supply. Portland, like other growing regions, has underbuilt housing in the past decade, worsening the problem. Displacement and affordability issues push lower-income households out of the urban core and toward the suburbs. So far such households are not leaving the Portland region entirely, unlike in some other high-cost metros.

Long-Term Financial Planning

Even as growth continues, it has slowed, particularly in the Portland region. Jobs are now being added at approximately a 2% pace throughout much of the metro area. This is the slowest growth the region has seen during an expansion in quite some time. Typically the Portland region sees 2% job growth when it is entering or exiting a recession. Future challenges for PCC will include continued modest decline in enrollment, a rate increase for required PERS contributions, and the potential for future state funding to be linked to performance outcomes.

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.

The college is fast approaching the completion of the majority of the work funded by the 2008 bond measure. During the 2016-17 fiscal year, the largest project still underway is a modernization of nearly 75 percent of the College Center on the Sylvania Campus.

PCC's plans for building a regional training facility for advanced manufacturing continue to progress. The new Oregon Manufacturing Innovation Center (OMIC) will pair advanced manufacturing research and trades-based training in order to meet the critical demand for skilled workers. The College is currently finalizing the purchase of a 20-acre site near the Scappoose Industrial Airpark in Columbia County, where it plans to build a 20,000-square-foot building.

Accreditation

The Northwest Commission on Colleges and Universities (NWCCU) granted accreditation to Portland Community College in 1970. The NWCCU reaffirmed the accreditation of the College based on a comprehensive, full scale evaluation and visit that took place in April 2015. The Oregon Department of Education has approved all of the career-technical programs and college transfer courses. Professional associations have also accredited those career-technical programs that require approval.

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, 2016. 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, 2015. 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,



Eric Blumenthal
Associate Vice President Finance



James Crofts
Accounting Services Manager





Government Finance Officers Association

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

Presented to

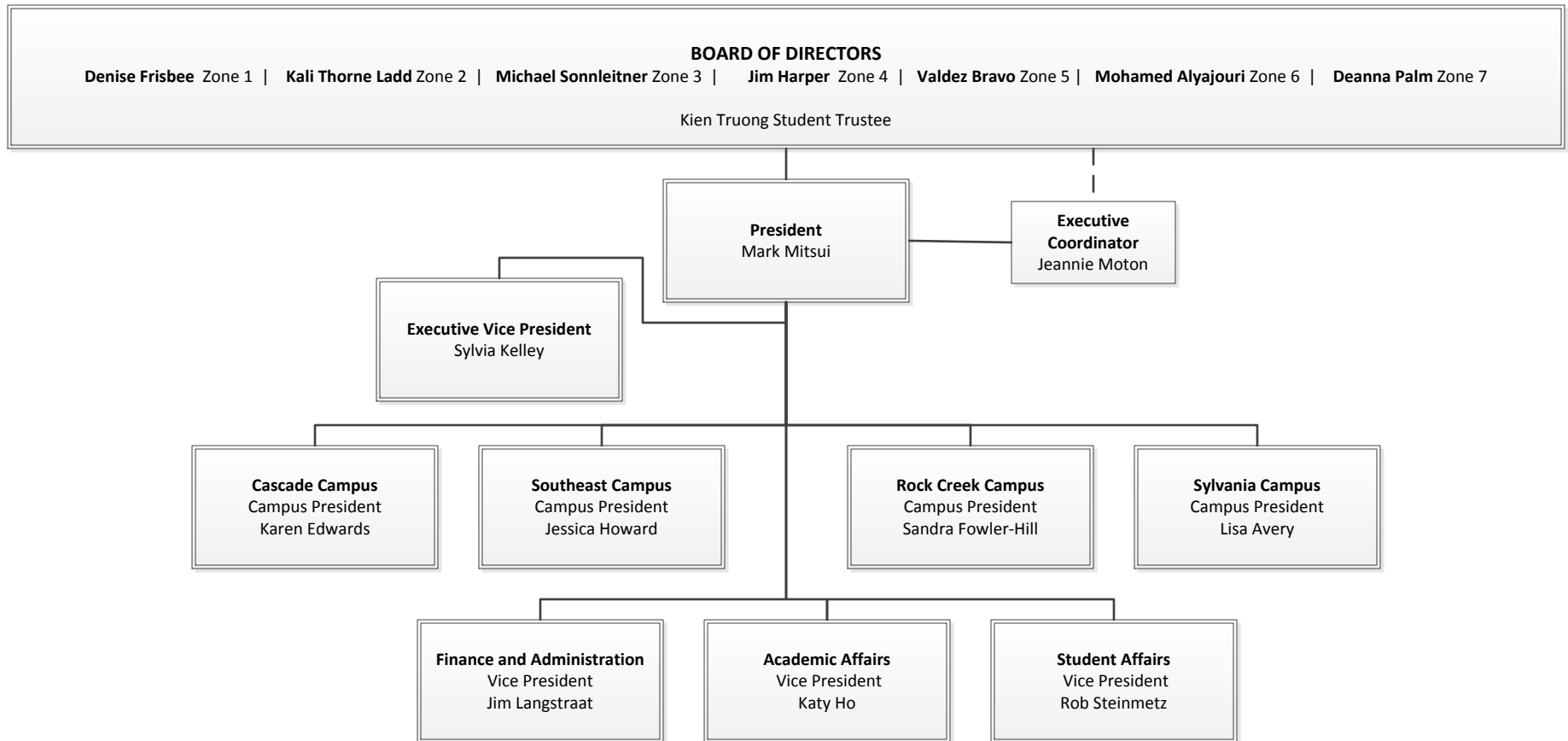
**Portland Community College
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

PORTLAND COMMUNITY COLLEGE 2017-2018



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

November 13, 2017

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, 2017, 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, 2017, 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 12 and the required supplementary information on pages 46 through 50 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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 13, 2017 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 13, 2017 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.

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, 2017 and 2016. 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, 2017 that impacted the College are as follows:

- Full-time equivalent students (FTE) decreased from 28,068 in 2016 to 27,319 in 2017. The total headcount of students decreased from 78,803 in 2016 to 74,217 in 2017. More information about enrollment is available in the Statistical Section of this CAFR.
- FTE reimbursement from the State of Oregon decreased from \$102.8 million to \$67.9 million. Due to the payment method used by the Oregon Legislature and the difference in budgetary reporting under the Oregon Statutes and financial reporting under GAAP, the College reports five quarters of reimbursement the first year of the biennium and three quarters of reimbursement the second year. This fiscal year ending June 30, 2017 is the second year of the biennium.
- Capital assets, net of depreciation, increased from \$575.2 million in 2016 to \$586.0 million in 2017 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 decreased its net position from \$187.8 million in 2016 to \$154.9 million in 2017. Details of the revenue and expense items culminating the \$32.9 million decrease in net position is found in the following pages under the Analysis of Changes in Net Position section.

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 The Required Supplementary Information followed by 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

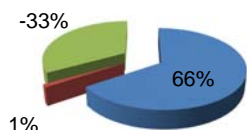
The Statement of Net Position (page 13) presents information on all of the College's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position are indicators of the improvement or erosion of the College's financial health when 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.

Net Position (in millions)			
	<u>2017</u>	<u>2016</u>	<u>Increase (decrease) 2017-16</u>
Assets			
Current assets	\$ 139.6	\$ 199.2	\$ (59.6)
Capital assets, net of depreciation	586.0	575.2	10.8
Other noncurrent assets	25.3	7.8	17.5
Total assets	<u>750.9</u>	<u>782.2</u>	<u>(31.3)</u>
Deferred outflows	97.4	12.9	84.5
Total assets and deferred outflows	<u>\$ 848.3</u>	<u>\$ 795.1</u>	<u>\$ 53.2</u>
Liabilities			
Current liabilities	\$ 80.7	\$ 76.1	\$ 4.6
Noncurrent liabilities	593.4	502.9	90.5
Total liabilities	<u>674.1</u>	<u>579.0</u>	<u>95.1</u>
Deferred Inflows	19.3	28.3	(9.0)
Net position			
Net investment in capital assets	301.8	281.0	20.8
Net position: restricted	5.4	12.6	(7.2)
Net position: unrestricted	(152.3)	(105.8)	(46.5)
Total net position	<u>154.9</u>	<u>187.8</u>	<u>(32.9)</u>
Total liabilities, deferred inflows and net position	<u>\$ 848.3</u>	<u>\$ 795.1</u>	<u>\$ 53.2</u>

Portland Community College
Fiscal year ended June 30, 2017

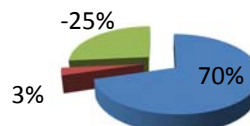
2017 Net position - \$154.9 million

- Net investment in capital assets \$301.8
- Restricted \$5.4
- Unrestricted \$(152.3)



2016 Net position - \$187.8 million

- Net investment in capital assets \$281.0
- Restricted \$12.6
- Unrestricted \$(105.8)



Fiscal year 2017 compared to 2016. Net Position decreased \$32.9 million from \$187.8 million in 2016 to \$154.9 million in 2017. Current assets of \$139.6 million are sufficient to cover current liabilities of \$80.7 million. This represents a current ratio of 1.7. Current assets decreased by \$59.6 million due primarily to the \$60.4 million decrease in cash and short-term investments. The College's current liabilities consist primarily of payroll, accounts payable, unearned revenue, compensated absences and the current portion of long-term debt. Currently, \$301.8 million is the net investment in capital assets and represents an increase of \$20.8 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. Other noncurrent assets increased \$17.5 million in reflection to the increase in long-term investments. Noncurrent liabilities increased \$90.5 million essentially due to the net impact of a \$30.0 million decrease in bonds and related premium and the \$119.6 million increase of net pension liability.

Analysis of Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position (page 14) 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 of the asset. Revenues and expenses are reported as either operating or non-operating, with operating revenues primarily coming from tuition and fees, auxiliary services and federal contracts. State appropriations, property taxes and student financial aid, both federal and state, 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.

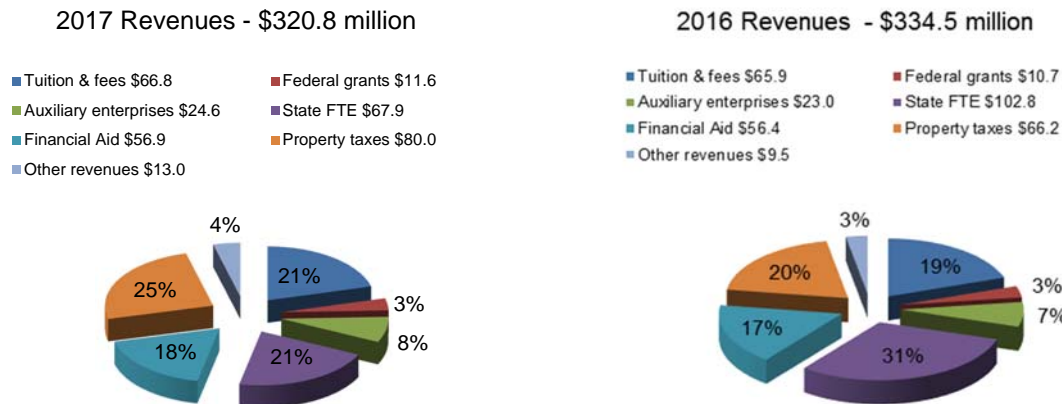
Portland Community College
Fiscal year ended June 30, 2017

Changes in Net Position (In Millions)			
	2017	2016	Increase (decrease) 2017-16
Operating revenues			
Student tuition and fees	\$ 66.8	\$ 65.9	\$ 0.9
Federal contracted programs	11.6	10.7	0.9
Auxiliary enterprises and other	24.6	23.0	1.6
Total operating revenues	<u>103.0</u>	<u>99.6</u>	<u>3.4</u>
Nonoperating revenues			
State FTE reimbursement	67.9	102.8	(34.9)
Property taxes	80.0	66.2	13.8
Federal financial aid	56.9	56.4	0.5
Other nonoperating revenues	13.0	9.5	3.5
Total nonoperating revenues	<u>217.8</u>	<u>234.9</u>	<u>(17.1)</u>
Total revenues	<u>320.8</u>	<u>334.5</u>	<u>(13.7)</u>
Operating expenses			
Educational and general	144.9	169.7	(24.8)
Administrative services and physical plant	97.6	108.0	(10.4)
Grants and contracted programs	26.1	21.3	4.8
Auxiliary enterprises	20.0	20.8	(0.8)
Depreciation	12.2	8.2	4.0
Other support services	26.9	23.6	3.3
Total operating expenses	<u>327.7</u>	<u>351.6</u>	<u>(23.9)</u>
Nonoperating expenses			
Other nonoperating expenses	<u>20.6</u>	<u>21.6</u>	<u>(1.0)</u>
Total expenses	<u>348.3</u>	<u>373.2</u>	<u>(24.9)</u>
Increase (decrease) in net position	(27.5)	(38.7)	11.2
Net position, beginning of year	187.8	226.5	(38.7)
Prior period adjustment	(5.4)	-	(5.4)
Net position, end of year	<u>\$ 154.9</u>	<u>\$ 187.8</u>	<u>\$ (32.9)</u>

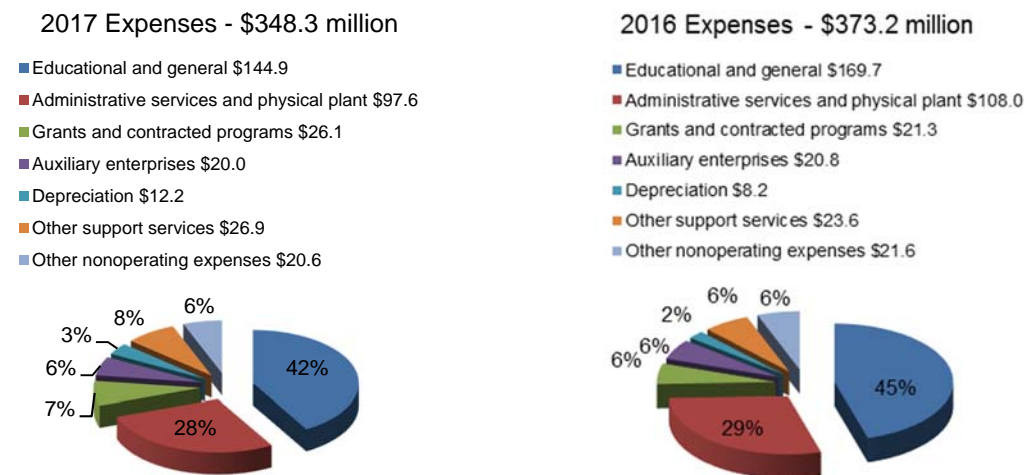
The Statement of Revenues, Expenses and Changes in Net Position show the operating results of the College, as well as the non-operating revenues and expenses. Annual FTE reimbursements, property taxes, and student federal financial aid, while budgeted for operations, are considered non-operating revenues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

Portland Community College
Fiscal year ended June 30, 2017

The following graphics show the allocation of total revenues for fiscal years 2017 and 2016:



The following graphics show the allocation of total expenses for fiscal years 2017 and 2016:



Fiscal year 2017 compared to 2016. The most significant source of operating revenues is tuition and fees, followed by auxiliary services and federal grants. Operating revenues remained relatively consistent with fiscal year 2016.

The largest non-operating revenue source is property taxes, followed by state FTE reimbursement and federal financial aid. The substantial decrease in FTE reimbursement is due to the recognition of three quarters of FTE in 2017 compared to five quarters in fiscal year 2016. Property taxes increased by \$13.8 million in fiscal year 2017.

Operating expenses decreased by \$23.9 million. Educational and general expense is the largest single line item, followed by administrative services and physical plant. Together they decreased operating expenses by \$35.2 million compared to fiscal year 2016. Pension expense allocated to the two line items under GASB 68 decreased by \$49.7 million compared to fiscal year 2016. The decrease in Pension

Portland Community College
Fiscal year ended June 30, 2017

expense allocation offset with \$13.2 million increase in expenses made up \$36.5 million of the overall decrease.

Analysis of Cash Flows

The primary purpose of the Statement of Cash Flows (page 15 & 16) 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 in the evaluation of financial viability, the College's ability to meet financial obligations as they become due, and the need for external financing.

Cash Flow (in millions)			
	2017	2016	Increase (decrease) 2017-16
Cash provided by (used in)			
Operating activities	\$ (184.9)	\$ (174.7)	\$ (10.2)
Noncapital financing activities	159.5	191.0	(31.5)
Capital financing activities	(18.9)	(59.9)	41.0
Investing activities	33.0	53.9	(20.9)
Net increase (decrease) in cash	(11.3)	10.3	(21.6)
Cash and cash equivalents, beginning of year	69.1	58.8	10.3
Cash and cash equivalents, end of year	<u>\$ 57.8</u>	<u>\$ 69.1</u>	<u>\$ (11.3)</u>

Fiscal year 2017 compared to 2016. 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 \$10.2 million more cash in its operating activities in fiscal year 2017 than in fiscal year 2016.

Noncapital Financing Activities: State FTE reimbursements, Student financial aid and property taxes are the primary sources of noncapital financing. Cash provided by noncapital financing activity decreased by \$31.5 million. The largest change from prior year is a \$35.9 million decrease 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 used by capital financing activities increased by \$41.0 million compared to last fiscal year. The largest changes in cash flow were the increase of cash provided from property taxes of \$12.1 million and a \$25.8 million decrease in cash used for purchases of capital assets.

Investing Activities: Total cash provided in investing activities decreased by \$20.9million compared to fiscal year 2016. The decrease is mostly a net \$20.7 million decrease in cash provided and used from the sales and purchases of investments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The College's net investment in capital assets as of June 30, 2017 was \$586.0 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 \$431.4 million. All of the current debt is 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% of Real Market Value of properties within the College district. The current legal debt limit is approximately \$3.2 billion, which is significantly higher than the College's outstanding general obligation debt. The College's outstanding general obligation debt of \$421.9 million is roughly 13% 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

Oregon State government is facing an unprecedented budget shortfall of more than \$1.5 billion, which will impact every public college and university in our state. PCC, and Oregon community colleges in general, play a key role in sustaining Oregon's economy by providing educational programs and services that are both affordable and accessible. PCC is currently facing a serious challenge to provide affordable quality programs with limited resources.

The context for Portland Community College is changing as the Portland region changes. The Portland Metro area's regional economy continues to grow alongside jobs, wages, residents and productivity. Recent economic projections for the region indicate that this growth is likely to continue, although there are some key caveats to this potential growth related to national policy discussions on trade and health care. This sustained economic and population growth has framed the key challenges for our region. The cost of housing is rising significantly, even as incomes rise, creating an affordability challenge for both the College's students and employees. Talent is being imported to the region to work in its highest-paying sectors, and these new residents are primarily living in the center of the region. Lower-income families are moving further away from the center and out of the college's service area entirely. Further, communities of color are not sharing equitably in the region's economic growth, and are at continued risk of displacement.

These trends affect students in a myriad of ways. Many PCC students have significant unmet needs that impact their ability to afford college, especially if they must support themselves or their families - or that may limit their ability to focus on their studies, contributing to lower completion rates.

Maintaining economic growth while addressing disparities must be a regional priority. PCC in partnership with public and private organizations can help meet these challenges. PCC can and will develop pathways to jobs in high-wage sectors for lower-income and underrepresented students while bridging key skill gaps for employers and expanding opportunities for students. Next year's budget takes into consideration the long-term effects of current economic challenges and the overall financial health of the College. The College has proactively managed financial resources and adopted budgetary principles that address the College core themes and strategic goals.

