



PORTLAND COMMUNITY COLLEGE

PORTLAND, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2021

Mark Mitsui
College President

Sylvia Kelley
Executive Vice President

Eric Blumenthal, MBA
Vice President of Finance and Administration

Dina Farrell, MBA
Associate Vice President of Finance

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Accounting Services Manager

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PORTLAND COMMUNITY COLLEGE

12000 Southwest 49th Avenue
Portland, OR 97219

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2	Tiffani Penson	June 30, 2023
3	Michael Sonleitner	June 30, 2023
4	Serin Bussell	June 30, 2025
5	Dan Saltzman	June 30, 2025
6	Mohamed Alyajouri	June 30, 2025
7	Kristi Wilson	June 30, 2025

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

PORTLAND COMMUNITY COLLEGE

PORTLAND, OREGON

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INTRODUCTORY SECTION



December 1, 2021

Board of Directors
Portland Community College
Portland, Oregon

Introduction

We are pleased to submit the Comprehensive Annual Financial Report of Portland Community College ("College") for the fiscal year ended June 30, 2021 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 Comprehensive Annual Financial Report 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 Eide Bailly LLP 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 report.

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 complements this letter of transmittal and should be read in conjunction with it.

The College

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 sets educational policies and standards for Oregon's public school districts, education service districts, and community college districts. The State of Oregon's Higher Education Coordinating Commission (HECC) is the primary state entity responsible for ensuring pathways to postsecondary education success for Oregonians statewide, and serves as a convener of the groups and institutions working across the public and private higher education arena. HECC provides one strategic vision for Oregon higher education planning, funding, and policy. HECC authorizes postsecondary programs and degrees, administers key Oregon financial aid, workforce, and other programs, as well as evaluates and reports on the success of higher education efforts.

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

College Reorganization Plan

Beginning in the fall of 2019 and concluding in the fall of 2020, PCC commissioned an organizational structure study. Based on stakeholder input, it revealed an overwhelming consensus that we must change

our structure and systems with a focus on equitable student success and to move to a One College model. From this study emerged the following principles:

- We believe in and serve our mission.
- We are committed to creating a college where every student belongs and can thrive.
- We lead through compassion and a belief in justice, equity, inclusion, and diversity.
- We understand that everyone, including ourselves, has the capacity to learn and grow.

As presented in a series of information sessions and communications, PCC's primary focus has been to move instructional programs and divisions from campus-based to college-wide. All instructional divisions and units report to the Vice President of Academic Affairs. Comparably, the campus-based Student Affairs departments report to the Vice President of Student Affairs. The details of these reporting lines and structures have been determined in collaboration with key stakeholders. Consideration was given to how PCC can best support Academic and Student Affairs operationally and with particular attention to budgetary support. Given the new structure, campus-based administrative structures have changed significantly.

By the fall of 2020, significant progress was made, and the new structure began to be implemented. We moved through the first two phases of implementation of the new Academic and Student Affairs leadership structure. This replaced the campus-based decision model under the campus president leadership structure. In the initial stages, a new leadership structure was mapped to development of key leadership positions and the College team of Academic and Student Affairs, including the Associate Vice Presidents, Executive Deans, Deans, Pathway Deans, and Program Deans. This group of College-wide leaders was positioned to guide and support an interdependent operating model focused on continuous improvement of the student experience and equitable outcomes.

In the next phase, each Division's administrative structure was confirmed. This involved the announcement of new leadership positions by Academic Affairs and Student Affairs and a refinement of organizational structures/roles and modified reporting lines.

In the winter of 2020, the College entered the final phase of the reorganization, with the goal of better engaging students, and preparing the College to best serve our students and community through the "One College" model. Committed to equitable student success, the Academic and Career Pathways framework is designed to: 1) Advance Racial and Social Justice 2) Drive Vision and Purpose 3) Drive Engagement 4) Accelerate Agility and Innovation and 5) Build Partnerships.

The following areas represent the new organizational structure for Academic and Student Affairs:

- Academic and Career Pathways for Healthcare and Emergency Professions, Construction, Manufacturing Technology and Transportation, Business and Entrepreneurship, and Workforce Innovation and Economic Development
- Academic and Career Pathways for Academic Foundations, Public Services, Education and Social Sciences, Arts, Humanities, Communication and Design, and STEM
- Teaching and Learning Support
- Instructional and Student Affairs Innovation and Technology
- Academic and Student Affairs Operations
- Disability Services
- Student Affairs - Special Projects
- Enrollment Strategy and Services
- Student Belonging and Wellbeing
- K12 and Community Partnerships
- Academic and Career Pathways Guidance
- Student Life and Engagement

Strategic Plan

As referenced on the Strategic Planning website (<https://www.pcc.edu/strategic-plan/why/>), in the fall 2019, PCC launched a collaborative and inclusive strategic planning process to ensure the College delivers on its mission, as well as its commitment to opportunity and equitable student success for the students and the communities it serves. On November 20, 2020, the PCC Board of Directors adopted the new strategic plan. This plan intends to offer a 10-to 20-year vision related to future needs and opportunities.

With the many issues facing higher education, having a blueprint for the future and an agreed upon set of priorities is more critical than ever. Environmental conditions in the city of Portland are impacting the PCC learning community and mission. These include income disparity, urban displacement, food insecurity, congested transportation, lack of affordable housing, and a rising cost of living.

Higher education will fundamentally change during the life of this strategic plan. As the College responds to shifting demographics and changing enrollment patterns, it will need to respond with stronger funding mechanisms, including improving retention and recruitment and developing other revenue sources.

By developing robust and bold plans for the future, PCC is committing to preparing for the future of education while working to close opportunity gaps for historically underserved students. PCC staff and faculty are collaborating across the College to bring the strategic plan to fruition and implement structural changes and holistic student-centered support systems.

The plan includes four strategic areas of focus:

- Belonging: Transform our learning culture toward creating a sense of belonging and well-being for every student.
- Delivery: Redefine time, place, and systems of educational delivery to create a more learner-centric ecosystem.
- Workforce: Respond to community and workforce needs by developing a culture of agility.
- Enterprise: Cultivate a long-term sustainable college enterprise.

The overall objective of the planning effort has been to complete a social justice and racial equity-led collaborative, research-based strategic planning process, identifying core strategies and objectives for the future, and plans to fulfill them for Portland Community College. With the approval by the Board of Directors, PCC's new strategic plan will enable the College to:

- Evolve and adapt, as a means to stay relevant and pertinent for those it serves.
- Integrate equitable and inclusionary strategies, objectives, action plans, and measurements into decision-making processes.
- Re-imagine PCC's path moving forward, improving completion rates and reshaping the student experience.
- Stay competitive, ensuring PCC's long-term viability.

The following are the current projects funded by the strategic plan investment funds:

- Strategic Enrollment Management
- Electronic Student Security
- Bold Innovative Growth (BIG project for Multiple Modalities)
- Strategic Course Scheduling
- College-Wide Equity Plan
- Professional Development Program

- Develop a Comprehensive Transition Plan
- Strengthen and Structure College Communications
- Workforce Development and Opportunity Centers
- Targeted Programming for Marginalized Students and Communities

Economic Outlook & Long-Term Financial Planning

As we look toward the external factors that will impact PCC's future, the state has rebounded from the deep economic downturn brought on by the COVID-19 pandemic. Nationwide and on a local scale, we experienced intersecting crises over this past year. In the short-term, Oregon's economy is poised for a strong rebound. Federal aid received under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan Act (ARPA) will serve to bolster the state and regional economy. Although 160,000 jobs were lost in Oregon during the pandemic, the current year has seen a rapid increase in job creation, with a full recovery expected by the end of 2022.

The recent supply chain difficulties and tight labor markets have impeded economic growth and are likely to continue for some time. The long-term outlook for public education employment shows a slight decline due to demographics and the size of the K-12 student population. As a result, projected college campus and school district employment has been lowered relative to other employment sectors such as leisure and service sectors.

While state economists predict that Oregon will ultimately return to full employment, it is important to consider what a more equitable economic recovery will look like for our region. The economic recovery and resiliency have not been shared among all Oregonians. We know that lower income and BIPOC communities have been disproportionately impacted by the pandemic and other cascading crises. While higher and middle-income households have shown some economic gains this year, lower-income households continue to struggle with job loss, decreased job prospects, and inconsistent federal assistance. PCC students are particularly vulnerable and marked disparities continue to persist for our student populations.

The Oregon Office of Economic Analysis predicts that the Portland economy will regain its position near the top of the list of urban area recoveries. Two key unknowns will play a major part in the recovery in the urban core: business travel and the number of employees working from home.

With the pandemic still the major factor, the Portland regional economy is suffering more than the rest of the state. In particular, it is the in-person activities that cities usually thrive on that are seeing slower gains than elsewhere around the state. The relative economic performance is seen in the employment data as well. For example, leisure and hospitality unemployment in Multnomah County remains three times as high as in the Portland suburban counties, and ten times as high as in the rest of the state.

The Portland metropolitan area's unemployment rate declined to 4.9% in August from 5.3% in July. Approximately 59,700 area residents remain unemployed compared with 118,300 a year ago. Since peaking at 13.1% in April 2020, the unemployment rate has declined in all but two of the past 16 months. Employers added 6,800 jobs in August following a gain of 7,100 in July. Since the start of the recovery in May 2020, the region has regained 120,600 jobs, or roughly two-thirds of those lost during the pandemic. August's job growth was driven predominantly by leisure and hospitality, as has been the case for much of this year. Despite these gains, this industry is still tens of thousands of jobs short of pre-pandemic employment levels.

Another key factor is the re-emergence of inflation. The Western Region CPI-U increased 6% over last year and this trend is expected to continue for the foreseeable future. This period of rising prices will create a new challenge for the College by increasing operational costs.

Consequently, the pandemic and resulting recession have precipitated a decline in enrollment for community colleges both nationwide and locally. Enrollment patterns continue to be difficult to predict during a period of mostly remote operations. During this current biennium, we do not expect any change in one of our key revenue components, the local allocation of the Community College Support Fund (state support). However, due to decreasing enrollment, we expect a significant decrease in the collection of tuition and fees.

In light of the events of COVID-19, fewer students may be able to afford to attend college. This trend continues to have a downward impact on PCC's enrollment. Total FTE enrollment declined by 9.3% in the 2020-2021 school year, following a decline of 11% in the 2019-2020 school year.

Budget

The key financial plan for the College is the biennial budget. The budget is both a legal and operational plan. Through the budget process, the Board adopts the two-year budget or appropriation plan for the College. It is conducted based on the state-set biennium 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 Committee. After adoption, the budget may be revised periodically through supplemental budget 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 College Budget Planning Committee serves as part of the College's budget development process with committee membership including students, faculty, staff, and members of 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.

The FY 2021-23 Biennium Adopted Budget attempts to balance the needs of the College's strategic goals while meeting the College's mission of offering accessible and affordable education. The budget adheres to the fundamental core of institutional strategy for building opportunity and equitable student success. Staff developed the budget in line with established budget assumptions and goals, as well as the approved budget principles. The budget was developed to begin alignment with the new Strategic Plan and Reorganization, which reinforces PCC as "One College" dedicated to equitable student success.

After the adoption of the FY 2021-23 Biennium budget in June, 2021, the legislature announced that funding for the Community College Support Fund (CCSF) would be set at \$703 million for the FY 2021-23 Biennium, an increase of \$62.1 million over the budgeted level of \$640.9 million. PCC receives approximately 34% of the state allocation, resulting in an increase of anticipated state funding of approximately \$25.1 million in the FY 2021-23 Biennium. We continue to make every effort to capture possible savings from the remote instructional environment to build a sufficient fund balance to offset continuing tuition and revenue losses. As expenditures are forecasted to increase and one-time federal funds are no longer available, the College will need to monitor its budget carefully and remain focused on long-term stability.

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 NWCCU Policies, Regulations, and Financial Review (PRFR) evaluation occurred in spring 2021 and will be followed by an evaluation of Institutional Effectiveness in spring 2022. 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, 2020. The College has achieved this prestigious award every year 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.

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 Eide Bailly LLP for their efforts during this audit. We would also like to thank the members of the Board of Directors, the College 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
Vice President of Finance and Administration

Dina Farrell
Associate Vice President of Finance

James Crofts
Accounting Services Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Portland Community College
Oregon**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

BOARD OF DIRECTORS

**Laurie Cremona
Wagner**
Zone 1

Tiffani Penson
Zone 2

Michel Sonnleitner
Zone 3

Serin Bussell
Zone 4

Dan Saltzman
Zone 5

Mohamed Alyajouri
Zone 6

Kristi Wilson
Zone 7

**Mohasin Biswas
Manab**
Student Trustee

Mark Mitsui
College President

Jeannie Moton
Exec Coord/Pres & Board

Sylvia Kelley
VP/District

Eric Blumenthal
VP/Finance & Administration

Katy Ho
VP/Academic Affairs

Heather Lang
Interim, VP/Student Affairs

FINANCIAL SECTION





Independent Auditor's Report

To the Board of Directors
Portland Community College
Portland, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Portland Community College (the College), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the 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 the College, as of June 30, 2021, and the changes in financial position and cash flows thereof 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 the management's discussion and analysis, the schedule of contributions and proportionate share of the net pension liability, the schedules of contributions and proportionate share of net OPEB liability, and the schedules of total OPEB liability and total pension liability as listed in the table of contents, 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's financial statements. The board of directors and administration, introductory section, the schedules of revenues, expenditures, and changes in fund balances – budget and actual by fund, the other financial schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the financial statements.

The budget and actual by fund schedules, the other financial schedules, and the 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 budget and actual by fund schedules, the other financial schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The board of directors and administration, introductory, and statistical sections 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2021 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 1, 2021, on our consideration of the College's compliance with certain provisions of laws and regulations, including 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 compliance and the results of that testing and not to provide an opinion on compliance.



For Eide Bailly, LLP
Boise, Idaho
December 1, 2021



MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Portland Community College's (the College) Comprehensive Annual Financial Report presents an analysis of the financial activities of the College for the fiscal years ended June 30, 2021 and June 30, 2020 respectively. This discussion is 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, known facts, and any resulting changes.

FINANCIAL HIGHLIGHTS

Significant events of fiscal year ended June 30, 2021 that affected the College are as follows:

- Full-time equivalent students (FTE) decreased from 22,320 in 2020 to 20,248 in 2021. The total headcount of students decreased from 60,037 in 2020 to 50,576 in 2021. More information about enrollment is available in the Statistical Section of this Comprehensive Annual Financial Report.
- FTE reimbursement from the State of Oregon decreased from \$132.3 million in fiscal year 2020 to \$81.0 million in fiscal year 2021. This variance in FTE reimbursement is driven by the payment method used by the Oregon Legislature and the difference in budgetary reporting under the Oregon Statutes and financial reporting under GAAP. As a result, the College reports five quarters of reimbursement the first year of the biennium and three quarters of reimbursement the second year. Fiscal year ending June 30, 2021 is the second year of the biennium.
- Capital assets, net of depreciation, increased from \$623.1 million in 2020 to \$657.6 million in 2021. Notable projects completed in fiscal year 2021 include the OMIC Training Center and the Vanport Building, totaling \$26.4 and \$22.9 million, respectively.
- Net position decreased by \$19.0 million from \$361.3 million in 2020 to \$342.3 million in 2021. Details of this decrease are found in the following pages under the Analysis of Changes in Net Position section.
- Due to the COVID-19 pandemic that was declared a national emergency on March 13, 2020, the federal government responded with relief funding through the CARES, CRRSA and ARP Acts. Through the US Department of Education's Education Stabilization Fund, the College expended a total of \$50.5 million in the current fiscal year for student financial aid, lost revenue, and institutional costs related to the pandemic.

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.

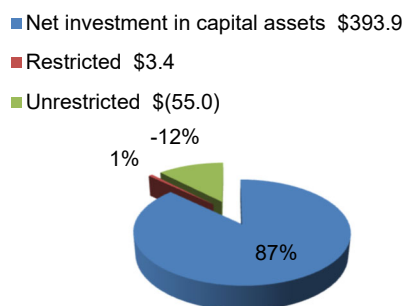
Analysis of Net Position

The Statement of Net Position (page 12) presents a snapshot of the College's assets, deferred outflows, liabilities, and deferred inflows under the accrual basis of accounting at the end of each fiscal year presented. 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.

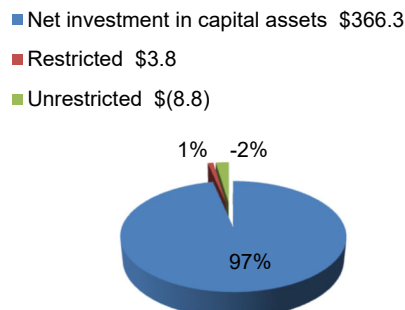
Net Position (in millions)			
	2021	2020	Increase (decrease) 2021-20
Assets			
Current assets	\$ 342.7	\$ 349.6	\$ (6.9)
Capital assets, net of depreciation	657.6	623.1	34.5
Other noncurrent assets	1.3	19.0	(17.7)
Total assets	1,001.6	991.7	9.9
Deferred outflows	163.7	177.5	(13.8)
Total assets and deferred outflows	\$ 1,165.3	\$ 1,169.2	\$ (3.9)
Liabilities			
Current liabilities	\$ 138.1	\$ 107.2	\$ 30.9
Noncurrent liabilities	648.7	679.2	(30.5)
Total liabilities	786.8	786.4	0.4
Deferred Inflows	36.2	21.5	14.7
Net position			
Net investment in capital assets	393.9	366.3	27.6
Net position: restricted	3.4	3.8	(0.4)
Net position: unrestricted	(55.0)	(8.8)	(46.2)
Total net position	342.3	361.3	(19.0)
Total liabilities, deferred inflows and net position	\$ 1,165.3	\$ 1,169.2	\$ (3.9)

Portland Community College
Fiscal year ended June 30, 2021

2021 Net position - \$342.3 million



2020 Net position - \$361.3 million



Fiscal year 2021 compared to Fiscal year 2020. Net Position decreased \$19.0 million from \$361.3 million in 2020 to \$342.3 million in 2021. Current assets of \$342.7 million are sufficient to cover current liabilities of \$138.1 million. This represents a current ratio of 2.5. Current assets decreased by \$6.9 million due to a \$2.9 million decrease in receivables, \$2.5 million decrease in cash and short-term investments, and \$1.5 million decrease in inventory and prepaid items. Other noncurrent assets decreased \$17.7 million primarily due to a \$16.6 million decrease in long-term investments. Deferred outflows decreased \$13.8 million primarily driven by a net decrease of \$13.5 million in pension and OPEB related deferred outflows. Currently, \$393.9 million is the net investment in capital assets and reflects an increase of \$27.6 million from the prior year. Construction in progress had a net decrease of \$8.6 million in the current fiscal year, with a balance of \$59.5 million of projects yet to be completed. Capital assets being depreciated had a net increase of \$43.0 million. 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.

The College's current liabilities consist primarily of payroll, accounts payable, unearned revenue, compensated absences and the current portion of long-term debt. Current liabilities increased \$30.9 million primarily driven by increases in payroll liabilities of \$2.4 million, \$15.9 million in unearned revenue, and \$11.2 million in the current portion of long-term debt. Noncurrent liabilities decreased \$30.5 million primarily due to a net decrease of \$65.0 million in bond related liabilities partially offset by a net increase of \$35.2 million in pension related liabilities.

Analysis of Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position (page 13) presents the revenues earned and the expenses incurred during the year. All changes in net position are reported under the accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs, regardless of the timing 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 (FTE reimbursement) and property tax revenue, this statement presents an operating loss, while the non-operating revenues significantly offset the operating loss on overall net position.

