



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022 • PORTLAND, OREGON





PORTLAND COMMUNITY COLLEGE

PORTLAND, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended June 30, 2022

Dr. Adrien L Bennings
President

Mark Mitsui
President, Retired

Eric Blumenthal, MBA
Executive Vice President Administration and Finance

Dina Farrell, MBA
Associate Vice President of Finance

James Crofts, CPA
Accounting Director

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PORTLAND COMMUNITY COLLEGE

12000 Southwest 49th Avenue
Portland, OR 97219

For the year ended June 30, 2022

<u>ZONE</u>	<u>BOARD OF DIRECTORS</u>	<u>TERM EXPIRES</u>
1	Laurie Cremona Wagner	June 30, 2025
2	Tiffani Penson	June 30, 2023
3	Michael Sonnleitner	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, 2023

ADMINISTRATION

Dr. Adrien L. Bennings, President
Eric Blumenthal, MBA, Executive Vice President Administration and Finance
Dina Farrell, MBA, Associate Vice President of Finance
James Crofts, CPA, Accounting Director

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INTRODUCTORY SECTION



December 5, 2022

Board of Directors
Portland Community College
Portland, Oregon

Introduction

We are pleased to submit the Annual Comprehensive Financial Report of Portland Community College (“College”) for the fiscal year ended June 30, 2022 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 Annual Comprehensive 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

Strategic Plan

The 2020-2025: Discovering New Possibilities Strategic Plan prepares Portland Community College for the future of higher education. It addresses both the long-term impacts of the pandemic on academic life and positions the college to adapt to future enrollment and demographic shifts. Our strategic plan and associated projects reflect our commitment to equitable student success, to fulfill the mission of delivering access to quality education in a collaborative culture of diversity, equity, and inclusion.

The revised strategic plan builds upon the College's Yes to Equitable Student Success (YESS) efforts, a framework that establishes inclusive systems and quality support for students throughout their journey at PCC. This alignment will ensure a comprehensive and coordinated approach to help students achieve their goals and improve equitable student outcomes. Building on the foundations of YESS and the college reorganization, our strategic plan ushers in a culture shift at PCC. The 2020-2025 plan takes YESS, the reorganization, and our strategic goals and threads them together throughout our everyday work. Our strategic plan is not separate from the college's work; implementing the projects associated with our plan *is* the college's work. To achieve these goals, the college has allocated \$6.5M in strategic investment funds to support the identified project work associated with the plan.

The strategic plan is built around four themes:

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

Economic Outlook & Long-Term Financial Planning

Based on information from the Oregon Office of Economic Analysis, the state is maintaining its baseline forecasts for the next Biennium. It is expected that next Biennium funding will be supported by unprecedented reserves and recent growth in personal and corporate tax collections. However, ongoing analysis and a conservative approach recognizes that due to high inflation, sustained growth in wages and spending at the current pace is not likely.

During fiscal year 2021-2022 despite expectations that revenue numbers would weaken with an anticipated recession, the state of Oregon's primary revenue indicators continued to grow. In fact, based on revenue growth the 2021-2023 Oregon state budget was revised upward. It is expected that the reserves that have been generated by this unprecedented growth will help to sustain the budget in the next biennium.

The State short-term forecast calls for additional revenue but that trend is predicted to slow in future budget periods. In order for this to materialize, there will need to be a deceleration in consumer spending and wage growth. It is expected that once this occurs there will be a slowdown in the rate of inflation, resulting in less state revenue across a broad range of taxes.

The Oregon Employment Department's analysis of pandemic enrollment trends stated that by the fall of 2021, enrollment at Oregon higher education institutions had started to recover after a large decline in 2020 caused by the pandemic and related conditions. The enrollment drop was greater at community colleges than at four-year colleges and universities, declining 24% since fall 2019. Every Oregon community college had a lower headcount compared to before the pandemic. Most state universities had smaller declines during that time, with university enrollment down about 5% statewide. The drop in community college enrollment was not due so much to lack of demand for higher education, but to other short-term economic disruptions and the social impacts caused by the pandemic. Pandemic related illness, lack of available child

care, and sudden increase in job opportunities in the labor market continue to impact community college enrollment.

The Oregon Employment Department reports the unemployment rate for Portland is 3.7% for October 2022, up slightly from the month earlier but still less than the 4.3% from one year ago. Over the past 12 months, nonfarm payrolls added 59,700 jobs, a 5.0% increase.

According to the Oregon Employment Department, over the next ten years, population trends now indicate slow but steady enrollment growth for higher education. Using Portland State University's ten-year population forecast estimates as a predictor, the population of people ages 15-24 will expand by roughly 4.3%, which is less than 0.5% annually. The college-age population is expected to grow modestly in the next decade.

In their latest forecast, the Oregon Office of Economic Analysis now anticipates a mild recession. Recent gains in reported taxable income have been driven by circumstances that are not expected to persist. This recession is expected to be mild and personal income is expected to remain stable despite job losses. During this coming expected period of economic slowdown, the State is forecasting revenues to decrease mildly with or without a recession. However, with the possibility of a mild recession in early 2023, revenue could see a dramatic decline which could adversely impact state programs. The challenge at hand is how to write the Oregon Biennium budget in light of competing forecasts. Thus, PCC is taking a cautionary budget approach in order to be able to react to economic uncertainty.

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.