Portland Community College
Fiscal year ended June 30, 2017

The budget adheres to the “strategic diamond” developed by PCC to align and understand the relationship among the institutions’ core themes, strategic goals, communication themes, and the Board’s goals. Current and future initiatives of the college will align with the fundamental core of the strategic diamond - opportunity and equitable student success - and enhance the fundamental work of Portland Community College.

The following strategic goals guide our budget development principles:

- Provide outstanding, affordable education.
- Drive student success.
- Ignite a culture of innovation.
- Transform the community through opportunity.
- Create a nationally renowned culture for diversity, equity, and inclusion.
- Achieve sustainable excellence in all operations.

The budget was balanced in a manner that still allows the institution to move forward on its strategic goals. That means employing a range of strategies, not just cuts and reductions, to balance the budget. Based on the strategic goals, along with the institutional core themes, Board’s goals and key promotional messages, the following overarching principles and guidelines were used for the budget development process:

- Keep revenue projections conservative given state, local and national uncertainty.
- Plan for level state funding among Oregon’s 17 community colleges.
- Assume no enrollment growth in year 1 or year 2 of the biennium.
- Average student enrollment for the biennium is projected to be approximately 28,000 credit student (FTE).
- Plan for property tax revenues to grow approximately 3.5% each year of the biennium based on prior years’ history.
- Maintain affordability for students by keeping tuition rates and fees within the median range of all Oregon community colleges.
- Explore and examine the return on investment of alternative revenue sources and identify timelines for piloting initiatives to grow additional revenue.
- Monitor expenditures and where necessary make reductions, program cuts, and realign staff.
- Invest in deferred maintenance and capital improvement to the extent possible.
- Build the institutional fund balance to maintain open access and enroll students should enrollment grow and exceed the state funding cap.

Challenges and Opportunities

The FY 2017-19 Biennium budget attempts to balance the needs of the College’s strategic plan while meeting the College’s mission of offering accessible and affordable education. Due to substantial changes in educational funding at both the state and federal levels, however, PCC faces many challenges in the FY 2017-19 Biennium, including:

- A fragile economic recovery
- Uncertain enrollment patterns
- Uncertain state funding support given Oregon’s current deficit which exceeds \$1.5 billion
- Increasing labor costs, particularly required employer contributions to the Oregon Public Employee Retirement System (PERS)
- The Oregon Economic and Revenue forecast, as of March 2017, projects short term job growth to be approximately 2.4 percent based on the 2017 trend. Overall Oregon General Fund growth for the final quarter of 2017 is expected to be approximately 0.6 percent. The annual population growth rate between 2010 and 2026 is expected to be approximately 1.2 percent.

Portland Community College
Fiscal year ended June 30, 2017

Additional internal challenges will impact PCC in the upcoming biennium, as well. These include, but are not limited to:

- Contract reopener negotiations with Federation bargaining team
- Deferred maintenance backlog and large and small equipment needs
- Fund balance replenishment after a spend-down in prior years
- Unfunded mandates, like the Oregon minimum wage increase, Portland paid sick leave, and Federal Title IX compliance

In addition to these challenges, there are significant growth and improvement opportunities during the upcoming biennium:

- Development of partnerships with K-12 schools, businesses and 4-year institutions to provide relevant services and improve student success
- Elimination of outcome disparities for marginalized students and the average rate of achievement and educating our students for full and effective economic, social and civic participation in society
- Promotion of regional economic development by providing education and training focused on small and emerging business development
- Growth of the distance learning program and online curriculum to provide opportunities to more students
- Improved student retention and completion through PCC's commitment to greater alignment of student support services, as well as an enhanced commitment to equity, diversity, and inclusion

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, 2017

(In Thousands)

ASSETS	
Current assets:	
Cash and cash equivalents	\$ 57,816
Short-term investments	60,960
Receivables, net of allowance	
Taxes	2,260
Accounts	5,455
Student accounts	6,463
Federal programs	2,230
Interest	114
Inventory and prepaid items	4,339
Total current assets	<u>139,637</u>
Noncurrent assets:	
Long-term investments	25,274
Leased property under capital lease, net	226
Capital assets - non-depreciable	143,521
Capital assets - depreciable	579,824
Less: Accumulated depreciation	<u>(137,537)</u>
Total noncurrent assets	<u>611,308</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferral of amounts on refunding	4,270
Pension related	93,128
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u><u>\$ 848,343</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 6,881
Payroll liabilities	23,434
Accrued interest payable	939
Unearned revenue	6,158
Compensated absences	7,054
Other current liabilities	2,107
Current portion of long-term debt	34,112
Total current liabilities	<u>80,685</u>
Noncurrent liabilities:	
Noncurrent liabilities	627,565
Less: Current portion of long-term debt	<u>(34,112)</u>
Total noncurrent liabilities	<u>593,453</u>
TOTAL LIABILITIES	<u>674,138</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	14,974
OPEB related	<u>4,311</u>
NET POSITION	
Net investment in capital assets	301,845
Net position: restricted	
Student financial aid grants and loans	5,422
Net position: unrestricted	<u>(152,347)</u>
Total net position	<u>154,920</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u><u>\$ 848,343</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, 2017
(In Thousands)

OPERATING REVENUES	
Student tuition and fees, net of scholarship allowances	\$ 66,752
Federal contracted programs	11,583
Nongovernment grants and contracts	8,895
Auxiliary enterprises:	
Food services	4,024
Bookstore, net of scholarship allowances	6,940
Parking operation	4,856
Other operating revenues	10
Total operating revenues	<u>103,060</u>
OPERATING EXPENSES	
Educational and general:	
Sylvania Campus	54,195
Rock Creek Campus	37,779
Cascade Campus	30,624
Southeast Campus	15,417
Extended Learning Campus	6,855
President and Governing Board	12,303
Academic and Student Affairs Services	26,780
Administrative Services and Physical Plant	58,505
Other support services:	
Student Activities	2,474
Grants and contracted programs	26,149
Student financial aid, net of tuition and textbooks	22,038
Auxiliary enterprises:	
Food services	4,292
Bookstore	11,305
Parking operation	4,365
Materials, supplies and minor equipment expense	2,382
Depreciation expense	15,795
Amortization of bond premium	(3,582)
Total operating expenses	<u>327,676</u>
Operating income (loss)	<u>(224,616)</u>
NONOPERATING REVENUES (EXPENSES)	
Federal financial aid	56,860
State FTE reimbursement	67,933
State and local government grants and contracts	11,941
Property taxes	80,013
Investment income	996
Gain on the disposal of capital assets	15
Bond issuance costs	(638)
Interest expense	(19,964)
Net nonoperating revenues (expenses)	<u>197,156</u>
Decrease in net position	<u>(27,460)</u>
NET POSITION	
Net position - beginning of the year	187,793
Prior period adjustment	(5,413)
Net position - end of the year	<u>\$ 154,920</u>

See notes to basic financial statements.

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

STATEMENT OF CASH FLOWS
Year ended June 30, 2017
(In Thousands)

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 68,693
Federal grants and contracts	11,582
Non-government grants and contracts	8,895
Payments to suppliers for goods and services	(52,265)
Payments to employees	(213,849)
Payments for student financial aid and other scholarships	(22,040)
Cash received from customers	14,085
Other cash receipts	<u>10</u>
Net cash used in operating activities	<u>(184,889)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal student financial aid grants	56,718
State and local government grants and contracts	11,941
Cash received from property taxes	33,002
Cash received from State FTE reimbursement	66,846
Interest paid on limited tax pension bonds	(4,385)
Principal paid on limited tax pension bonds	<u>(4,590)</u>
Net cash provided by noncapital financing activities	<u>159,532</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Cash received from property taxes	46,776
Principal paid on long-term debt	(28,003)
Obligation under capital lease	2,673
Note payable	2,081
Proceeds from sale of capital assets	15
Proceeds from disposition of capital assets	48
Purchase of capital assets	(26,646)
Proceeds from bonds payable	118,630
Proceeds from bond premium	18,182
Payments to refunding bond escrow	(136,160)
Short term loan	(195)
Cash paid for bond issuance costs	(638)
Interest paid on long-term debt	<u>(15,666)</u>
Net cash used in capital financing activities	<u>(18,903)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	1,246
Purchases of investments	(204,678)
Proceeds from sales of investments	<u>236,365</u>
Net cash provided by investing activities	<u>32,933</u>

See notes to basic financial statements.

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

STATEMENT OF CASH FLOWS (CONTINUED)
Year ended June 30, 2017
(In Thousands)

NET INCREASE IN CASH	\$ (11,327)
Cash and cash equivalents - beginning of the year	69,143
Cash and cash equivalents - end of year	<u>\$ 57,816</u>
RECONCILIATION TO AMOUNTS SHOWN ON STATEMENTS OF NET POSITION	
Unrestricted cash and cash equivalents	<u>\$ 57,816</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (224,616)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	15,795
Amortization expense	(3,582)
Change in net pension asset/liability	119,550
Change in pension transition liability	(407)
Change in OPEB liability	(4,558)
Change in deferred outflows of resources	(80,279)
Change in deferred inflows of resources	(9,007)
(Increases) decreases in current assets used in operations:	
Accounts receivable	(1,735)
Student accounts receivable	2,121
Inventory and prepaid items	(44)
Increases (decreases) in current liabilities used in operations:	
Accounts payable	(104)
Payroll liabilities	1,391
Unearned revenue	(180)
Other current liabilities	324
Compensated absences	442
Net cash used in operating activities	<u>\$ (184,889)</u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Change in Fair value	\$ 149

See notes to basic financial statements.



**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

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.

New Accounting Pronouncements – GASB Statements No. 75 and 77

The Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The principal objective of this Statement is to improve the usefulness of information of accounting and financial reporting of postemployment benefits other than pensions.

The Governmental Accounting Standards Board (GASB) issued Statement No. 77, *Tax Abatement Disclosures*. The principal objective of this Statement is to improve financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows 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 inflows of resources represent 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.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. Participants' fair value or market value is the net position divided by participants' account balances. This varies from year to year.

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, 2017 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, 2017.

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.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 acquisition cost 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.

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

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.

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 and premiums of capital asset related debt, plus cash held for construction. Net position subject to restrictions by external parties is categorized as restricted. This category represents student financial aid grant and loan programs.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

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.

Pensions

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

Scholarship 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, 2017 are \$32.2 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 1. Federal programs are audited in accordance with the Single Audit Act, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

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).

	<u>Year Ended June 30, 2017</u>
Cash and cash equivalents:	
Cash on hand	\$ 338
Demand deposits	12,850
Cash held by county treasurer	393
Oregon Local Government Investment Pool	<u>44,235</u>
Total cash and cash equivalents basic statements	<u>57,816</u>
Investments:	
Government and agency obligations	70,182
Corporate securities	15,249
Bank obligations	<u>803</u>
Total investments	<u>86,234</u>
Total cash and investments	<u><u>\$ 144,050</u></u>

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):

	<u>Year Ended June 30, 2017</u>
Investments categorized by Standard and Poor's rating:	
Government sponsored (Treasury & Federal Agencies), AA+	\$ 70,182
Corporate notes (A or better)	15,249
Bank obligations (certificates of deposit)	<u>803</u>
Total investments	<u><u>\$ 86,234</u></u>

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 does not receive credit quality ratings from nationally recognized statistical rating organizations. 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. Participants' account balances in the pool are determined by the amount of participants' deposits, adjusted for withdrawals and distributed interest. Interest is calculated and accrued daily on each participants' account based on the ending account balance and a variable interest rate determined periodically by the Oregon Short Term Fund.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

2. CASH AND INVESTMENTS (Continued)

The College's investments in Government and agency obligations and corporate securities are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The College's investments in government sponsored securities and corporate notes are valued using quoted market prices (Level 1 inputs).

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, 2017.

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, 2017, 57% of investments held by the College (excluding Local Government Investment Pool balances) matured within a 180 day timeline. Weighted average maturities of investments in the Local Government Investment Pool at June 30, 2017 were: 64.9% mature within 93 days, 19.8% mature from 93 days to one year and 15.3% mature from over one year to three years from settlement date.

All Investments maturing after 180 days (in thousands)

Standard and Poor's			
Other Investments	Rating	Maturity Date	Market Value
Wells Fargo	A	01-22-2018	\$ 1,250
Toyota Motor Credit Corp Note	AA-	04-06-2018	2,994
GECC Corp. Note	AA-	05-01-2018	4,138
Beckshire Hathaway	AA	05-15-2018	849
FHLB Coupon	AA+	05-25-2018	2,987
FNMA Coupon	AA+	07-27-2018	1,987
FHLB Coupon	AA+	08-28-2018	3,981
Bank of The West CD	NR	09-03-2018	233
Premier Community Bank CD	NR	09-22-2018	240
Microsoft Corp	AAA	11-03-2018	3,495
Albina Community Bk CD	NR	04-04-2019	100
FFCB Coupon	AA+	05-01-2019	2,453
FFCB Coupon	AA+	05-30-2019	2,295
FNMA Coupon	AA+	05-30-2019	997
US Treasury	AA+	05-31-2019	1,996
FFCB Coupon	AA+	06-12-2019	4,998
FFCB Coupon	AA+	12-19-2019	2,499

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

2. CASH AND INVESTMENTS (Continued)

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, 2017, the College bank balances were \$16.2 million, which includes time CDs and bank accounts. Of these deposits, \$1.3 million on deposit with seven banks were covered by FDIC and the remaining balance was covered by the procedures for collateralizing public funds.

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, 2017, the College had \$86.2 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, 2017**

3. CAPITAL ASSETS

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

	Balance June 30, 2016	Increase	Decrease	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 48,062	\$ -	\$ -	\$ 48,062
Art and historical treasure	1,376	141	-	1,517
Construction in progress	85,939	19,082	(11,079)	93,942
Total capital assets not being depreciated	135,377	19,223	(11,079)	143,521
Capital assets being depreciated:				
Land improvements	10,493	-	-	10,493
Building and improvements	499,329	11,855	-	511,184
Equipment and machinery	24,396	2,205	(692)	25,909
Capital Lease	-	260	-	260
Library collections	1,355	125	(168)	1,312
Leasehold improvements	972	-	-	972
Infrastructure	25,897	4,057	-	29,954
Total capital assets being depreciated	562,442	18,502	(860)	580,084
Less accumulated depreciation for:				
Land improvements	8,686	538	-	9,224
Building and improvements	91,588	13,562	-	105,150
Equipment and machinery	18,403	1,103	(644)	18,862
Capital Lease	-	34	-	34
Library collections	695	125	(168)	652
Leasehold improvements	952	17	-	969
Infrastructure	2,265	415	-	2,680
Total accumulated depreciation	122,589	15,794	(812)	137,571
Total capital assets being depreciated, net	439,853	2,708	(48)	442,513
Total capital assets, net	\$ 575,230	\$ 21,931	\$ (11,127)	\$ 586,034

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

4. LONG-TERM LIABILITIES

Transactions for the fiscal year ended June 30, 2017 are as follows (in thousands):

	Original Amount	Outstanding July 1, 2016	Increases	Decreases	Outstanding June 30, 2017	Due Within One Year
2016 General obligation refunding bonds, interest ranges from 3.00% - 5.00%, Maturity June 15, 2029	\$ 118,630	\$ -	\$ 118,630	\$ (185)	\$ 118,445	\$ -
2015 General obligation refunding bonds, interest 5.00%, Maturity June 15, 2018	34,945	24,555	-	(11,750)	12,805	12,805
2013 General obligation bonds, interest ranges from 3.00% - 5.00%, Maturity June 15, 2033	177,495	158,615	-	(6,235)	152,380	6,545
2009 General obligation bonds, interest 5.00%, Maturity June 15, 2019	200,000	151,925	-	(133,465)	18,460	9,005
2003 Limited tax pension bonds, interest ranges from 1.07% - 4.81%, Maturity June 1, 2027	119,995	91,760	-	(4,590)	87,170	5,165
Note Payable, Maturity August 4, 2019	2,081	-	2,081	(520)	1,561	520
Premium on General obligation bonds	49,670	31,037	18,182	(10,581)	38,638	-
Capital leases	2,673	-	2,673	(738)	1,935	72
Transition liability - pre SLGRP	-	21,769	-	(407)	21,362	-
Net pension liability	-	47,127	119,549	-	166,676	-
OPEB liability	-	12,691	-	(4,558)	8,133	-
	<u>\$ 705,489</u>	<u>\$ 539,479</u>	<u>\$ 261,115</u>	<u>\$ (173,029)</u>	<u>\$ 627,565</u>	<u>\$ 34,112</u>

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

4. LONG-TERM LIABILITIES (Continued)

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

Year Ending June 30,	Total	
	Principal	Interest
2018	\$ 34,040	\$ 18,338
2019	22,660	16,671
2020	23,670	15,576
2021	24,715	14,490
2022	26,385	13,268
2023-2027	160,780	44,959
2028-2032	85,815	11,185
2033	12,756	510
	<u>\$ 390,821</u>	<u>\$ 134,997</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).

In December 2016, the College issued General Obligation Refunding Bonds, Series 2016 in the amount of \$118.6 million. A portion of the proceeds from the bonds were used to redeem a portion of the General Obligation Bonds, Series 2009. As a result, the bonds are considered partially defeased and the amount of \$124.9 million has been removed from liabilities. The refunding took place to take advantage of current market yield which created a net economic gain of \$7.5 million, based upon the total savings of \$9.2 million over the remaining life of the refunded bonds. At June 30, 2017 there are \$124.9 million in General Obligations Bonds, Series 2009 outstanding considered defeased. These bonds are callable on June 15, 2019.

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, 2017, the College had no arbitrage rebate liabilities.

Note Payable

In June 2016, the College (borrower) entered into an installment payment agreement with Six Degrees, Inc. (lender) totaling \$2.1 million. The agreement is payable over four years, with annual payments of \$520 thousand beginning August, 2016 and ending August, 2019. This agreement represents the purchase of technology equipment, software and support, which is crucial to sustained safekeeping of the College's firewall network.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

4. LONG-TERM LIABILITIES (Continued)

In January 2017, the College entered into a capital lease master agreement as lessee for financing the acquisition of computer equipment. The fair value of the assets meeting the College's capitalization threshold was \$260,800. The future minimum lease obligations and the net present value of these minimum lease payments are as follows (in thousands):

Year Ending June 30,	Amount
2018	\$ 738
2019	738
2020	650
Total minimum lease payments	2,126
Less:	
amount representing interest	(191)
Present value of minimum lease payments	<u>\$ 1,935</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):

Year Ending June 30,	Amount
2018	\$ 1,890
2019	1,296
2020	1,271
2021	455
2022	105
Later years	14
Total	<u>\$ 5,031</u>

The expense for operating leases for the year ended June 30, 2017 was \$1.9 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.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

6. SHORT TERM DEBT

On January 1, 2015, the College entered into an agreement with Presidio Technology Capital LLC for a short term loan totaling \$390,354 for the purchase of network firewall equipment. The final payment for the year ended June 30, 2017 was \$195 thousand.

7. 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 185th Willow Creek Westside Light Rail Station. A one- time 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.

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.

8. 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.