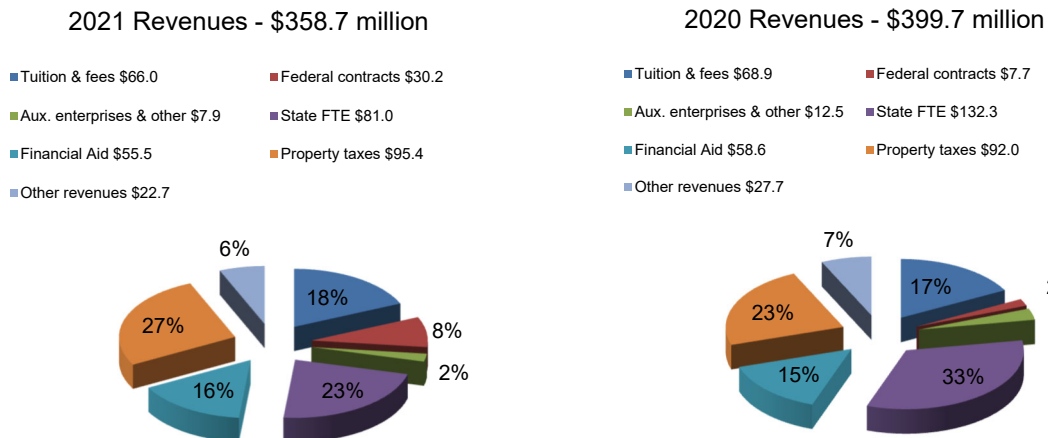
Changes in Net Position (In Millions)

	2021	2020	Increase (decrease) 2021-20
Operating revenues			
Student tuition and fees	\$ 66.0	\$ 68.9	\$ (2.9)
Federal contracted programs	30.2	7.7	22.5
Auxiliary enterprises and other	7.9	12.5	(4.6)
Total operating revenues	<u>104.1</u>	<u>89.1</u>	<u>15.0</u>
Nonoperating revenues			
State FTE reimbursement	81.0	132.3	(51.3)
Property taxes	95.4	92.0	3.4
Federal financial aid	55.5	58.6	(3.1)
Other nonoperating revenues	22.7	27.7	(5.0)
Total nonoperating revenues	<u>254.6</u>	<u>310.6</u>	<u>(56.0)</u>
Total revenues	<u>358.7</u>	<u>399.7</u>	<u>(41.0)</u>
Operating expenses			
Campus educational and general	152.0	76.3	75.7
Other educational and general	113.3	35.9	77.4
Grants and contracted programs	25.0	21.3	3.7
Auxiliary enterprises	9.1	13.2	(4.1)
Depreciation and amortization	20.3	18.2	2.1
Other support services	29.5	30.4	(0.9)
Total operating expenses	<u>349.2</u>	<u>195.3</u>	<u>153.9</u>
Nonoperating expenses			
Other nonoperating expenses	<u>28.5</u>	<u>31.1</u>	<u>(2.6)</u>
Total expenses	<u>377.7</u>	<u>226.4</u>	<u>151.3</u>
Increase (decrease) in net position	(19.0)	173.3	(192.3)
Net position, beginning of year	361.3	188.0	173.3
Net position, end of year	<u>\$ 342.3</u>	<u>\$ 361.3</u>	<u>\$ (19.0)</u>

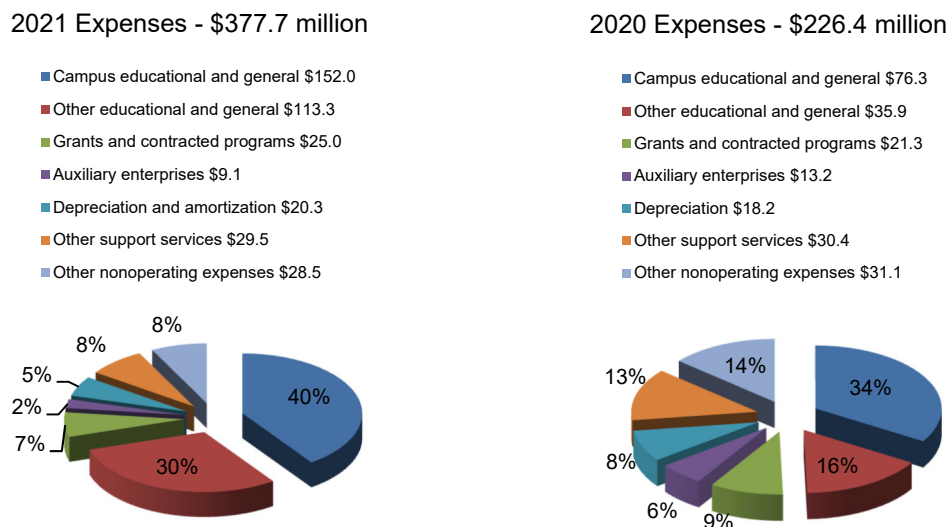
Portland Community College
Fiscal year ended June 30, 2021

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

The following graphics show the allocation of total revenues for fiscal years 2021 and 2020:



The following graphics show the allocation of total expenses for fiscal years 2021 and 2020:



Fiscal year 2021 compared to Fiscal year 2020. The most significant sources of operating revenues are student tuition and fees. Revenues for auxiliary enterprises were significantly impacted by the COVID-19 pandemic for the spring term of fiscal year 2020 and all terms of fiscal year 2021.

Portland Community College
Fiscal year ended June 30, 2021

The largest non-operating revenue sources are property taxes, followed by state FTE reimbursement and federal financial aid. The \$51.3 million decrease in FTE reimbursement is due to the recognition of three quarters of FTE in 2021 compared to five quarters in fiscal year 2020. The remaining \$4.7 million decrease in non-operating revenues is primarily driven by a \$7.4 million decrease in investment income partially offset by a \$3.4 million increase in property taxes.

Operating expenses increased by \$153.9 million. Campus educational and general expenses is the largest single line item, and pension and other postemployment benefit transactions accounted for \$155.5 million of the increase in expenses.

Analysis of Cash Flows

The primary purpose of the Statement of Cash Flows (page 14 & 15) is to provide relevant information about the College's sources and uses of cash during the fiscal year. The Statement of Cash Flows presents information on cash flows from operating activities, non-capital financial activities, capital financing activities, and investing activities.

Cash Flow (in millions)			
	2021	2020	Increase (decrease) 2021-20
Cash provided by (used in)			
Operating activities	\$ (138.2)	\$ (166.4)	\$ 28.2
Noncapital financing activities	178.0	219.9	(41.9)
Capital financing activities	(59.8)	(40.0)	(19.8)
Investing activities	147.3	11.1	136.2
Net increase (decrease) in cash	127.3	24.6	102.7
Cash and cash equivalents, beginning of year	59.4	34.8	24.6
Cash and cash equivalents, end of year	\$ 186.7	\$ 59.4	\$ 127.3

Fiscal year 2021 compared to Fiscal year 2020. Operating Activities: The College's major sources of cash included in operating activities are student tuition and fees, federal grants and contracts, and non-government

Portland Community College
Fiscal year ended June 30, 2021

grants and contracts. Major uses of cash were payments made to employees, students for financial aid, and suppliers for goods and services. The College used \$28.2 million less cash in its operating activities in fiscal year 2021 than in fiscal year 2020, primarily driven by a \$39.3 million increase in cash provided by federal grants and contracts, partially offset by a decrease of \$10.6 million in cash provided from customers and a \$4.3 million decrease in cash provided by tuition and fees.

Noncapital Financing Activities: Proceeds from state FTE reimbursements, student financial aid, and property taxes are the primary sources of noncapital financing for fiscal year 2021. Cash provided by noncapital financing activity decreased by \$41.9 million. The decrease in cash provided is largely attributed to the decrease of \$51.3 million in state FTE this year partially offset by an \$8.8 million increase in cash provided by state and local government grants and contracts. 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 \$19.8 million compared to last fiscal year. Notable cash activity includes cash received from property taxes, used for principal and interest paid on long-term debt, and used to purchase capital assets. During the fiscal year, the College received \$119.4 million proceeds from issuance of general obligation bonds and made payment to a bond escrow agent of \$118.6 million for the partial refunding of the 2013 general obligation bonds.

Investing Activities: Total cash provided by investing activities increased by \$136.2 million compared to fiscal year 2020. The increase in cash provided is the effect of a \$7.8 million decrease in cash provided from interest on investment offset by a \$144.0 million net increase in purchases and sales of investments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The College's net invested in capital assets as of June 30, 2021 was \$657.6 million. Investment in capital assets includes land, buildings, improvements, machinery and equipment, capital leases, art and historical treasures, library collections, and infrastructure.

Additional information on the College's capital assets may 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 \$630.7 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 \$4.2 billion, which is significantly higher than the College's outstanding general obligation debt. The College's outstanding general obligation debt is roughly 14.7% of the legal debt limit. Additional information on the College's long-term debt and legal debt limit may be found in Note 5 of the Notes to Basic Financial Statements and the Legal Debt Margin of the Statistical Section.

ECONOMIC IMPACTS AND NEXT YEAR'S BUDGET

- The College remained in mostly remote instruction during FY21 and is budgeted to return to in-person instruction during FY22.
- State support funding increased for FY22 by 7%.
- No tuition rate increase was adopted for FY22. The College budgeted a 2% decrease in tuition revenue based on enrollment trends.
- Property tax income is predicted to be stable in FY22.

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, 2021

(In Thousands)

ASSETS	
Current assets:	
Cash and cash equivalents	\$ 186,671
Short-term investments	133,489
Receivables, net of allowance	
Taxes	2,113
Accounts	6,660
Student accounts	4,570
Federal programs	6,176
Interest	708
Inventory and prepaid items	2,323
Total current assets	<u>342,710</u>
Noncurrent assets:	
OPEB asset	1,343
Capital assets - non-depreciable	111,645
Capital assets - depreciable	762,040
Less: Accumulated depreciation	<u>(216,104)</u>
Total noncurrent assets	<u>658,924</u>
TOTAL ASSETS	<u>1,001,634</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferral of amounts on refunding	2,785
Pension related	156,755
OPEB related	4,098
TOTAL DEFERRED OUTFLOWS	<u>163,638</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 1,165,272</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 10,827
Payroll liabilities	25,901
Accrued interest payable	1,529
Unearned revenue	30,593
Compensated absences	9,446
Other current liabilities	1,834
Current portion of long-term debt	57,970
Total current liabilities	<u>138,100</u>
Noncurrent liabilities:	
Noncurrent liabilities	706,654
Less: Current portion of long-term debt	<u>(57,970)</u>
Total noncurrent liabilities	<u>648,684</u>
TOTAL LIABILITIES	<u>786,784</u>
DEFERRED INFLOWS OF RESOURCES	
Deferral of amounts on refunding	1,717
Pension related	30,628
OPEB related	3,834
TOTAL DEFERRED INFLOWS	<u>36,179</u>
NET POSITION	
Net investment in capital assets	393,878
Net position: restricted	3,397
Net position: unrestricted	<u>(54,966)</u>
Total net position	<u>342,309</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 1,165,272</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, 2021

(In Thousands)

OPERATING REVENUES

Student tuition and fees,	
net of scholarship allowances	\$ 65,992
Federal contracted programs	30,234
Nongovernment grants and contracts	4,259
Auxiliary enterprises:	
Food services	11
Bookstore, net of scholarship allowances	3,030
Parking operation	56
Other operating revenues	572
Total operating revenues	<u>104,154</u>

OPERATING EXPENSES

Educational and general:	
Sylvania Campus	55,333
Rock Creek Campus	42,791
Cascade Campus	31,962
Southeast Campus	16,851
Extended Learning Centers	5,112
President and Governing Board	17,686
Academic and Student Affairs Services	36,774
Administrative Services and Physical Plant	58,873
Other support services:	
Student Activities	1,686
Grants and contracted programs	24,962
Student financial aid, net of tuition and textbooks	24,903
Auxiliary enterprises:	
Food services	1,008
Bookstore	6,364
Parking operation	1,695
Materials, supplies and minor equipment expense	2,951
Depreciation expense	24,376
Amortization of bond premium	(4,073)
Total operating expenses	<u>349,254</u>
Operating income (loss)	<u>(245,100)</u>

NONOPERATING REVENUES (EXPENSES)

Federal financial aid	55,517
State FTE reimbursement	81,043
State and local government grants and contracts	21,789
Property taxes	95,393
Investment income	849
Loss on the disposal of capital assets	(281)
Bond issuance costs	(749)
Interest expense	(27,478)
Net nonoperating revenues (expenses)	<u>226,083</u>
Increase (decrease) in net position	<u>(19,017)</u>

NET POSITION

Net position - beginning of the year	361,326
Net position - end of the year	<u>\$ 342,309</u>

See notes to basic financial statements.

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

STATEMENT OF CASH FLOWS

Year ended June 30, 2021

(In Thousands)

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 66,476
Federal grants and contracts	47,955
Non-government grants and contracts	4,259
Payments to suppliers for goods and services	(15,105)
Payments to employees	(219,202)
Payments for student financial aid and other scholarships	(24,903)
Cash received from customers	1,723
Other cash receipts	572

Net cash used in operating activities	(138,225)
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CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Federal student financial aid grants	52,761
State and local government grants and contracts	26,256
Cash received from property taxes	39,332
Cash received from State FTE reimbursement	81,043
Interest paid on limited tax pension bonds	(10,578)
Principal paid on limited tax pension bonds	(10,790)

Net cash provided by noncapital financing activities	178,024
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CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Cash received from property taxes	56,122
Principal paid on long-term debt	(37,585)
Obligation under capital lease	(413)
Acquisition and construction of capital assets	(60,750)
Proceeds from bonds payable	119,365
Payment to refunding bond escrow	(118,608)
Cash paid for bond issuance costs	(749)
Interest paid on obligation for capital lease	(10)
Interest paid on long-term debt	(17,158)

Net cash used by capital financing activities	(59,786)
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments	976
Purchases of investments	(406,856)
Proceeds from sales of investments	553,173

Net cash provided by investing activities	147,293
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See notes to basic financial statements.

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

STATEMENT OF CASH FLOWS (CONTINUED)
Year ended June 30, 2021
(In Thousands)

NET INCREASE IN CASH	\$ 127,306
Cash and cash equivalents - beginning of the year	<u>59,365</u>
Cash and cash equivalents - end of year	<u><u>\$ 186,671</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (245,100)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	24,376
Amortization expense	(4,073)
Change in net pension liability	37,777
Change in pension transition liability	(2,604)
Change in OPEB asset	1,067
Change in OPEB liability	(225)
Change in deferred outflows of resources	13,487
Change in deferred inflows of resources	12,987
(Increases) decreases in current assets used in operations:	
Accounts receivable	(1,375)
Student accounts receivable	2,350
Inventory and prepaid items	1,562
Increases (decreases) in current liabilities used in operations:	
Accounts payable	1,928
Payroll liabilities	2,375
Unearned revenue	15,857
Other current liabilities	(76)
Compensated absences	<u>1,462</u>
Net cash used in operating activities	<u><u>\$ (138,225)</u></u>

See notes to basic financial statements.



**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

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. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Included in this category is the employer deferred pension obligation, the deferred other postemployment benefit obligation (OPEB), and deferred charge on debt refunding. See Notes 10 and 11 for more information.

Deferred inflows of resources represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. This includes the employer deferred pension obligation, the deferred OPEB obligation, and the deferred gain on debt refunding. See Notes 10 and 11 for more information.

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, deferred outflows, liabilities, deferred inflows, 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.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Restricted Resources

The College receives resources restricted to specific uses by debt covenants, grants, contracts, laws and regulations, and enabling legislation. Unrestricted resources are available for any College purpose.

When both restricted and unrestricted resources are available for use, it is the College's practice to use restricted resources first then unrestricted resources as they are needed.

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, 2021, 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, 2021. Unrealized gains or losses on investments are reported as investment activity in the Statement of Revenue, Expenditures, and Changes in Net Position.

Receivables

All accounts, student loans, grants and property taxes receivable are shown net of an allowance for uncollectable accounts. The allowance for uncollectible accounts is determined based upon the aged receivable balance. At June 30, 2021 the allowance for uncollectible accounts is \$1.8 million.

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

Inventories of supplies are stated at cost. All inventories held for resale are stated at the lower of cost or market.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

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 an asset's life 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.

Unearned Revenue

Unearned revenue consists primarily of students' tuition received in advance for the summer term and advances from contract and grants for services the College will render after year-end. The College also has notes receivable for Federal Perkins and Nursing loan programs which are offset with unearned revenue because the loans are for federal government programs.

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 in the amount of \$1.5 million and OPEB asset in the amount of \$1.9 million.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term Debt

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as outflow of resources (expenses) in the period incurred.

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. The College also maintains a single-employer, defined benefit early retirement incentive program for qualifying Faculty, Academic Professionals (AP), and Classified Employees.

Other Postemployment Benefits Other Than Pensions

The College administers two single employer OPEB plans. Both OPEB plans utilized employee census data and benefits provided by the College for purposes of measuring the net OPEB liability or total OPEB liability, deferred outflow of resources and deferred inflow of resources related to OPEB, and OPEB expense. Benefit payments (including refunds of employee contributions) are financed on a pay-as-you-go basis. For the RHIA plan, the net OPEB asset, deferred outflow of resources and deferred inflow of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by PERS. Therefore, 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, 2021 are \$26.4 million.

Federal Financial Assistance Program

The College participates in various federally funded programs including Pell Grants, SEOG Grants, Federal Work-Study, Federal Direct Lending, and Perkins Loans programs. In addition, the College receives a variety of federal grants including Dislocated Workers Grants, ABE/GED, and Perkins Title 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, 2021**

2. CASH AND INVESTMENTS

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

	Year Ended June 30, 2021
Cash and cash equivalents:	
Cash on hand	\$ 72
Demand deposits	135,878
Cash held by county treasurer	343
Oregon Local Government Investment Pool	50,378
Total cash and cash equivalents basic statements	<u>186,671</u>
Investments:	
Government and agency obligations	128,419
Corporate securities	4,500
Bank obligations	570
Total investments	<u>133,489</u>
Total cash and investments	<u><u>\$ 320,160</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):

	Year Ended June 30, 2021
Investments categorized by Standard and Poor's rating:	
Government sponsored (Treasury & Federal Agencies), AA+	\$ 128,419
Corporate notes (AA+ or better)	4,500
Bank obligations (certificates of deposit)	570
Total investments	<u><u>\$ 133,489</u></u>

Cash and Investments in the amount of \$147.2 million, which are included in short term and long-term investments, are restricted per bond covenants for future bond construction projects.

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

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

2. CASH AND INVESTMENTS (Continued)

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. As of October 1, 2017, PFM Asset Management is providing support for the Local Government Investment Pool. Account information is available and initiating transactions are done by logging into Easy Online Network.

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 are measured or disclosed at fair value on a recurring basis. The College does not have any financial assets that are measured at fair value on a non-recurring basis. The summary table represents the College's investments for the fiscal year ended June 30, 2021 as follows (in thousands):

	Fair Value Hierarchy			Total
	Level 1	Level 2	Level 3	
Debt Securities				
US Treasuries	\$ 127,407	\$ -	\$ -	\$ 127,407
US Government Agencies	-	1,012	-	1,012
Corporate Bonds	-	4,500	-	4,500
Time Certifies of Deposit*	-	-	-	570
	<u>\$ 127,407</u>	<u>\$ 5,512</u>	<u>\$ -</u>	<u>\$ 133,489</u>

* Time Certificates of Deposits are not included in the Fair Value Hierarchy.

Investments categorized as Level 1 are valued based on prices quoted in active markets for those securities. Investments categorized as Level 2 are valued based on prices obtained from reputable pricing vendors, using models that are market-based measurements representing their good faith opinion as to the exit value of the investment, in an orderly transaction under current market conditions in an inactive market.

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, 2021.

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

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

2. CASH AND INVESTMENTS (Continued)

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, 2021, the College bank balances were \$139.1 million, which includes time CDs and bank accounts. Of these deposits, \$17.2 million on deposit with six 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, 2021, the College had \$133.5 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.

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, 2021, 79.5% of investments held by the College (excluding Local Government Investment Pool balances) matured within a 180 day timeline and have investment ratings of AA or higher. Weighted average maturities of investments in the Local Government Investment Pool at June 30, 2021 were: 58.1% mature within 93 days, 17.2% mature from 94 days to one year and 24.7% mature from over one year to three years from settlement date.

Bond Investments maturing after 180 days (in thousands)

Bond Investments	Rating	Maturity Date	Fair Value
US Treasury	AA+	01-15-2022	\$ 14,184
US Treasury	AA+	04-15-2022	5,086
US Treasury	AA+	04-15-2022	7,119

All Other Investments maturing after 180 days (in thousands)

All Other Investments	Rating	Maturity Date	Fair Value
FHLMC Coupon	AA+	01-13-2022	\$ 1,012
Heritage Bank CD	NR	03-22-2022	240
Beneficial State Bank CD	NR	03-28-2022	100

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

3. CAPITAL ASSETS

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

	Balance June 30, 2020	Increase	Decrease	Balance June 30, 2021
Capital assets not being depreciated:				
Land	\$ 50,658	\$ -	\$ -	\$ 50,658
Art and historical treasure	1,530	-	-	1,530
Construction in progress	68,054	57,619	(66,216)	59,457
Total capital assets not being depreciated	120,242	57,619	(66,216)	111,645
Capital assets being depreciated:				
Land improvements	10,493	-	-	10,493
Building and improvements	586,912	62,138	-	649,050
Equipment and machinery	27,315	1,148	(404)	28,059
Capital lease	260	-	(260)	-
Library collections	1,261	40	(154)	1,147
Infrastructure	69,255	4,036	-	73,291
Total capital assets being depreciated	695,496	67,362	(818)	762,040
Less accumulated depreciation for:				
Land improvements	10,299	256	-	10,555
Building and improvements	154,378	21,369	-	175,747
Equipment and machinery	21,672	1,425	(382)	22,715
Capital lease	260	-	(260)	-
Library collections	688	123	(225)	586
Infrastructure	5,298	1,203	-	6,501
Total accumulated depreciation	192,595	24,376	(867)	216,104
Total capital assets being depreciated, net	502,901	42,986	49	545,936
Total capital assets, net	\$ 623,143	\$ 100,605	\$ (66,167)	\$ 657,581

4. UNEARNED REVENUE

At June 30, 2021, The College's unearned revenue consisted of the following (in thousands):

	Amount
Prepaid Tuition	\$ 7,829
Perkins and Nursing Loans	2,498
Contract and Grant Revenues	20,266
Total	\$ 30,593

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

5. LONG-TERM LIABILITIES

Transactions for the fiscal year ended June 30, 2021 are as follows (in thousands):

Bonds and Note Payable	Original Amount	Outstanding June 30, 2020	Increases	Decreases	Outstanding June 30, 2021	Due Within One Year
2020 General obligation refunding bonds, interest ranges from 4.00% - 5.00%, Maturity June 15, 2033	\$ 119,365	\$ -	\$ 119,365	\$ (1,635)	\$ 117,730	\$ 6,680
2018 General obligation bonds, interest ranges from 4.00% - 5.00%, Maturity June 15, 2033	185,000	157,030	-	(18,485)	138,545	20,870
2016 General obligation refunding bonds, interest ranges from 3.00% - 5.00%, Maturity June 15, 2029	118,630	109,015	-	(9,885)	99,130	10,380
2013 General obligation bonds, interest ranges from 3.00% - 5.00%, Maturity June 15, 2033	177,495	131,745	-	(115,435)	16,310	7,955
2018 Limited tax pension bonds, interest ranges from 2.97% - 4.64%, Maturity June 1, 2038	171,865	167,475	-	(3,540)	163,935	4,035
2003 Limited tax pension bonds, interest ranges from 1.07% - 4.81%, Maturity June 1, 2027	119,995	69,690	-	(7,250)	62,440	8,050
Premium on General obligation bonds	67,015	49,573	-	(16,914)	32,659	-
	<u>\$ 959,365</u>	<u>\$ 684,528</u>	<u>\$ 119,365</u>	<u>\$ (173,144)</u>	<u>\$ 630,749</u>	<u>\$ 57,970</u>

Additional Long-Term Liabilities for the fiscal year ended June 30, 2021 are as follows (in thousands):

Other Long-Term Liabilities	Outstanding June 30, 2021
Transition liability - pre SLGRP	\$ 12,073
Net pension liability	52,858
OPEB liability	10,974
	<u>\$ 75,905</u>

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

5. 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
2022	\$ 57,970	\$ 24,043
2023	61,065	21,543
2024	41,025	19,669
2025	44,760	18,076
2026	48,760	16,294
2027-2031	203,960	52,275
2032-2036	113,955	18,732
2037-2038	26,595	1,658
	<u>\$ 598,090</u>	<u>\$ 172,290</u>

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

As of June 30, 2021, \$93.6 million of the General Obligation Bonds, Series 2009 and \$107.9 million of the General Obligation Bonds, Series 2013 are outstanding and considered defeased.

