



Federal Awards Report in Accordance with Uniform Guidance
June 30, 2020

Portland Community College

Compliance Report

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Portland Community College
Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Portland Community College (the College) as of and for the year ended June 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated December 17, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and

material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result 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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho
December 17, 2020



Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

To the Board of Directors
Portland Community College
Portland, Oregon

Report on Compliance for Each Major Federal Program

We have audited Portland Community College’s (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College’s major federal programs for the year ended June 30, 2020. The College’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and 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 the 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 the 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 the College’s compliance.

Opinion on Each Major Federal Program

In our opinion, the 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, 2020.

Report on Internal Control over Compliance

Management of the 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 the 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 the 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Portland Community College as of and for the year ended June 30, 2020, and the related note to the financial statements, which collectively comprise Portland Community College's basic financial statements. We issued our report thereon dated December 17, 2020, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures,

including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Eide Bailly LLP

Boise, Idaho

February 2, 2021, except for our report on the schedule of expenditures of federal awards, for which the date is December 17, 2020

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

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	\$ 1,022,672
Federal Work-Study Program	84.033	N/A	828,347
Federal Pell Grant Program	84.063	N/A	34,698,375
Federal Perkins Loan Program	84.038	N/A	2,328,339
Federal Direct Student Loans	84.268	N/A	38,769,198
Nursing Student Loans	93.364	N/A	1,516,110
Total Student Financial Assistance Cluster			79,163,041
WIOA CLUSTER			
WIA/WIOA Adult Program - Adult Program	17.258	19-11300	58,410
WIA/WIOA Adult Program - Adult Program	17.258	19-11200/2	166,244
WIA/WIOA Adult Program - Adult Program	17.258	19-11202	126,122
WIA/WIOA Dislocated Worker Formula Grants	17.278	19-11202	101,502
WIA/WIOA Dislocated Worker Formula Grants	17.278	19-11200/2	154,752
WIA/WIOA Dislocated Worker Formula Grants-DW Tualatin	17.278	19-11300	62,057
Total WIOA Cluster			669,087
FEDERAL TRANSIT CLUSTER			
Federal Transit—Formula Grants	20.507	936290	17,876
Total Federal Transit Cluster			17,876
TRIO CLUSTER			
TRIO - Student Support Services	84.042	N/A	260,750
TRIO - Talent Search	84.044	N/A	297,042
Total TRIO Cluster			557,792
SUBTOTAL CLUSTER PROGRAMS			80,407,796
NON-CLUSTER PROGRAMS			14,035,243
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 94,443,039

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

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	\$ 1,022,672
Federal Work-Study Program	84.033	N/A	828,347
Federal Pell Grant Program	84.063	N/A	34,698,375
Federal Perkins Loan Program	84.038	N/A	2,328,339
Federal Direct Student Loans	84.268	N/A	38,769,198
Nursing Student Loans	93.364	N/A	1,516,110
Title III - PCC Rises Reimanging Integrated	84.031	N/A	47,756
TRIO - Student Support Services	84.042	N/A	260,750
TRIO - Talent Search	84.044	N/A	297,042
Migrant Education - High School Equivalency Program	84.141	N/A	484,287
Migrant Education - College Assistance Migrant Program	84.149	N/A	393,084
Child Care Means Parents in School - CCAMPIS	84.335	N/A	230,229
			80,876,189
COVID-19 - Education Stabilization Fund - Student	84.425E	N/A	4,804,195
COVID-19 - Education Stabilization Fund - Institutional	84.425F	N/A	2,723,350
Total Education Stabilization Fund			7,527,545
Career and Technical Education - National Programs Oregon High School CTE Teacher Pathway	84.051	N/A	128,391
Career and Technical Education - National Programs - Juvenile Justice	84.051	N/A	172,251
Total Career and Technical Education - National Programs			300,642
			88,704,376
Passed through Office of Community Colleges and Workforce Development			
Adult Education - Basic Grants to States -Learning Standards State Trainers	84.002	18-060-003	2,938
Adult Education - Basic Grants to States - Program Improvement	84.002	19-054L-001	8,201
Adult Education - State Grant Program - TOPS Accountability	84.002	19-054L-001	137,310
Adult Education - State Grant Program - Comprehensive Services	84.002	19-054L-001	578,610
Adult Education - ABS Professional Development	84.002	19-103L-001	11,863
Adult Education - CCWD Learning Standards Pilot	84.002	17-006	1,941
Total passed through Office of Community Colleges and Workforce Development			740,863
Passed through State of Oregon, Department of Education			
Career & Technical Education - Basic Grants to States - Perkins Reserve	84.048	52479	220,946
Career & Technical Education - Basic Grants to States - Region 2A Consortium	84.048	48928	2,412
Career & Technical Education - Basic Grants to States - Region 2A Consortium	84.048	52502	196,286
Career & Technical Education - Basic Grants to States - Perkins	84.048	52509	1,847,286
Total passed through State of Oregon, Department of Education			2,266,930
Passed through Portland Public Schools			
Gaining Early Awareness and Readiness for Undergraduate Programs - Gear Up	84.334	61334	15,981
Total passed through Portland Public Schools			15,981
TOTAL U.S. DEPARTMENT OF EDUCATION			91,728,150