9. 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 \$666,700 per occurrence. There has been no significant reduction in insurance coverage during the year ended June 30, 2017 and no insurance settlement exceeded insurance coverage for the past three years. Liability insurance generally covers casualty losses in excess of \$666,700 per occurrence. Excess insurance above the Self Insured Retention has a limit of \$10 million per occurrence and \$20 million in the aggregate. 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 per occurrence with a \$100,000 deductible.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

9. RISK MANAGEMENT (Continued)

The College maintains a risk management program for workers' compensation and employee liability 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 with a loss limit of \$100 million. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, medical costs, state rules, 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, 2017	Year Ended June 30, 2016
Unpaid claims, July 1	\$ 415	\$ 323
Incurred claims	447	514
Claim payments	(319)	(422)
Unpaid claims, June 30	<u>\$ 543</u>	<u>\$ 415</u>

10. PENSION PLANS

OREGON PUBLIC RETIREMENT SYSTEM (PERS)

Plan Description

The College contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the College's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program and the Individual Account Program. The Pension Program is defined benefit portion of the plan which applies to qualifying College employees hired after August 29, 2003, benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. The Individual Account Program (IAP) is 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 at:

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

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

10. PENSION PLANS (Continued)

Benefits provided

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

Pension Benefits

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

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

Death Benefits

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

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

Disability Benefits

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

Benefit Changes After Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

10. PENSION PLANS (Continued)

B. OPSRP Pension Program (OPSRP DB)

Pension Benefits

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

General service: 1.50% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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

Death Benefits

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

Disability Benefits

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

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

C. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

10. PENSION PLANS (Continued)

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

Death Benefits

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

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2017 to the Tier One/Tier Two and OPSRP plans totaled \$8.8 million, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2017 were 11.23% for Tier One/Tier Two General Service Members and 5.68% for OPSRP Pension Program General Service Members, net of 9.06% of side account rate relief. An additional 6% contribution is required for the OPSRP Individual Account Program and totaled \$7.9 million for the year ended June 30, 2017.

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

At June 30, 2017, the College reported net pension liability of \$165.7 million for its proportionate share of PERS net pension liability. The net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to June 30, 2016. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities actuarially determined. PERS has established side accounts for employers that made lump sum payments to the plan in excess of their actuarially required contributions. Since different contribution rates are assessed to employers based on the value of the side accounts, the side account values were reflected separately in the proportionate share calculation. On June 30, 2016, the College's proportion was 1.26%.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

10. PENSION PLANS (Continued)

For the year ended June 30, 2017, the College recognized pension expense of \$35 million. At June 30, 2017, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,279	\$ -
Changes in assumptions	40,474	-
Net difference between projected and actual earnings on investments	37,491	-
Changes in proportionate share	-	6,052
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	8,592
College's contributions subsequent to the measurement date	8,795	-
Year Ended June 30, 2017	<u>\$ 93,039</u>	<u>\$ 14,644</u>

There are \$8.8 million reported as deferred outflows of resources related to pensions resulting from College contributions subsequent to the measurement date. This amount will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Year Ending June 30,	Amount
2018	\$ 10,984
2019	10,984
2020	25,093
2021	19,825
2022	2,713
Total	<u>\$ 69,599</u>

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

10. PENSION PLANS (Continued)

Actuarial assumptions

The employer contribution rates effective July 1, 2015 to June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2014 rolled forward to June 30, 2016
Experience Study Report	2014, published September 2015
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	2.5%
Investment Rate of Return	7.5%
Discount Rate	7.5%
Projected Salary Increases	3.5% overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.0% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	Healthy retirees and beneficiaries; RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-back as described in the valuation. Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees; Mortality rates are a percentage of the RP-2000 sex-distinct, generational per Scale BB, disabled mortality table

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 Experience Study which reviewed experience for the four- year period ending on December 31, 2014

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

10. PENSION PLANS (Continued)

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in September 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Med Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.31%	6.99%
Micro Cap US Equities	1.31%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Market Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equities	17.50%	7.97%
Real Estate (Property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	2.50%	4.64%
Hedge Fund - Event-driven	0.63%	6.72%
Timber	1.88%	5.85%
Farmland	1.88%	6.37%
Infrastructure	3.74%	7.13%
Commodities	1.87%	4.58%
Total	100.00%	
 Assumed Inflation - Mean		 2.50%

Discount rate

The discount rate used to measure the total pension liability was 7.5% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

10. PENSION PLANS (Continued)

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

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate (in thousands):

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
College's proportionate share of the net pension liability (asset)	\$ 282,304	\$ 165,657	\$ 68,160

Pension plan fiduciary net position

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

Transition Liability

The College reports a separate liability to the plan with a balance of \$21.4 million at June 30, 2017. The liability represents the College's allocated share of the pre-SLGRP pooled liability. The College is being assessed an employer contribution rate of 1.85% of covered payroll for payment of this transition liability.

EARLY RETIREMENT INCENTIVE (STIPEND)

Plan Description

The College maintains a single-employer, defined benefit early retirement incentive program for qualifying Faculty, Academic Professionals (AP), and Classified Employees. 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 2.00% employer contributed 403(b) plan. The current actuarial report used by the College is dated August 29, 2017.

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.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

10. PENSION PLANS (Continued)

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.

Effective July 1, 2015 to June 30, 2017, any Classified employee who is at least age 55 and not more than 62 years of age, and who has completed 20 consecutive years of full-time employment with the College, will be eligible to receive a total of \$400 a month for four years until age 62, whichever is earlier, regardless of date of hire.

At June 30, 2017, 96 retirees and surviving spouses received benefits and 2,127 current active employees are covered.

Contributions and Funding:

The Early Retirement Incentive Plan is currently unfunded as defined by current GASB statements. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 73.

The benefits from this program are fully paid in accordance with the Plan by the College and, consequently, no contributions by employees are required. In accordance with the terms of the plan, benefit payments are recognized when due and payable in the financial statements. There are no administrative costs attributable to the plan and the plan's activities are reported in the financial statements. For the year ended June 30, 2017, changes in the pension liability are as follows (in thousands):

	<u>Total Stipend Liability</u>
<u>Beginning of Year, 7/1/2016</u>	<u>\$ 1,357</u>
Benefit Payments	(143)
Service Cost	28
Interest on Stipend Liability	46
Change of Benefit Terms	-
Change in Assumptions	(367)
Experience (Gain)/Loss	99
<u>End of Year, 6/30/2017</u>	<u>\$ 1,020</u>

Actuarial valuations:

The actuarial information is from actuarial valuation report as of June 30, 2017.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

10. PENSION PLANS (Continued)

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.
- 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.

Basis of Accounting:

The actuarial calculations are consistent with accounting principles generally accepted in the United States of America and GASB No.73 and 75.

Asset Valuation Method:

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

Basic actuarial assumptions:

1. Discount rate 3.58% per year
2. Mortality Active employee mortality is assumed to be 75% for males and 60% for females. Disabled retiree mortality rates are based on the RP2000 combined active/healthy annuitant mortality table. Mortality is assumed to be 70% for males or 95% for females of the disabled retiree mortality rates described in the previous sentence.

Discount Rate Sensitivity			
	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total Stipend Liability on 6/30/2017	\$ 1,069,941	\$ 1,019,552	\$ 971,250

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

10. PENSION PLANS (Continued)

Stipend Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Stipend

For the year ended June 30, 2017, the College recognized stipend expense of \$46,888. As of June 30, 2017, the College reported deferred outflows of resources and deferred inflows of resources related to the Stipend from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 89	\$ -
Changes of assumptions or other inputs	-	330
Total	<u>\$ 89</u>	<u>\$ 330</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in Pension expense for the year ended June 30, 2017 as follows (in thousands):

Year Ended June 30,	Amount
2018	\$ 27
2019	27
2020	27
2021	27
2022	27
All Subsequent Years	106
Total	<u>\$ 241</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 2.00% of covered salary for those who have joined the plan. The expense for the plan for the year ended June 30, 2017 was \$0.3 million.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The College operates a single-employer retiree benefit plan OPEB that provides postemployment health, dental, vision and prescription coverage benefits to eligible employees and their eligible dependents. This OPEB is not a stand-alone plan and therefore does not issue its own financial statements. . This plan has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

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, 2017 is \$1,577 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 and whose benefit 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.

Employees covered by benefit terms:

Employees covered by the benefit terms for the year ended June 30, 2017 is as follows:

Inactive employees or beneficiaries currently receiving benefit payments	96
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>2,127</u>
Total	<u><u>2,223</u></u>

The College's total OPEB liability of \$8.1 million was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

Actuarial assumptions and other inputs:

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.5%
Discount rate	3.58%
Health care trend rates	Assumed annual increases in health premiums and the College Cap are listed in the table below. All insurance trends include the assumed general inflation rate of 2.5%.

Year	Moda Medical	Kaiser Medical	Dental	Vision	College Cap*
2018	8.00%	5.00%	3.00%	3.00%	8.00%
2019	7.50%	5.00%	3.00%	3.00%	7.50%
2020	7.00%	5.00%	3.00%	3.00%	7.00%
2021	6.50%	5.00%	3.00%	3.00%	6.50%
2022	6.00%	5.00%	3.00%	3.00%	6.00%
2023	5.50%	5.00%	3.00%	3.00%	5.50%
2024+	5.00%	5.00%	3.00%	3.00%	5.00%

The discount rate was based on the June 30, 2017 rate in the 20-year General Obligation Municipal Bond Index published by Bond Buyer.

Changes in the Total OPEB Liability

	Total OPEB Liability (in thousands)
Beginning of Year, 7/1/2016	\$ 12,691
Benefit Payments - Explicit Medical	(284)
Benefit Payments - Implicit Medical	(268)
Service Cost	331
Interest on Total OPEB Liability	444
Change of Benefit Terms	-
Change in Assumptions	(4,171)
Experience (Gain)/Loss	(611)
End of Year, 6/30/2017	\$ 8,132

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

Sensitivity of the total OPEB liability to changes in the discount rate

The total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate presents for the year ended June 30, 2017 as follows (in thousands):

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability	\$ 8,771	\$ 8,133	\$ 7,541

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current healthcare cost trend rates presents for the year ended June 30, 2017 as follow (in thousands):

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB Liability	\$ 7,418	\$ 8,133	\$ 8,888

OPEB Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2017, the College recognized OPEB expense of \$305 thousand. At June 30, 2017, the College reported deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 551
Changes of assumptions or other inputs	-	3,760
Total	<u>\$ -</u>	<u>\$ 4,311</u>

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year Ended June 30,	Amount
2018	\$ 470
2019	470
2020	470
2021	470
2022	470
All Subsequent Years	1,961
Total	\$ 4,311

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.

Retirement Health Insurance Account (RHIA)

As a member of Oregon Public Employees Retirement System (PERS) 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 PERS. 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. PERS 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.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

11. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

Participating community colleges are contractually required to contribute to RHIA at a rate assessed each year by PERS, currently 0.53% of annual covered payroll. The PERS 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, 2017, 2016 and 2015 were \$642 thousand, \$615 thousand and \$706 thousand, which equaled the required contributions each year.

12. 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, 2017 is as follows (in thousands):

	<u>Year Ended June 30, 2017</u>
Total assets	\$ 15,394
Total net assets	14,844
Total support and revenues	5,927
Total expenses	4,991

13. ESTIMATED TAX ABATEMENTS

The College's property tax revenues were reduced by \$9.9 million under agreements entered into by the four counties within the College's district. The amounts abated by county are as follows (in thousands):

	<u>Year Ended June 30, 2017</u>
Clackamas County	\$ 141
Columbia County	66
Multnomah County	489
Washington County	9,215
Yamhill County	<u>3</u>
	<u>\$ 9,914</u>

All data is estimated based on tax roll values.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2017**

14. COMMITMENTS AND CONTINGENCIES

Construction Commitments

The College has approximately \$17.4 million in on-going construction commitments as of June 30, 2017. About sixty percent 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, and Rock Creek campus include new classrooms, childcare facilities, lab facilities, student services and faculty workspaces to accommodate student enrollment. Projects also include upgrading district-wide security access control, and conducting district-wide comprehensive facilities master plan study

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.

15. RESTATEMENT OF NET POSITION

Based on implementation for GASB no. 75, the College restated beginning net position. The effect of this adjustment is (in thousands):

NET POSITION

Net position - beginning of the year, as originally reported	\$ 187,793
Prior period adjustment	(5,413)
Net position - beginning of the year, as restated	<u>\$ 182,380</u>

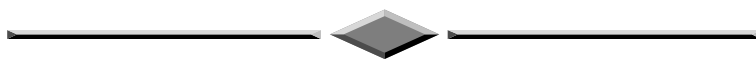
16. SUBSEQUENT EVENT

2017 Bond Measure

On November 7, 2017, Portland area voters approved a \$185 million bond measure to provide upgrades to existing facilities.



REQUIRED SUPPLEMENTARY INFORMATION



**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

PERS Pension Plan

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

For the last four fiscal years

Year Ended June 30,	(a) College's proportion of the net pension liability (asset)	(b) College's proportionate share of the net pension liability (asset)	(c) College's covered payroll	(b/c) College's	Plan fiduciary net position as a percentage of the total pension liability
				proportionate share of the net pension liability (asset) as a percentage of its covered payroll	
2017	1.26411636%	\$ 165,656,749	\$ 132,954,016	124.60%	80.53%
2016	1.28316214%	45,769,547	126,377,544	36.22%	91.88%
2015	1.36089339%	(71,099,790)	129,194,652	-55.03%	103.60%
2014	1.36089339%	29,987,921	125,347,002	23.92%	91.97%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**PERS Pension Plan
SCHEDULE OF CONTRIBUTIONS**

For the last four fiscal years

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) College's covered payroll	(b/c) Contributions as a percent of covered payroll
2017	\$ 8,996,796	\$ 8,996,796	-	\$ 132,954,016	6.77%
2016	8,876,145	8,876,145	-	126,377,544	7.02%
2015	8,772,893	8,772,893	-	129,194,652	6.79%
2014	8,566,476	8,566,476	-	125,347,002	6.83%

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**Post Employment Health Care Plan (OPEB)
SCHEDULE OF TOTAL OPEB LIABILITY
For the last two fiscal years**

Fiscal Year End Date*	Total OPEB Liability (a)	Covered Payroll (b)	TPL as a Percentage of Covered Payroll (a/b)
6/30/2016	\$ 12,690,880	\$ 113,654,950	11.2%
6/30/2017	\$ 8,132,585	\$ 112,264,678	7.2%

*Assumes all actuarial assumptions are exactly realized.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**Early Retirement Incentive Plan (Stipend)
SCHEDULE OF TOTAL PENSION LIABILITY
For the last three fiscal years**

Fiscal Year End Date*	Total Pension Liability (a)	Covered Payroll (b)	TPL as a Percentage of Covered Payroll (a/b)
6/30/2015	\$ 1,488,412	\$ 42,835,894	3.5%
6/30/2016	\$ 1,356,681	\$ 44,442,240	3.1%
6/30/2017	\$ 1,019,552	\$ 41,678,510	2.4%

*Assumes all actuarial assumptions are exactly realized.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON
Notes to Required Supplementary Information
June 30, 2017

PERS Pension Plan

Changes in Plan Provisions

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

Changes in Assumptions

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

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

Post Employment Health Care Plan (OPEB)

This OPEB plan is not a stand-alone plan and therefore does not issue its own financial statements. The plan does not have assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Changes in Plan or Assumptions

No material changes in the census or plan provision have occurred.

There were no significant changes that would impact the actuarial assumptions

Early Retirement Incentive Plan (Stipend)

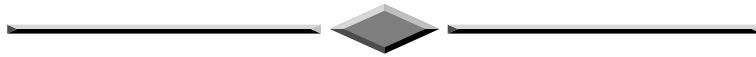
This Stipend plan is not a stand-alone plan and therefore does not issue its own financial statements. The plan does not have assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 7.

Changes in Plan or Assumptions

No material changes in the census or plan provision have occurred.

There were no significant changes that would impact the actuarial assumptions.

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.

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.

Early Retirement Incentive Plan

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, 2017

<u>GENERAL FUND</u>					
	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
From local sources:					
District tax levy:					
Current	\$ 59,004,227	\$ 31,293,409	\$ 32,622,699	\$ 63,916,108	\$ 4,911,881
Prior	1,453,482	442,494	410,584	853,078	(600,404)
Total district tax levy	60,457,709	31,735,903	33,033,283	64,769,186	4,311,477
Tuition and fees	208,425,004	93,410,167	91,758,150	185,168,317	(23,256,687)
Other sources:					
Interest from investments	714,634	300,831	297,289	598,120	(116,514)
Miscellaneous local sources	2,743,976	1,587,925	2,206,555	3,794,480	1,050,504
Total other sources	3,458,610	1,888,756	2,503,844	4,392,600	933,990
Total from local sources	272,341,323	127,034,826	127,295,277	254,330,103	(18,011,220)
From state sources:					
FTE reimbursement	175,533,775	84,725,578	89,344,276	174,069,854	(1,463,921)
Other state sources	1,639,193	-	686,807	686,807	(952,386)
Total from state sources	177,172,968	84,725,578	90,031,083	174,756,661	(2,416,307)
TOTAL REVENUES, BUDGETARY BASIS	449,514,291	211,760,404	217,326,360	429,086,764	(20,427,527)

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

For the year ended June 30, 2017

GENERAL FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
EXPENDITURES:					
Campus program areas:					
Sylvania campus	\$ 97,406,682	\$ 46,493,828	\$ 49,129,567	\$ 95,623,395	\$ 1,783,287
Rock Creek campus	66,988,347	32,792,099	33,902,348	66,694,447	293,900
Cascade campus	55,514,573	26,311,594	27,717,442	54,029,036	1,485,537
Southeast campus	27,401,181	13,118,155	13,819,939	26,938,094	463,087
Total Campus program areas	247,310,783	118,715,676	124,569,296	243,284,972	4,025,811
Non-campus program areas:					
Office of the President	11,383,923	4,967,037	5,708,126	10,675,163	708,760
Office of the Executive Vice President	14,898,242	8,770,717	5,320,962	14,091,679	806,563
Administrative Services	112,277,803	50,631,346	57,761,938	108,393,284	3,884,519
Academic & Student Affairs	52,494,443	22,155,761	24,229,835	46,385,596	6,108,847
Total Non-campus program areas	191,054,411	86,524,861	93,020,861	179,545,722	11,508,689
Contingencies	5,781,834	-	-	-	5,781,834
TOTAL EXPENDITURES	444,147,028	205,240,537	217,590,157	422,830,694	21,316,334
REVENUES OVER (UNDER) EXPENDITURES, BUDGETARY BASIS	5,367,263	6,519,867	(263,797)	6,256,070	888,807
OTHER FINANCING SOURCES (USES):					
Transfers in	6,548,324	2,590,353	3,312,724	5,903,077	(645,247)
Transfers out	(10,334,715)	(3,805,327)	(5,161,876)	(8,967,203)	1,367,512
Bond proceeds	-	-	652,366	652,366	652,366
Bond issuance costs	-	-	(638,176)	(638,176)	(638,176)
TOTAL OTHER FINANCING SOURCES (USES)	(3,786,391)	(1,214,974)	(1,834,962)	(3,049,936)	736,455
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES, BUDGETARY BASIS	1,580,872	5,304,893	(2,098,759)	3,206,134	1,625,262
Beginning fund balance	17,227,963	17,227,963	22,532,856	17,227,963	-
Ending fund balance - budgetary basis	\$ 18,808,835	\$ 22,532,856	\$ 20,434,097	\$ 20,434,097	\$ 1,625,262