In December 2020, the College issued General Obligation Refunding Bonds, Series 2020 in the amount of \$119.4 million. The proceeds from the bonds will be used to redeem a portion of the General Obligation Bonds, Series 2013. The defeased bonds are callable on June 15, 2023. The refunding took place to take advantage of current market yield which created a net economic gain of \$11.0 million, based upon the total savings of \$14.0 million over the remaining life of the refunded bonds.

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, 2021, the College had no arbitrage rebate liabilities.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

6. OPERATING LEASES

Minimum Lease Payments

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 663
2023	661
2024	162
2025	59
2026	15
<u>Later years</u>	<u>-</u>
Total	<u>\$ 1,560</u>

The expense for operating leases for the year ended June 30, 2021 was \$1.0 million.

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. This payment was included in the capitalization of the Willow Creek Center and is being depreciated over 50 years. In January 2010, the College began making the annual payments to the lessor for parking space maintenance.

In 2102, five years before the end of the lease (2107), 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 lessor 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.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

9. RISK MANAGEMENT (Continued)

The College retains the risk of liability claims under \$780,000 per occurrence. There has been no significant reduction in insurance coverage during the year ended June 30, 2021 and no insurance settlement exceeded insurance coverage for the past four years. Liability insurance generally covers casualty losses in excess of \$780,000 per occurrence. Excess insurance above the Self Insured Retention has a limit of \$20 million per occurrence and \$20 million in the aggregate. The College's property insurance total loss limit is \$200 million with a \$25 thousand deductible. Earthquake and flood coverage has a loss limit of \$100 million per occurrence and annual aggregate with a \$100,000 deductible.

The College self-insures for workers' compensation and employers liability to pay claims, maintain claims reserves and pay administrative expenses for work-related injuries and illnesses. 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 consistent with Oregon statutes. 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, 2021	Year Ended June 30, 2020
Unpaid claims, July 1	\$ 559	\$ 559
Incurred claims	309	433
Claim payments	(465)	(433)
Unpaid claims, June 30	<u>\$ 403</u>	<u>\$ 559</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. The Pension Program 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.

Starting July 1, 2020, Senate Bill 1049 required IAP member contributions to be redirected to the Defined Benefit fund. If the member earns more than \$2,500 a month, 0.75% for OPSRP members and 2.5% for Tier One and Tier Two members' salaries that were previously contributed to the member's IAP began

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

10. PENSION PLANS (Continued)

funding the new Employee Pension Stability Accounts to help fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account.

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

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

Benefits Provided

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

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67% 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.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary will be limited for all members beginning in 2020. The limit will be equal to \$195,000 in 2020, and will be indexed with inflation in later years.

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.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

10. PENSION PLANS (Continued)

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%.

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.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020. The limit will be equal to \$195,000 in 2020, and will be indexed with inflation in later years.

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. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

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.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

10. PENSION PLANS (Continued)

C. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15- or 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, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2021 to the Tier One/Tier Two and OPSRP plans totaled \$5.6 million, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2021 were 17.72% for Tier One/Tier Two General Service Members and 11.69% for OPSRP Pension Program General Service Members, net of 10.23% of side account rate relief. An additional 6% contribution is required for the OPSRP Individual Account Program and totaled \$6.4 million for the year ended June 30, 2021.

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

At June 30, 2021, the College reported net pension liability of \$51.5 million for its proportionate share of PERS net pension liability. The net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. 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

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Year ended June 30, 2021**

10. PENSION PLANS (Continued)

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, 2020 and 2019, the College's proportion were 1.16% and 1.19% respectively.

For the year ended June 30, 2021, the College recognized pension expense of \$65.2 million. At June 30, 2021, 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	\$ 11,156	\$ -
Changes in assumptions	13,603	477
Net difference between projected and actual earnings on investments	29,804	-
Changes in proportionate share	-	9,086
Changes in proportion and differences between employer contributions and proportionate share of contributions	95,949	20,828
College's contributions subsequent to the measurement date	5,561	-
Year Ended June 30, 2021	<u>\$ 156,073</u>	<u>\$ 30,391</u>

There is \$5.6 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, 2022. 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):

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 32,876
2023	38,547
2024	39,090
2025	11,011
2026	(1,403)
Total	<u>\$ 120,121</u>

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10. PENSION PLANS (Continued)

Actuarial Assumptions

The employer contribution rates effective July 1, 2019 to June 30, 2021 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, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	December 31, 2018
Measurement date	June 30, 2020
Experience Study	2018, published by July 24, 2019
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation Rate	2.50%
Long-term expected rate of return	7.20%
Discount rate	7.20%
Projected salary increases	3.50%
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active Members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

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PORTLAND, OREGON**

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

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Core Fixed Income	9.60 %	4.07 %
Short-Term Bonds	9.60	3.68
Bank/Leveraged Loans	3.60	5.19
High Yield Bonds	1.20	5.74
Large/Med Cap US Equities	16.17	6.30
Small Cap US Equities	1.35	6.68
Micro Cap US Equities	1.35	6.79
Developed Foreign Equities	13.48	6.91
Emerging Market Equities	4.24	7.69
Non-US Small Cap Equities	1.93	7.25
Private Equity	17.50	8.33
Real Estate (Property)	10.00	5.55
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds - Diversified	1.50	4.06
Hedge Fund - Event-driven	0.38	5.59
Timber	1.13	5.61
Farmland	1.13	6.12
Infrastructure	2.25	6.67
Commodities	1.13	3.79
Total	<u>100 %</u>	
Assumed Inflation - Mean		2.50 %

Source: OPERS Comprehensive Annual Financial Report, For the Fiscal Year Ended June 30, 2020.

Source for the above table does not foot to 100%

Discount Rate

The discount rate used to measure the total pension liability was 7.20% 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

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Year ended June 30, 2021**

10. PENSION PLANS (Continued)

actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.20%, 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 (6.20%) or 1-percentage-point higher (8.20%) than the current rate (in thousands):

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
College's proportionate share of the net pension liability (asset)	\$ 174,381	\$ 51,472	\$ (51,593)

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 \$12.1 million at June 30, 2021. The liability represents the College's allocated share of the pre-SLGRP pooled liability. The College is being assessed an employer contribution rate of 1.71% 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 2.0% employer contributed 403(b) plan. The actuarial information is from an actuarial valuation report as of June 30, 2021.

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.

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10. PENSION PLANS (Continued)

Benefit eligibility:

Faculty and AP employees - retire prior to age 65.

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

Supplemental early retirement benefits:

Faculty and AP employees - \$400 per month until age 65 or for 48 months, whichever is earlier.

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

Eligible Classified employees retiring between October 1, 2017 and June 30, 2019 are eligible to receive a monthly benefit of \$525. Eligible Classified employees retiring between December 19, 2019 and December 31, 2021 are eligible to receive a monthly benefit of \$773. This benefit may be taken as stipend or applied toward health insurance premiums. This benefit lasts for four years, but not beyond age 65.

At June 30, 2021, 80 retirees and surviving spouses received benefits and 2,128 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, 2021, changes in the pension liability are as follows (in thousands):

	<u>Total Stipend Liability</u>
Beginning of Year, 7/1/2020	\$ 1,294
Benefit Payments	(194)
Service Cost	60
Interest on Stipend Liability	26
Change of Benefit Terms	57
Change in Assumptions	205
Experience (Gain)/Loss	(62)
End of Year, 6/30/2021	\$ 1,386

Actuarial valuations:

The actuarial information is from an actuarial valuation report as of June 30, 2021.

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**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

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.

Asset Valuation Method:

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

Basic actuarial assumptions:

1. Discount rate 2.16% per year

2. Mortality **Healthy retirees and beneficiaries:** Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Active employees: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Disabled retirees: Pub-2010 Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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**NOTES TO BASIC FINANCIAL STATEMENTS
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10. PENSION PLANS (Continued)

	Discount Rate Sensitivity		
	(in thousands)		
	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total Stipend Liability on 6/30/2021	\$ 1,453	\$ 1,386	\$ 1,320

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

For the year ended June 30, 2021, the College recognized stipend expense of \$197 thousand. As of June 30, 2021, 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	\$ 327	\$ 56
Changes of assumptions or other inputs	354	182
Total	<u>\$ 681</u>	<u>\$ 238</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Stipend will be recognized in Pension expense for the year ended June 30, 2021 as follows (in thousands):

Year Ended June 30,	Amount
2022	\$ 54
2023	54
2024	54
2025	54
2026	56
2027	81
All Subsequent Years	90
Total	<u>\$ 443</u>

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**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

10. PENSION PLANS (Continued)

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 2.0% of covered salary for those who have joined the plan. The expense for the plan for the year ended June 30, 2021 was \$0.4 million.

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 meet 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, 2021 is \$1,315 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, 2021 is as follows:

Inactive employees or beneficiaries currently receiving benefit payments	80
Active employees	<u>2,128</u>
Total	<u><u>2,208</u></u>

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**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

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

The College's total OPEB liability of \$11.0 million was measured as of June 30, 2021 and was determined by an actuarial valuation report as of that date.

Actuarial assumptions and other inputs:

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50%
Discount rate	2.16%
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 2.50%.

Year	Moda Medical	Kaiser Medical	Dental	Vision	College Cap*
2022	6.00%	4.00%	3.00%	3.00%	6.00%
2023	5.50%	4.00%	3.00%	3.00%	5.50%
2024+	5.00%	4.00%	3.00%	3.00%	5.00%

* Applied only to Academic Professionals and Faculty Retirees

The discount rate was based on the June 30, 2021 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, 7/1/2020	\$ 11,199
Benefit Payments - Explicit Medical	(557)
Benefit Payments - Implicit Medical	(412)
Service Cost	586
Interest on Total OPEB Liability	232
Change of Benefit Terms	124
Change in Assumptions	1,131
Experience (Gain)/Loss	(1,329)
End of Year, 6/30/2021	\$ 10,974

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**NOTES TO BASIC FINANCIAL STATEMENTS
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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 (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate for the year ended June 30, 2021 are as follows (in thousands):

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 11,744	\$ 10,974	\$ 10,243

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 or 1-percentage-point higher than the current healthcare cost trend rates for the year ended June 30, 2021 are as follows (in thousands):

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB Liability	\$ 9,960	\$ 10,974	\$ 12,112

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

For the year ended June 30, 2021, the College recognized OPEB expense of \$806 thousand. At June 30, 2021, the College reported deferred outflows and 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	\$ 762	\$ 1,505
Changes of assumptions or other inputs	2,557	2,120
Total	<u>\$ 3,319</u>	<u>\$ 3,625</u>

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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
2022	\$ (136)
2023	(136)
2024	(136)
2025	(136)
2026	(136)
All Subsequent Years	374
Total	<u>\$ (306)</u>

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.

PUBLIC RETIREMENT SYSTEM

Plan Description

The College contributes to an OPEB plan administered by the Oregon Public Employees Retirement System (PERS). The Retiree Health Insurance Account (RHIA) is a cost-sharing multiple-employer defined benefit plan established under Oregon Revised Statute 238.420, which grants the authority to manage the plan to the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at

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

Benefits Provided

Eligible PERS members can receive a payment of up to \$60 from RHIA toward the monthly cost of health insurance. 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. The plan was closed to new entrants hired on or after August 29, 2003.

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

Contributions

PERS funding policy provides for monthly employer contributions at an actuarially determined rate. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2018 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2021 were \$24 thousand. The rates in effect for the fiscal year ended June 30, 2021 were 0.06% for Tier One/Tier Two General Service Members and 0% for OPSRP Pension Program General Service Members. Employees are not required to contribute to the RHIA Program.

OPEB Assets, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

At June 30, 2021, the College reported an asset of \$1.3 million for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018. The College's proportion of the net OPEB asset was based on a projection of the College's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities actuarially determined. On June 30, 2020 and 2019, the College's proportion were 0.66% and 1.25% respectively.

For the year ended June 30, 2021, the College recognized OPEB expense of approximately \$104 thousand. At June 30, 2021, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 137
Changes of assumptions	-	72
Net difference between projected and actual earnings on investments	150	-
Changes in proportionate share	605	-
College's contributions subsequent to the measurement date	24	-
Year Ended June 30, 2021	<u>\$ 779</u>	<u>\$ 209</u>

Contributions subsequent to the measurement date of \$24 thousand reported as deferred outflows of resources will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other 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
2022	\$ 187
2023	257
2024	55
2025	47
Total	<u>\$ 546</u>

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**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

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

Actuarial assumptions

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. 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 10 years.

The total OPEB asset in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	December 31, 2018
Measurement date	June 30, 2020
Experience Study	2018, published by July 24, 2019
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation Rate	2.50%
Long-term expected rate of return	7.20%
Discount rate	7.20%
Projected salary increases	3.50%
Retiree healthcare participation	Healthy retirees: 32%; Disabled retirees: 20%
Healthcare cost trend rate	Not applicable
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active Members: Pub-2010 Employee, sex-distinct, generation with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010, Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

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

Long-Term Expected Rate of Return

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

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Core Fixed Income	9.60 %	4.07 %
Short-Term Bonds	9.60	3.68
Bank/Leveraged Loans	3.60	5.19
High Yield Bonds	1.20	5.74
Large/Med Cap US Equities	16.17	6.30
Small Cap US Equities	1.35	6.68
Micro Cap US Equities	1.35	6.79
Developed Foreign Equities	13.48	6.91
Emerging Market Equities	4.24	7.69
Non-US Small Cap Equities	1.93	7.25
Private Equity	17.50	8.33
Real Estate (Property)	10.00	5.55
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds - Diversified	1.50	4.06
Hedge Fund - Event-driven	0.38	5.59
Timber	1.13	5.61
Farmland	1.13	6.12
Infrastructure	2.25	6.67
Commodities	1.13	3.79
Total	100 %	
Assumed Inflation - Mean		2.50 %

Source: OPERS Comprehensive Annual Financial Report, For the Fiscal Year Ended June 30, 2020.

Source for the above table does not foot to 100%

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

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

Discount Rate

The discount rate used to measure the total OPEB asset was 7.20% for the OPEB 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 OPEB 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 OPEB plan investments for the OPEB plan was applied to all periods of projected benefit payments to determine the total OPEB asset.

Sensitivity of the College's proportionate share of the net OPEB asset to changes in the discount rate

The following presents the College's proportionate share of the net OPEB asset calculated using the discount rate of 7.20%, as well as what the College's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate (in thousands):

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
College's proportionate share of the net OPEB liability (asset)	\$ (1,085)	\$ (1,343)	\$ (1,565)

OPEB Plan Fiduciary Net Position

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

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, such resources are not significant to the College. Accordingly, the Foundation is not considered a component unit of the College, as defined by GASB No. 39.

Summarized financial information from the Foundation's audited financial statements as of and for the year ended June 30, 2021 is as follows (in thousands):

	<u>June 30, 2021</u>
Total assets	\$ 28,188
Total net assets	27,432
Total support and revenues	17,543
Total expenses	8,954

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2021**

13. ESTIMATED TAX ABATEMENTS

The College's property tax revenues were reduced by \$10.2 million under agreements entered into by the five counties within the College's district. The amounts abated by county are as follows (in thousands):

	Year Ended June 30, 2021
Clackamas County	\$ 405
Columbia County	164
Multnomah County	589
Washington County	9,046
Yamhill County	4
	<u>\$ 10,208</u>

All data is estimated based on tax roll values.

14. COMMITMENTS AND CONTINGENCIES

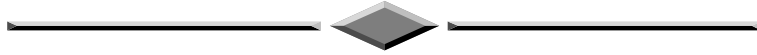
Construction Commitments

The College has approximately \$31.6 million in on-going construction commitments as of June 30, 2021. About sixty percent of this total consists of construction contracts based on guaranteed maximum amounts with the construction manager/general contractors, and design build selected for each of the five main campuses and other centers. 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, Cascade campus, Rock Creek campus, Portland Metro Training Center, and Columbia County OMIC Center include new classrooms, lab facilities, student services and faculty workspaces to accommodate student enrollment. Projects also include district-wide deferred maintenance, upgrading district-wide technology infrastructure, upgrading district-wide security projects, 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.

REQUIRED SUPPLEMENTARY INFORMATION





**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**Public Employees Retirement System (PERS) Pension Plan
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the last ten fiscal years***

Fiscal Year Ended June 30,*	(a) College's proportion of the net pension liability (asset)	(b) College's proportionate share of the net pension liability (asset)	(c) College's covered payroll**	(b/c) College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	1.16143555%	51,471,627	\$ 134,716,374	38.21%	75.79%
2020	1.19359871%	13,786,961	134,216,139	10.27%	80.23%
2019	1.19835063%	148,267,124	133,230,694	111.29%	82.07%
2018	1.21675270%	134,346,989	132,954,016	101.05%	83.12%
2017	1.26411636%	165,656,749	126,377,544	131.08%	80.53%
2016	1.28316214%	45,769,547	129,194,652	35.43%	91.88%
2015	1.36089339%	(71,099,790)	125,347,002	-56.72%	103.60%
2014	1.36089339%	29,987,921	124,011,129	23.92%	91.97%

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

*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.

** Employer's covered payroll is equal to the amount reported to PERS in the proceeding year.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

Public Employees Retirement System (PERS) Pension Plan

SCHEDULE OF CONTRIBUTIONS

For the last ten fiscal years*

Fiscal Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)***	(c) College's covered payroll**	(b/c) Contributions as a percent of covered payroll
2021	12,406,968	\$ 4,375,520	\$ 8,031,448	\$ 134,936,648	3.24%
2020	6,646,833	176,450,043	(169,803,210)	134,716,374	130.98%
2019	12,709,999	12,709,999	-	134,216,139	9.47%
2018	8,955,713	8,955,713	-	133,230,694	6.72%
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, which is a date one year earlier than the fiscal year-end date above. However, the contributions above represent contributions during the respective fiscal year indicated above.

*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.

** Employer's covered payroll is equal to the amount report to PERS during the fiscal year presented. The amount includes adjustments from prior year's covered payroll.

*** Contribution in excess was created when the College paid excess funds toward the PERS total liability using a Pension Bond in FY18.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**Public Employees Retirement System (PERS) OPEB Plan
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
For the last ten fiscal years***

Fiscal Year Ended June 30,*	(a) College's proportion of the net OPEB liability (asset)	(b) College's proportionate share of the net OPEB liability (asset)	(c) College's covered payroll**	(b/c) College's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2017	1.33071417%	\$ 361,372	\$ 126,377,544	0.285946370%	93.84%
2018	1.29452634%	(540,259)	132,954,016	-0.406350268%	108.89%
2019	1.26553093%	(1,412,676)	133,230,694	-1.060323232%	123.99%
2020	1.24721207%	(2,410,064)	134,216,139	-1.795658866%	144.36%
2021	0.65933032%	(1,343,453)	134,716,374	-0.997245517%	150.07%

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

*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.

** Employer's covered payroll is equal to the amount reported to PERS in the proceeding year.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**Public Employees Retirement System (PERS) OPEB Plan
SCHEDULE OF CONTRIBUTIONS
For the last ten fiscal years***

Fiscal Year Ended June 30,*	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)***	(c) College's covered payroll**	(b/c) Contributions as a percent of covered payroll
2017	\$ 593,338	\$ 593,338	-	\$ 132,954,016	0.446%
2018	644,489	644,489	-	133,230,694	0.484%
2019	607,428	607,428	-	134,216,139	0.453%
2020	618,809	618,809	-	134,716,374	0.459%
2021	41,931	41,931	-	134,936,648	0.031%

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

*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.

** Employer's covered payroll is equal to the amount report to PERS during the fiscal year presented. The amount includes adjustments from prior year's covered payroll.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**College's Post Employment Health Care Plan (OPEB)
SCHEDULE OF TOTAL OPEB LIABILITY
For the last 10 fiscal years****

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 586,352	\$ 437,649	\$ 422,849	\$ 342,240	\$ 330,667
Interest	231,434	380,934	267,082	277,697	444,454
Changes of benefit terms	124,103	-	71,650	-	-
Differences between expect and actual experience	(1,328,830)	-	1,113,642	-	(610,802)
Changes of assumptions or other inputs	1,130,790	-	2,251,587	-	(4,170,669)
Benefit payments	(968,462)	(1,007,266)	(740,513)	(751,349)	(551,945)
Net change in total OPEB liability	(224,613)	(188,683)	3,386,297	(131,412)	(4,558,295)
Total OPEB liability beginning	11,198,787	11,387,470	8,001,173	8,132,585	12,690,880
Total OPEB liability ending	\$ 10,974,174	\$ 11,198,787	\$ 11,387,470	\$ 8,001,173	\$ 8,132,585
Covered employee payroll***	\$ 128,101,420	\$ 128,565,535	\$ 124,217,908	\$ 116,193,942	\$ 112,264,678
Total OPEB liability as a percentage of covered employee payroll ***	8.6%	8.7%	9.2%	6.9%	7.2%

**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.

Assumes all actuarial assumptions are exactly realized.