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

FEDERAL AWARDS BY FEDERAL AGENCY	Federal CFDA Number	Pass Through Number	Total Expenditures
U.S. DEPARTMENT OF AGRICULTURE:			
Passed through Oregon Department of Education			
Child and Adult Care Food Program	10.558	S141A150030	2,225
Total passed through Oregon Department of Education			2,225
TOTAL U.S. DEPARTMENT OF AGRICULTURE			2,225
U.S. DEPARTMENT OF JUSTICE:			
Passed through Oregon Department of Justice			
Crime Victim Assistance - VOCA	16.575	VOCA FI-2018-PCC-0082	255,174
Total passed through Oregon Department of Justice			255,174
TOTAL U.S. DEPARTMENT OF JUSTICE			255,174
U.S. DEPARTMENT OF LABOR:			
Passed through Worksystems, Inc:			
WIA/WIOA Adult Program - Tualatin	17.258	19-11300	58,410
WIA/WIOA Adult Program - Hillsboro	17.258	19-11200/2	166,244
WIA/WIOA Adult Program - Hillsboro Liaison DW	17.258	19-11202	126,122
Total passed through Worksystems, Inc.			350,776
H-1B Job Training Grants - TechRise Career Link	17.268	19-11108	105,242
H-1B Job Training Grants -NW Promise Hillsboro	17.268	19-11211/1	127,310
H-1B Job Training Grants - Tech Rise Tualatin	17.268	19-10312	178,953
Total passed through Worksystems, Inc.			411,505
Passed through Oregon Employment Department:			
H-1B Job Training Grants - OED: AIM	17.268	18-228	72,966
Total passed through Oregon Employment Department			72,966
Total H-1B Job Training Grants:			835,247
WIA/WIOA Dislocated Worker Formula Grants -Hillsboro Liaison - DWP	17.278	19-11202	101,502
WIA/WIOA Dislocated Worker Formula Grants-WSI: DWP Program Hillsboro	17.278	19-11200/2	154,752
WIA/WIOA Dislocated Worker Formula Grants-DW Tualatin	17.278	19-11300	62,057
Total passed through Worksystems, Inc.			318,311
TOTAL U.S. DEPARTMENT OF LABOR			1,153,558

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

FEDERAL AWARDS BY FEDERAL AGENCY	Federal CFDA Number	Pass Through Number	Total Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through TriMet			
Federal Transit Formula Grants	20.507	936290	17,876
Total passed through TriMet			17,876
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			17,876
NATIONAL SCIENCE FOUNDATION:			
Direct Programs:			
Education and Human Resources - NSF RETA	47.076	N/A	164,424
Education and Human Resources - Mentoring in Manufacturing Technology	47.076	N/A	162,784
Education and Human Resources - NSF ATE eGIST	47.076	N/A	119,835
Education and Human Resources - S-STEM SE Campus	47.076	N/A	51,672
Education and Human Resources - NSF IUSE	47.076	N/A	8,214
Total Direct Programs			506,929
Passed through Looking Glass Ventures, LLC			
SBIR Phase II	47.041	1758301-PCC01	20,000
Total passed through Looking Glass Ventures, LLC			20,000
TOTAL NATIONAL SCIENCE FOUNDATION			526,929
SMALL BUSINESS ADMINISTRATION:			
Passed through Lane Community College:			
Small Business Development Center - SBDC	59.037	SBAHQ-19-B-0058	46,564
Small Business Development Center - SBDC SBA Center#20	59.037	SBAHQ-18-B-0034	19,753
COVID-19 - Small Business Development Center - SBDC	59.037	SBAHQ-20-C-0074-152	5,705
COVID-19 - Small Business Development Center - SBDC CAT	59.037	SBAHQ-20-C-0074-152	10,000
Total passed through Lane Community College			82,022
TOTAL SMALL BUSINESS ADMINISTRATION			82,022
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Worksystems, Inc.			
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	19-10106	237,648
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	19-10106	66,600
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	19-10106	114,954
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	19-10206	108,416
Total passed through Worksystems, Inc.			527,618
Passed through Portland State University			
Trans-NIH Research Support - Exito	93.310	2RL5GM118963-06	95,915
Total passed through Portland State University			95,915

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

FEDERAL AWARDS BY FEDERAL AGENCY	Federal CFDA Number	Pass Through Number	Total Expenditures
Passed through Oregon Department of Human Services			
Youth WEX - Hillsboro	93.558	19-11220	1,707
Block Grants for Prevention and Treatment of Substance Abuse - Oregon Health Authority	93.595	159272	<u>48,840</u>
Total passed through Oregon Department of Human Services			50,547
Passed through Oregon Health Sciences University:			
Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership G	93.924	5H65HA00006-18-00	<u>3,025</u>
Total passed through Oregon Health Sciences University			3,025
TOTAL U.S.DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>677,105</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ <u><u>94,443,039</u></u>

PORTLAND COMMUNITY COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

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, 2020. 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. The College has elected not to use the ten percent de minimus indirect cost rate as allowed under the Uniform Guidance.

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 basic 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, 2020 consists of:

	Federal CFDA Number		
Federal Perkins Loan Program	84.038	\$	1,847,283
Federal Nursing Student Loans	93.364		1,262,090
		\$	3,109,373

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 2020 the College had excess liquid capital and returned it to the Department.

	Federal CFDA Number		Expenditures
Federal share returned	84.038	\$	551,870

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
Education and Human Resources - NSF RETA	47.076	\$	1,941
OED: AIM	17.268		1,757
		\$	3,698

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiency identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiency identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
U. S. Department of Education Direct Programs	
Student Financial Assistance Cluster	
Federal Supplemental Educational Opportunity Grants Program	84.007
Federal Work-Study Program	84.033
Federal Perkins Loan Program	84.038
Federal Pell Grant Program	84.063
Federal Direct Loan Program	84.268
Federal Nursing Student Loans	93.364
COVID-19 - Education Stabilization Fund - Student	84.425E
COVID-19 - Education Stabilization Fund - Institutional	84.425F
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

No findings reported.

Section III – Federal Award Findings and Questioned Costs

No findings reported.