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2017

CONTINUING AND COMMUNITY EDUCATION FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Other local sources	\$ 3,081,639	\$ 1,095,681	\$ 796,017	\$ 1,891,698	\$ (1,189,941)
Tuition and fees	11,818,273	4,457,483	4,649,105	9,106,588	(2,711,685)
TOTAL REVENUES	14,899,912	5,553,164	5,445,122	10,998,286	(3,901,626)
EXPENDITURES:					
Sylvania campus	80,000	54,804	6,588	61,392	18,608
Workforce/Continuing Education	18,137,459	6,490,629	6,116,578	12,607,207	5,530,252
Cascade campus	92,426	10,180	21,508	31,688	60,738
TOTAL EXPENDITURES	18,309,885	6,555,613	6,144,674	12,700,287	5,609,598
REVENUES OVER (UNDER) EXPENDITURES	(3,409,973)	(1,002,449)	(699,552)	(1,702,001)	1,707,972
OTHER FINANCING SOURCES (USES):					
Transfers in	2,952,808	1,179,682	1,773,126	2,952,808	-
Transfers (out)	(289,878)	(2,353)	(15,995)	(18,348)	271,530
TOTAL OTHER FINANCING SOURCES (USES)	2,662,930	1,177,329	1,757,131	2,934,460	271,530
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(747,043)	174,880	1,057,579	1,232,459	1,979,502
Beginning fund balance	747,043	747,043	921,923	747,043	-
Ending fund balance - budgetary basis	\$ -	\$ 921,923	\$ 1,979,502	\$ 1,979,502	\$ 1,979,502

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2017

	<u>AUXILIARY FUND</u>				
	<u>2015-17 ADJUSTED BUDGET</u>	<u>1st YEAR ACTUAL</u>	<u>2nd YEAR ACTUAL</u>	<u>TOTAL ACTUALS</u>	<u>VARIANCE FROM BUDGET</u>
REVENUES:					
Facilities usage	\$ 664,840	\$ 502,140	\$ 156,779	\$ 658,919	\$ (5,921)
Campus activities	193,848	107,937	33,157	141,094	(52,754)
Other revenues	-	45,074	42,536	87,610	87,610
TOTAL REVENUES	<u>858,688</u>	<u>655,151</u>	<u>232,472</u>	<u>887,623</u>	<u>28,935</u>
EXPENDITURES:					
Facilities usage	729,875	188,055	209,686	397,741	332,134
Campus activities	256,224	61,089	128,565	189,654	66,570
Sustainability	15,000	-	-	-	15,000
Contingency	71,657	-	-	-	71,657
TOTAL EXPENDITURES	<u>1,072,756</u>	<u>249,144</u>	<u>338,251</u>	<u>587,395</u>	<u>485,361</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(214,068)</u>	<u>406,007</u>	<u>(105,779)</u>	<u>300,228</u>	<u>514,296</u>
OTHER FINANCING SOURCES (USES):					
Transfers:					
Transfers in	1,446	-	-	-	(1,446)
Transfers (out)	(112,153)	(31,773)	(55,784)	(87,557)	24,596
TOTAL OTHER FINANCING SOURCES (USES)	<u>(110,707)</u>	<u>(31,773)</u>	<u>(55,784)</u>	<u>(87,557)</u>	<u>23,150</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>(324,775)</u>	<u>374,234</u>	<u>(161,563)</u>	<u>212,671</u>	<u>537,446</u>
Beginning fund balance	<u>650,297</u>	<u>650,297</u>	<u>1,024,531</u>	<u>650,297</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ 325,522</u>	<u>\$ 1,024,531</u>	<u>\$ 862,968</u>	<u>\$ 862,968</u>	<u>\$ 537,446</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2017

STUDENT ACTIVITIES FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Interest from investments	\$ 2,500	\$ 2,723	\$ 2,866	\$ 5,589	\$ 3,089
From local sources:					
Student activities fees	3,695,633	1,890,861	1,929,927	3,820,788	125,155
Other local sources	440,000	129,302	123,934	253,236	(186,764)
Total from local sources	4,135,633	2,020,163	2,053,861	4,074,024	(61,609)
TOTAL REVENUES	4,138,133	2,022,886	2,056,727	4,079,613	(58,520)
EXPENDITURES:					
Sylvania campus programs	1,350,560	567,671	629,001	1,196,672	153,888
Rock Creek campus programs	1,106,776	466,971	563,810	1,030,781	75,995
Cascade campus programs	934,559	405,826	454,285	860,111	74,448
Southeast campus programs	594,766	284,248	310,267	594,515	251
District-wide programs	433,915	192,959	240,839	433,798	117
Contingency	143,651	-	-	-	143,651
TOTAL EXPENDITURES	4,564,227	1,917,675	2,198,202	4,115,877	448,350
REVENUES OVER (UNDER) EXPENDITURES	(426,094)	105,211	(141,475)	(36,264)	389,830
Beginning fund balance	426,094	426,094	531,305	426,094	-
Ending fund balance - budgetary basis	\$ -	\$ 531,305	\$ 389,830	\$ 389,830	\$ 389,830

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2017

CONTRACTS AND GRANTS FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Local sources	\$ 14,798,077	\$ 6,084,664	\$ 8,585,417	\$ 14,670,081	\$ (127,996)
State sources	15,104,121	5,807,846	8,139,142	13,946,988	(1,157,133)
Federal sources	35,557,714	10,640,136	11,550,135	22,190,271	(13,367,443)
TOTAL REVENUES	65,459,912	22,532,646	28,274,694	50,807,340	(14,652,572)
EXPENDITURES:					
Local contracts	14,437,393	6,186,225	8,111,982	14,298,207	139,186
State grants	13,191,836	5,283,837	7,542,348	12,826,185	365,651
Federal grants	32,502,207	9,966,207	10,808,952	20,775,159	11,727,048
TOTAL EXPENDITURES	60,131,436	21,436,269	26,463,282	47,899,551	12,231,885
Contingency	4,015,364	-	-	-	4,015,364
REVENUES OVER (UNDER) EXPENDITURES	1,313,112	1,096,377	1,811,412	2,907,789	1,594,677
OTHER FINANCING SOURCES (USES):					
Transfers in	381,056	189,929	191,127	381,056	-
Transfers (out)	(3,517,886)	(1,252,068)	(1,435,587)	(2,687,655)	830,231
TOTAL OTHER FINANCING SOURCES (USES)	(3,136,830)	(1,062,139)	(1,244,460)	(2,306,599)	830,231
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(1,823,718)	34,238	566,952	601,190	2,424,908
Beginning fund balance	1,823,718	1,823,718	1,857,956	1,823,718	-
Ending fund balance - budgetary basis	\$ -	\$ 1,857,956	\$ 2,424,908	\$ 2,424,908	\$ 2,424,908

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2017

STUDENT FINANCIAL AID FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
From local sources:					
Interest from investments	\$ 15,550	\$ 7,208	\$ 5,335	\$ 12,543	\$ (3,007)
Private scholarships	2,830,134	8,890	8,142	17,032	(2,813,102)
Miscellaneous income	-	302	386	688	688
Total from local sources	2,845,684	16,400	13,863	30,263	(2,815,421)
From federal sources	361,095,408	131,888,769	120,120,191	252,008,960	(109,086,448)
TOTAL REVENUES	363,941,092	131,905,169	120,134,054	252,039,223	(111,901,869)
EXPENDITURES:					
College funded programs	810,958	27,509	113,429	140,938	670,020
Federal programs	364,252,494	132,028,519	120,250,747	252,279,266	111,973,228
Short term student loan program	275,050	8,890	8,142	17,032	258,018
Contingency	1,650,038	-	-	-	1,650,038
TOTAL EXPENDITURES	366,988,540	132,064,918	120,372,318	252,437,236	114,551,304
REVENUES OVER (UNDER) EXPENDITURES	(3,047,448)	(159,749)	(238,264)	(398,013)	2,649,435
OTHER FINANCING SOURCES (USES):					
Transfers in	1,548,066	166,000	166,000	332,000	(1,216,066)
Transfers (out)	(1,297,214)	(414,972)	(636,777)	(1,051,749)	245,465
TOTAL OTHER FINANCING SOURCES (USES)	250,852	(248,972)	(470,777)	(719,749)	(970,601)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(2,796,596)	(408,721)	(709,041)	(1,117,762)	1,678,834
Beginning fund balance	2,796,596	2,796,596	2,387,875	2,796,596	-
Ending fund balance - budgetary basis	\$ -	\$ 2,387,875	\$ 1,678,834	\$ 1,678,834	\$ 1,678,834

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2017

GENERAL OBLIGATION (G.O.) BOND FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
From local sources:					
Proceeds from tax levies - current year	\$ 78,540,814	\$ 33,997,299	\$ 46,213,610	\$ 80,210,909	\$ 1,670,095
Proceeds from tax levies - prior year	1,013,242	656,092	562,318	1,218,410	205,168
Interest from investments	148,254	160,862	154,671	315,533	167,279
TOTAL REVENUES	79,702,310	34,814,253	46,930,599	81,744,852	2,042,542
EXPENDITURES:					
Principal payments	51,055,000	24,495,000	26,745,000	51,240,000	(185,000)
Interest payments	33,318,150	17,463,162	15,665,713	33,128,875	189,275
TOTAL EXPENDITURES	84,373,150	41,958,162	42,410,713	84,368,875	4,275
REVENUES OVER (UNDER) EXPENDITURES	(4,670,840)	(7,143,909)	4,519,886	(2,624,023)	2,046,817
OTHER FINANCING SOURCES (USES):					
Refunding bond proceeds	-	-	117,977,634	117,977,634	117,977,634
Premium on refunding bond	-	-	18,181,890	18,181,890	18,181,890
Payment to refunded bond escrow agent	-	-	(136,159,524)	(136,159,524)	(136,159,524)
Total other financing sources (uses)	-	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(4,670,840)	(7,143,909)	4,519,886	(2,624,023)	2,046,817
Beginning fund balance	8,604,341	8,604,341	1,460,432	8,604,341	-
Ending fund balance - budgetary basis	\$ 3,933,501	\$ 1,460,432	\$ 5,980,318	\$ 5,980,318	\$ 2,046,817

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2017

P.E.R.S. DEBT SERVICE FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
EXPENDITURES:					
Principal payments	\$ 8,650,000	\$ 4,060,000	\$ 4,590,000	\$ 8,650,000	\$ -
Interest payments	8,936,450	4,551,252	4,385,198	8,936,450	-
TOTAL EXPENDITURES	17,586,450	8,611,252	8,975,198	17,586,450	-
REVENUES OVER (UNDER) EXPENDITURES	(17,586,450)	(8,611,252)	(8,975,198)	(17,586,450)	-
OTHER FINANCING SOURCES (USES):					
Transfer from PERS Reserve Fund	17,586,450	8,611,252	8,975,198	17,586,450	-
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	-	-	-	-	-
Beginning fund balance	-	-	-	-	-
Ending fund balance - budgetary basis	\$ -	\$ -	\$ -	\$ -	\$ -

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2017

CAPITAL PROJECTS FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Interest from investments	\$ 100,000	\$ 40,924	\$ 36,794	\$ 77,718	\$ (22,282)
Other revenues	400,000	217,122	682,715	899,837	499,837
TOTAL REVENUES	500,000	258,046	719,509	977,555	477,555
EXPENDITURES:					
Capital outlay	6,225,483	883,850	3,897,559	4,781,409	1,444,074
Contingency	245,306	-	-	-	245,306
TOTAL EXPENDITURES	6,470,789	883,850	3,897,559	4,781,409	1,689,380
REVENUES OVER (UNDER) EXPENDITURES	(5,970,789)	(625,804)	(3,178,050)	(3,803,854)	2,166,935
OTHER FINANCING SOURCES (USES):					
Transfers in	2,661,523	1,000,000	1,320,523	2,320,523	(341,000)
Transfers (out)	(2,231,040)	(2,231,040)	-	(2,231,040)	-
TOTAL OTHER FINANCING SOURCES (USES)	430,483	(1,231,040)	1,320,523	89,483	(341,000)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(5,540,306)	(1,856,844)	(1,857,527)	(3,714,371)	1,825,935
Beginning fund balance	7,542,139	7,542,139	5,685,295	7,542,139	-
Ending fund balance - budgetary basis	\$ 2,001,833	\$ 5,685,295	\$ 3,827,768	\$ 3,827,768	\$ 1,825,935

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2017

CAPITAL CONSTRUCTION FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Interest from investments	\$ 220,000	\$ 473,352	\$ 555,098	\$ 1,028,450	\$ 808,450
State sources	8,100,000	-	-	-	(8,100,000)
Miscellaneous income	350,000	239,179	9,713	248,892	(101,108)
TOTAL REVENUES	8,670,000	712,531	564,811	1,277,342	(7,392,658)
EXPENDITURES:					
Sylvania campus	21,500,000	9,151,271	7,060,273	16,211,544	5,288,456
Cascade campus	11,100,000	9,627,716	1,396,746	11,024,462	75,538
Rock Creek campus	26,000,000	19,716,345	4,864,637	24,580,982	1,419,018
Southeast campus	2,600,000	1,582,622	958,852	2,541,474	58,526
District-wide projects	27,713,512	10,603,453	8,873,474	19,476,927	8,236,585
Contingency	34,250,373	-	-	-	34,250,373
TOTAL EXPENDITURES	123,163,885	50,681,407	23,153,982	73,835,389	49,328,496
REVENUES OVER (UNDER) EXPENDITURES	(114,493,885)	(49,968,876)	(22,589,171)	(72,558,047)	41,935,838
Transfers in	2,898,410	2,531,040	367,370	2,898,410	-
Transfers out	(341,000)	-	-	-	341,000
TOTAL OTHER FINANCING SOURCES (USES)	2,557,410	2,531,040	367,370	2,898,410	341,000
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(111,936,475)	(47,437,836)	(22,221,801)	(69,659,637)	42,276,838
Beginning fund balance	119,396,824	119,396,824	71,958,988	119,396,824	-
Ending fund balance - budgetary basis	<u>\$ 7,460,349</u>	<u>\$ 71,958,988</u>	<u>\$ 49,737,187</u>	<u>\$ 49,737,187</u>	<u>\$ 42,276,838</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2017

<u>FOOD SERVICES FUND</u>					
	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Food sales	\$ 12,147,173	\$ 4,314,670	\$ 4,024,387	\$ 8,339,057	\$ (3,808,116)
TOTAL REVENUES	12,147,173	4,314,670	4,024,387	8,339,057	(3,808,116)
EXPENDITURES:					
Food services operations	14,065,415	4,825,188	4,279,255	9,104,443	4,960,972
Contingency	659,388	-	-	-	659,388
TOTAL EXPENDITURES	14,724,803	4,825,188	4,279,255	9,104,443	5,620,360
REVENUES OVER (UNDER) EXPENDITURES	(2,577,630)	(510,518)	(254,868)	(765,386)	1,812,244
OTHER FINANCING SOURCES (USES):					
Interest from investments	4,185	418	4,974	5,392	1,207
Transfers in	2,500,000	1,060,717	500,000	1,560,717	(939,283)
Transfers (out)	(119,458)	(57,853)	(24,401)	(82,254)	37,204
TOTAL OTHER FINANCING SOURCES (USES)	2,384,727	1,003,282	480,573	1,483,855	(900,872)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(192,903)	492,764	225,705	718,469	911,372
Beginning fund balance	192,903	192,903	685,667	192,903	-
Ending fund balance - budgetary basis	\$ -	\$ 685,667	\$ 911,372	\$ 911,372	\$ 911,372

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2017

	<u>BOOKSTORE FUND</u>				
	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Bookstore sales	\$ 24,986,251	\$ 11,924,525	\$ 10,488,373	\$ 22,412,898	\$ (2,573,353)
Miscellaneous income	261,554	108,689	158,645	267,334	5,780
TOTAL REVENUES	<u>25,247,805</u>	<u>12,033,214</u>	<u>10,647,018</u>	<u>22,680,232</u>	<u>(2,567,573)</u>
EXPENDITURES:					
Bookstore operations	28,829,805	11,924,750	11,060,910	22,985,660	5,844,145
Contingency	2,503,240	-	-	-	2,503,240
TOTAL EXPENDITURES	<u>31,333,045</u>	<u>11,924,750</u>	<u>11,060,910</u>	<u>22,985,660</u>	<u>8,347,385</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(6,085,240)</u>	<u>108,464</u>	<u>(413,892)</u>	<u>(305,428)</u>	<u>5,779,812</u>
OTHER FINANCING SOURCES (USES):					
Transfers (out)	(3,249,587)	(1,418,453)	(814,637)	(2,233,090)	1,016,497
Interest from investments	182,815	110,428	127,764	238,192	55,377
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,066,772)</u>	<u>(1,308,025)</u>	<u>(686,873)</u>	<u>(1,994,898)</u>	<u>1,071,874</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>(9,152,012)</u>	<u>(1,199,561)</u>	<u>(1,100,765)</u>	<u>(2,300,326)</u>	<u>6,851,686</u>
Beginning fund balance	<u>14,651,832</u>	<u>14,651,832</u>	<u>13,452,271</u>	<u>14,651,832</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ 5,499,820</u>	<u>\$ 13,452,271</u>	<u>\$ 12,351,506</u>	<u>\$ 12,351,506</u>	<u>\$ 6,851,686</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2017

PARKING OPERATIONS FUND

	2015-17 ADJUSTED BUDGET	1ST YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Parking permits	\$ 4,971,742	\$ 2,759,451	\$ 2,837,857	\$ 5,597,308	\$ 625,566
Parking fines	596,309	265,467	286,693	552,160	(44,149)
Other revenue	4,810,649	1,776,483	1,730,931	3,507,414	(1,303,235)
TOTAL REVENUES	10,378,700	4,801,401	4,855,481	9,656,882	(721,818)
EXPENDITURES:					
Parking operations	12,746,280	4,234,773	4,365,062	8,599,835	4,146,445
Contingency	1,708,286	-	-	-	1,708,286
TOTAL EXPENDITURES	14,454,566	4,234,773	4,365,062	8,599,835	5,854,731
REVENUES OVER (UNDER) EXPENDITURES	(4,075,866)	566,628	490,419	1,057,047	5,132,913
OTHER FINANCING SOURCES (USES):					
Interest from investments	9,425	30,392	36,756	67,148	57,723
Transfers in	104,290	52,145	52,145	104,290	-
Transfers (out)	(1,096,886)	(704,551)	(392,335)	(1,096,886)	-
TOTAL OTHER FINANCING SOURCES (USES)	(983,171)	(622,014)	(303,434)	(925,448)	57,723
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(5,059,037)	(55,386)	186,985	131,599	5,190,636
Beginning fund balance	5,059,037	5,059,037	5,003,651	5,059,037	-
Ending fund balance - budgetary basis	\$ -	\$ 5,003,651	\$ 5,190,636	\$ 5,190,636	\$ 5,190,636