*** Since these amounts are not driven by payroll the term "covered employee" is included.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**College's Early Retirement Incentive Plan (Stipend)
SCHEDULE OF TOTAL PENSION LIABILITY
For the last ten fiscal years****

	2021	2020	2019	2018	2017	2016
Total Pension Liability						
Service cost	\$ 60,330	\$ 37,609	\$ 36,337	\$ 28,796	\$ 27,822	\$ 47,419
Interest	25,847	45,868	27,041	32,729	46,007	41,345
Changes of benefit terms	56,634	-	25,837	-	-	-
Differences between expect and actual experience	(61,859)	-	402,402	-	98,745	-
Changes of assumptions or other inputs	205,577	-	244,663	-	(366,543)	-
Benefit payments	(193,760)	(200,996)	(195,681)	(210,650)	(143,160)	(220,495)
Net change in total OPEB liability	92,769	(117,519)	540,599	(149,125)	(337,129)	(131,731)
Total Pension liability beginning	1,293,507	1,411,026	870,427	1,019,552	1,356,681	1,488,412
Total Pension liability ending	<u>\$ 1,386,276</u>	<u>\$ 1,293,507</u>	<u>\$ 1,411,026</u>	<u>\$ 870,427</u>	<u>\$ 1,019,552</u>	<u>\$ 1,356,681</u>
Covered employee payroll ***	\$ 47,565,617	\$ 45,501,302	\$ 43,962,611	\$ 43,137,258	\$ 41,678,510	\$ 44,442,240
Total Pension liability as a percentage of covered employee payroll ***	2.9%	2.8%	3.2%	2.0%	2.4%	3.1%

*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.

*** Since these amounts are not driven by payroll the term "covered employee" is included.

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON
Notes to Required Supplementary Information
June 30, 2021

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>

Key changes in assumptions for the December 31, 2016 and 2017 valuations are described in the Oregon Public Employees Retirement System's 2016 Experience Study which was published on July 26, 2017 and can be found at: <https://www.oregon.gov/pers/Documents/2016-Exp-Study.pdf>

Key changes in assumptions for the December 31, 2018 and 2019 valuations are described in the Oregon Public Employees Retirement System's 2018 Experience Study which was published on July 24, 2019 and can be found at: https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf

Key changes in assumptions for the December 31, 2020 and 2021 valuations are described in the Oregon Public Employees Retirement System's 2020 Experience Study which was published on July 20, 2021 and can be found at: <https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf>

PERS Post Employment Health Care Plan (OPEB)

The College also participates in Oregon PERS Retirement Health Insurance Account which is a cost-sharing multiple-employer plan under the GASB Statement 75. This plan does have stand-alone financial statements available here: <https://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

Changes in Plan or Assumptions

Key changes in assumptions for the December 31, 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>

Key changes in assumptions for the December 31, 2016 and 2017 valuations are described in the Oregon Public Employees Retirement System's 2016 Experience Study which was published on July 26, 2017 and can be found at: <https://www.oregon.gov/pers/Documents/2016-Exp-Study.pdf>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON
Notes to Required Supplementary Information
June 30, 2021

Key changes in assumptions for the December 31, 2018 and 2019 valuations are described in the Oregon Public Employees Retirement System's 2018 Experience Study which was published on July 24, 2019 and can be found at: https://www.oregon.gov/pers/Documents/Exp_Study_2018.pdf

Key changes in assumptions for the December 31, 2020 and 2021 valuations are described in the Oregon Public Employees Retirement System's 2020 Experience Study which was published on July 20, 2021 and can be found at: <https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf>

College's Post Employment Health Care Plan (OPEB)

The College 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

College's 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 73.

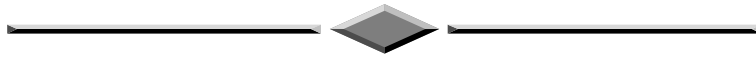
Changes in Plan or Assumptions

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, 2021

<u>GENERAL FUND</u>					
	2019-21 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
From local sources:					
District tax levy:					
Current	\$ 73,538,590	\$ 37,160,276	\$ 38,856,848	\$ 76,017,124	\$ 2,478,534
Prior	1,764,926	430,749	467,246	897,995	(866,931)
Total district tax levy	75,303,516	37,591,025	39,324,094	76,915,119	1,611,603
Tuition and fees	185,891,574	89,293,331	87,666,577	176,959,908	(8,931,666)
Other sources:					
Interest from investments	967,674	1,743,559	408,323	2,151,882	1,184,208
Other local sources	4,284,385	1,028,956	1,548,582	2,577,538	(1,706,847)
Total other sources	5,252,059	2,772,515	1,956,905	4,729,420	(522,639)
Total from local sources	266,447,149	129,656,871	128,947,576	258,604,447	(7,842,702)
From federal sources:	6,273,372	2,729,399	3,456,744	6,186,143	(87,229)
From state sources:					
FTE reimbursement	207,233,248	107,798,653	108,261,375	216,060,028	8,826,780
Total from state sources	207,233,248	107,798,653	108,261,375	216,060,028	8,826,780
TOTAL REVENUES, BUDGETARY BASIS	479,953,769	240,184,923	240,665,695	480,850,618	896,849

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the year ended June 30, 2021

<u>GENERAL FUND</u>					
	2019-21 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
EXPENDITURES:					
Campus program areas:					
Sylvania campus	\$ 101,126,301	\$ 45,917,194	\$ 42,927,168	\$ 88,844,362	\$ 12,281,939
Rock Creek campus	76,721,542	35,284,851	33,378,894	68,663,745	8,057,797
Cascade campus	57,719,927	26,694,454	24,802,189	51,496,643	6,223,284
Southeast campus	31,730,395	14,229,874	13,073,043	27,302,917	4,427,478
Total Campus program areas	267,298,165	122,126,373	114,181,294	236,307,667	30,990,498
Non-campus program areas:					
Office of the President	5,722,603	2,420,748	2,791,207	5,211,955	510,648
Office of the Executive Vice President	25,954,038	10,928,637	10,970,821	21,899,458	4,054,580
Administrative Services	130,395,774	57,312,805	61,020,168	118,332,973	12,062,801
Academic Affairs	27,046,299	11,898,327	13,227,208	25,125,535	1,920,764
Student Affairs	31,969,840	14,400,256	15,341,288	29,741,544	2,228,296
Total Non-campus program areas	221,088,554	96,960,773	103,350,692	200,311,465	20,777,089
Contingencies	28,567,858	-	-	-	28,567,858
TOTAL EXPENDITURES	516,954,577	219,087,146	217,531,986	436,619,132	80,335,445
REVENUES OVER (UNDER) EXPENDITURES, BUDGETARY BASIS	(37,000,808)	21,097,777	23,133,709	44,231,486	81,232,294
OTHER FINANCING SOURCES (USES):					
Transfers in	47,342,965	3,423,662	39,991,819	43,415,481	(3,927,484)
Transfers out	(29,691,765)	(3,752,619)	(24,776,017)	(28,528,636)	1,163,129
Bond proceeds	-	-	756,886	756,886	756,886
Bond issuance costs	-	-	(749,065)	(749,065)	(749,065)
TOTAL OTHER FINANCING SOURCES (USES)	17,651,200	(328,957)	15,223,623	14,894,666	(2,756,534)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES, BUDGETARY BASIS	(19,349,608)	20,768,820	38,357,332	59,126,152	78,475,760
Beginning fund balance	42,082,929	42,082,929	62,851,749	42,082,929	-
Ending fund balance - budgetary basis	\$ 22,733,321	\$ 62,851,749	\$ 101,209,081	\$ 101,209,081	\$ 78,475,760

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CONTINUING AND COMMUNITY EDUCATION FUND

	2019-21 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Other local sources	\$ 1,633,380	\$ 657,998	\$ 468,850	\$ 1,126,848	\$ (506,532)
Tuition and fees	14,712,108	3,710,651	2,905,028	6,615,679	(8,096,429)
TOTAL REVENUES	16,345,488	4,368,649	3,373,878	7,742,527	(8,602,961)
EXPENDITURES:					
Workforce/Continuing Education	18,091,608	5,338,761	3,959,783	9,298,544	8,793,064
Cascade campus	96,342	13,848	6,162	20,010	76,332
Contingency	3,503,788	-	-	-	3,503,788
TOTAL EXPENDITURES	21,691,738	5,352,609	3,965,945	9,318,554	12,373,184
REVENUES OVER (UNDER) EXPENDITURES	(5,346,250)	(983,960)	(592,067)	(1,576,027)	3,770,223
OTHER FINANCING SOURCES (USES):					
Transfers in	2,964,318	611,333	2,385,543	2,996,876	32,558
Transfers (out)	(644,302)	(421,200)	(5,183)	(426,383)	217,919
TOTAL OTHER FINANCING SOURCES (USES)	2,320,016	190,133	2,380,360	2,570,493	250,477
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(3,026,234)	(793,827)	1,788,293	994,466	4,020,700
Beginning fund balance	3,026,234	3,026,234	2,232,378	3,026,234	-
Restated beginning fund balance	-	3,026,205	-	3,026,205	3,026,205
Ending fund balance - budgetary basis	\$ -	\$ 2,232,378	\$ 4,020,671	\$ 4,020,671	\$ 7,046,905

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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
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For the year ended June 30, 2021

<u>AUXILIARY FUND</u>					
	2019-21 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Facilities usage	\$ 1,223,186	\$ 662,126	\$ 302,593	\$ 964,719	\$ (258,467)
Campus activities	689,448	349,510	251,044	600,554	(88,894)
TOTAL REVENUES	<u>1,912,634</u>	<u>1,011,636</u>	<u>553,637</u>	<u>1,565,273</u>	<u>(347,361)</u>
EXPENDITURES:					
Facilities usage	1,448,238	319,145	115,468	434,613	1,013,625
Campus activities	502,351	272,269	165,309	437,578	64,773
Sustainability projects	440,000	-	-	-	440,000
Contingency	569,362	-	-	-	569,362
TOTAL EXPENDITURES	<u>2,959,951</u>	<u>591,414</u>	<u>280,777</u>	<u>872,191</u>	<u>2,087,760</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,047,317)</u>	<u>420,222</u>	<u>272,860</u>	<u>693,082</u>	<u>1,740,399</u>
OTHER FINANCING SOURCES (USES):					
Transfers:					
Transfers (out)	<u>(45,310)</u>	<u>(17,084)</u>	<u>(1,010)</u>	<u>(18,094)</u>	<u>27,216</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(45,310)</u>	<u>(17,084)</u>	<u>(1,010)</u>	<u>(18,094)</u>	<u>27,216</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>(1,092,627)</u>	<u>403,138</u>	<u>271,850</u>	<u>674,988</u>	<u>1,767,615</u>
Beginning fund balance	<u>1,479,223</u>	<u>1,479,223</u>	<u>1,882,361</u>	<u>1,479,223</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ 386,596</u>	<u>\$ 1,882,361</u>	<u>\$ 2,154,211</u>	<u>\$ 2,154,211</u>	<u>\$ 1,767,615</u>

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<u>STUDENT ACTIVITIES FUND</u>					
	2019-21 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Interest from investments	\$ 5,000	\$ 9,675	\$ 5,013	\$ 14,688	\$ 9,688
From local sources:					
Student activities fees	4,870,602	2,427,683	2,212,854	4,640,537	(230,065)
Other local sources	470,000	74,675	52,343	127,018	(342,982)
Total from local sources	5,340,602	2,502,358	2,265,197	4,767,555	(573,047)
TOTAL REVENUES	5,345,602	2,512,033	2,270,210	4,782,243	(563,359)
EXPENDITURES:					
Sylvania campus programs	1,152,038	365,355	130,631	495,986	656,052
Rock Creek campus programs	1,013,788	295,138	116,100	411,238	602,550
Cascade campus programs	799,515	264,028	120,446	384,474	415,041
Southeast campus programs	592,876	171,347	105,724	277,071	315,805
District-wide programs	2,020,349	793,763	1,001,485	1,795,248	225,101
Contingency	242,623	-	-	-	242,623
TOTAL EXPENDITURES	5,821,189	1,889,631	1,474,386	3,364,017	2,457,172
REVENUES OVER (UNDER) EXPENDITURES	(475,587)	622,402	795,824	1,418,226	1,893,813
OTHER FINANCING SOURCES (USES):					
Transfers in	242,623	-	242,623	242,623	-
TOTAL OTHER FINANCING SOURCES (USES)	242,623	-	242,623	242,623	-
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(232,964)	622,402	1,038,447	1,660,849	1,893,813
Beginning fund balance	232,964	232,964	855,366	232,964	-
Ending fund balance - budgetary basis	\$ -	\$ 855,366	\$ 1,893,813	\$ 1,893,813	\$ 1,893,813

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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2021

<u>CONTRACTS AND GRANTS FUND</u>					
	2019-21 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Local sources	\$ 11,842,242	\$ 3,771,869	\$ 4,258,506	\$ 8,030,375	\$ (3,811,867)
State sources	17,411,295	10,062,778	11,579,698	21,642,476	4,231,181
Federal sources	68,212,635	7,718,981	30,233,977	37,952,958	(30,259,677)
TOTAL REVENUES	97,466,172	21,553,628	46,072,181	67,625,809	(29,840,363)
EXPENDITURES:					
Local contracts	14,424,656	4,393,285	5,151,614	9,544,899	4,879,757
State grants	17,105,292	9,916,635	10,873,835	20,790,470	(3,685,178)
Federal grants	27,083,705	7,275,177	9,557,076	16,832,253	10,251,452
TOTAL EXPENDITURES	58,613,653	21,585,097	25,582,525	47,167,622	11,446,031
Contingency	1,654,960	-	-	-	1,654,960
REVENUES OVER (UNDER) EXPENDITURES	37,197,559	(31,469)	20,489,656	20,458,187	(16,739,372)
OTHER FINANCING SOURCES (USES):					
Transfers in	388,400	193,486	193,486	386,972	(1,428)
Transfers (out)	(41,343,287)	(1,307,683)	(39,625,995)	(40,933,678)	409,609
TOTAL OTHER FINANCING SOURCES (USES)	(40,954,887)	(1,114,197)	(39,432,509)	(40,546,706)	408,181
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(3,757,328)	(1,145,666)	(18,942,853)	(20,088,519)	(16,331,191)
Beginning fund balance	3,757,328	3,757,328	2,611,662	3,757,328	-
Ending fund balance - budgetary basis	\$ -	\$ 2,611,662	\$ (16,331,191)	\$ (16,331,191)	\$ (16,331,191)

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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
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<u>STUDENT FINANCIAL AID FUND</u>					
	2019-21 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
From local sources:					
Interest from investments	\$ 18,700	\$ 20,958	\$ 3,247	\$ 24,205	\$ 5,505
Private scholarships	1,877,683	237,769	222,539	460,308	(1,417,375)
Total from local sources	1,896,383	258,727	225,786	484,513	(1,411,870)
From federal and state sources	226,833,298	95,482,312	88,136,589	183,618,901	(43,214,397)
TOTAL REVENUES	228,729,681	95,741,039	88,362,375	184,103,414	(44,626,267)
EXPENDITURES:					
College funded programs	356,000	235,128	218,815	453,943	(97,943)
Federal programs	198,049,928	81,224,214	75,248,803	156,473,017	41,576,911
State programs	30,000,000	14,271,479	12,948,367	27,219,846	2,780,154
Short term student loan program	248,000	27,864	32,549	60,413	187,587
Contingency	1,765,241	-	-	-	1,765,241
TOTAL EXPENDITURES	230,419,169	95,758,685	88,448,534	184,207,219	46,211,950
REVENUES OVER (UNDER) EXPENDITURES	(1,689,488)	(17,646)	(86,159)	(103,805)	1,585,683
OTHER FINANCING SOURCES (USES):					
Transfers in	200,617	-	-	-	(200,617)
Transfers (out)	(587,501)	(252,174)	(237,530)	(489,704)	97,797
TOTAL OTHER FINANCING SOURCES (USES)	(386,884)	(252,174)	(237,530)	(489,704)	(102,820)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(2,076,372)	(269,820)	(323,689)	(593,509)	1,482,863
Beginning fund balance	2,076,372	2,076,372	1,806,552	2,076,372	-
Ending fund balance - budgetary basis	\$ -	\$ 1,806,552	\$ 1,482,863	\$ 1,482,863	\$ 1,482,863

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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
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GENERAL OBLIGATION (G.O.) BOND FUND

	2019-21 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
From local sources:					
Proceeds from tax levies - current year	\$ 107,788,626	\$ 53,710,216	\$ 55,472,228	\$ 109,182,444	\$ 1,393,818
Proceeds from tax levies - prior year	340,000	590,323	649,980	1,240,303	900,303
Interest from investments	120,000	476,006	92,603	568,609	448,609
TOTAL REVENUES	108,248,626	54,776,545	56,214,811	110,991,356	2,742,730
EXPENDITURES:					
Principal payments	68,760,000	32,810,000	37,585,000	70,395,000	(1,635,000)
Interest payments	39,028,626	20,223,089	17,167,941	37,391,030	1,637,596
TOTAL EXPENDITURES	107,788,626	53,033,089	54,752,941	107,786,030	2,596
REVENUES OVER (UNDER) EXPENDITURES	460,000	1,743,456	1,461,870	3,205,326	2,745,326
OTHER FINANCING SOURCES (USES):					
Refunding bond proceeds	-	-	118,608,114	118,608,114	118,608,114
Payment to refunded bond escrow agent	-	-	(118,608,114)	(118,608,114)	(118,608,114)
Total other financing sources (uses)	-	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	460,000	1,743,456	1,461,870	3,205,326	2,745,326
Beginning fund balance	5,886,370	5,886,370	7,629,826	5,886,370	-
Ending fund balance - budgetary basis	\$ 6,346,370	\$ 7,629,826	\$ 9,091,696	\$ 9,091,696	\$ 2,745,326

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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2021

<u>P.E.R.S. DEBT SERVICE FUND</u>					
	<u>2019-21 ADJUSTED BUDGET</u>	<u>1st YEAR ACTUAL</u>	<u>2nd YEAR ACTUAL</u>	<u>TOTAL ACTUALS</u>	<u>VARIANCE FROM BUDGET</u>
EXPENDITURES:					
Principal payments	\$ 20,375,000	\$ 9,585,000	\$ 10,790,000	\$ 20,375,000	\$ -
Interest payments	<u>21,565,268</u>	<u>10,987,219</u>	<u>10,578,048</u>	<u>21,565,267</u>	<u>1</u>
TOTAL EXPENDITURES	<u>41,940,268</u>	<u>20,572,219</u>	<u>21,368,048</u>	<u>41,940,267</u>	<u>1</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(41,940,268)</u>	<u>(20,572,219)</u>	<u>(21,368,048)</u>	<u>(41,940,267)</u>	<u>1</u>
OTHER FINANCING SOURCES (USES):					
Transfer from PERS Reserve Fund	<u>41,940,268</u>	<u>20,572,219</u>	<u>21,368,048</u>	<u>41,940,267</u>	<u>(1)</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	-	-	-	-	-
Beginning fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
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<u>CAPITAL PROJECTS FUND</u>					
	2019-21 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Interest from investments	\$ 40,000	\$ 32,712	\$ 12,730	\$ 45,442	\$ 5,442
Other revenues	455,000	120,090	136,886	256,976	(198,024)
TOTAL REVENUES	495,000	152,802	149,616	302,418	(192,582)
EXPENDITURES:					
Capital outlay	10,298,317	855,754	1,230,490	2,086,244	8,212,073
Contingency	1,147,598	-	-	-	1,147,598
TOTAL EXPENDITURES	11,445,915	855,754	1,230,490	2,086,244	9,359,671
REVENUES OVER (UNDER) EXPENDITURES	(10,950,915)	(702,952)	(1,080,874)	(1,783,826)	9,167,089
OTHER FINANCING SOURCES (USES):					
Transfers in	9,337,500	80,000	8,257,500	8,337,500	(1,000,000)
TOTAL OTHER FINANCING SOURCES (USES)	9,337,500	80,000	8,257,500	8,337,500	(1,000,000)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(1,613,415)	(622,952)	7,176,626	6,553,674	8,167,089
Beginning fund balance	2,050,272	2,050,272	1,427,320	2,050,272	-
Ending fund balance - budgetary basis	\$ 436,857	\$ 1,427,320	\$ 8,603,946	\$ 8,603,946	\$ 8,167,089

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

	2019-21 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Interest from investments	\$ 1,750,000	\$ 4,614,072	\$ 1,584,037	\$ 6,198,109	\$ 4,448,109
State sources	15,000,000	6,328,163	7,226,240	13,554,403	(1,445,597)
Miscellaneous income	30,000	149,828	572,007	721,835	691,835
TOTAL REVENUES	16,780,000	11,092,063	9,382,284	20,474,347	3,694,347
EXPENDITURES:					
Sylvania campus	53,800,000	4,344,302	18,865,787	23,210,089	30,589,911
Cascade campus	3,460,000	181,058	740,234	921,292	2,538,708
Rock Creek campus	19,225,000	2,113,827	11,025,824	13,139,651	6,085,349
Southeast campus	240,000	55,591	5,250	60,841	179,159
District-wide projects	71,939,600	32,361,657	26,911,143	59,272,800	12,666,800
Contingency	9,312,098	-	-	-	9,312,098
TOTAL EXPENDITURES	157,976,698	39,056,435	57,548,238	96,604,673	61,372,025
REVENUES OVER (UNDER) EXPENDITURES	(141,196,698)	(27,964,372)	(48,165,954)	(76,130,326)	65,066,372
Beginning fund balance	215,732,729	215,732,729	187,768,357	215,732,729	-
Ending fund balance - budgetary basis	<u>\$ 74,536,031</u>	<u>\$ 187,768,357</u>	<u>\$ 139,602,403</u>	<u>\$ 139,602,403</u>	<u>\$ 65,066,372</u>

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SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2021

<u>FOOD SERVICES FUND</u>					
	2019-21 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Food sales	\$ 9,176,329	\$ 2,083,317	\$ 11,321	\$ 2,094,638	\$ (7,081,691)
TOTAL REVENUES	9,176,329	2,083,317	11,321	2,094,638	(7,081,691)
EXPENDITURES:					
Food services operations	10,486,856	3,074,981	998,577	4,073,558	6,413,298
Contingency	3,639,555	-	-	-	3,639,555
TOTAL EXPENDITURES	14,126,411	3,074,981	998,577	4,073,558	10,052,853
REVENUES OVER (UNDER) EXPENDITURES	(4,950,082)	(991,664)	(987,256)	(1,978,920)	2,971,162
OTHER FINANCING SOURCES (USES):					
Interest from investments	6,984	-	1,890	1,890	(5,094)
Transfers in	4,744,576	1,004,767	3,239,809	4,244,576	(500,000)
Transfers (out)	(80,404)	-	-	-	80,404
TOTAL OTHER FINANCING SOURCES (USES)	4,671,156	1,004,767	3,241,699	4,246,466	(424,690)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(278,926)	13,103	2,254,443	2,267,546	2,546,472
Beginning fund balance	278,926	278,926	292,029	278,926	-
Ending fund balance - budgetary basis	\$ -	\$ 292,029	\$ 2,546,472	\$ 2,546,472	\$ 2,546,472

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SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
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	<u>BOOKSTORE FUND</u>				
	2019-21 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Bookstore sales	\$ 15,670,249	\$ 5,270,562	\$ 4,070,027	\$ 9,340,589	\$ (6,329,660)
Miscellaneous income	254,782	162,878	17,278	180,156	(74,626)
TOTAL REVENUES	15,925,031	5,433,440	4,087,305	9,520,745	(6,404,286)
EXPENDITURES:					
Bookstore operations	17,523,779	7,004,749	5,691,913	12,696,662	4,827,117
Contingency	5,598,834	-	-	-	5,598,834
TOTAL EXPENDITURES	23,122,613	7,004,749	5,691,913	12,696,662	10,425,951
REVENUES OVER (UNDER) EXPENDITURES	(7,197,582)	(1,571,309)	(1,604,608)	(3,175,917)	4,021,665
OTHER FINANCING SOURCES (USES):					
Transfers in	4,105,412	-	4,105,412	4,105,412	-
Transfers (out)	(1,970,108)	-	(122,101)	(122,101)	1,848,007
Interest from investments	72,990	117,527	38,176	155,703	82,713
TOTAL OTHER FINANCING SOURCES (USES)	2,208,294	117,527	4,021,487	4,139,014	1,930,720
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(4,989,288)	(1,453,782)	2,416,879	963,097	5,952,385
Beginning fund balance	4,989,288	4,989,288	3,535,506	4,989,288	-
Ending fund balance - budgetary basis	\$ -	\$ 3,535,506	\$ 5,952,385	\$ 5,952,385	\$ 5,952,385

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2021

<u>PARKING OPERATIONS FUND</u>					
	2019-21 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Parking permits	\$ 4,492,989	\$ 1,672,177	\$ 5,670	\$ 1,677,847	\$ (2,815,142)
Parking fines	516,468	204,917	39,250	244,167	(272,301)
Other revenue	2,458,457	689,441	11,448	700,889	(1,757,568)
TOTAL REVENUES	7,467,914	2,566,535	56,368	2,622,903	(4,845,011)
EXPENDITURES:					
Parking operations	10,962,316	3,577,062	1,695,243	5,272,305	5,690,011
Contingency	4,959,532	-	-	-	4,959,532
TOTAL EXPENDITURES	15,921,848	3,577,062	1,695,243	5,272,305	10,649,543
REVENUES OVER (UNDER) EXPENDITURES	(8,453,934)	(1,010,527)	(1,638,875)	(2,649,402)	5,804,532
OTHER FINANCING SOURCES (USES):					
Interest from investments	76,647	90,815	15,199	106,014	29,367
Transfers in	4,008,943	49,376	3,948,483	3,997,859	(11,084)
Transfers (out)	(553,382)	(208,079)	-	(208,079)	345,303
TOTAL OTHER FINANCING SOURCES (USES)	3,532,208	(67,888)	3,963,682	3,895,794	363,586
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(4,921,726)	(1,078,415)	2,324,807	1,246,392	6,168,118
Beginning fund balance	4,921,726	4,921,726	3,843,311	4,921,726	-
Ending fund balance - budgetary basis	\$ -	\$ 3,843,311	\$ 6,168,118	\$ 6,168,118	\$ 6,168,118

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2021

	<u>PRINT CENTER FUND</u>				
	2019-21 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Charges for services-internal	\$ 955,300	\$ 329,677	\$ 237,831	\$ 567,508	\$ (387,792)
Charges for services-external	53,000	35,471	8,472	43,943	(9,057)
Copy machine income	979,001	535,908	105,515	641,423	(337,578)
Miscellaneous income	706,960	2,262	-	2,262	(704,698)
TOTAL REVENUES	2,694,261	903,318	351,818	1,255,136	(1,439,125)
EXPENDITURES:					
Print center operations	2,959,649	1,264,209	796,986	2,061,195	898,454
Contingency	934,080	-	-	-	934,080
TOTAL EXPENDITURES	3,893,729	1,264,209	796,986	2,061,195	1,832,534
REVENUES OVER (UNDER) EXPENDITURES	(1,199,468)	(360,891)	(445,168)	(806,059)	393,409
OTHER FINANCING SOURCES (USES):					
Interest from investments	-	3,101	902	4,003	4,003
Transfers in	1,218,206	405,630	812,576	1,218,206	-
Transfers (out)	(118,671)	-	-	-	118,671
TOTAL OTHER FINANCING SOURCES (USES)	1,099,535	408,731	813,478	1,222,209	122,674
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(99,933)	47,840	368,310	416,150	516,083
Beginning fund balance	225,421	225,421	273,261	225,421	-
Ending fund balance - budgetary basis	\$ 125,488	\$ 273,261	\$ 641,571	\$ 641,571	\$ 516,083

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2021

<u>RISK MANAGEMENT FUND</u>					
	2019-21 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Department charges & other revenues	\$ 5,923,000	\$ 3,474,113	\$ 2,536,175	\$ 6,010,288	\$ 87,288
Insurance reimbursement	2,000	-	-	-	(2,000)
TOTAL REVENUES	5,925,000	3,474,113	2,536,175	6,010,288	85,288
EXPENDITURES:					
Self-insurance & risk administration	7,719,093	2,901,700	2,973,565	5,875,265	1,843,828
Contingency	590,114	-	-	-	590,114
TOTAL EXPENDITURES	8,309,207	2,901,700	2,973,565	5,875,265	2,433,942
REVENUES OVER (UNDER) EXPENDITURES	(2,384,207)	572,413	(437,390)	135,023	2,519,230
OTHER FINANCING SOURCES (USES):					
Interest from investments	135,000	199,501	43,566	243,067	108,067
Transfers in	2,081,170	1,040,585	1,040,585	2,081,170	-
TOTAL OTHER FINANCING SOURCES (USES)	2,216,170	1,240,086	1,084,151	2,324,237	108,067
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(168,037)	1,812,499	646,761	2,459,260	2,627,297
Beginning fund balance	8,903,420	8,903,420	10,715,919	8,903,420	-
Ending fund balance - budgetary basis	<u>\$ 8,735,383</u>	<u>\$ 10,715,919</u>	<u>\$ 11,362,680</u>	<u>\$ 11,362,680</u>	<u>\$ 2,627,297</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2021

	<u>P.E.R.S./RESERVE FUND</u>				
	2019-21 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:					
Department PERS charges	\$ 44,440,268	\$ 18,872,783	\$ 19,813,998	\$ 38,686,781	\$ (5,753,487)
TOTAL REVENUES	44,440,268	18,872,783	19,813,998	38,686,781	(5,753,487)
OPERATING EXPENSES:					
Contingency	3,556,045	-	-	-	3,556,045
TOTAL OPERATING EXPENSES	3,556,045	-	-	-	3,556,045
OTHER FINANCING SOURCES (USES):					
Transfers (out)	(44,440,268)	(21,822,219)	(21,368,048)	(43,190,267)	1,250,001
Interest from investments	420,300	488,411	90,329	578,740	158,440
TOTAL OTHER FINANCING SOURCES (USES)	(44,019,968)	(21,333,808)	(21,277,719)	(42,611,527)	1,408,441
REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES)	(3,135,745)	(2,461,025)	(1,463,721)	(3,924,746)	(789,001)
Beginning fund balance	21,730,740	21,730,740	19,269,715	21,730,740	-
Ending fund balance - budgetary basis	\$ 18,594,995	\$ 19,269,715	\$ 17,805,994	\$ 17,805,994	\$ (789,001)

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2021

EARLY RETIREMENT INCENTIVE PLAN

	2019-21 ADJUSTED BUDGET	1st YEAR ACTUAL	2nd YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
ADDITIONS:					
Amount provided by General Fund	\$ 900,000	\$ 400,000	\$ 550,000	\$ 950,000	\$ 50,000
Interest from investments	60,000	11,350	12,041	23,391	(36,609)
TOTAL ADDITIONS	960,000	411,350	562,041	973,391	13,391
DEDUCTIONS:					
Other post-retirement benefits	1,533,640	776,277	757,363	1,533,640	-
TOTAL DEDUCTIONS	1,533,640	776,277	757,363	1,533,640	-
NET ADDITIONS (DEDUCTIONS):	(573,640)	(364,927)	(195,322)	(560,249)	13,391
Beginning fund balance	573,640	573,640	208,713	573,640	-
Ending fund balance - budgetary basis	\$ -	\$ 208,713	\$ 13,391	\$ 13,391	\$ 13,391



OTHER FINANCIAL SCHEDULES

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS

June 30, 2021

GENERAL OBLIGATION BONDS

FISCAL YEAR	<u>SERIES 2013, ISSUED 03/28/2013</u>		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
2021-22	7,955,000	815,500	8,770,500
2022-23	8,355,000	417,750	8,772,750
TOTALS	\$ 16,310,000	\$ 1,233,250	\$ 17,543,250
FISCAL YEAR	<u>SERIES 2016, ISSUED 03/28/2015</u>		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
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	\$ 99,130,000	\$ 23,571,000	\$ 122,701,000
FISCAL YEAR	<u>SERIES 2018, ISSUED 04/02/2018</u>		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
2021-22	20,870,000	6,927,250	27,797,250
2022-23	4,840,000	5,883,750	10,723,750
2023-24	6,265,000	5,641,750	11,906,750
2024-25	7,785,000	5,328,500	13,113,500
2025-26	9,435,000	4,939,250	14,374,250
2026-27	11,190,000	4,467,500	15,657,500
2027-28	13,085,000	3,908,000	16,993,000
2028-29	15,100,000	3,253,750	18,353,750
2029-30	10,790,000	2,498,750	13,288,750
2030-31	11,880,000	1,959,250	13,839,250
2031-32	13,035,000	1,365,250	14,400,250
2032-33	14,270,000	713,500	14,983,500
TOTALS	\$ 138,545,000	\$ 46,886,500	\$ 185,431,500
FISCAL YEAR	<u>SERIES 2020, ISSUED 12/17/2020</u>		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
2022-23	6,680,000	1,229,931	7,909,931
2023-24	23,500,000	1,214,901	24,714,901
2024-25	8,365,000	1,133,826	9,498,826
2025-26	8,415,000	1,085,979	9,500,979
2026-27	8,470,000	1,028,588	9,498,588
2027-28	8,550,000	952,443	9,502,443
2028-29	8,635,000	862,754	9,497,754
2029-30	8,750,000	750,671	9,500,671
2030-31	8,870,000	628,346	9,498,346
2031-32	9,010,000	491,926	9,501,926
2032-33	9,160,000	339,837	9,499,837
2033-34	9,325,000	176,056	9,501,056
TOTALS	\$ 117,730,000	\$ 9,895,258	\$ 127,625,258

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS
June 30, 2021

LIMITED TAX PENSION BONDS

SERIES 2003, ISSUED 6/12/2003

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
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	\$ 62,440,000	\$ 11,341,741	\$ 73,781,741

SERIES 2018, ISSUED 11/27/18

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
2021-22	4,035,000	7,110,520	11,145,520
2022-23	4,560,000	6,973,330	11,533,330
2023-24	5,125,000	6,813,730	11,938,730
2024-25	5,730,000	6,626,667	12,356,667
2025-26	6,380,000	6,411,792	12,791,792
2026-27	7,075,000	6,163,610	13,238,610
2027-28	7,815,000	5,882,733	13,697,733
2028-29	8,610,000	5,568,570	14,178,570
2029-30	9,465,000	5,210,394	14,675,394
2030-31	10,380,000	4,807,185	15,187,185
2031-32	11,365,000	4,354,617	15,719,617
2032-33	12,420,000	3,850,011	16,270,011
2033-34	13,550,000	3,291,111	16,841,111
2034-35	14,770,000	2,662,797	17,432,797
2035-36	16,060,000	1,977,912	18,037,912
2036-37	17,440,000	1,233,210	18,673,210
2037-38	9,155,000	424,517	9,579,517
TOTALS	\$ 163,935,000	\$ 79,362,706	\$ 243,297,706

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.

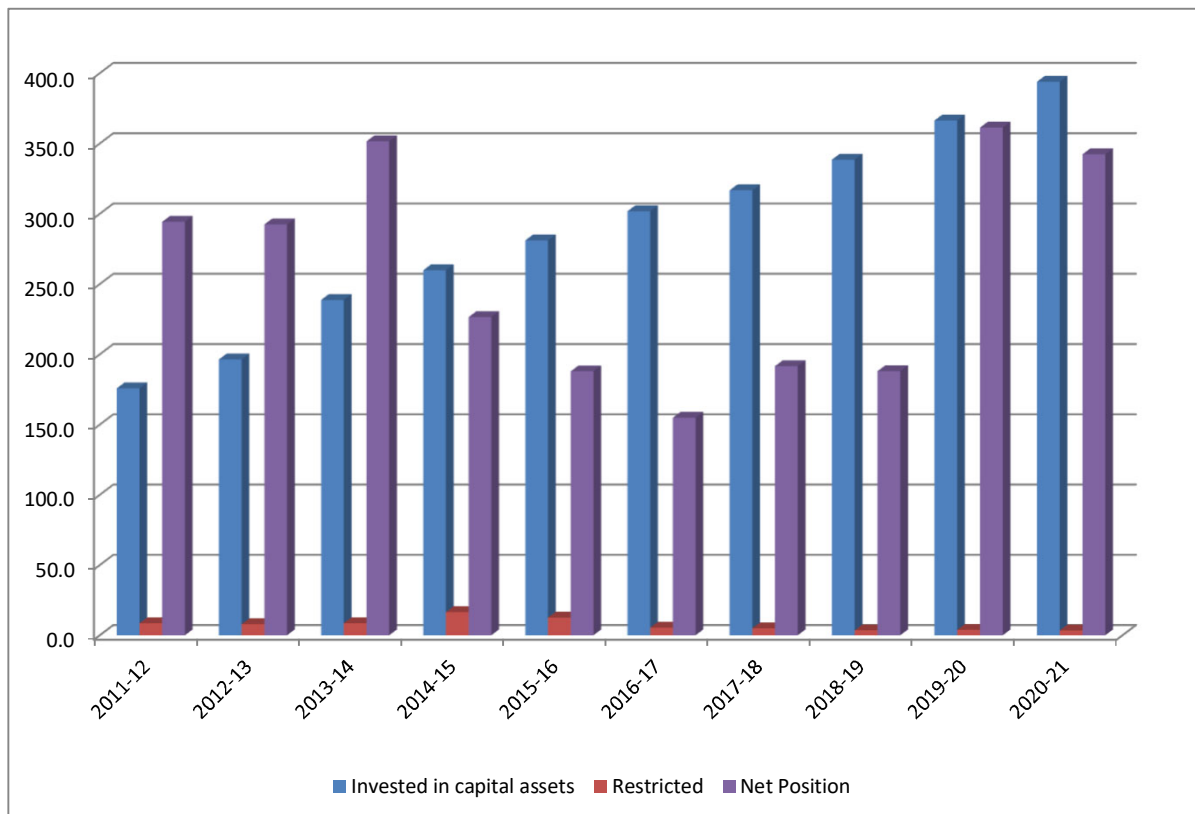


PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2021-20	2019-20	2018-19	2017-18
Net invested in capital assets	\$ 657,582	\$ 623,142	\$ 605,712	\$ 584,314
Less related debt	<u>(263,704)</u>	<u>(256,851)</u>	<u>(267,231)</u>	<u>(267,661)</u>
Net investment in capital assets	393,878	366,291	338,481	316,653
Net position, restricted	3,397	3,805	3,489	4,995
Net position, unrestricted	<u>(54,966)</u>	<u>(8,770)</u>	<u>(154,015)</u>	<u>(130,060)</u>
TOTAL NET POSITION	<u>\$ 342,309</u>	<u>\$ 361,326</u>	<u>\$ 187,955</u>	<u>\$ 191,588</u>

Note: Restated in 2015, 2014, and 2011.



<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
\$ 586,034 <u>(284,189)</u>	\$ 575,232 <u>(294,173)</u>	\$ 534,021 <u>(274,240)</u>	\$ 497,577 <u>(258,913)</u>	\$ 407,082 <u>(210,674)</u>	\$ 339,857 <u>(164,041)</u>
301,845	281,059	259,781	238,664	196,408	175,816
5,422	12,552	16,497	8,596	7,935	8,510
<u>(152,347)</u>	<u>(105,818)</u>	<u>(49,776)</u>	<u>104,248</u>	<u>88,105</u>	<u>110,021</u>
<u>\$ 154,920</u>	<u>\$ 187,793</u>	<u>\$ 226,502</u>	<u>\$ 351,508</u>	<u>\$ 292,448</u>	<u>\$ 294,347</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