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2017

PRINT CENTER FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Charges for services-internal	\$ 1,046,158	\$ 519,020	\$ 525,192	\$ 1,044,212	\$ (1,946)
Charges for services-external	54,376	22,015	19,976	41,991	(12,385)
Copy machine income	973,996	430,818	482,161	912,979	(61,017)
Miscellaneous income	149,800	-	-	-	(149,800)
TOTAL REVENUES	2,224,330	971,853	1,027,329	1,999,182	(225,148)
EXPENDITURES:					
Print center operations	2,208,100	916,042	931,266	1,847,308	360,792
Contingency	45,354	-	-	-	45,354
TOTAL EXPENDITURES	2,253,454	916,042	931,266	1,847,308	406,146
REVENUES OVER (UNDER) EXPENDITURES	(29,124)	55,811	96,063	151,874	180,998
OTHER FINANCING SOURCES (USES):					
Interest from investments	-	963	1,503	2,466	2,466
Transfers (out)	(88,974)	(44,047)	(35,920)	(79,967)	9,007
TOTAL OTHER FINANCING SOURCES (USES)	(88,974)	(43,084)	(34,417)	(77,501)	11,473
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(118,098)	12,727	61,646	74,373	192,471
Beginning fund balance	118,098	118,098	130,825	118,098	-
Ending fund balance - budgetary basis	\$ -	\$ 130,825	\$ 192,471	\$ 192,471	\$ 192,471

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2017

RISK MANAGEMENT FUND

	2015-17 ADJUSTED BUDGET	1ST YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Department charges & other revenues	\$ 5,031,870	\$ 2,708,144	\$ 2,764,885	\$ 5,473,029	\$ 441,159
Insurance reimbursement	48,636	-	-	-	(48,636)
TOTAL REVENUES	5,080,506	2,708,144	2,764,885	5,473,029	392,523
EXPENDITURES:					
Self-insurance & risk administration	5,199,009	3,179,639	2,164,373	5,344,012	(145,003)
Contingency	785,953	-	-	-	785,953
TOTAL EXPENDITURES	5,984,962	3,179,639	2,164,373	5,344,012	640,950
REVENUES OVER (UNDER) EXPENDITURES	(904,456)	(471,495)	600,512	129,017	1,033,473
OTHER FINANCING SOURCES (USES):					
Interest from investments	129,580	26,083	40,959	67,042	(62,538)
Transfers in	1,708,156	867,571	840,585	1,708,156	-
Transfers out	(425,288)	-	(425,288)	(425,288)	-
TOTAL OTHER FINANCING SOURCES (USES)	1,412,448	893,654	456,256	1,349,910	(62,538)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	507,992	422,159	1,056,768	1,478,927	970,935
Beginning fund balance	4,093,652	4,093,652	4,515,811	4,093,652	-
Ending fund balance - budgetary basis	\$ 4,601,644	\$ 4,515,811	\$ 5,572,579	\$ 5,572,579	\$ 970,935

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2017

	<u>P.E.R.S./RESERVE FUND</u>				
	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Department PERS charges	\$ 17,351,330	\$ 8,298,931	\$ 8,250,419	\$ 16,549,350	\$ (801,980)
TOTAL REVENUES	17,351,330	8,298,931	8,250,419	16,549,350	(801,980)
OPERATING EXPENSES:					
Contingency	200,000	-	-	-	200,000
TOTAL OPERATING EXPENSES	200,000	-	-	-	200,000
OTHER FINANCING SOURCES (USES):					
Transfers (out)	(17,636,450)	(8,636,252)	(9,000,198)	(17,636,450)	-
Interest from investments	320,000	159,595	192,366	351,961	31,961
TOTAL OTHER FINANCING SOURCES (USES)	(17,316,450)	(8,476,657)	(8,807,832)	(17,284,489)	31,961
REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES)	(165,120)	(177,726)	(557,413)	(735,139)	(570,019)
Beginning fund balance	25,667,888	25,667,888	25,490,162	25,667,888	-
Ending fund balance - budgetary basis	\$ 25,502,768	\$ 25,490,162	\$ 24,932,749	\$ 24,932,749	\$ (570,019)

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

For the year ended June 30, 2017

EARLY RETIREMENT INCENTIVE PLAN

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
ADDITIONS:					
Amount provided by General Fund	\$ 1,000,000	\$ 350,000	\$ 500,000	\$ 850,000	\$ (150,000)
Interest from investments	120,554	10,971	11,986	22,957	(97,597)
 TOTAL ADDITIONS	 1,120,554	 360,971	 511,986	 872,957	 (247,597)
DEDUCTIONS:					
Other post-retirement benefits	1,334,848	570,356	498,843	1,069,199	265,649
Contingency	386,125	-	-	-	386,125
 TOTAL DEDUCTIONS	 1,720,973	 570,356	 498,843	 1,069,199	 651,774
 NET ADDITIONS (DEDUCTIONS):	 (600,419)	 (209,385)	 13,143	 (196,242)	 404,177
 Beginning fund balance	 1,477,195	 1,477,195	 1,267,810	 1,477,195	 -
 Ending fund balance - budgetary basis	 <u>\$ 876,776</u>	 <u>\$ 1,267,810</u>	 <u>\$ 1,280,953</u>	 <u>\$ 1,280,953</u>	 <u>\$ 404,177</u>



OTHER FINANCIAL SCHEDULES

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS
June 30, 2017

GENERAL OBLIGATION BONDS

FISCAL YEAR	<u>SERIES 2009, ISSUED 04/01/2009</u>		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
2017-18	\$ 9,005,000	\$ 923,000	\$ 9,928,000
2018-19	9,455,000	472,750	9,927,750
TOTALS	<u>\$ 18,460,000</u>	<u>\$ 1,395,750</u>	<u>\$ 19,855,750</u>

GENERAL OBLIGATION BONDS

FISCAL YEAR	<u>SERIES 2013, ISSUED 03/28/2013</u>		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
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>\$ 152,380,000</u>	<u>\$ 59,856,420</u>	<u>\$ 212,236,420</u>

GENERAL OBLIGATION REFUNDING BONDS

FISCAL YEAR	<u>SERIES 2015, ISSUED 03/28/2015</u>		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
2017-18	<u>\$ 12,805,000</u>	<u>\$ 640,250</u>	<u>\$ 13,445,250</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS
June 30, 2017

GENERAL OBLIGATION REFUNDING BONDS

FISCAL YEAR	SERIES 2016, ISSUED 03/28/2015		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
2017-18	\$ -	\$ 5,862,250	\$ 5,862,250
2018-19	-	5,862,250	5,862,250
2019-20	9,430,000	5,862,250	15,292,250
2020-21	9,885,000	5,450,750	15,335,750
2021-22	10,380,000	4,956,500	15,336,500
2022-23	10,900,000	4,437,500	15,337,500
2023-24	11,445,000	3,892,500	15,337,500
2024-25	12,020,000	3,320,250	15,340,250
2025-26	12,615,000	2,719,250	15,334,250
2026-27	13,250,000	2,088,500	15,338,500
2027-28	13,910,000	1,426,000	15,336,000
2028-29	14,610,000	730,500	15,340,500
TOTALS	\$ 118,445,000	\$ 46,608,500	\$ 165,053,500

LIMITED TAX PENSION BONDS

FISCAL YEAR	SERIES 2003, ISSUED 6/12/2003		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
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	\$ 87,170,000	\$ 26,496,128	\$ 113,666,128

NOTE PAYABLE

FISCAL YEAR	SIX DEGREES, ISSUED 8/1/2017		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
2017-18	\$ 520,268	\$ -	\$ 520,268
2018-19	520,268	-	520,268
2019-20	520,268	-	520,268
TOTALS	\$ 1,560,804	\$ -	\$ 1,560,804



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.

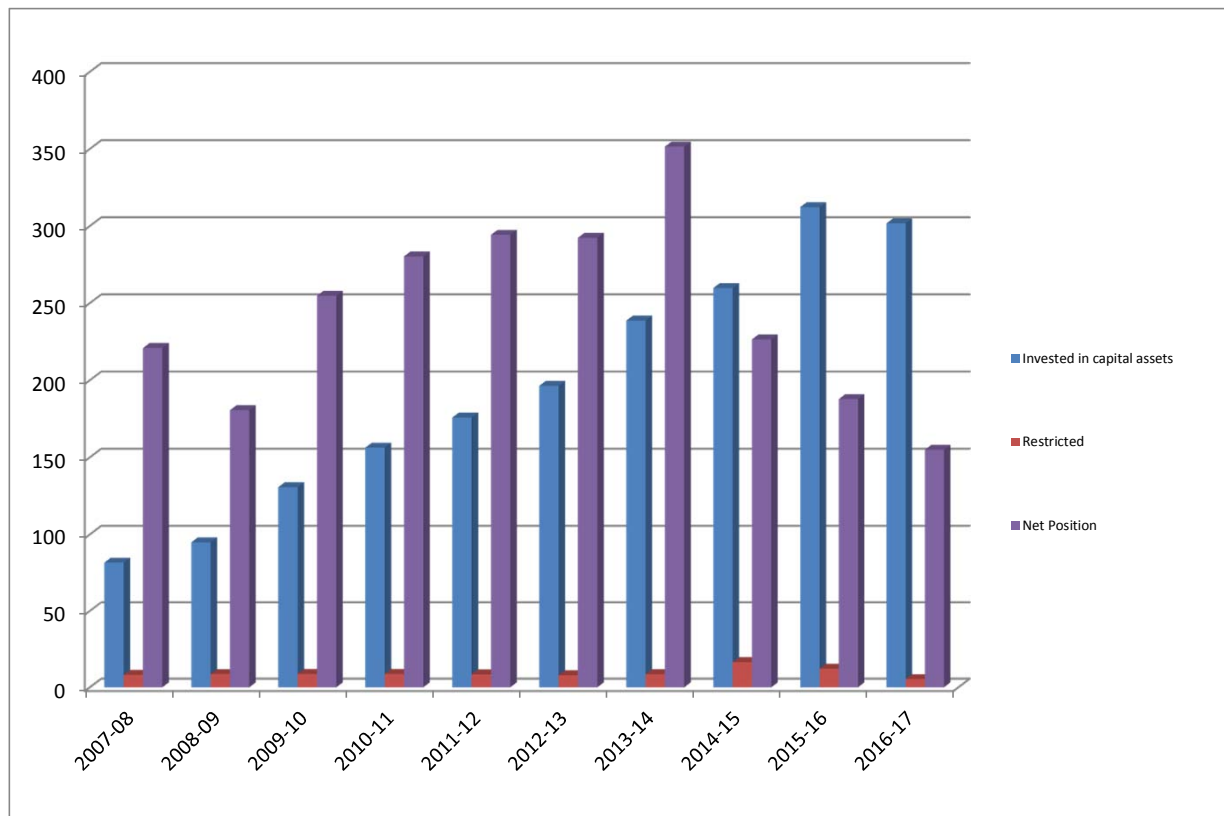
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2016-17	2015-16	2014-15	2013-14
Net invested in capital assets	\$ 586,034	\$ 575,232	\$ 534,021	\$ 497,577
Less related debt	<u>(284,189)</u>	<u>(294,173)</u>	<u>(274,240)</u>	<u>(258,913)</u>
Net investment in capital assets	301,845	281,059	259,781	238,664
Net position, restricted	5,422	12,552	16,497	8,596
Net position, unrestricted	<u>(152,347)</u>	<u>(105,818)</u>	<u>(49,776)</u>	<u>104,248</u>
TOTAL NET POSITION	<u><u>\$ 154,920</u></u>	<u><u>\$ 187,793</u></u>	<u><u>\$ 226,502</u></u>	<u><u>\$ 351,508</u></u>

Note: Restated in 2015, 2014, 2011, 2010 and 2008.



<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
\$ 407,082 <u>(210,674)</u>	\$ 339,857 <u>(164,041)</u>	\$ 323,919 <u>(167,624)</u>	\$ 300,161 <u>(169,457)</u>	\$ 242,922 <u>(148,025)</u>	\$ 211,565 <u>(129,947)</u>
196,408	175,816	156,295	130,704	94,897	81,618
7,935	8,510	8,782	8,764	8,700	8,203
<u>88,105</u>	<u>110,021</u>	<u>115,262</u>	<u>115,364</u>	<u>76,987</u>	<u>131,125</u>
<u>\$ 292,448</u>	<u>\$ 294,347</u>	<u>\$ 280,339</u>	<u>\$ 254,832</u>	<u>\$ 180,584</u>	<u>\$ 220,946</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

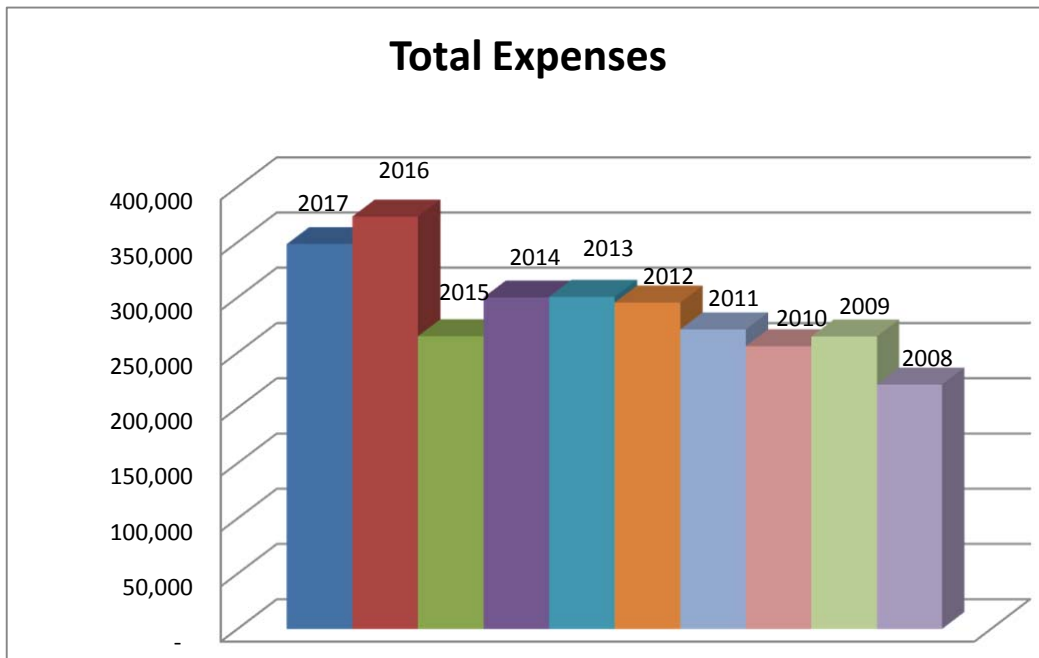
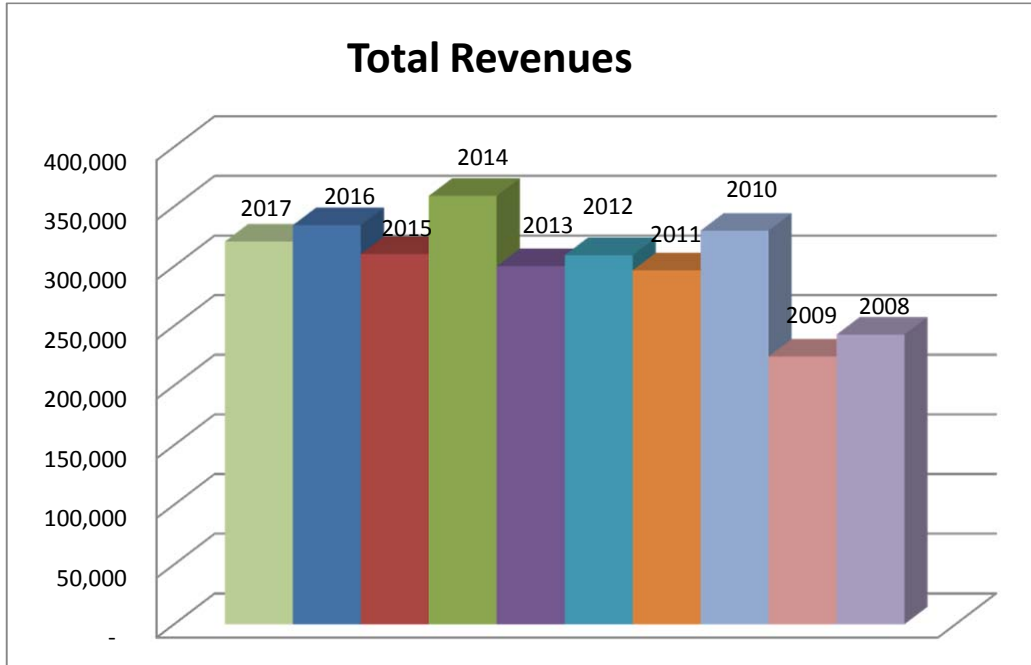
	2016-17	2015-16	2014-15	2013-14
Operating revenues				
Student tuition and fees, net	\$ 66,752	\$ 65,901	\$ 63,196	\$ 63,775
Grants and contracted programs	20,478	16,725	17,194	16,416
Auxiliary enterprises	15,820	16,701	18,717	17,731
Other operating revenues	10	239	638	606
Total operating revenues	103,060	99,566	99,745	98,528
Nonoperating revenues				
State FTE reimbursement	67,933	102,767	53,710	78,243
Property taxes	80,013	66,165	77,393	74,246
Federal financial aid	56,860	56,448	65,488	69,780
State and local grants and contracts	11,941	8,196	12,809	15,583
Investment income	996	1,316	1,136	2,388
Investment gain on pension asset	-	-	-	20,273
Gain on disposal of assets	15	48	-	-
Total nonoperating revenues	217,758	234,940	210,536	260,513
Total Revenues	320,818	334,506	310,281	359,041
Operating expenses				
Campus educational and campus general	144,870	169,754	100,927	131,068
Other educational and general	97,588	108,034	61,590	78,008
Grants and contracted programs	26,149	21,277	23,881	21,906
Auxiliary enterprises	19,962	20,812	23,256	22,747
Student financial aid, net tuition and textbooks	22,038	18,325	19,630	20,092
Other support services	4,856	5,245	4,009	4,149
Depreciation and amortization	12,213	8,202	7,975	6,428
Total operating expenses	327,676	351,649	241,268	284,398
Nonoperating expenses				
Interest expense	19,964	21,566	23,469	15,583
Investment loss on pension asset	-	-	-	-
Bond issuance costs	638	-	166	-
Loss on disposal of assets	-	-	-	-
Total nonoperating expenses	20,602	21,566	23,635	15,583
Total Expenses	348,278	373,215	264,903	299,981
Capital contributions	-	-	-	-
TOTAL INCREASE (DECREASE) IN NET POSITION	\$ (27,460)	\$ (38,709)	\$ 45,378	\$ 59,060

Note: Restated in 2015, 2014, 2011, 2010 and 2008.