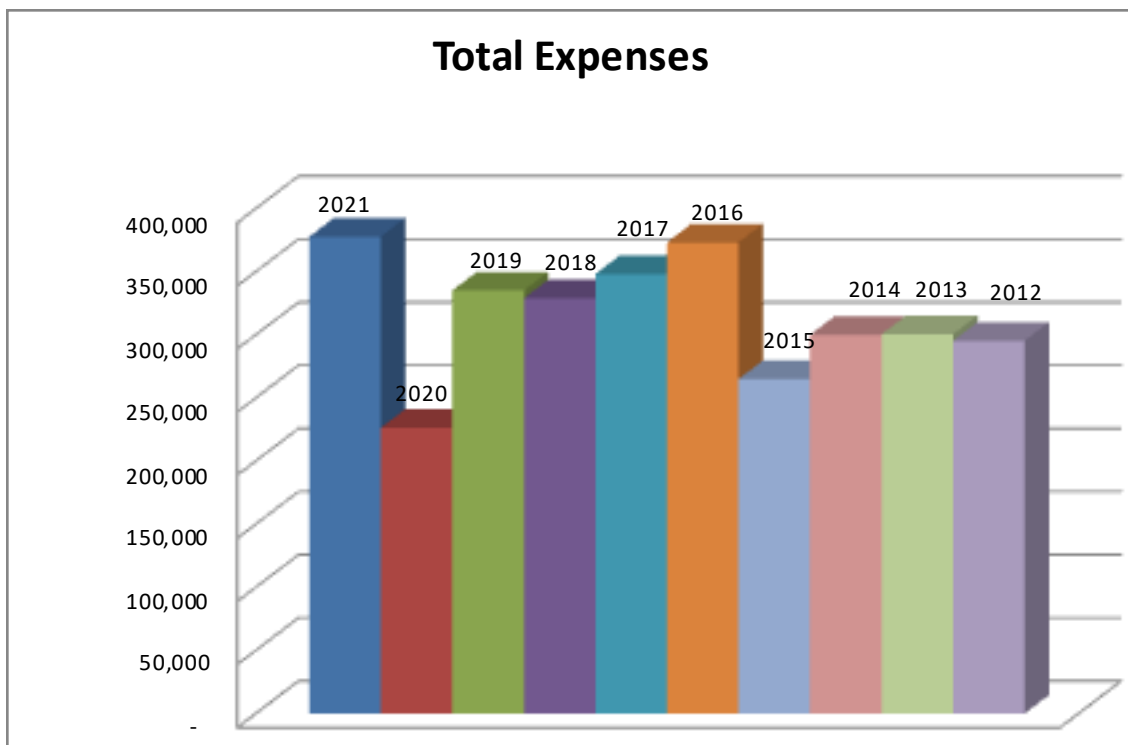
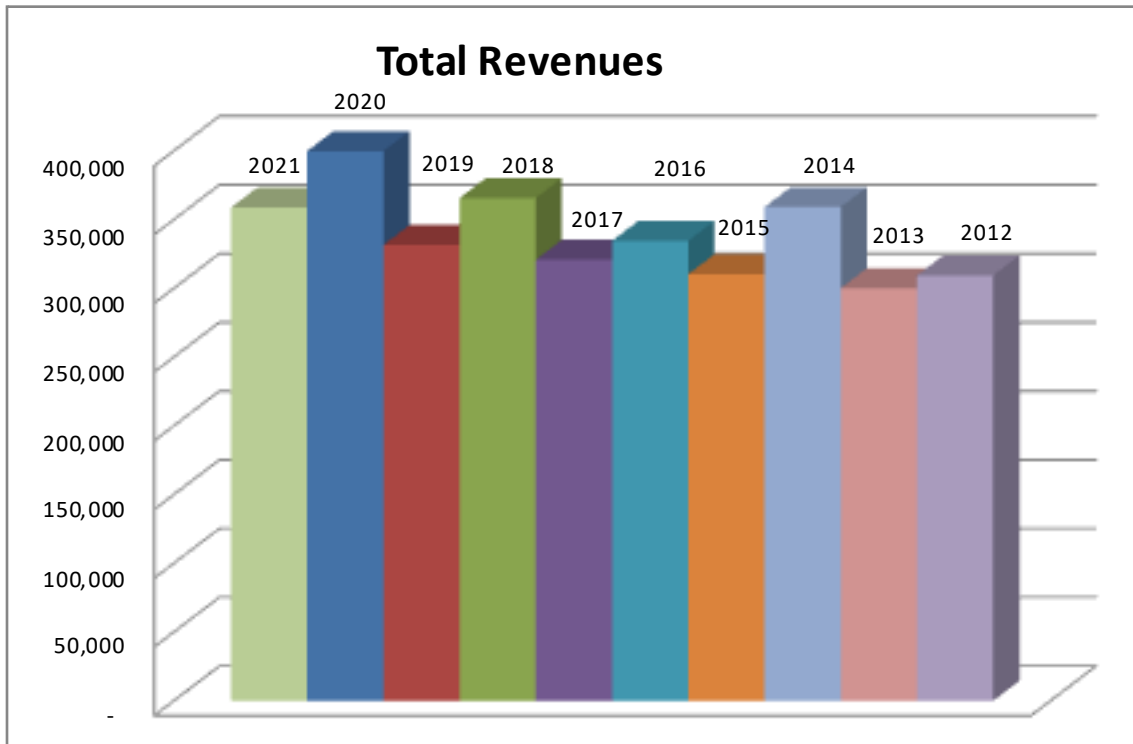
	2020-21	2019-20	2018-19	2017-18
Operating revenues				
Student tuition and fees, net	\$ 65,992	\$ 68,850	\$ 69,908	\$ 68,398
Grants and contracted programs	34,493	11,491	16,446	17,260
Auxiliary enterprises	3,097	8,608	12,852	14,548
Other operating revenues	572	150	11	75
Total operating revenues	104,154	89,099	99,217	100,281
Nonoperating revenues				
State FTE reimbursement	81,043	132,346	71,543	116,888
Property taxes	95,393	91,952	87,948	76,405
Federal financial aid	55,517	58,640	49,176	56,869
State and local grants and contracts	21,789	19,468	12,482	10,214
Investment income	849	8,228	11,166	2,265
Investment gain on pension asset	-	-	-	-
Sale of equipment	-	54	-	-
Gain on disposal of assets	-	-	-	-
Gain on legal settlement	-	-	-	2,750
Total nonoperating revenues	254,591	310,688	232,315	265,391
Total Revenues	358,745	399,787	331,532	365,672
Operating expenses				
Campus educational and campus general	152,049	76,259	156,782	136,919
Other educational and general	113,333	35,918	69,052	90,977
Grants and contracted programs	24,962	21,307	22,500	21,850
Auxiliary enterprises	9,067	13,208	15,847	18,575
Student financial aid, net tuition and textbooks	24,903	24,740	19,363	21,186
Other support services	4,637	5,676	6,381	5,382
Depreciation and amortization	20,303	18,222	14,292	12,546
Total operating expenses	349,254	195,330	304,217	307,435
Nonoperating expenses				
Interest expense	27,478	31,047	29,792	20,518
Bond issuance costs	749	-	1,155	755
Loss on disposal of assets	281	39	1	297
Total nonoperating expenses	28,508	31,086	30,948	21,570
Total Expenses	377,762	226,416	335,165	329,005
TOTAL INCREASE (DECREASE) IN NET POSITION	\$ (19,017)	\$ 173,371	\$ (3,633)	\$ 36,667

Note: Restated in 2015 and 2014.

2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
\$ 66,752	\$ 65,901	\$ 63,196	\$ 63,775	\$ 60,845	\$ 62,216
20,478	16,725	17,194	16,416	19,085	20,362
15,820	16,701	18,717	17,731	19,139	21,259
10	239	638	606	12	20
103,060	99,566	99,745	98,528	99,081	103,857
67,933	102,767	53,710	78,243	39,191	71,604
80,013	66,165	77,393	74,246	65,790	58,282
56,860	56,448	65,488	69,780	73,239	62,720
11,941	8,196	12,809	15,583	9,357	8,899
996	1,316	1,136	2,388	514	1,313
-	-	-	20,273	12,918	2,651
-	-	-	-	-	-
15	48	-	-	-	-
-	-	-	-	-	-
217,758	234,940	210,536	260,513	201,009	205,469
320,818	334,506	310,281	359,041	300,090	309,326
144,870	169,754	100,927	131,068	129,297	134,836
97,588	108,034	61,590	78,008	72,426	68,982
26,149	21,277	23,881	21,906	24,778	25,617
19,962	20,812	23,256	22,747	24,069	23,904
22,038	18,325	19,630	20,092	22,678	16,123
4,856	5,245	4,009	4,149	4,434	4,479
12,213	8,202	7,975	6,428	7,508	7,438
327,676	351,649	241,268	284,398	285,190	281,379
19,964	21,566	23,469	15,583	13,919	13,931
638	-	166	-	1,425	-
-	-	-	-	-	8
20,602	21,566	23,635	15,583	15,344	13,939
348,278	373,215	264,903	299,981	300,534	295,318
\$ (27,460)	\$ (38,709)	\$ 45,378	\$ 59,060	\$ (444)	\$ 14,008

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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





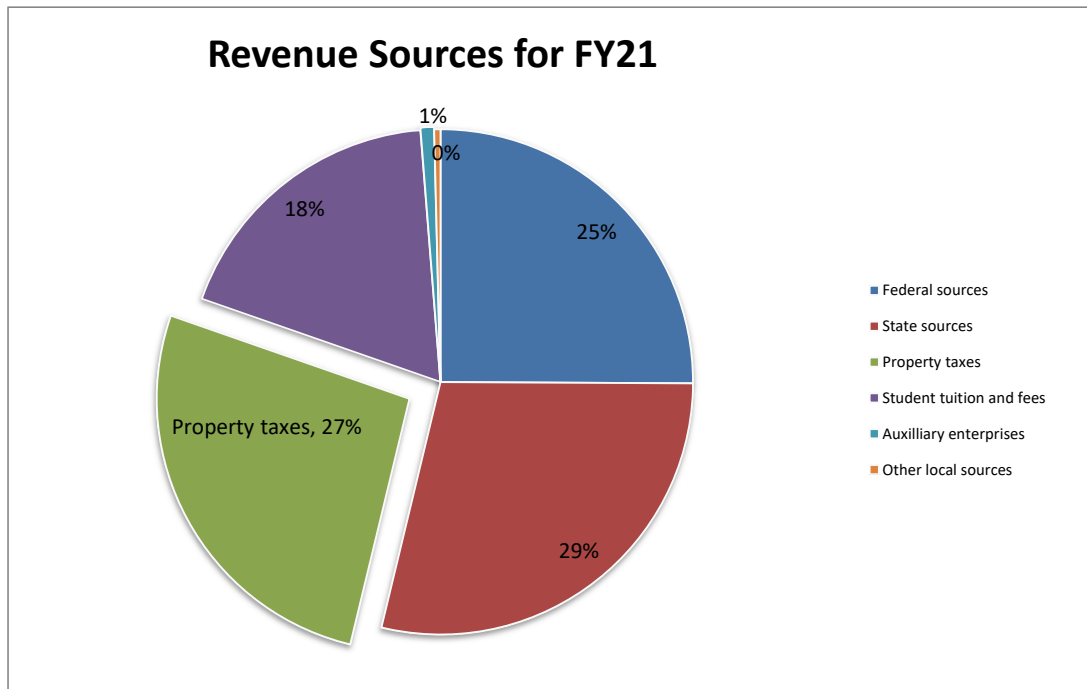
PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

REVENUES BY SOURCES
LAST TEN FISCAL YEARS (in Thousands)

	2020-21	2019-20	2018-19	2017-18
Federal financial aid	\$ 55,517	\$ 58,640	\$ 49,176	\$ 56,869
Other federal grants and contracts	34,493	11,491	16,446	17,260
Federal sources	\$ 90,010	\$ 70,131	\$ 65,622	\$ 74,129
State FTE reimbursement	81,043	132,346	71,543	116,888
Other state grants and contracts	21,789	19,468	12,482	10,214
State sources	102,832	151,814	84,025	127,102
Local sources:				
Property taxes (2)	95,393	91,952	87,948	76,405
Student tuition and fees, net	65,992	68,850	69,908	68,398
Auxiliary enterprise	3,097	8,608	12,852	14,548
Food Services	11	2,083	3,271	3,628
Bookstore, net of scholarship allowance	3,030	3,958	5,334	6,128
Parking Operation	56	2,567	4,247	4,792
Other local sources	1,421	8,432	11,177	5,090
Investment income	849	8,228	11,166	2,265
Sale of equipment	-	54	-	-
Gain on disposal of capital assets	-	-	-	-
Investment gain on pension asset	-	-	-	-
Other local sources	572	150	11	75
Legal settlement	-	-	-	2,750
Total local sources	165,903	177,842	181,885	164,441
Total revenues (1)	\$ 358,745	\$ 399,787	\$ 331,532	\$ 365,672

(1) Restated in 2015 and 2014.

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

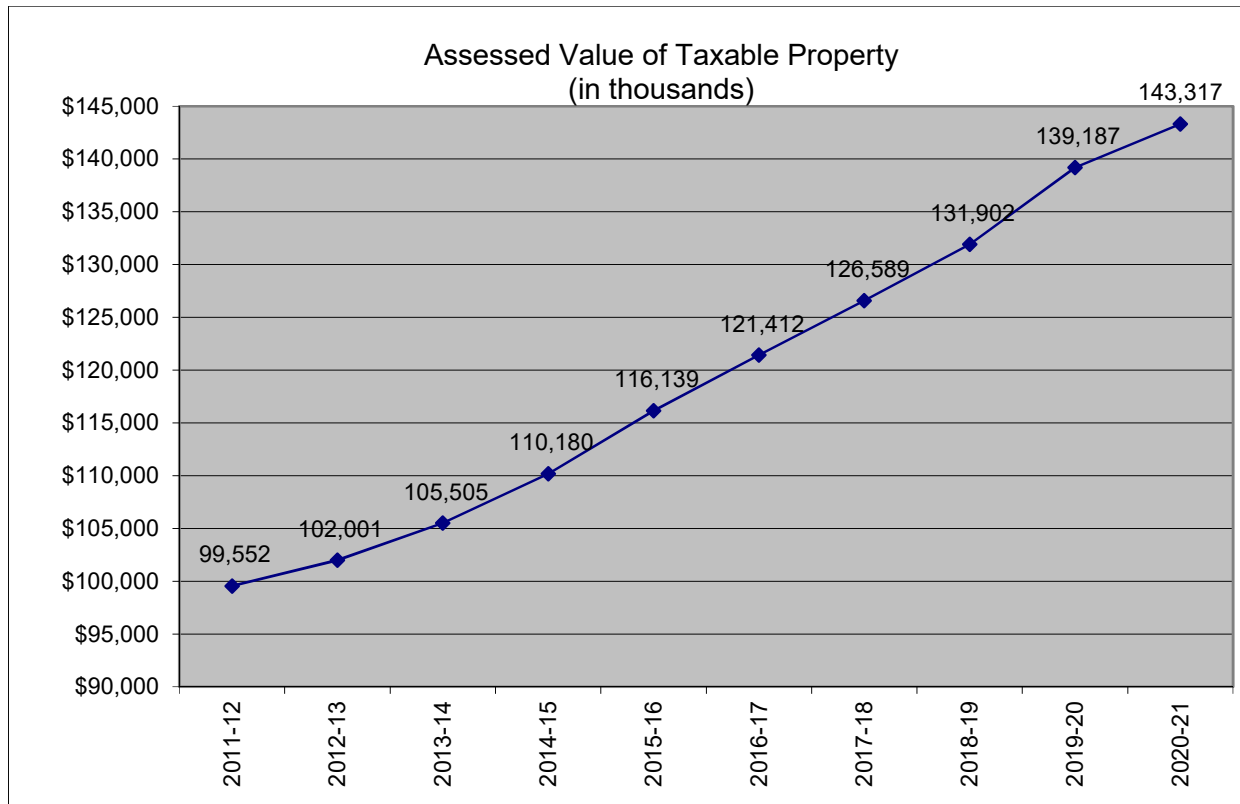


	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
\$	56,860	\$ 56,448	\$ 65,488	\$ 69,780	\$ 73,239	\$ 62,720
	<u>20,478</u>	<u>16,725</u>	<u>17,194</u>	<u>16,416</u>	<u>19,085</u>	<u>20,362</u>
\$	<u>77,338</u>	<u>\$ 73,173</u>	<u>\$ 82,682</u>	<u>\$ 86,196</u>	<u>\$ 92,324</u>	<u>\$ 83,082</u>
	67,933	102,767	53,710	78,243	39,191	71,604
	<u>11,941</u>	<u>8,196</u>	<u>12,809</u>	<u>15,583</u>	<u>9,357</u>	<u>8,899</u>
	<u>79,874</u>	<u>110,963</u>	<u>66,519</u>	<u>93,826</u>	<u>48,548</u>	<u>80,503</u>
	80,013	66,165	77,393	74,246	65,790	58,282
	66,752	65,901	63,196	63,775	60,845	62,216
	15,820	16,701	18,717	17,731	19,139	21,259
	4,024	4,315	4,606	4,571	4,827	4,915
	6,940	7,585	9,464	8,048	9,095	11,478
	4,856	4,801	4,647	5,112	5,217	4,866
	1,021	1,603	1,774	23,267	13,444	3,984
	996	1,316	1,136	2,388	514	1,313
	-	-	-	-	-	-
	15	48	-	-	-	-
	-	-	-	20,273	12,918	2,651
	10	239	638	606	12	20
	-	-	-	-	-	-
	<u>163,606</u>	<u>150,370</u>	<u>161,080</u>	<u>179,019</u>	<u>159,218</u>	<u>145,741</u>
\$	<u>320,818</u>	<u>\$ 334,506</u>	<u>\$ 310,281</u>	<u>\$ 359,041</u>	<u>\$ 300,090</u>	<u>\$ 309,326</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2020-21	2019-20	2018-19	2017-18
Net Assessed Valuation (1)	\$ 143,317,354	\$ 139,186,819	\$ 131,902,424	\$ 126,589,172
Percentage Increased (decreased)	3.0%	5.5%	4.2%	4.3%
Direct Tax Rate (2)	\$ 0.680	\$ 0.685	\$ 0.687	\$ 0.605
Real Market Valuation	\$ 282,679,399	\$ 269,739,841	\$ 260,781,492	\$ 240,182,547
Percentage Increased (decreased)	4.8%	3.4%	8.6%	12.3%
Ratio of Assessed Valuation to Real Market Valuation	50.7%	51.6%	50.6%	52.7%



(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

2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
\$ 121,411,734	\$ 116,139,150	\$ 110,179,585	\$ 105,504,924	\$ 102,000,829	\$ 99,551,921
4.5%	5.4%	4.4%	3.4%	2.5%	2.9%
\$ 0.679	\$ 0.586	\$ 0.722	\$ 0.734	\$ 0.665	\$ 0.598
\$ 213,829,495	\$ 186,844,997	\$ 170,320,945	\$ 154,652,630	\$ 147,092,511	\$ 150,172,560
14.4%	9.7%	10.1%	5.1%	-2.1%	-5.2%
56.8%	62.2%	64.7%	68.2%	69.3%	66.3%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2020-21	2019-20	2018-19 (4)	2017-18
Levy extended by assessor (1)	<u>\$ 98,189</u>	<u>\$ 94,660</u>	<u>\$ 90,572</u>	<u>\$ 76,978</u>
Reduction of taxes receivable: (2) (3)				
Current year	<u>\$ 96,998</u>	<u>\$ 93,394</u>	<u>\$ 89,369</u>	<u>\$ 75,901</u>
First year prior	798	723	650	769
Second year prior	242	214	518	272
Third year prior	130	147	354	193
Fourth year prior	65	67	452	94
Fifth year prior	7	15	362	11
Sixth year prior and earlier	<u>9</u>	<u>37</u>	<u>913</u>	<u>30</u>
Total prior	<u>1,251</u>	<u>1,203</u>	<u>3,249</u>	<u>1,369</u>
Total Property Taxes	<u>\$ 98,249</u>	<u>\$ 94,597</u>	<u>\$ 92,618</u>	<u>\$ 77,270</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.

(4) Fiscal year 2019 included collection on Comcast settlement in September 2018 for tax years 2009/10 through 2017/18. The distribution collected was approximately \$1.7 million more than normal.

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>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
<u>\$ 82,318</u>	<u>\$ 68,035</u>	<u>\$ 77,437</u>	<u>\$ 67,620</u>	<u>\$ 59,435</u>	<u>\$ 61,449</u>
<u>\$ 80,793</u>	<u>\$ 66,673</u>	<u>\$ 77,999</u>	<u>\$ 75,599</u>	<u>\$ 65,902</u>	<u>\$ 57,706</u>
648	772	904	839	879	691
232	256	281	262	389	143
194	195	235	236	250	193
81	72	122	108	85	68
10	12	20	13	11	7
14	9	14	17	16	7
<u>1,179</u>	<u>1,316</u>	<u>1,576</u>	<u>1,475</u>	<u>1,630</u>	<u>1,109</u>
<u>\$ 81,972</u>	<u>\$ 67,989</u>	<u>\$ 79,575</u>	<u>\$ 77,074</u>	<u>\$ 67,532</u>	<u>\$ 58,815</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON
LARGEST PROPERTY TAXPAYERS WITHIN DISTRICT
(in Thousands)

	2021		
	ASSESSED VALUATION	RANK	PERCENT OF TOTAL DISTRICT'S ASSESSED VALUATION
Intel Corporation	\$ 1,941,050	1	1.35 %
Portland General Electric	1,462,201	2	1.02
Nike	1,435,298	3	1.00
Northwest Natural Gas	780,357	4	0.54
Pacificorp	483,786	5	0.34
Comcast	462,866	6	0.32
Verizon	449,826	7	0.31
Pacific Realty Assoc	417,932	8	0.29
Fred Meyer Stores Inc	336,194	9	0.23
Centurylink	310,528	10	0.22
	8,080,038		5.64
ALL OTHER TAXPAYERS	135,237,316		94.36
TOTAL	\$ 143,317,354		100.00 %

	2012		
	ASSESSED VALUATION	RANK	PERCENT OF TOTAL DISTRICT'S ASSESSED VALUATION
Intel Corporation	\$ 1,316,340	1	1.32 %
Portland General Electric	742,340	2	0.75
Comcast Corporation	445,761	3	0.45
Nike	437,734	4	0.44
Northwest Natural Gas	428,534	5	0.43
Frontier Communications	394,991	6	0.40
Port of Portland	330,184	7	0.33
Pacific Realty Associates	299,183	8	0.30
PacifiCorp	282,604	9	0.28
Fred Meyer Stores Inc.	242,663	10	0.24
	4,920,334		4.94
ALL OTHER TAXPAYERS	94,631,587		95.06
TOTAL	\$ 99,551,921		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>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
Current tax levy	\$ 98,189	\$ 94,660	\$ 90,572	\$ 76,978	\$ 82,318
Current tax collections	\$ 94,117	\$ 90,554	\$ 86,725	\$ 73,303	\$ 78,392
Current collections as a percentage of current levy	95.9%	95.7%	95.8%	95.2%	95.2%
Delinquent tax collections	\$ 1,251	\$ 1,126	\$ 2,820	\$ 1,067	\$ 1,153
Total tax collections	\$ 95,368	\$ 91,680	\$ 89,545	\$ 74,370	\$ 79,545
Total tax collections as a percentage of current levy	97.1%	96.9%	98.9%	96.6%	96.6%
Uncollected tax	\$ 2,113	\$ 2,173	\$ 2,110	\$ 4,157	\$ 4,449
Uncollected percentage of current levy	2.2%	2.3%	2.3%	5.4%	5.4%

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

<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
\$ 68,035	\$ 79,676	\$ 77,437	\$ 67,620	\$ 59,435
\$ 64,757	\$ 75,788	\$ 73,400	\$ 64,089	\$ 56,104
95.2%	95.1%	94.8%	94.8%	94.4%
\$ 1,353	\$ 1,504	\$ 1,504	\$ 1,324	\$ 1,100
\$ 66,110	\$ 77,292	\$ 74,904	\$ 65,413	\$ 57,204
97.2%	97.0%	96.7%	96.7%	96.2%
\$ 4,103	\$ 4,058	\$ 3,957	\$ 3,594	\$ 3,507
6.0%	5.1%	5.1%	5.3%	5.9%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2020-21	2019-20	2018-19	2017-18
Outstanding Debt				
General obligation bonds (1)	\$ 404,374	\$ 447,363	\$ 484,542	\$ 517,550
Limited tax pension bonds	226,375	237,165	246,750	82,005
Certificate of participation	-	-	-	-
Note payable	-	-	520	1,041
Capital leases	-	412	1,429	2,481
Total Outstanding Debt	\$ 630,749	\$ 684,940	\$ 733,241	\$ 603,077
Student population	51	60	68	71
Total Debt per student (in dollars)	\$ 12,471	\$ 11,409	\$ 10,849	\$ 8,481
Personal income (2)	N/A	N/A	\$149,346,827	\$141,269,916
Total Debt to personal income	N/A	N/A	0.49%	0.43%

(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 2020-21 and 2019-20 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

2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
\$ 340,728	\$ 366,132	\$ 393,636	\$ 419,600	\$ 448,191	\$ 272,293
87,170	91,760	95,820	99,385	102,495	105,180
-	-	-	-	860	1,010
1,561	-	-	-	-	300
1,935	-	-	83	163	231
\$ 431,394	\$ 457,892	\$ 489,456	\$ 519,068	\$ 551,709	\$ 379,014
74	79	85	88	90	95
\$ 5,813	\$ 5,811	\$ 5,738	\$ 5,887	\$ 6,137	\$ 4,005
\$ 131,861,400	\$ 122,433,633	\$ 115,690,881	\$ 107,536,731	\$ 101,210,007	\$ 98,698,029
0.33%	0.37%	0.42%	0.48%	0.55%	0.38%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2020-21	2019-20	2018-19	2017-18
General Bonded Debt Outstanding:				
General obligation bonds (1)	\$ 404,374	\$ 447,363	\$ 484,542	\$ 517,550
Limited tax pension bonds	226,375	237,165	246,750	82,005
Certificate of participation	-	-	-	-
Total General bonded Debt	\$ 630,749	\$ 684,528	\$ 731,292	\$ 599,555
Less: Amounts set aside to repay general debt	(9,162)	(7,630)	(5,886)	(3,778)
Net General Bonded Debt	\$ 621,587	\$ 676,898	\$ 725,406	\$ 595,777
Taxable Assessed Property Value (2)	\$143,317,354	\$139,186,819	\$131,902,424	\$126,589,172
Population Estimate (3)	N/A	1,426	1,412	1,396
Net bonded debt to assessed value	0.43%	0.49%	0.55%	0.47%
Net bonded debt per capita (in dollars)	N/A	\$ 475	\$ 514	\$ 427

Taxable assessed property value comes from the Tax Supervising and Conservation Commission, Portland, Oregon. District population for fiscal year 2020-2021 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.

2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
\$ 340,728 87,170 -	\$ 366,132 91,760 -	\$ 393,636 95,820 -	\$ 419,600 99,385 -	\$ 448,191 102,495 860	\$ 272,293 105,180 1,010
\$ 427,898	\$ 457,892	\$ 489,456	\$ 518,985	\$ 551,546	\$ 378,483
(5,980)	(1,460)	(8,604)	(3,486)	(4,935)	(1,087)
\$ 421,918	\$ 456,432	\$ 480,852	\$ 515,499	\$ 546,611	\$ 377,396
\$121,411,734 1,374	\$ 116,139,150 1,351	\$ 110,179,585 1,324	\$ 105,504,924 1,303	\$ 102,000,829 1,284	\$ 99,551,921 1,267
0.35% \$ 307	0.39% \$ 338	0.44% \$ 363	0.49% \$ 396	0.54% \$ 426	0.38% \$ 298

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS (in Thousands)

	2020-21	2019-20	2018-19	2017-18
Legal debt limit (1)	4,240,191	4,046,098	3,911,722	3,602,738
Net general bonded debt applicable to debt limit	621,587	676,898	725,406	595,777
Legal debt margin	<u>\$ 3,618,604</u>	<u>\$ 3,369,200</u>	<u>\$ 3,186,316</u>	<u>\$ 3,006,961</u>
Legal debt margin as a percentage of the debt limit	85.34%	83.27%	81.46%	83.46%

Legal Debt Margin Calculation for Fiscal Year 2021

Real Market Value (2)	\$ 282,679,399
Applicable percentage	<u>1.5%</u>
Legal Debt Limit	\$ 4,240,191
Bonded Debt Outstanding	\$ 630,749
Less: Amounts set aside to repay general debt	<u>(9,162)</u>
Total Applicable Debt	<u>\$ 621,587</u>
Legal Debt Margin	<u><u>\$ 3,618,604</u></u>

The community college district bonded indebtedness shall not exceed 1.5% of the real market value of
(1) all taxable property within district in accordance with ORS 341.675.

Real market value used in calculation of debt margin comes from the Tax Supervising and Conservation
(2) Commission, Portland, Oregon.

<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
3,207,442	2,802,675	2,554,814	2,319,789	2,206,388	2,252,588
421,918	456,432	480,852	515,499	546,611	377,396
<u>\$ 2,785,524</u>	<u>\$ 2,346,243</u>	<u>\$ 2,073,963</u>	<u>\$ 1,804,290</u>	<u>\$ 1,659,776</u>	<u>\$ 1,875,192</u>
86.85%	83.71%	81.18%	77.78%	75.23%	83.25%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

DIRECT AND OVERLAPPING GROSS BONDED DEBT
June 30, 2021
(dollars in Thousands)

	PERCENT OVERLAP	OVERLAPPING GROSS BONDED DEBT
<u>OVERLAPPING DISTRICT</u>		
DIRECT DEBT		
Portland Community College	100.0%	\$ 630,749
OVERLAPPING DISTRICT		
Chehalam Park & Recreation District	100.0%	23,455
City of Beaverton	100.0%	33,173
City of Hillsboro	100.0%	76,373
City of Lake Oswego	99.1%	226,629
City of Newberg	100.0%	12,614
City of Portland	86.6%	657,219
City of Sherwood	100.0%	24,887
City of Tigard	100.0%	19,107
City of Tualatin	88.5%	22,849
Clackamas County	16.3%	20,452
Clackamas County School District 7J (Lake Oswego)	98.8%	252,805
Columbia County School District 1J (Scappoose)	100.0%	21,315
Columbia County School District 47J (Vernonia)	100.0%	18,532
Columbia County School District 502 (St Helens)	99.9%	121,502
Metro	73.9%	707,947
Multnomah County	76.6%	529,324
Multnomah County School District 1J (Portland)	100.0%	1,449,661
Multnomah County School District 51J (Riverdale)	100.0%	15,411
Multnomah ESD	75.6%	17,677
Port of Portland	69.9%	35,897
Tualatin Hills Park & Rec. District	100.0%	61,464
Tualatin Valley Fire & Rescue District	86.2%	22,432
Washington County	100.0%	196,818
Washington County School District 15 (Forest Grove)	100.0%	69,693
Washington County School District 1J (Hillsboro)	100.0%	556,907
Washington County School District 23J (Tigard-Tualatin)	95.9%	309,742
Washington County School District 48J (Beaverton)	100.0%	957,105
Washington County School District 511J (Gaston)	82.4%	11,886
Washington County School District 88J (Sherwood)	94.1%	294,051
Yamhill County School District 29J (Newberg)	98.3%	159,932
Other Overlapping Districts under \$9,000,000	100.0%	83,711
Total Overlapping Debt		7,010,570
TOTAL DIRECT AND OVERLAPPING DEBT		\$ 7,641,319

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)

2021				
	EMPLOYEES	RANK	PERCENT OF TOTAL DISTRICT'S EMPLOYMENT	
Intel Corporation	21,394	1	1.82	%
Providence Health & Services	19,326	2	1.65	
Oregon Health & Science University	17,441	3	1.49	
Legacy Health	12,896	4	1.10	
Nike Inc.	12,000	5	1.02	
Kaiser Permanente	11,910	6	1.01	
Fred Meyer Stores	8,163	7	0.70	
City of Portland	7,409	8	0.63	
Portland Public Schools	7,005	9	0.60	
Beaverton School District	5,646	10	0.48	
SUB TOTAL	123,190		10.50	
ALL OTHER EMPLOYERS	1,050,510		89.50	
TOTAL	1,173,700		100.00	%

2012				
	EMPLOYEES	RANK	PERCENT OF TOTAL DISTRICT'S EMPLOYMENT	
Intel Corporation	16,250	1	1.47	%
Providence Health System	14,389	2	1.30	
U.S. Federal Government	13,900	3	1.26	
Oregon Health & Science University	13,733	4	1.24	
Fred Meyer Stores	10,389	5	0.94	
Legacy Health System	9,662	6	0.87	
Kaiser Foundation Health Plan of the NW	9,195	7	0.83	
City of Portland	8,951	8	0.81	
State of Oregon	7,559	9	0.68	
Nike Inc.	7,000	10	0.63	
SUB TOTAL	111,028		10.04	
ALL OTHER EMPLOYERS	995,100		89.96	
TOTAL	1,106,128		100.00	%

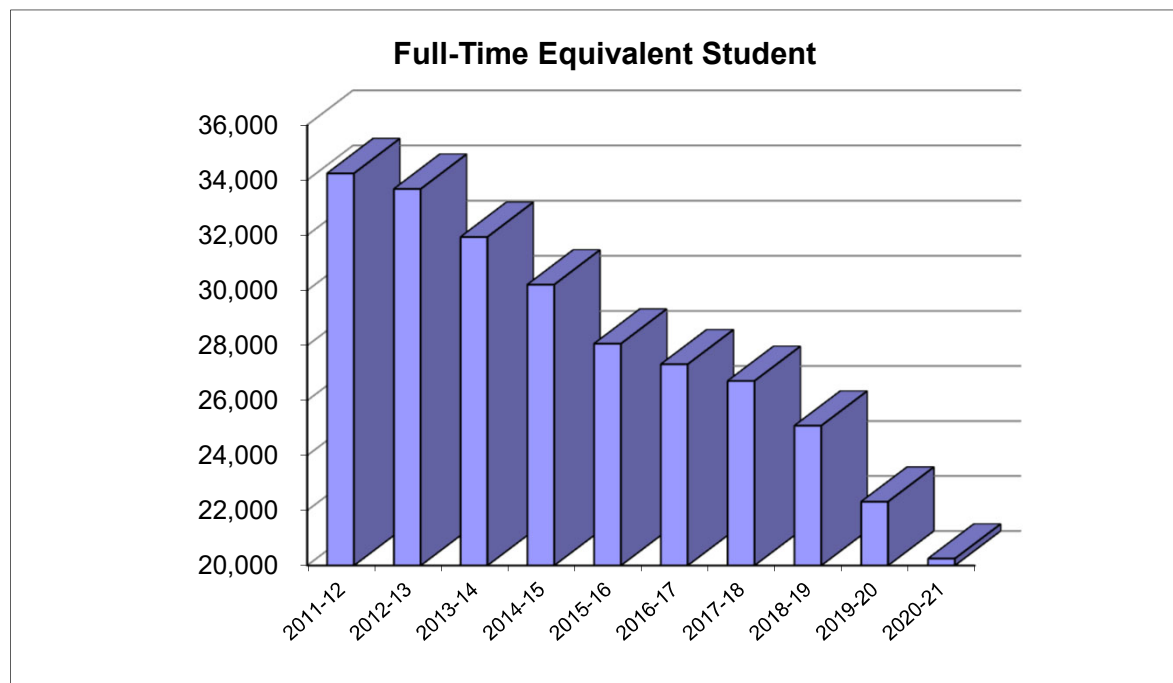
(1) Specific data for the District is not available.

Sources: Oregon Employment Department, Current Employment Estimates
Portland Business Journal December 25, 2020

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

	2020-21	2019-20	2018-19	2017-18	2016-17
District population (estimated) (1)	N/A	1,426,010	1,411,895	1,395,790	1,374,279
Personal income (estimated, in millions) (2)	N/A	N/A	\$ 149,347	\$ 141,270	\$ 131,861
Per capita income (estimated, in dollars) (2)	N/A	N/A	\$ 59,921	\$ 56,991	\$ 53,751
FTE (3) student enrollment	20,248	22,320	25,084	26,712	27,319
Unemployment rate (estimated) (4)	5.0%	11.4%	3.8%	3.8%	4.1%



(1) District population for fiscal year 2020-21 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-Vancouver-Hillsboro metropolitan area. Fiscal year 2020-21 & 2019-20 data is 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. Rate dropped significantly in comparison to June 2020 after Covid-19 Pandemic-related restrictions from March 2020 has relaxed and the economy is rebounding.

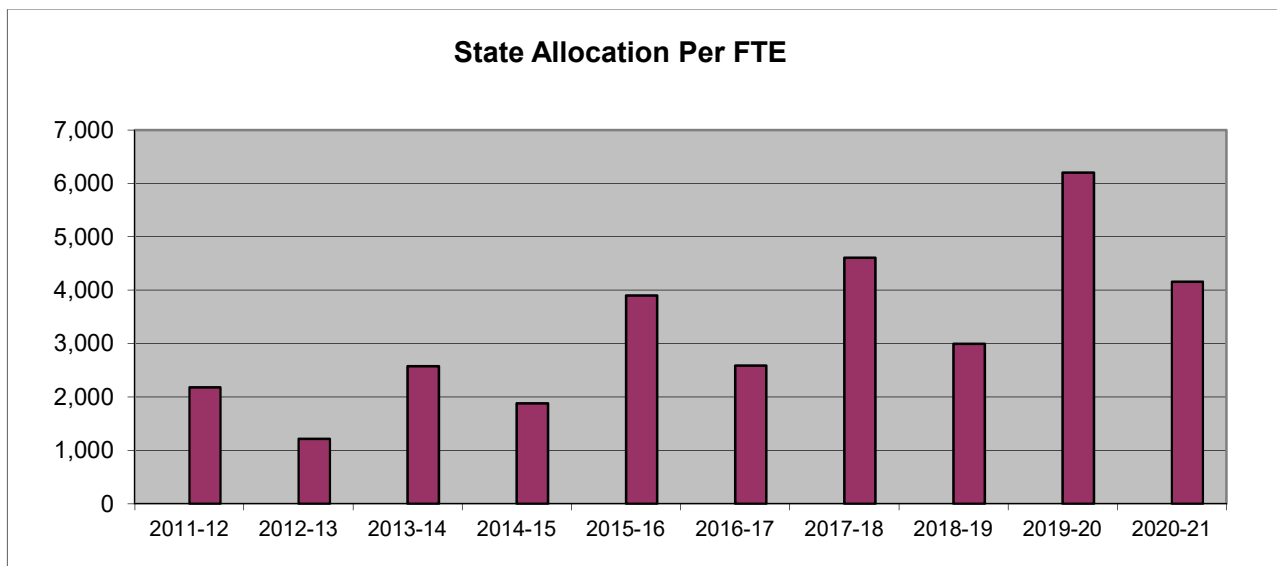
Sources: Portland State University, Population Research Center
Portland Community College, Office of Institutional Effectiveness, Enrollment Reporting -Final Official Data.
Bureau of Economic Analysis, Regional Economic Information System
Oregon Employment Department, Local Area Unemployment Statistics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

<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
1,350,756	1,324,490	1,302,694	1,283,687	1,267,001
\$ 122,434	\$ 115,691	\$ 107,537	\$ 101,210	\$ 98,698
\$ 50,489	\$ 48,422	\$ 45,794	\$ 43,728	\$ 43,103
28,068	30,210	31,940	33,680	34,246
4.9%	5.4%	6.1%	7.5%	8.0%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

STATE ALLOCATIONS PER FTE
LAST TEN FISCAL YEARS

	2020-21	2019-20	2018-19	2017-18	2016-17
Allocations per FTE	\$ 4,161	\$ 6,203	\$ 2,995	\$ 4,609	\$ 2,588
Annual State Funding (in thousands)	\$ 81,043	\$ 132,346	\$ 71,543	\$ 116,888	\$ 66,846
Total Reimbursable FTE	19,479	21,335	23,888	25,361	25,830



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

Source: Office of Institutional Effectiveness, Enrollment Reporting - Final Official Data.

<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
\$ 3,901	\$ 1,879	\$ 2,576	\$ 1,215	\$ 2,178
\$ 102,767	\$ 53,710	\$ 78,243	\$ 39,191	\$ 71,603
26,341	28,577	30,371	32,267	32,875

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

ENROLLMENT STATISTICS
LAST TEN FISCAL YEARS

	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
Total operating expenses (in thousands)	\$ 349,254	\$ 195,330	\$ 304,217	\$ 307,435	\$ 327,676
District population (estimated) (2) (in thousands)	N/A	1,426	1,412	1,396	1,374
FTE student enrollment (3)	20,248	22,320	25,084	26,712	27,319
Percent of FTE to district population	N/A	1.6%	1.8%	1.9%	2.0%
Cost per FTE (1)	\$ 17,249	\$ 8,751	\$ 12,128	\$ 11,509	\$ 11,994
Number of employees	2,977	3,060	3,798	3,859	3,986
Ratio of employees to FTE	1:7	1:7	1:7	1:7	1:7

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

(2) District population for fiscal year 2020-21 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, Enrollment Reporting- Final Official Data.
Portland State University, Population Research Center

<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
\$ 351,649	\$ 241,268	\$ 284,398	\$ 285,190	\$ 281,379
1,351	1,324	1,303	1,284	1,267
28,068	30,210	31,940	33,680	34,246
2.1%	2.3%	2.5%	2.6%	2.7%
\$ 12,528	\$ 7,986	\$ 8,904	\$ 8,468	\$ 8,216
3,871	3,913	3,979	4,071	4,181
1:7	1:8	1:8	1:8	1:8

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

CAMPUS FACILITIES AND OPERATING INFORMATION
LAST TEN FISCAL YEARS

	2020-21	2019-20	2018-19	2017-18	2016-17
Sylvania Campus					
Buildings/leases	17	16	15	15	15
Gross square feet	911,939	900,829	888,227	888,227	886,286
Campus expenditures (1)	\$ 55,333	\$ 27,321	\$ 51,695	\$ 50,048	\$ 54,195
Cascade Campus					
Buildings/leases	13	13	13	13	13
Gross square feet	485,282	485,282	485,282	485,282	485,282
Campus expenditures (1)	\$ 31,962	\$ 16,045	\$ 30,891	\$ 28,924	\$ 30,624
Rock Creek Campus					
Buildings/leases	14	13	12	12	12
Gross square feet	652,685	636,133	644,996	635,702	635,702
Campus expenditures (1)	\$ 42,791	\$ 21,147	\$ 39,328	\$ 37,219	\$ 37,779
Southeast Campus (2)					
Buildings/leases	6	6	6	6	6
Gross square feet	228,455	228,455	228,455	228,455	228,455
Campus expenditures (1)	\$ 16,851	\$ 8,535	\$ 15,316	\$ 14,573	\$ 15,417
Extended Learning Centers (2)					
Buildings/leases	13	10	10	11	11
Gross square feet	330,313	272,177	272,177	271,623	271,623
Campus expenditures (1)	\$ 5,112	\$ 3,211	\$ 6,405	\$ 6,155	\$ 6,855

(1) In Thousands

(2) Beginning fiscal year 2015-16, Southeast Campus was reported separate from Extended Learning Centers.