2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
\$ 60,845	\$ 62,216	\$ 62,644	\$ 61,946	\$ 52,837	\$ 49,203
19,085	20,362	21,045	18,944	16,449	19,845
19,139	21,259	18,298	18,093	15,721	14,679
12	20	221	61	11	3,129
99,081	103,857	102,208	99,044	85,018	86,856
39,191	71,604	41,003	77,046	48,945	81,165
65,790	58,282	59,895	57,622	44,162	42,504
73,239	62,720	57,471	54,704	31,828	20,837
9,357	8,899	11,740	18,881	11,069	6,962
514	1,313	1,814	4,208	3,267	4,362
12,918	2,651	22,373	18,416	-	-
-	-	-	-	10	-
201,009	205,469	194,296	230,877	139,281	155,830
300,090	309,326	296,504	329,921	224,299	242,686
129,297	134,836	118,239	111,610	103,227	98,524
72,426	68,982	59,521	55,597	52,898	45,910
24,778	25,617	26,881	23,658	21,649	24,841
24,069	23,904	20,885	19,919	17,136	16,228
22,678	16,123	20,235	24,535	11,953	7,451
4,434	4,479	3,614	4,034	3,696	2,848
7,508	7,438	6,670	5,458	5,830	5,855
285,190	281,379	256,045	244,811	216,389	201,657
13,919	13,931	14,930	11,092	13,281	11,796
-	-	-	-	35,023	-
1,425	-	-	-	-	-
-	8	22	4	-	7,749
15,344	13,939	14,952	11,096	48,304	19,545
300,534	295,318	270,997	255,907	264,693	221,202
-	-	-	234	32	-
\$ (444)	\$ 14,008	\$ 25,507	\$ 74,248	\$ (40,362)	\$ 21,484

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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





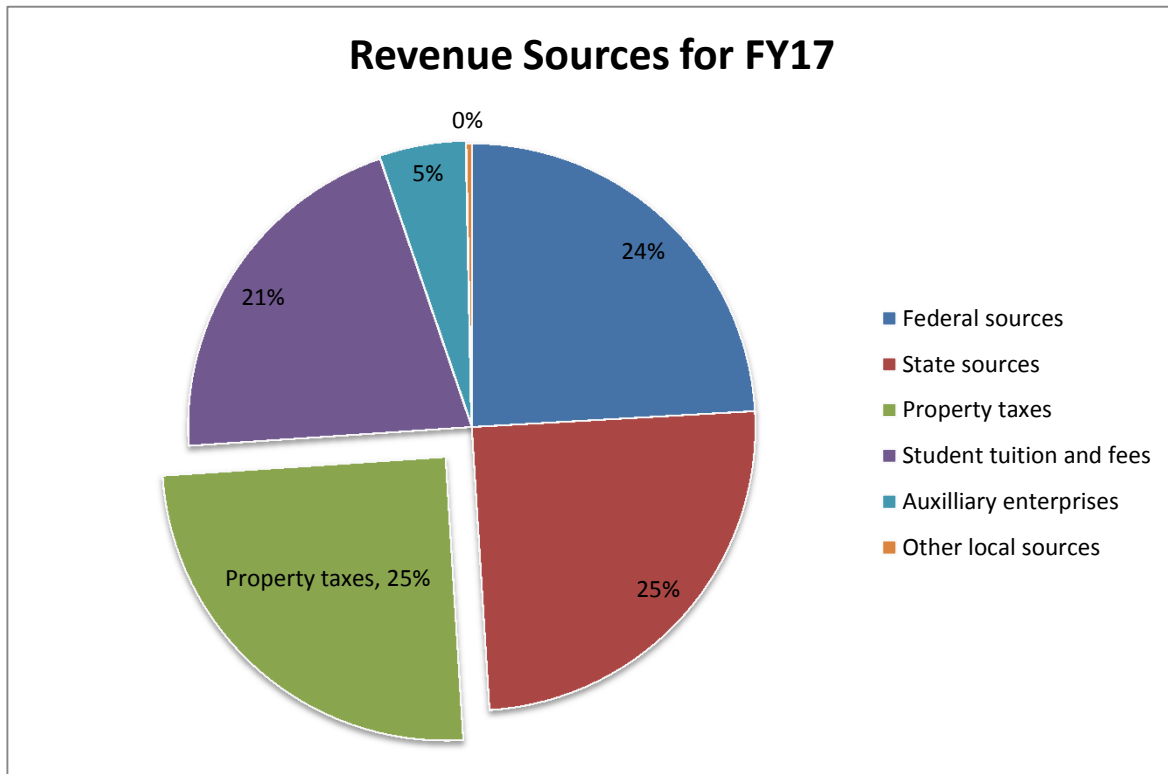
PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

REVENUES BY SOURCES
LAST TEN FISCAL YEARS (in Thousands)

	2016-17	2015-16	2014-15	2013-14
Federal financial aid	\$ 56,860	\$ 56,448	\$ 65,488	\$ 69,780
Other federal grants and contracts	20,478	16,725	17,194	16,416
Federal sources	\$ 77,338	\$ 73,173	\$ 82,682	\$ 86,196
State FTE reimbursement	67,933	102,767	53,710	78,243
Other state grants and contracts	11,941	8,196	12,809	15,583
State sources	79,874	110,963	66,519	93,826
Local sources:				
Property taxes (2)	80,013	66,165	77,393	74,246
Student tuition and fees, net	66,752	65,901	63,196	63,775
Auxiliary enterprise	15,820	16,701	18,717	17,731
Food Services	4,024	4,315	4,606	4,571
Bookstore, net of scholarship allowance	6,940	7,585	9,464	8,048
Parking Operation	4,856	4,801	4,647	5,112
Other local sources	1,021	1,603	1,774	23,267
Investment income	996	1,316	1,136	2,388
Gain on disposal of capital assets	15	48	-	-
Investment gain on pension asset	-	-	-	20,273
Other local sources	10	239	638	606
Total local sources	163,606	150,370	161,080	179,019
Total revenues (1)	\$ 320,818	\$ 334,506	\$ 310,281	\$ 359,041

(1) Restated in 2015, 2011, 2010 and 2008.

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

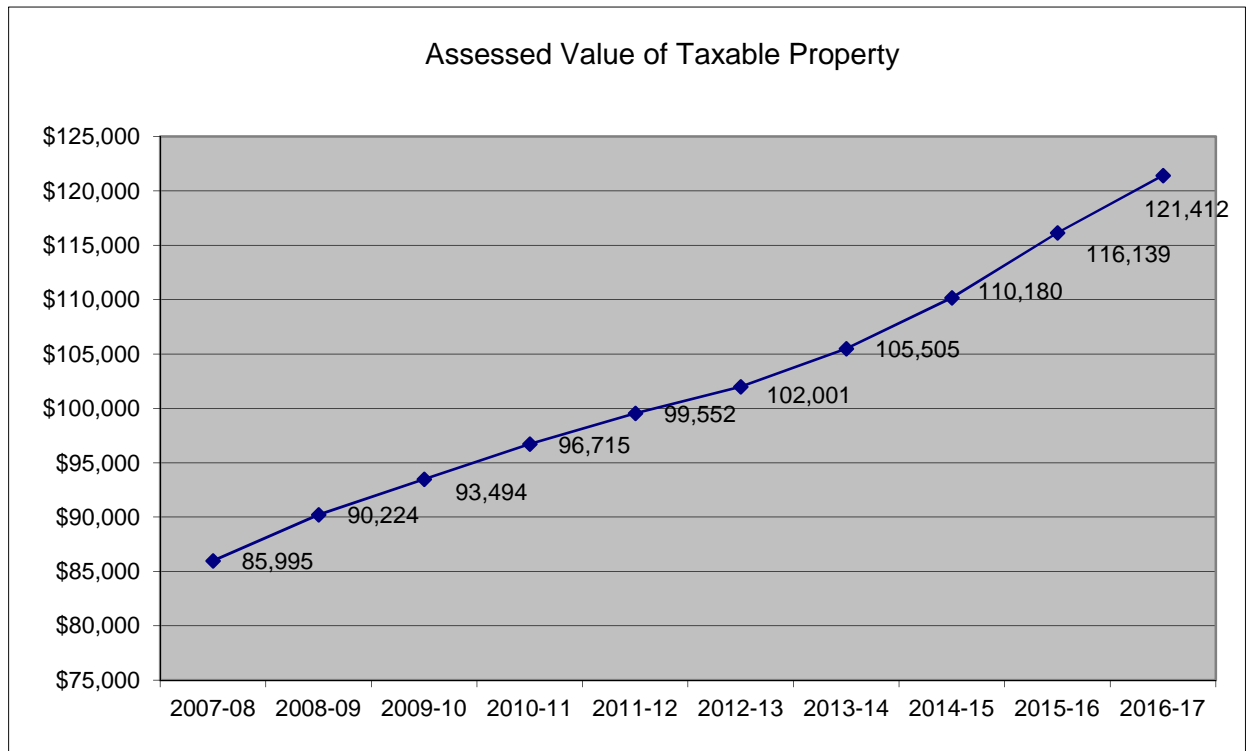


<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
\$ 73,239	\$ 62,720	\$ 57,471	\$ 54,704	\$ 31,828	\$ 20,837
<u>19,085</u>	<u>20,362</u>	<u>21,045</u>	<u>18,944</u>	<u>16,449</u>	<u>19,845</u>
\$ 92,324	\$ 83,082	\$ 78,516	\$ 73,648	\$ 48,277	\$ 40,682
39,191	71,604	41,003	77,046	48,945	81,165
<u>9,357</u>	<u>8,899</u>	<u>11,740</u>	<u>18,881</u>	<u>11,069</u>	<u>6,962</u>
<u>48,548</u>	<u>80,503</u>	<u>52,743</u>	<u>95,927</u>	<u>60,014</u>	<u>88,127</u>
65,790	58,282	59,895	57,622	44,162	42,504
60,845	62,216	62,644	61,946	52,837	49,203
19,139	21,259	18,298	18,093	15,721	14,679
4,827	4,915	4,581	4,124	3,764	3,402
9,095	11,478	9,697	10,300	9,500	9,070
5,217	4,866	4,020	3,669	2,457	2,207
13,444	3,984	24,408	22,685	3,288	7,491
514	1,313	1,814	4,208	3,267	4,362
-	-	-	-	10	-
12,918	2,651	22,373	18,416	-	-
12	20	221	61	11	3,129
<u>159,218</u>	<u>145,741</u>	<u>165,245</u>	<u>160,346</u>	<u>116,008</u>	<u>113,877</u>
<u>\$ 300,090</u>	<u>\$ 309,326</u>	<u>\$ 296,504</u>	<u>\$ 329,921</u>	<u>\$ 224,299</u>	<u>\$ 242,686</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2016-17	2015-16	2014-15	2013-14
Net Assessed Valuation (1)	\$ 121,411,734	\$ 116,139,150	\$ 110,179,585	\$ 105,504,924
Percentage Increased (decreased)	4.5%	5.4%	4.4%	3.4%
Direct Tax Rate (2)	\$ 0.679	\$ 0.586	\$ 0.722	\$ 0.734
Real Market Valuation	\$ 213,829,495	\$ 186,844,997	\$ 170,320,945	\$ 154,652,630
Percentage Increased (decreased)	14.4%	9.7%	10.1%	5.1%
Ratio of Assessed Valuation to Real Market Valuation	56.8%	62.2%	64.7%	68.2%



(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

2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
\$ 102,000,829	\$ 99,551,921	\$ 96,714,788	\$ 93,493,947	\$ 90,223,567	\$ 85,994,505
2.5%	2.9%	3.4%	3.6%	4.9%	5.2%
\$ 0.665	\$ 0.598	\$ 0.636	\$ 0.633	\$ 0.503	\$ 0.505
\$ 147,092,511	\$ 150,172,560	\$ 158,329,495	\$ 165,721,635	\$ 172,500,177	\$ 163,621,726
-2.1%	-5.2%	-4.5%	-3.9%	5.4%	13.8%
69.3%	66.3%	61.1%	56.4%	52.3%	52.6%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2016-17	2015-16	2014-15	2013-14
Levy extended by assessor (1)	<u>\$ 82,318</u>	<u>\$ 68,035</u>	<u>\$ 77,437</u>	<u>\$ 67,620</u>
Reduction of taxes receivable: (2) (3)				
Current year	<u>\$ 80,793</u>	<u>\$ 66,673</u>	<u>\$ 77,999</u>	<u>\$ 75,599</u>
First year prior	648	772	904	839
Second year prior	232	256	281	262
Third year prior	194	195	235	236
Fourth year prior	81	72	122	108
Fifth year prior	10	12	20	13
Sixth year prior and earlier	<u>14</u>	<u>9</u>	<u>14</u>	<u>17</u>
Total prior	<u>1,179</u>	<u>1,316</u>	<u>1,576</u>	<u>1,475</u>
Total Property Taxes	<u>\$ 81,972</u>	<u>\$ 67,989</u>	<u>\$ 79,575</u>	<u>\$ 77,074</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>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
<u>\$ 59,435</u>	<u>\$ 61,449</u>	<u>\$ 59,191</u>	<u>\$ 45,298</u>	<u>\$ 43,358</u>	<u>\$ 39,893</u>
<u>\$ 65,902</u>	<u>\$ 57,706</u>	<u>\$ 59,771</u>	<u>\$ 57,342</u>	<u>\$ 43,739</u>	<u>\$ 42,128</u>
879	691	1,108	950	754	656
389	143	301	226	154	156
250	193	156	105	83	86
85	68	58	47	42	43
11	7	6	6	4	6
16	7	7	7	7	4
<u>1,630</u>	<u>1,109</u>	<u>1,636</u>	<u>1,341</u>	<u>1,044</u>	<u>951</u>
<u>\$ 67,532</u>	<u>\$ 58,815</u>	<u>\$ 61,407</u>	<u>\$ 58,683</u>	<u>\$ 44,783</u>	<u>\$ 43,079</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

LARGEST PROPERTY TAXPAYERS WITHIN DISTRICT
(in Thousands)

	2017		
	ASSESSED VALUATION	RANK	PERCENT OF TOTAL DISTRICT'S ASSESSED VALUATION
Intel Corporation	\$ 2,185,035	1	1.80 %
Portland General Electric	1,503,505	2	1.24
Nike	771,795	3	0.64
Comcast	705,783	4	0.58
Northwest Natural Gas	646,438	5	0.53
Pacific Realty Associates	352,596	6	0.29
Fred Meyer Stores Inc	318,306	7	0.26
PacifiCorp	310,099	8	0.26
Port of Portland	253,802	9	0.21
Weston Investment	235,693	10	0.19
	7,283,052		6.00
ALL OTHER TAXPAYERS	114,128,682		94.00
TOTAL	\$ 121,411,734		100.00 %

	2008		
	ASSESSED VALUATION	RANK	PERCENT OF TOTAL DISTRICT'S ASSESSED VALUATION
Intel Corporation	\$ 1,073,118	1	1.25 %
Portland General Electric Co.	649,247	2	0.75
Verizon Northwest Inc.	513,401	3	0.60
Northwest Natural	445,095	4	0.52
Nike	348,297	5	0.41
Qwest Wireless	291,823	6	0.34
Pacific Realty Associates	261,692	7	0.30
PacifiCorp	214,929	8	0.25
Weston Investment Co.	205,381	9	0.24
Oregon Steel Mills	170,274	10	0.20
	4,173,257		4.85
ALL OTHER TAXPAYERS	81,821,248		95.15
TOTAL	\$ 85,994,505		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>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
Current tax levy	\$ 82,318	\$ 68,035	\$ 79,676	\$ 77,437	\$ 67,620
Current tax collections	\$ 78,392	\$ 64,757	\$ 75,788	\$ 73,400	\$ 64,089
Current collections as a percentage of current levy	95.2%	95.2%	95.1%	94.8%	94.8%
Delinquent tax collections	\$ 1,153	\$ 1,353	\$ 1,504	\$ 1,504	\$ 1,324
Total tax collections	\$ 79,545	\$ 66,110	\$ 77,292	\$ 74,904	\$ 65,413
Total tax collections as a percentage of current levy	96.6%	97.2%	97.0%	96.7%	96.7%
Uncollected tax	\$ 4,449	\$ 4,103	\$ 4,058	\$ 3,957	\$ 3,594
Uncollected percentage of current levy	5.4%	6.0%	5.1%	5.1%	5.3%

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

<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
\$ 59,435	\$ 61,449	\$ 59,191	\$ 45,298	\$ 43,358
\$ 56,104	\$ 57,975	\$ 55,575	\$ 42,500	\$ 40,953
94.4%	94.3%	93.9%	93.8%	94.5%
\$ 1,100	\$ 1,611	\$ 1,281	\$ 936	\$ 935
\$ 57,204	\$ 59,586	\$ 56,856	\$ 43,436	\$ 41,888
96.2%	97.0%	96.1%	95.9%	96.6%
\$ 3,507	\$ 2,886	\$ 2,844	\$ 2,337	\$ 1,823
5.9%	4.7%	4.8%	5.2%	4.2%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2016-17	2015-16	2014-15	2013-14
Outstanding Debt				
General obligation bonds (1)	\$ 340,728	\$ 366,132	\$ 393,636	\$ 419,600
Limited tax pension bonds	87,170	91,760	95,820	99,385
Certificate of participation	-	-	-	-
Note payable	1,561	-	-	-
Capital leases	1,935	-	-	83
Total Outstanding Debt	\$ 431,394	\$ 457,892	\$ 489,456	\$ 519,068
Student population	74	79	85	88
Total Debt per student (in dollars)	\$ 5,813	\$ 5,811	\$ 5,738	\$ 5,887
Personal income (2)	N/A	N/A	\$ 115,690,881	\$ 107,536,731
Total Debt to personal income	N/A	N/A	0.42%	0.48%

(1) General obligation bonds are reported including 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 2016-17 and 2015-16 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

2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
\$ 448,191	\$ 272,293	\$ 292,805	\$ 312,190	\$ 325,454	\$ 128,510
102,495	105,180	107,470	109,400	111,165	112,875
860	1,010	1,150	1,285	1,415	1,540
-	300	375	466	37	56
163	231	290	342	100	199
\$ 551,709	\$ 379,014	\$ 402,090	\$ 423,683	\$ 438,171	\$ 243,180
90	95	93	94	87	87
\$ 6,137	\$ 4,005	\$ 4,345	\$ 4,517	\$ 5,036	\$ 2,795
\$ 101,210,007	\$ 98,698,029	\$ 93,449,170	\$ 88,964,975	\$ 87,893,727	\$ 88,021,653
0.55%	0.38%	0.43%	0.48%	0.50%	0.28%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2016-17	2015-16	2014-15	2013-14
General Bonded Debt Outstanding:				
General obligation bonds (1)	\$ 340,728	\$ 366,132	\$ 393,636	\$ 419,600
Limited tax pension bonds	87,170	91,760	95,820	99,385
Certificate of participation	-	-	-	-
Total General bonded Debt	\$ 427,898	\$ 457,892	\$ 489,456	\$ 518,985
Less: Amounts set aside to repay general debt	(5,980)	(1,460)	(8,604)	(3,486)
Net General Bonded Debt	\$ 421,918	\$ 456,432	\$ 480,852	\$ 515,499
Taxable Assessed Property Value (2)	\$ 121,411,734	\$ 116,139,150	\$ 110,179,585	\$ 105,504,924
Population Estimate (3)	N/A	1,351	1,324	1,303
Net bonded debt to assessed value	0.35%	0.39%	0.44%	0.49%
Net bonded debt per capita (in dollars)	N/A	\$ 338	\$ 363	\$ 396

(1) General obligation bonds are reported including premiums.

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

(3) District population for fiscal year 2016-17 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.