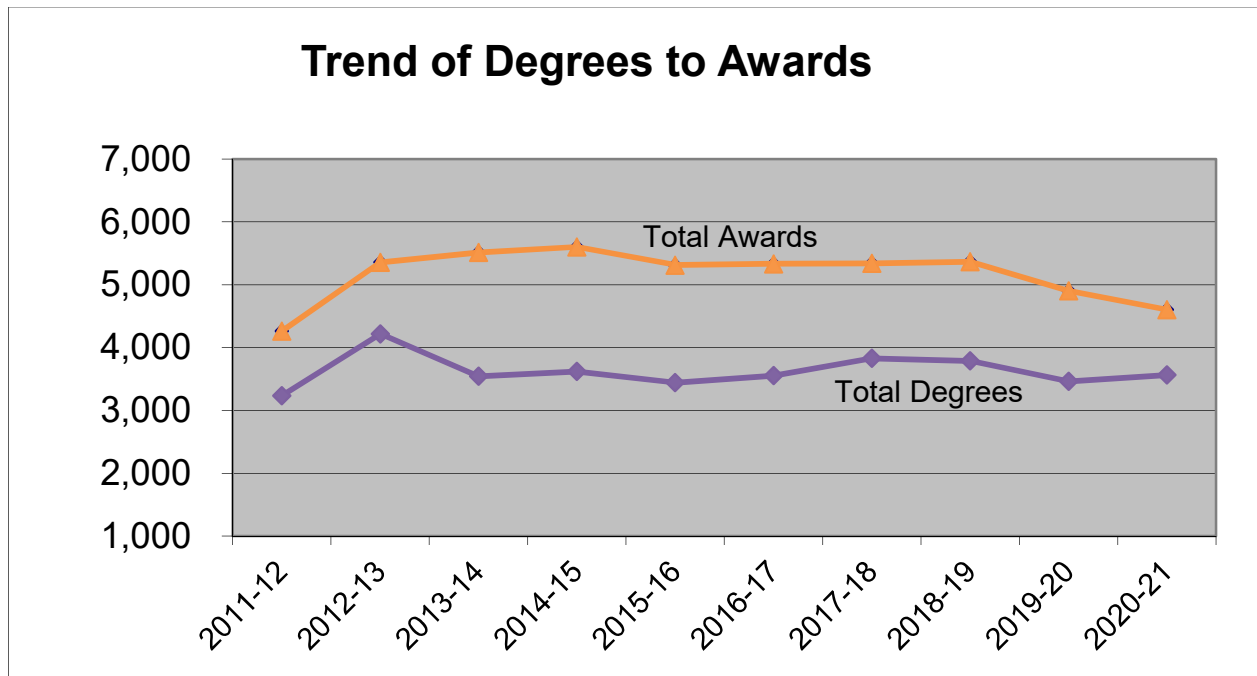
Source: Facilities Management Services Manager

<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
15 886,286 \$ 63,059	17 887,556 \$ 37,474	17 887,556 \$ 49,904	17 887,556 \$ 49,083	16 885,207 \$ 51,452
13 485,382 \$ 35,704	11 420,588 \$ 21,499	11 420,588 \$ 28,146	11 420,123 \$ 28,849	9 347,852 \$ 30,647
12 595,026 \$ 44,295	11 574,684 \$ 25,896	11 574,684 \$ 33,780	11 565,808 \$ 33,428	11 542,723 \$ 35,239
6 228,455 \$ 17,798	N/A (2)	N/A (2)	N/A (2)	N/A (2)
11 272,238 \$ 8,898	17 500,481 \$ 16,057	16 484,193 \$ 19,169	18 509,093 \$ 17,937	13 329,232 \$ 17,498

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

CERTIFICATES AND DEGREES GRANTED
LAST TEN FISCAL YEARS

	2020-21	2019-20	2018-19	2017-18
Certificates				
One-Year	323	264	409	414
Two-Year	28	52	68	100
Others	688	1,125	1,102	997
Total Certificates	1,039	1,441	1,579	1,511
Degrees				
Associate of Arts, Oregon Transfer (AAORT)	601	540	550	626
Associate of Science, Oregon Transfer (ASORT)	64	63	76	85
Associate of Science (AS)	973	933	1,042	975
Associate of General Studies (AGEN)	993	972	1,060	1,014
Associate of Applied Science (AAS)	932	954	1,059	1,129
Total Degrees	3,563	3,462	3,787	3,829
High School Diplomas	-	-	-	-
Total Awards	4,602	4,903	5,366	5,340



Source: Portland Community College, Office of Institutional Effectiveness

<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
520	551	494	513	313	330
96	110	153	96	52	76
<u>1,163</u>	<u>1,208</u>	<u>1,308</u>	<u>1,311</u>	<u>706</u>	<u>522</u>
<u>1,779</u>	<u>1,869</u>	<u>1,955</u>	<u>1,920</u>	<u>1,071</u>	<u>928</u>
549	560	600	618	613	503
73	112	127	110	117	104
870	731	767	722	857	649
954	940	937	1,020	1,473	905
<u>1,108</u>	<u>1,097</u>	<u>1,188</u>	<u>1,074</u>	<u>1,157</u>	<u>1,071</u>
<u>3,554</u>	<u>3,440</u>	<u>3,619</u>	<u>3,544</u>	<u>4,217</u>	<u>3,232</u>
<u>-</u>	<u>4</u>	<u>27</u>	<u>51</u>	<u>68</u>	<u>101</u>
<u><u>5,333</u></u>	<u><u>5,313</u></u>	<u><u>5,601</u></u>	<u><u>5,515</u></u>	<u><u>5,356</u></u>	<u><u>4,261</u></u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

TUITION AND FEES
LAST TEN FISCAL YEARS

Portland Community College (1)

	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
Per Credit Hour				
General Tuition	\$ 123	\$ 116	\$ 111	\$ 104
Fees	9	9	8	8
Combined Per Credit Total	<u>\$ 132</u>	<u>\$ 125</u>	<u>\$ 119</u>	<u>\$ 112</u>
Per Term - College Service & Transportation Fee (2)	\$ 15	\$ 23	\$ 23	\$ 23
Annual cost (45 credit hours)	\$ 5,972	\$ 5,681	\$ 5,408	\$ 5,093

National and Statewide Comparisons

	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
PCC District				
Annual Cost (45 credit hours)	\$ 5,972	\$ 5,681	\$ 5,408	\$ 5,093
Percentage Change	5%	5%	6%	8%
National Community College Average (3)				
Annual Cost	N/A	\$ 3,377	\$ 3,313	\$ 3,242
Percentage Change		2%	2%	3%
Oregon Universities Average (4)				
Annual Cost (45 credit hours)	\$ 10,895	\$ 10,440	\$ 9,874	\$ 9,655
Percentage Change	4%	6%	2%	6%

(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 - 2020-21 Annual Costs for 2-year colleges are not available at this time.

<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
\$ 97	\$ 96	\$ 93	\$ 88	\$ 82	\$ 79
7	7	6	6	6	6
<u>\$ 104</u>	<u>\$ 103</u>	<u>\$ 99</u>	<u>\$ 94</u>	<u>\$ 88</u>	<u>\$ 85</u>
\$ 23	\$ 23	\$ 19	\$ 19	\$ 19	\$ 19
\$ 4,736	\$ 4,691	\$ 4,521	\$ 4,296	\$ 4,026	\$ 3,891

<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
\$ 4,736	\$ 4,691	\$ 4,521	\$ 4,296	\$ 4,026	\$ 3,891
1%	4%	5%	7%	3%	4%
\$ 3,156	\$ 3,038	\$ 2,955	\$ 2,882	\$ 2,792	\$ 2,647
4%	3%	3%	3%	5%	9%
\$ 9,117	\$ 8,791	\$ 8,210	\$ 7,964	\$ 7,877	\$ 7,623
4%	7%	3%	1%	3%	8%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2020-21	2019-20	2018-19	2017-18	2016-17
Residential Construction (1)					
Permits	13.4	16.1	15.0	16.5	15.3
Value	\$ 3,208,508	\$ 3,273,357	\$ 3,055,717	\$ 3,217,155	\$ 3,158,656
Bank Deposits (2)	N/A	59,972,000	46,418,000	45,339,837	\$ 43,988,737
Property Values (3)					
Assessed Values:					
Real Property	\$ 141,736,743	\$ 135,678,705	\$ 129,513,143	\$ 124,479,160	\$ 118,714,575
Personal Property	5,442,227	5,405,325	4,953,038	5,049,679	4,601,052
Manufactured Structures	194,157	182,925	182,265	171,220	188,095
Public Utility	5,284,143	4,589,393	4,490,760	4,353,038	4,123,037
Total Assessed Value	152,657,270	145,856,348	139,139,206	134,053,097	127,626,759
Total Real Market Value	\$ 282,604,963	\$ 269,857,837	\$ 260,713,118	\$ 240,170,507	\$ 213,806,259

(1) For the Portland, Vancouver, Hillsboro 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 net assessed value. These amounts represent real market value of the taxable portion of properties on the tax roll.

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

<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
14.9	12.7	11.8	10.2	6.5
\$ 2,900,448	\$ 2,468,921	\$ 2,257,252	\$ 1,773,855	\$ 1,222,124
\$ 40,657,736	\$ 37,468,000	\$ 35,589,000	\$ 33,475,000	\$ 41,427,000
\$ 113,554,257	\$ 107,625,199	\$ 103,179,134	\$ 99,627,505	\$ 97,004,090
4,349,460	4,081,805	3,911,730	3,796,361	3,736,655
162,324	139,864	129,150	134,973	169,057
3,881,839	3,804,319	3,611,064	3,495,084	3,550,533
<u>121,947,880</u>	<u>115,651,187</u>	<u>110,831,078</u>	<u>107,053,923</u>	<u>104,460,335</u>
\$ 186,837,348	\$ 170,619,869	\$ 154,652,556	\$ 146,954,618	\$ 150,177,435

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

MISCELLANEOUS INFORMATION
June 30, 2021

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

Maritime Welding Training Center
5555 N. Channel Avenue
Portland, OR 97217

CONTRACTED EDUCATION SERVICE DISTRICT:

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



A U D I T S E C T I O N



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 Report Required by Oregon State Regulations

We have audited the basic financial statements of Portland Community College (the College) as of and for the year ended June 30, 2021, and have issued our report thereon dated December 1, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State.

Compliance

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including 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 statements 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 the College was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

- The College's expenditures exceeded appropriations for one of the three appropriations in the College's contracts and grants fund.
- The College's expenditures exceeded appropriations for one of the five appropriations in the College's student financial aid fund.

OAR 162-10-0230 Internal Control

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

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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.

Purpose of this Report

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 parties.



For Eide Bailly, LLP
Boise, Idaho
December 1, 2021

**DISCLOSURES IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS AND THE UNIFORM GUIDANCE**





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 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, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 1, 2021.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 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.

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

Boise, Idaho
December 1, 2021



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance 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 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, 2021. Portland Community 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 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 and 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's 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, 2021.

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 the 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in dark ink and is positioned above the printed name and date.

Boise, Idaho
December 1, 2021

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

FEDERAL AWARDS BY CLUSTERS	Federal Assistance Listing Number	Pass Through Number	Total Expenditures
STUDENT FINANCIAL ASSISTANCE CLUSTER			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	\$ 1,409,213
Federal Work-Study Program	84.033	N/A	346,638
Federal Perkins Loan Program	84.038	N/A	1,847,283
Federal Pell Grant Program	84.063	N/A	30,249,639
Federal Direct Student Loans	84.268	N/A	35,427,456
Nursing Student Loans	93.364	N/A	1,406,329
Total Student Financial Assistance Cluster			70,686,558
CDBG – ENTITLEMENT GRANTS CLUSTER			
Economic Opportunity Program: Community Development Block Grants	14.218	20-11206	49,494
Total Community Development Block Grant Cluster			49,494
WIOA CLUSTER			
WIA/WIOA Adult Program - Hillsboro	17.258	20-11200/2	223,336
WIA/WIOA Adult Program - Hillsboro Liaison	17.258	20-11202	38,344
WIOA Formula Youth-Hillsboro Liaison	17.259	20-11202	41,485
WIA/WIOA Dislocated Worker Formula Grants -Hillsboro Liaison - DWP	17.278	20-11202	185,105
WIA/WIOA Dislocated Worker Formula Grants-WSI: DWP Program Hillsboro	17.278	20-11200	103,293
Total WIOA Cluster			591,563
FEDERAL TRANSIT CLUSTER			
Federal Transit—Formula Grants	20.507	936290	24,160
Total Federal Transit Cluster			24,160
HIGHWAY SAFETY CLUSTER			
ODOT Traffic Safety Educaton	20.600	DE-20-24 11 004	4,004
Total Highway Safety Cluster			4,004
TRIO CLUSTER			
TRIO - Student Support Services	84.042A	N/A	256,009
TRIO - Talent Search	84.044A	N/A	312,911
Total TRIO Cluster			568,920
SUBTOTAL CLUSTER PROGRAMS			71,924,699
NON-CLUSTER PROGRAMS			57,741,031
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 129,665,730

See notes to schedule of expenditures of federal awards

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

FEDERAL AWARDS BY FEDERAL AGENCY	Federal Financial Assistance Listing Number	Pass Through Number	Total Expenditures
U.S. DEPARTMENT OF EDUCATION:			
Direct Programs:			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	1,409,213
Federal Work-Study Program	84.033	N/A	346,638
Federal Perkins Loan Program	84.038	N/A	1,847,283
Federal Pell Grant Program	84.063	N/A	30,249,639
Federal Direct Student Loans	84.268	N/A	35,427,456
Nursing Student Loans	93.364	N/A	1,406,329
Title III - PCC Rises Reimanging Integrated	84.031A	N/A	349,487
TRIO - Student Support Services	84.042A	N/A	256,009
TRIO - Talent Search	84.044A	N/A	312,911
Career and Technical Education - National Programs Oregon High School CTE Teacher Pathway	84.051D	N/A	52,618
Migrant Education - High School Equivalency Program	84.141A	N/A	447,389
Migrant Education - College Assistance Migrant Program	84.149A	N/A	435,244
Child Care Means Parents in School - CCAMPIS	84.335A	N/A	149
			72,540,365
COVID-19 - Education Stabilization Fund - Student	84.425E ^[1]	N/A	7,052,909
COVID-19 - Education Stabilization Fund - Institutional	84.425F ^[1]	N/A	40,233,294
COVID-19 - Education Stabilization Fund - Title III/SIP	84.425M ^[1]	N/A	1,864,165
Total Education Stabilization Fund			49,150,368
Total Direct Programs			121,690,733
Passed through Office of Community Colleges and Workforce Development			
Adult Education - Basic Grants to States - Program Improvement	84.002	19-054L-001	6,622
Adult Education - State Grant Program - TOPS Accountability	84.002	19-054L-001	137,572
Adult Education - State Grant Program - Comprehensive Services	84.002	19-054L-001	627,500
Adult Education - ABS Professional Development	84.002	19-103L-001	18,137
Adult Education - CCWD Learning Standards Pilot	84.002	17-006	7,730
Total passed through Office of Community Colleges and Workforce Development			797,561
Passed through State of Oregon, Department of Education			
Career & Technical Education - Basic Grants to States - Perkins Reserve	84.048	52479	31,560
Career & Technical Education - Basic Grants to States - Perkins Reserve	84.048	57621	155,465
Career & Technical Education - Basic Grants to States - Region 2A Consortium	84.048	57596	82,957
Career & Technical Education - Basic Grants to States - Region 2A Consortium	84.048	52502	1,570
Career & Technical Education -Middle School Career Exploration	84.048	64746	9,681
Career & Technical Education - Basic Grants to States - Perkins	84.048	57603	2,037,967
Total passed through State of Oregon, Department of Education			2,319,200
Passed through Columbia University			
Education Research, Development and Dissemination Adapting Lesson Study	84.305A	19-01024	10,205
Total passed through Columbia University			10,205
Passed through Higher Education Coordinating Commission			
Covid 19 -Education Stabalization Fund - HECC GEER Student Support	84.425C ^[1]	20-074S	1,215,711
Covid 19 -Education Stabalization Fund - HECC GEER Distance Learning	84.425C ^[1]	20-075S	108,924
Total passed through Higher Education Coordinating Commission			1,324,635
TOTAL U.S. DEPARTMENT OF EDUCATION			126,142,334

See notes to schedule of expenditures of federal awards

^[1] PCC had a total of \$50,475,003 expenditures for Federal Financial Assistance Listing Number 84.425.

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

FEDERAL AWARDS BY FEDERAL AGENCY	Federal Financial Assistance Listing Number	Pass Through Number	Total Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Worksystems, Inc:			
Economic Opportunity Program: Community Development Block Grant Program	14.218	20-11206	49,494
Total Passed through Worksystems, Inc.			49,494
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			49,494
U.S. DEPARTMENT OF JUSTICE:			
Passed through Oregon Department of Justice			
Crime Victim Assistance - VOCA	16.575	VOCA FI-2018-PCC-0082	140,318
VOCA 2020-2022	16.575	VOCA 20-22	156,770
Total passed through Oregon Department of Justice			297,088
TOTAL U.S. DEPARTMENT OF JUSTICE			297,088
U.S. DEPARTMENT OF LABOR:			
Passed through Worksystems, Inc:			
WIA/WIOA Adult Program - Hillsboro	17.258	20-11200/2	223,336
WIA/WIOA Adult Program - Hillsboro Liaison	17.258	20-11202	38,344
			261,680
WIOA Formula Youth-Hillsboro Liaison	17.259	20-11202	41,485
H-1B Job Training Grants -WashCo Center NW Promise	17.268	20-11200	12,617
H-1B Job Training Grants -NW Promise Hillsboro	17.268	19-11211/1	1,108
H-1B Job Training Grants - Tech Rise Tualatin	17.268	19-10312	184,712
			198,437
Total passed through Worksystems, Inc.			501,602
Passed through Oregon Employment Department:			
H-1B Job Training Grants - OED: AIM	17.268	18-228	49,228
Total passed through Oregon Employment Department			49,228
Total H-1B Job Training Grants:			247,665
Passed through Worksystems, Inc:			
WIA/WIOA National Dislocated Worker Grants- WashCo DW Disaster Recovery	17.277	20-11200	103,911
WIA/WIOA National Dislocated Worker Grants- WashCo DW Employment Recovery	17.277	20-11200	149,421
			253,332
WIA/WIOA Dislocated Worker Formula Grants -Hillsboro Liaison - DWP	17.278	20-11202	185,105
WIA/WIOA Dislocated Worker Formula Grants-WSI: DWP Program Hillsboro	17.278	20-11200	103,293
			288,398
Total passed through Worksystems, Inc.			541,730
TOTAL U.S. DEPARTMENT OF LABOR			1,092,560
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through TriMet			
Federal Transit Formula Grants	20.507	936290	24,160
Total passed through TriMet			24,160

See notes to schedule of expenditures of federal awards

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

FEDERAL AWARDS BY FEDERAL AGENCY	Federal Financial Assistance Listing Number	Pass Through Number	Total Expenditures
Passed through National Highway Traffic Safety Administration			
ODOT Traffic Safety Educaton	20.600	DE-20-24 11 004	4,004
Total Passed through National Highway Traffic Safety Administration			4,004
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			28,164
U.S. DEPARTMENT OF THE TREASURY			
Passed through Worksystems, Inc.			
Covid 19 -Coronavirus Relief Fund - WA County EOP CARES	21.019	20-11206	45,655
Covid 19 -Coronavirus Relief Fund - Tech Rise Tualatin CARES	21.019	19-10312	10,096
Covid 19 -Coronavirus Relief Fund - WA County WSPM Center CARES	21.019	20-11200	232,818
Covid 19 -Coronavirus Relief Fund - WA County Construction CARES	21.019	20-11205	21,288
Covid 19 -Coronavirus Relief Fund - WA County CCTP CARES	21.019	20-10203	30,165
Covid 19 -Coronavirus Relief Fund - NPI COVID RA - WSI	21.019	20-11103	39,121
Covid 19 -Coronavirus Relief Fund - WIOA Liaison WA County CARES	21.019	20-11202	13,753
Total Passed through Worksystems, Inc.			392,896
Passed through Washington County, Oregon			
Covid 19 - Coronavirus Relief Fund - WA County CARES Act IGA	21.019	20-1403	121,451
Total Passed through Washington County, Oregon			121,451
TOTAL U.S. DEPARTMENT OF THE TREASURY			514,347
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:			
Passed through Oregon State Univeristy			
OSU NASA Space Grant	43.008	NS265D-AD	1,927
OSGC OSU/NASA - MEE	43.008	NS324G-G	13,870
OSGC OSU/NASA - DEAR	43.008	NS324G-E	12,936
Total Passed through Oregon State Univeristy			28,733
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			28,733
NATIONAL SCIENCE FOUNDATION:			
Direct Programs:			
Education and Human Resources - NSF RETA	47.076	N/A	158,655
Education and Human Resources - Mentoring in Manufacturing Technology	47.076	N/A	192,685
Education and Human Resources - NSF ATE eGIST	47.076	N/A	144,682
Education and Human Resources - S-STEM SE Campus	47.076	N/A	144,400
Education and Human Resources - NSF IUOE	47.076	N/A	159,502
Total Direct Programs			799,924
Passed through Pasadena City College			
Education and Human Resources - NSF ATE MNT-EC	47.076	B210055	94,690
Total Passed through Pasadena City College			94,690
TOTAL NATIONAL SCIENCE FOUNDATION			894,614

See notes to schedule of expenditures of federal awards

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

FEDERAL AWARDS BY FEDERAL AGENCY	Federal Financial Assistance Listing Number	Pass Through Number	Total Expenditures
SMALL BUSINESS ADMINISTRATION:			
Passed through Lane Community College:			
Small Business Development Center - SBDC	59.037	SBAHQ-19-B-0058	44,436
Small Business Development Center - SBDC SBA Center#20	59.037	SBAHQ-18-B-0034	49,740
COVID-19 - Small Business Development Center - SBDC	59.037	SBAHQ-20-C-0074-152	55,243
Total passed through Lane Community College			149,419
TOTAL SMALL BUSINESS ADMINISTRATION			149,419
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Worksystems, Inc.			
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	20-10106	124,107
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	20-10106	59,467
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	20-10206	93,279
Total passed through Worksystems, Inc.			276,853
Passed through Portland State University			
Trans-NIH Research Support - Exito	93.310	2RL5GM118963-06	54,986
Total passed through Portland State University			54,986
Passed through Oregon Department of Human Services			
Youth WEX - Hillsboro	93.558	19-11220	91,979
Block Grants for Prevention and Treatment of Substance Abuse - Oregon Health Authority	93.595	159272	42,134
Total passed through Oregon Department of Human Services			134,113
Passed through Oregon Health Sciences University:			
Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants	93.924	5H65HA00006-19-00	3,025
Total passed through Oregon Health Sciences University			3,025
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			468,977
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 129,665,730

See notes to schedule of expenditures of federal awards

PORTLAND COMMUNITY COLLEGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:
YEAR ENDED JUNE 30, 2021

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, 2021. 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, 2021 consists of:

	Assistance Listing Number	
Federal Perkins Loan Program	84.038	\$ 1,379,966
Federal Nursing Student Loans	93.364	1,196,240
		<u>\$ 2,576,206</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 2021 the College had excess liquid capital and returned it to the Department.

	Assistance Listing Number	Expenditures
Federal share returned	84.038	\$ 385,455

Note E - SUBRECIPIENTS

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

	Assistance Listing Number	Expenditures
OIT - Education and Human Resources - NSF RETA	47.076	\$ 5,826
Madden - OED:AIM	17.268	5,899
Portland State Univeristy - S-STEM SE	47.076	10,282
Oregon Coast Community College - Covid 19 -Education Stabilization Fund - CRRSAA Student Aid	84.425E	91,575
Oregon Coast Community College - Covid 19 -Education Stabilization Fund - Title III SIP	84.425M	29,097
Oregon Coast Community College - Covid 19 -Education Stabalization Fund - CRRSAA Institutional	84.425F	388,425
		<u>\$ 531,104</u>



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:

Name of Federal Program	Financial Assistance Number
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 - HECC GEER Student Support	84.425C
COVID-19 - Education Stabilization Fund - HECC GEER Distance Learning	84.425C
COVID-19 - Education Stabilization Fund - Student	84.425E
COVID-19 - Education Stabilization Fund - Institutional	84.425F
COVID-19 - Education Stabilization Fund - Title III/SIP	84.425M

Dollar threshold used to distinguish between Type A and Type B programs	\$3,000,000
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Auditee qualified as low-risk auditee?	No
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Section II – Financial Statement Findings

No findings reported.

Section III – Federal Award Findings and Questioned Costs

No findings reported.