2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
\$ 448,191 102,495 860	\$ 272,293 105,180 1,010	\$ 292,805 107,470 1,150	\$ 312,190 109,400 1,285	\$ 325,454 111,165 1,415	\$ 128,510 112,875 1,540
\$ 551,546	\$ 378,483	\$ 401,425	\$ 422,875	\$ 438,034	\$ 242,925
(4,935)	(1,087)	(3,917)	(3,399)	(3,877)	(3,298)
\$ 546,611	\$ 377,396	\$ 397,508	\$ 419,476	\$ 434,157	\$ 239,627
\$ 102,000,829 1,284	\$ 99,551,921 1,267	\$ 96,714,788 1,254	\$ 93,493,947 1,243	\$ 90,223,567 1,233	\$ 85,994,505 1,218
0.54% \$ 426	0.38% \$ 298	0.41% \$ 317	0.45% \$ 337	0.48% \$ 352	0.28% \$ 197

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS (in Thousands)

	2016-17	2015-16	2014-15	2013-14
Legal debt limit (1)	3,207,442	2,802,675	2,554,814	2,319,789
Net general bonded debt applicable to debt limit	421,918	456,432	480,852	515,499
Legal debt margin	<u>\$ 2,785,524</u>	<u>\$ 2,346,242</u>	<u>\$ 2,073,963</u>	<u>\$ 1,804,290</u>
Legal debt margin as a percentage of the debt limit	86.85%	83.71%	81.18%	77.78%

Legal Debt Margin Calculation for Fiscal Year 2016

Real Market Value (2)	\$ 213,829,495	
Applicable percentage	1.5%	
Legal Debt Limit		\$ 3,207,442
Bonded Debt Outstanding	\$ 427,898	
Less: Amounts set aside to repay general debt	(5,980)	
Total Applicable Debt		\$ 421,918
Legal Debt Margin		<u>\$ 2,785,524</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>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
2,206,388	2,252,588	2,374,942	2,485,825	2,587,503	2,454,326
546,611	377,396	397,508	419,476	434,157	239,627
<u>\$ 1,659,776</u>	<u>\$ 1,875,192</u>	<u>\$ 1,977,434</u>	<u>\$ 2,066,349</u>	<u>\$ 2,153,346</u>	<u>\$ 2,214,699</u>
75.23%	83.25%	83.26%	83.13%	83.22%	90.24%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

DIRECT AND OVERLAPPING GROSS BONDED DEBT
June 30, 2017
(dollars in Thousands)

	PERCENT OVERLAP	OVERLAPPING GROSS BONDED DEBT
<u>OVERLAPPING DISTRICT</u>		
DIRECT DEBT		
Portland Community College	100.0%	431,394
OVERLAPPING DISTRICT		
Chehalem Park & Recreation District	100.0%	22,885
City of Beaverton	100.0%	37,047
City of Hillsboro	100.0%	54,703
City of Lake Oswego	99.0%	169,626
City of Newberg	100.0%	18,239
City of Portland	86.5%	576,035
City of Sherwood	100.0%	40,614
City of Tigard	100.0%	23,727
Clackamas County	17.2%	27,008
Clackamas County School District 7J (Lake Oswego)	98.7%	89,420
Columbia County	69.8%	10,472
Columbia County School District 1J (Scappose)	100.0%	27,780
Columbia County School District 47J (Vernonia)	100.0%	17,800
Columbia County School District 502 (St Helens)	99.8%	67,601
Metro	74.2%	150,493
Multnomah County	77.2%	183,730
Multnomah County School District 1J (Portland)	100.0%	664,902
Multnomah County School District 51J (Riverdale)	100.0%	18,250
Multnomah ESD	76.1%	21,464
Port of Portland	70.6%	43,826
Tualatin Hills Park & Rec. District	100.0%	82,525
Tualatin Valley Fire & Rescue District	84.7%	41,346
Washington County	100.0%	258,870
Washington County School District 13 (Banks)	100.0%	13,667
Washington County School District 15 (Forest Grove)	100.0%	95,134
Washington County School District 1J (Hillsboro)	100.0%	238,850
Washington County School District 23J (Tigard-Tualatin)	95.5%	257,566
Washington County School District 48J (Beaverton)	100.0%	1,065,720
Washington County School District 511J (Gaston)	82.3%	11,973
Washington County School District 88J (Sherwood)	93.6%	206,509
Yamhill County School District 29J (Newberg)	98.2%	46,660
Other Overlapping Districts under \$9,000,000	100.0%	79,108
Total Overlapping Debt		4,663,550
TOTAL DIRECT AND OVERLAPPING DEBT		\$ 5,094,944

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)

2017				
	EMPLOYEES	RANK	PERCENT OF TOTAL DISTRICT'S EMPLOYMENT	
Intel Corporation	19,300	1	1.64	%
Providence Health & Services	17,543	2	1.49	
Oregon Health & Science University	16,200	3	1.38	
Legacy Health System	12,955	4	1.10	
Nike Inc.	12,000	5	1.02	
Fred Meyer Stores	10,637	6	0.90	
City of Portland	7,043	7	0.60	
Portland Public Schools	6,780	8	0.58	
Multnomah County	6,266	9	0.53	
Beaverton School District	5,207	10	0.44	
SUB TOTAL	113,931		9.68	
ALL OTHER EMPLOYERS	1,063,169		90.32	
TOTAL	1,177,100		100.00	%

2008				
	EMPLOYEES	RANK	PERCENT OF TOTAL DISTRICT'S EMPLOYMENT	
Intel Corporation	15,500	1	1.42	%
Fred Meyer Stores	14,684	2	1.34	
Oregon Health & Science University	12,600	3	1.15	
Providence Health System	12,000	4	1.10	
Kaiser Foundation Health Plan of the NW	9,000	5	0.82	
Legacy Health System	8,251	6	0.75	
Nike Inc.	7,000	7	0.64	
Wells Fargo	5,969	8	0.55	
Multnomah County	5,640	9	0.52	
City of Portland	5,587	10	0.51	
SUB TOTAL	96,231		8.79	
ALL OTHER EMPLOYERS	998,299		91.21	
TOTAL	1,094,530		100.00	%

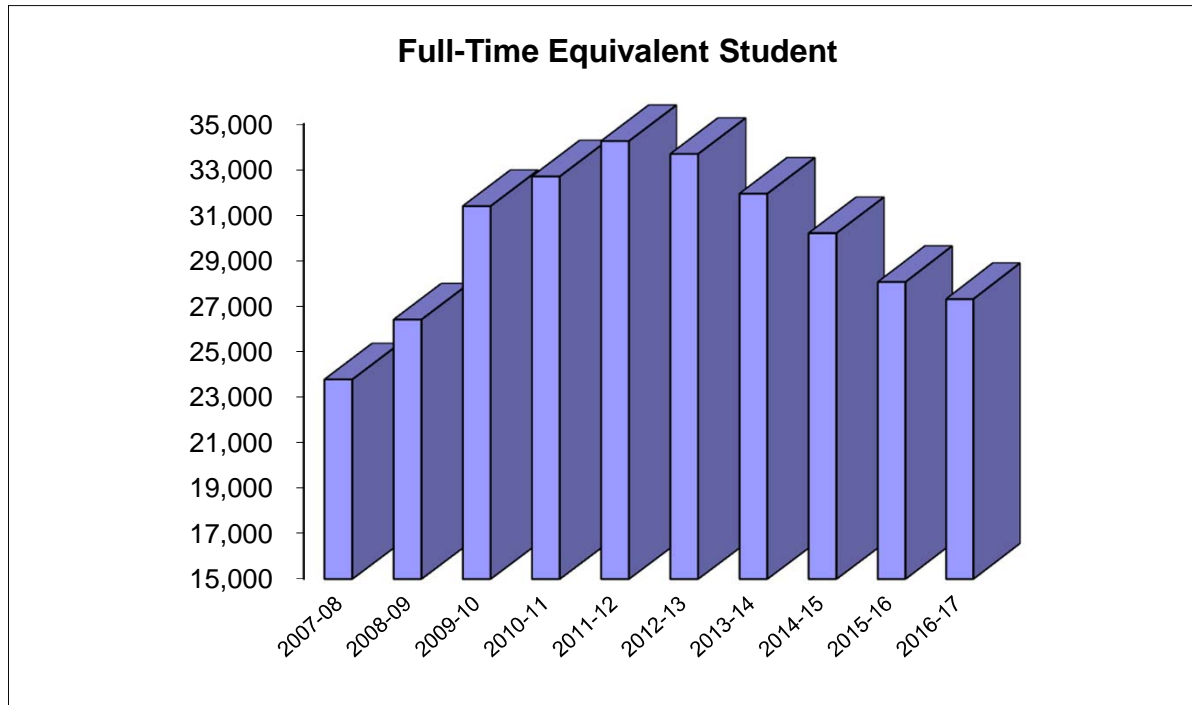
(1) Specific data for the District is not available.

Sources: Oregon Employment Department, Current Employment Estimates
Portland Business Journal July 14, 2017

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

	2016-17	2015-16	2014-15	2013-14	2012-13
District population (estimated) (1)	N/A	1,350,756	1,324,490	1,302,694	1,283,687
Personal income (estimated, in millions) (2)	N/A	N/A	\$ 115,691	\$ 107,537	\$ 101,210
Per capita income (estimated, in dollars) (2)	N/A	N/A	\$ 48,422	\$ 45,794	\$ 43,728
FTE (3) student enrollment	27,319	28,068	30,210	31,940	33,680
Unemployment rate (estimated) (4)	3.9%	4.9%	5.4%	6.1%	7.5%



(1) District population for fiscal year 2016-17 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 2016-17 and 2015-16 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-Vancouver-Hillsboro, OR-WA metropolitan area.

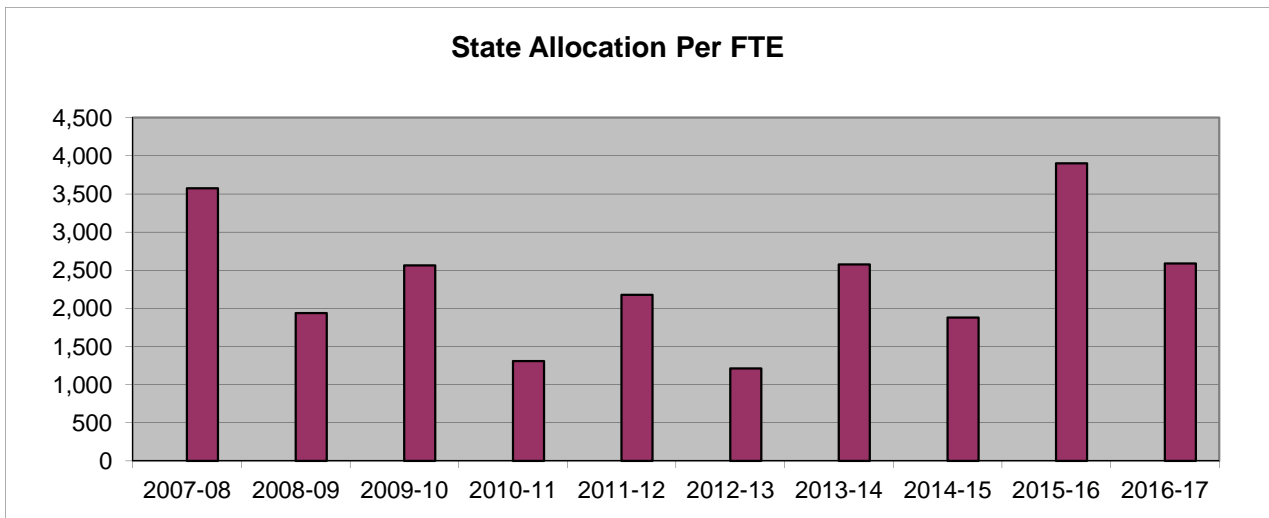
Sources: Portland State University, Population Research Center
Portland Community College, Office of Institutional Effectiveness
Bureau of Economic Analysis, Regional Economic Information System
Oregon Employment Department, Local Area Unemployment Statistics Report Tool

<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
1,267,001	1,253,981	1,243,264	1,232,567	1,218,014
\$ 98,698	\$ 93,449	\$ 88,965	\$ 87,894	\$ 88,022
\$ 43,103	\$ 41,302	\$ 39,843	\$ 39,206	\$ 39,942
34,246	32,694	31,395	26,419	23,794
8.0%	9.2%	10.2%	11.7%	5.3%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

STATE ALLOCATIONS PER FTE
LAST TEN FISCAL YEARS

	2016-17	2015-16	2014-15	2013-14	2012-13
Allocations per FTE	\$ 2,588	\$ 3,901	\$ 1,879	\$ 2,576	\$ 1,215
Annual State Funding (in thousands)	\$ 66,846	\$ 102,767	\$ 53,710	\$ 78,243	\$ 39,191
Total Reimbursable FTE	25,830	26,341	28,577	30,371	32,267



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

Source: Office of Institutional Effectiveness

<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
\$ 2,178	\$ 1,308	\$ 2,563	\$ 1,939	\$ 3,574
\$ 71,603	\$ 41,003	\$ 77,046	\$ 48,945	\$ 81,165
32,875	31,354	30,064	25,236	22,713

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

ENROLLMENT STATISTICS
LAST TEN FISCAL YEARS

	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
Total operating expenses (in thousands)	\$ 327,676	\$ 351,649	\$ 241,268	\$ 284,398	\$ 285,190
District population (estimated) (2) (in thousands)	N/A	1,351	1,324	1,303	1,284
FTE student enrollment (3)	27,319	28,068	30,210	31,940	33,680
Percent of FTE to district population	N/A	2.2%	2.3%	2.5%	2.6%
Cost per FTE (1)	\$ 11,994	\$ 12,528	\$ 7,986	\$ 8,904	\$ 8,468
Number of employees	3,986	3,871	3,913	3,979	4,071
Ratio of employees to FTE	1:7	1:7	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 2016-17 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>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
\$ 281,379	\$ 256,045	\$ 244,811	\$ 216,389	\$ 201,657
1,267	1,254	1,243	1,233	1,218
34,246	32,694	31,395	26,419	23,794
2.7%	2.6%	2.5%	2.1%	2.0%
\$ 8,216	\$ 7,832	\$ 7,798	\$ 8,191	\$ 8,475
4,181	4,153	3,904	3,604	3,475
1:8	1:8	1:8	1:7	1:7

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

CAMPUS FACILITIES AND OPERATING INFORMATION
LAST TEN FISCAL YEARS

	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
Sylvania Campus					
Buildings/leases	15	15	17	17	17
Gross square feet	886,286	886,286	887,556	887,556	887,556
Campus expenditures (1)	\$ 54,195	\$ 63,059	\$ 37,474	\$ 49,904	\$ 49,083
Cascade Campus					
Buildings/leases	13	13	11	11	11
Gross square feet	485,282	485,382	420,588	420,588	420,123
Campus expenditures (1)	\$ 30,624	\$ 35,704	\$ 21,499	\$ 28,146	\$ 28,849
Rock Creek Campus					
Buildings/leases	12	12	11	11	11
Gross square feet	635,702	595,026	574,684	574,684	565,808
Campus expenditures (1)	\$ 37,779	\$ 44,295	\$ 25,896	\$ 33,780	\$ 33,428
Southeast Campus (2)					
Buildings/leases	6	6	N/A (2)	N/A (2)	N/A (2)
Gross square feet	228,455	228,455			
Campus expenditures (1)	\$ 15,417	\$ 17,798			
Extended Learning Campuses (2)					
Buildings/leases	11	11	17	16	18
Gross square feet	271,623	272,238	500,481	484,193	509,093
Campus expenditures (1)	\$ 6,855	\$ 8,898	\$ 16,057	\$ 19,169	\$ 17,937

(1) In Thousands

(2) Beginning fiscal year 2016-17, Southeast Campus was reported separate from Extended Learning Campuses.

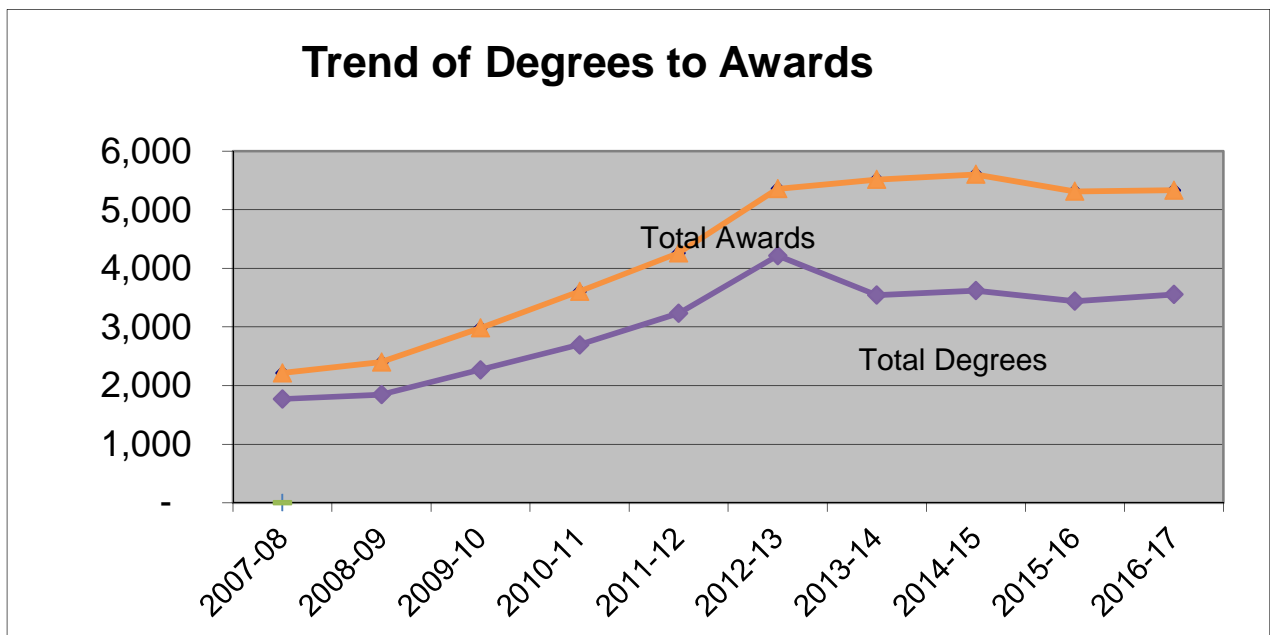
Source: Facilities Management Services Manager

<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
16	16	16	15	15
885,207	885,207	885,207	884,559	884,559
\$ 51,452	\$ 46,564	\$ 44,180	\$ 40,850	\$ 40,028
9	9	9	9	9
347,852	347,852	347,852	347,852	347,852
\$ 30,647	\$ 26,618	\$ 24,538	\$ 22,017	\$ 20,443
11	11	11	11	11
542,723	542,723	542,723	542,723	542,723
\$ 35,239	\$ 30,231	\$ 28,045	\$ 25,175	\$ 24,289
N/A (2)	N/A (2)	N/A (2)	N/A (2)	N/A (2)
13	12	12	12	11
329,232	314,874	314,874	246,551	241,251
\$ 17,498	\$ 14,826	\$ 14,847	\$ 15,185	\$ 13,764

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

CERTIFICATES AND DEGREES GRANTED
LAST TEN FISCAL YEARS

	2016-17	2015-16	2014-15	2013-14
Certificates				
One-Year	520	551	494	513
Two-Year	96	110	153	96
Others	1,163	1,208	1,308	1,311
Total Certificates	1,779	1,869	1,955	1,920
Degrees				
Associate of Arts, Oregon Transfer (AAORT)	549	560	600	618
Associate of Science, Oregon Transfer (ASORT)	73	112	127	110
Associate of Science (AS)	870	731	767	722
Associate of General Studies (AGEN)	954	940	937	1,020
Associate of Applied Science (AAS)	1,108	1,097	1,188	1,074
Total Degrees	3,554	3,440	3,619	3,544
High School Diplomas	-	4	27	51
Total Awards	5,333	5,313	5,601	5,515



Source: Portland Community College, Office of Institutional Effectiveness

<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
313	330	269	244	271	240
52	76	69	48	37	56
<u>706</u>	<u>522</u>	<u>459</u>	<u>300</u>	<u>149</u>	<u>61</u>
<u>1,071</u>	<u>928</u>	<u>797</u>	<u>592</u>	<u>457</u>	<u>357</u>
613	503	470	342	232	204
117	104	72	75	60	55
857	649	515	456	371	328
1,473	905	725	599	440	439
<u>1,157</u>	<u>1,071</u>	<u>912</u>	<u>797</u>	<u>742</u>	<u>744</u>
<u>4,217</u>	<u>3,232</u>	<u>2,694</u>	<u>2,269</u>	<u>1,845</u>	<u>1,770</u>
<u>68</u>	<u>101</u>	<u>115</u>	<u>120</u>	<u>97</u>	<u>87</u>
<u>5,356</u>	<u>4,261</u>	<u>3,606</u>	<u>2,981</u>	<u>2,399</u>	<u>2,214</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

TUITION AND FEES
LAST TEN FISCAL YEARS

Portland Community College (1)

	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
Per Credit Hour				
General Tuition	\$ 97	\$ 96	\$ 93	\$ 88
Fees	<u>7</u>	<u>7</u>	<u>6</u>	<u>6</u>
Combined Per Credit Total	\$ 104	\$ 103	\$ 99	\$ 94
Per Term - College Service & Transportation Fee (2)	\$ 23	\$ 23	\$ 19	\$ 19
Annual cost (45 credit hours)	\$ 4,736	\$ 4,691	\$ 4,521	\$ 4,296

National and Statewide Comparisons

	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
PCC District				
Annual Cost (45 credit hours)	\$ 4,736	\$ 4,691	\$ 4,521	\$ 4,296
Percentage Change	1%	4%	5%	7%
National Community College Average (3)				
Annual Cost	N/A	\$ 3,038	\$ 2,955	\$ 2,882
Percentage Change		3%	3%	3%
Oregon Universities Average (4)				
Annual Cost (45 credit hours)	\$ 9,117	\$ 8,791	\$ 8,210	\$ 7,964
Percentage Change	4%	7%	3%	1%

(1) District tuition and fees are obtained from PCC website. 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) 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.

(4) Eastern Oregon Univ., OIT, SOU, WOU, OSU, PSU and UO websites, Annual Tuition and Fee Rates based on 15 credit hours for fall, winter and spring term.

N/A - 2016-17 Annual Costs for 2-year colleges are not available at this time.

<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
\$ 82	\$ 79	\$ 76	\$ 74	\$ 70	\$ 68
6	6	6	6	6	6
<u>\$ 88</u>	<u>\$ 85</u>	<u>\$ 82</u>	<u>\$ 80</u>	<u>\$ 76</u>	<u>\$ 74</u>
\$ 19	\$ 19	\$ 19	\$ 19	\$ -	\$ -
\$ 4,026	\$ 3,891	\$ 3,756	\$ 3,666	\$ 3,425	\$ 3,335

<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
\$ 4,026	\$ 3,891	\$ 3,756	\$ 3,666	\$ 3,425	\$ 3,335
3%	4%	2%	7%	3%	2%
\$ 2,792	\$ 2,647	\$ 2,439	\$ 2,285	\$ 2,137	\$ 2,063
5%	9%	7%	7%	4%	2%
\$ 7,877	\$ 7,623	\$ 7,082	\$ 6,601	\$ 6,105	\$ 5,801
3%	8%	7%	8%	5%	6%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2016-17	2015-16	2014-15	2013-14	2012-13
Residential Construction (1)					
Permits	15.3	14.9	12.7	11.8	10.2
Value	\$ 3,158,656	\$ 2,900,448	\$ 2,468,921	\$ 2,257,252	\$ 1,773,855
Bank Deposits (2)	N/A	40,657,736	\$ 37,468,000	\$ 35,589,000	\$ 33,475,000
Property Values (3)					
Assessed Values:					
Real Property	\$ 118,714,575	\$ 113,554,257	\$ 107,625,199	\$ 103,179,134	\$ 99,627,505
Personal Property	4,601,052	4,349,460	4,081,805	3,911,730	3,796,361
Manufactured Structures	188,095	162,324	139,864	129,150	134,973
Public Utility	4,123,037	3,881,839	3,804,319	3,611,064	3,495,084
Total Assessed Value	127,626,759	121,947,880	115,651,187	110,831,078	107,053,923
Total Real Market Value	\$ 213,806,259	\$ 186,837,348	\$ 170,619,869	\$ 154,652,556	\$ 146,954,618

(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.

(3) Real market values are used by the assessor to determine Measure 5 limitations. Taxes, however are computed based upon assessment value.

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>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
6.5	4.3	4.4	5.1	9.9
\$ 1,222,124	\$ 914,517	\$ 940,129	\$ 1,008,088	\$ 1,760,447
\$ 41,427,000	\$ 36,122,000	\$ 28,823,000	\$ 27,650,000	\$ 25,409,000
\$ 97,004,090	\$ 93,794,528	\$ 90,761,489	\$ 87,260,824	\$ 82,937,829
3,736,655	3,948,297	3,973,480	4,077,206	3,852,351
169,057	180,087	201,783	191,635	194,630
3,550,533	3,584,011	3,528,839	3,051,076	2,894,350
<u>104,460,335</u>	<u>101,506,923</u>	<u>98,465,591</u>	<u>94,580,741</u>	<u>89,879,160</u>
\$ 150,177,435	\$ 158,344,983	\$ 165,643,688	\$ 171,761,783	\$ 163,394,017

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

MISCELLANEOUS INFORMATION
June 30, 2017

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 S.E. 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 N.E. 42nd
Portland, OR 97218

Hillsboro Center
775 .SE. Baseline Street
Hillsboro, OR 97123

Southeast Campus
2305 S.E. 82nd
Portland, OR 97216

Swan Island Trades Center
6400 N. Cutter Circle
Portland, OR 97217

Columbia County
Various locations in
Scappoose and St. Helens

CONTRACTED EDUCATION SERVICE DISTRICT:

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

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 13, 2017

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, 2017, and have issued our report thereon dated November 13, 2017.

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 THE UNIFORM GUIDANCE**



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 13, 2017

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, 2017, and have issued our report thereon dated November 13, 2017.

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 THE UNIFORM GUIDANCE

November 13, 2017

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 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, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2017.

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 the Uniform Guidance, 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 the Uniform Guidance. 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, 2017

FEDERAL AWARDS BY CLUSTERS	Federal CFDA Number	Pass Through Number	Total Expenditures
STUDENT FINANCIAL ASSISTANCE CLUSTER			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	\$ 949,061
Federal Work-Study Program	84.033	N/A	963,978
Federal Pell Grant Program	84.063	N/A	42,093,697
Federal Perkins Loan Program	84.038	N/A	4,651,718
Federal Nursing Loan Program	93.364	N/A	1,390,612
Direct Loans Program	84.268	N/A	61,279,920
Total Student Financial Assistance Cluster			111,328,986
WIA CLUSTER			
Workforce Innovation Opportunity Act - Adult Program	17.258	16-10100	159,069
Workforce Innovation Opportunity Act - Adult Program	17.258	16-10102	75,639
Workforce Innovation Opportunity Act - Adult Program	17.258	16-10103	15,806
Workforce Innovation Opportunity Act - Adult Program	17.258	16-10104	1,484
Workforce Innovation Opportunity Act - Adult Program	17.258	16-10109	46,839
Workforce Innovation Opportunity Act - Adult Program	17.258	16-10200	216,860
Workforce Innovation Opportunity Act - Adult Program	17.258	16-10209	15,390
Workforce Innovation Opportunity Act - Adult Program	17.258	16-10300	129,087
			660,174
WIOA National Dislocated Worker Formula Grants	17.278	11-70578	114,488
WIOA National Dislocated Worker Formula Grants	17.278	16-10100	206,034
WIOA National Dislocated Worker Formula Grants	17.278	16-10103	24,312
WIOA National Dislocated Worker Formula Grants	17.278	16-10104	990
WIOA National Dislocated Worker Formula Grants	17.278	16-10200	352,678
WIOA National Dislocated Worker Formula Grants	17.278	16-10300	169,596
			868,098
Total WIA Cluster			1,528,272
FEDERAL TRANSIT CLUSTER			
Federal Transit—Formula Grants	20.507	933339	104,608
TRIO CLUSTER			
TRIO - Student Support Services	84.042	N/A	193,953
TRIO - Talent Search	84.044	N/A	206,129
Total TRIO Cluster			400,082
SUBTOTAL CLUSTER PROGRAMS			113,361,948
NON-CLUSTER PROGRAMS			6,751,099
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 120,113,047

See notes to schedule of expenditures of federal awards

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

FEDERAL AWARDS BY FEDERAL AGENCY	Federal CFDA Number	Pass Through Number	Total Expenditures
U.S. DEPARTMENT OF EDUCATION:			
Direct Programs:			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	\$ 949,061
Federal Work-Study Program	84.033	N/A	963,978
Federal Pell Grant Program	84.063	N/A	42,093,697
Federal Perkins Loan Program	84.038	N/A	4,651,718
Direct Loans Program	84.268	N/A	61,279,920
TRIO - Student Support Services	84.042	N/A	193,953
TRIO - Talent Search	84.044	N/A	206,129
Higher Educational Institutional Aid	84.031	N/A	18,530
Career and Technical Education - National Programs - Juvenile Justice	84.051	N/A	205,077
Migrant Education - College Assistance Migrant Program	84.149	N/A	271,836
Migrant Education - High School Equivalency Program	84.141	N/A	375,517
Child Care Access Means Parents in School - CCAMPIS	84.335	N/A	187,119
Total Direct Programs			111,396,535
Passed through Dept. of Community Colleges and Workforce Development			
Adult Education - Basic Grants to States - Program Improvement	84.002A	EE161717 PG	1,853
Adult Education - Basic Grants to States - Multnomah Co Corrections	84.002A	EE161717 CG	22,320
Adult Education - State Grant Program - TOPS Accountability	84.002A	EE161717 AG	86,075
Adult Education - State Grant Program - Comprehensive Services	84.002A	EE161717 BG	607,094
Adult Education - State Grant Program - EI Civics	84.002A	EE161717 EG	44,060
Total passed through Dept. of Community Colleges and Workforce Development			761,402
Passed through State of Oregon, Department of Education			
Career & Technical Education - Basic Grants to States - Perkins Reserve	84.048	40340/36435	277,916
Career & Technical Education - Basic Grants to States - Region 2A Consortium	84.048	36416/40321	185,436
Career & Technical Education - Basic Grants to States - Perkins	84.048	40322	1,720,727
Total passed through State of Oregon, Department of Education			2,184,079
Passed through Portland Public Schools			
Gaining Early Awareness and Readiness for Undergraduate Programs - Gear Up	84.334	IGA 61334	8,711
TOTAL U.S. DEPARTMENT OF EDUCATION			114,350,727
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Direct Program:			
Federal Nursing Student Loans	93.364	N/A	1,390,612
Passed through Oregon Health Authority			
Assistance Programs for Chronic Disease Prevention and Control	93.945	146505	5,995
Passed through Worksystems, Inc.			
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	15-10106	\$ 193,343
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	15-10106	42,557
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	15-10106	147,706
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	15-10106	43,121
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	16-10206	50,517
Total Passed through Worksystems, Inc.			477,244
Passed through Portland State University			
Trans-NH Research Support - Exito	93.310	205CRE485	90,558
Passed through Oregon Health Sciences University:			
Ryan White HIV/AIDS Dental Reimbursements	93.924	1004285_PCC	2,553
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			1,966,962

See notes to schedule of expenditures of federal awards

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

FEDERAL AWARDS BY FEDERAL AGENCY	Federal CFDA Number	Pass Through Number	Total Expenditures
U.S. DEPARTMENT OF JUSTICE:			
Passed through Portland State University			
Promoting Evidence Integration in Sex Offender Management	16.203	206KAU561	15,532
TOTAL U.S. DEPARTMENT OF JUSTICE			15,532
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:			
Passed through Oregon State University			
Education - Oregon Space Grant	43.008	NS261A-A	25,096
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			25,096
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			
Passed through Worksystems, Inc.			
Moving to Work Demonstration Program	14.881	16-10102	23,613
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			23,613
U.S. DEPARTMENT OF LABOR:			
Passed through Worksystems, Inc:			
Workforce Innovation Opportunity Act - Adult Program - Hillsboro	17.258	16-10200	\$ 216,860
Workforce Innovation Opportunity Act - Adult Program - Tualatin	17.258	16-10300	129,087
Workforce Innovation Opportunity Act - Adult Program - Metro One Stop	17.258	16-10100	159,069
Workforce Innovation Opportunity Act - Adult Program - WorkSource Liaison - Adult	17.258	16-10102	75,639
Workforce Innovation Opportunity Act - Adult Program	17.258	16-10209	15,390
Workforce Innovation Opportunity Act - Adult Program - HC NW WA County	17.258	16-10104	1,484
Workforce Innovation Opportunity Act - Adult Program - Metro	17.258	16-10109	46,839
Workforce Innovation Opportunity Act - WSI: Foundational Skills - Adult	17.258	16-10103	15,806
			<u>660,174</u>
H-1B Job Training Grants -Tech hire Partnership	17.268	16-10108	901
H-1B Job Training Grants - Metro STEP Tualatin	17.268	11-70579	95,014
H-1B Job Training Grants - Metro STEP Central	17.268	11-70578	98,957
H-1B Job Training Grants - MISTI Central	17.268	11-70578	2,642
H-1B Job Training Grants - Misti ETAF	17.268	13-10325	77,323
H-1B Job Training Grants - Reboot NW Metro	17.268	16-10107	169,422
H-1B Job Training Grants - Reboot NW Tualatin	17.268	16-10307	135,759
H-1B Job Training Grants - Reboot NW Hillsboro	17.268	16-10207	139,625
H-1B Job Training Grants - Career Link Reboot NW	17.268	16-10108	172,675
			<u>892,318</u>
Reentry Employment Opportunities - LEAP	17.270	16-10209	23,075
WIOA National Dislocated Worker Grants-Sector Partnership NEG Hillsboro	17.277	15-10215	155,267
WIOA National Dislocated Worker Grants-Sector Partnership NEG Tualatin	17.277	15-10315	166,491
WIOA National Dislocated Worker Grants -Sector Partnership NEG Metro	17.277	15-10115	124,421
WIOA National Dislocated Worker Grants-NEG Hillsboro	17.277	16-10200	14,501
WIOA National Dislocated Worker Grants-Jobs Driven NEG	17.277	16-10100	32,293
WIOA National Dislocated Worker Grants- Job Driven NEG1 Metro	17.277	16-10109	87,960
WIOA National Dislocated Worker Grants-Jobs Driven NEG	17.277	16-10107	51,731
WIOA National Dislocated Worker Grants-NEG1 Hillsboro	17.277	16-10202	37,716
WIOA National Dislocated Worker Grants-NEG Hillsboro	17.277	16-10207	54,207
WIOA National Dislocated Worker Grants-Job Driven NEG Tualatin	17.277	16-10307	98,201
			<u>822,788</u>

See notes to schedule of expenditures of federal awards

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017

FEDERAL AWARDS BY FEDERAL AGENCY	Federal CFDA Number	Pass Through Number	Total Expenditures
WIOA National Dislocated Worker Formula Grants - DWP Foundational Skills	17.278	16-10103	24,312
WIOA National Dislocated Worker Formula Grants-DWP Metro	17.278	16-10100	206,034
WIOA National Dislocated Worker Formula Grants-WSI: DWP Program Hillsboro	17.278	16-10200	352,678
WIOA National Dislocated Worker Formula Grants-WSI: DWP Program Tualatin	17.278	16-10300	169,596
WIOA National Dislocated Worker Formula Grants -Worksource Liaison - DWP	17.278	11-70578	114,488
WIOA National Dislocated Worker Formula Grants - HC NW WA County DW Adult	17.278	16-10104	990
			<u>868,098</u>
Workforce Innovation Fund - Rethinking Job Search	17.283	16-10205	71,914
Total passed through Worksystems, Inc.			<u>3,338,367</u>
TOTAL U.S. DEPARTMENT OF LABOR			<u>3,338,367</u>
NATIONAL SCIENCE FOUNDATION:			
Direct Programs:			
Education and Human Resources - NSF RETA	47.076	1564691	110,966
Education and Human Resources - Mentoring in Manufacturing Technology	47.076	1643624	<u>53,065</u>
Total Direct Programs			<u>164,031</u>
Passed through University of Washington			
Education and Human Resources -University of WA	47.076	763922	<u>8,743</u>
TOTAL NATIONAL SCIENCE FOUNDATION			<u>172,774</u>
U.S. DEPARTMENT OF TRANSPORTATION:			
Passed through Metro			
Federal Transit—Formula Grants	20.507	933339	<u>\$ 104,608</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>104,608</u>
SMALL BUSINESS ADMINISTRATION:			
Passed through Lane Community College:			
Small Business Development Center - SBDC	59.037	16-152	39,234
Small Business Development Center - SBDC SBA Center#20	59.037	16-152	<u>76,134</u>
Total Passed through Lane Community College			<u>115,368</u>
TOTAL SMALL BUSINESS ADMINISTRATION			<u>115,368</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$ 120,113,047</u>

See notes to schedule of expenditures of federal awards

PORTLAND COMMUNITY COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:
YEAR ENDED JUNE 30, 2017

Note A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Portland Community College (the College) under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

Note B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Direct loans are loans held by the Federal Government and are not included in loans receivable for the College. Direct loans disbursed during the year are included in the federal expenditures presented in the Schedule.

Note C - LOANS RECEIVABLE

The federal student loan programs listed subsequently are administered directly by the College, and balances and transactions relating to these programs are included in the College's basis financial statements. Perkins and Nursing loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2017 consists of:

	Federal CFDA Number		
Federal Perkins Loan Program	84.038	\$	3,667,180
Federal Nursing Student Loans	93.364		<u>1,197,702</u>
		<u>\$</u>	<u>4,864,882</u>

Note D - PERKINS LOAN PROGRAM - EXCESS LIQUID CAPITAL

Section 466(c) of the Higher Education Act requires institutions to return to the Department of Education (the Department) the Federal share of any Excess Liquid Capital (ELC) from the institution's Federal Perkins Loan Revolving Fund (Fund). ELC is the amount of the Fund's "Cash On Hand" that is in excess of the institution's estimated immediate needs for the Perkins Loan Program. In Fiscal Year 2017 the College had excess liquid capital and returned it to the Department.

	Federal CFDA Number		Expenditures
Federal share returned	84.038	\$	894,206

Note E - SUBRECIPIENTS

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

	Federal CFDA Number		Expenditures
Workforce Innovation Opportunity Act - Adult Program - Foundation Skills	17.258	\$	3,267
Workforce Innovation Opportunity Act - Dislocated Workers - Foundational Skills	17.278		4,900
Workforce Innovation Opportunity Act - Career Link	17.278		<u>79,668</u>
		<u>\$</u>	<u>87,835</u>



PORTLAND COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2017

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
WIOA National Dislocated Worker Grants /	
WIA National Emergency Grants	17.277

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