A combination of lower expenses in fiscal year 2021-2022 due to pandemic driven campus closures and receipt of the final tranche of Federal pandemic relief funds resulted in an increase in the College general fund ending balance which will be very beneficial as a beginning budgetary resource going into the next budget cycle.

However, significant challenges lie ahead for the District as it looks towards the upcoming fiscal year 2023-2025 biennium budget. The revenue picture is unclear, a result of the combination of uncertain state funding levels and an uncertain enrollment picture. While expenditures have increased due to inflation and other factors, the potential variability in projections for future expenditures is significantly smaller than the potential variability in projections for future revenues.

The District successfully implemented budget reduction efforts at the beginning of fiscal year 2022-2023, resulting in a reduction of the adjusted general fund budget by approximately \$20 million. A significant portion of this budget reduction was due to the elimination of vacant positions, reducing pooled position budgets such as part time faculty, and reductions in areas of materials, supplies, and services such as overnight travel. Although the budget reductions better align potential future expenditures with revenues, due to the significantly higher variability in future revenue projections, additional budget reduction efforts may be necessary if revenues are not forecast to increase adequately.

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 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. Future evaluations include the Ad-hoc Report Fall 2024 Evaluation of Institutional Effectiveness, Mid-cycle Review Spring 2025 Evaluation of Institutional Effectiveness followed by the Year 6 Standard 2 Policies, Regulations and Financial Review Spring 2028 and Year 7 Evaluation of Institutional effectiveness Spring 2029.

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, 2021. 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 Annual Comprehensive 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 Annual Comprehensive 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 Annual Comprehensive 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
Executive Vice President Administration and Finance

Dina Farrell
Associate Vice President of Finance

James Crofts
Accounting Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Portland Community College
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

BOARD OF DIRECTORS

**Laurie Cremona
Wagner**
Zone 1

Tiffani Penson
Zone 2

Michel Sonnleitner
Zone 3

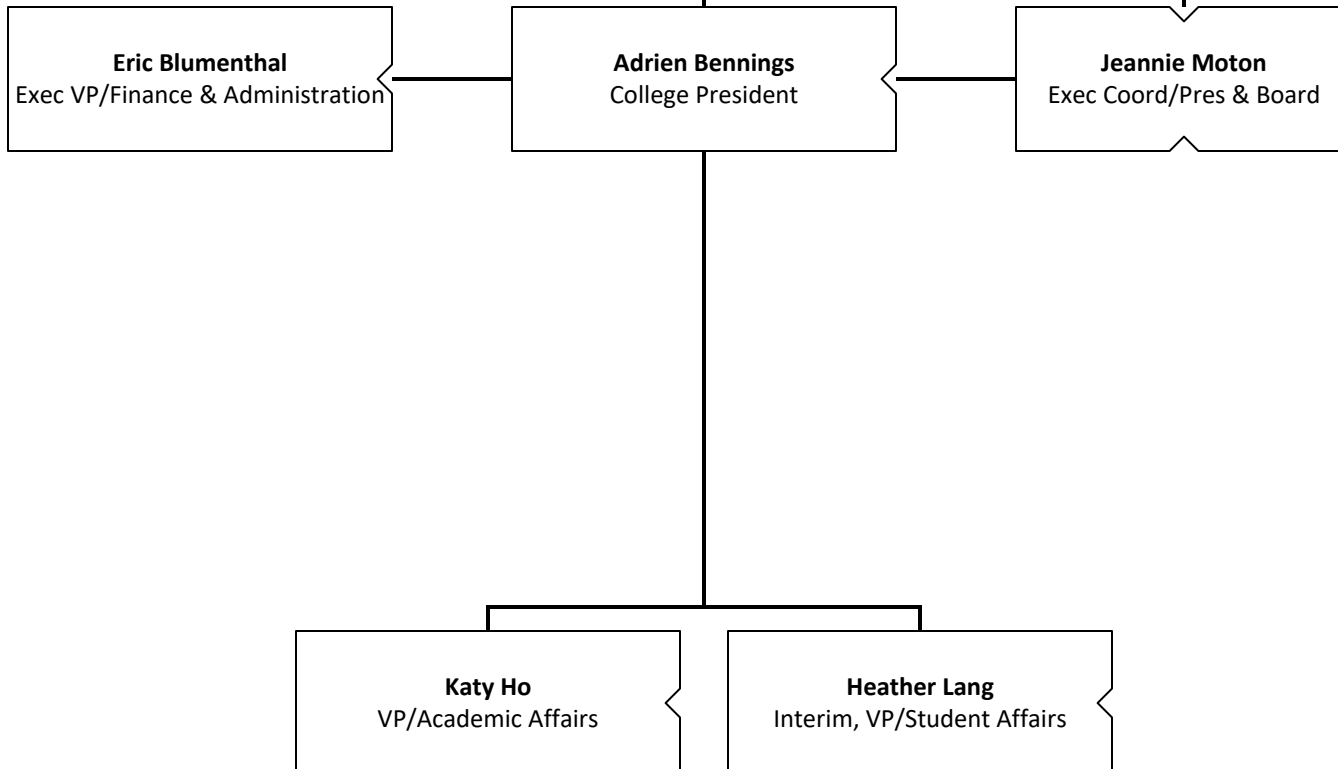
Serin Bussell
Zone 4

Dan Saltzman
Zone 5

Mohamed Alyajouri
Zone 6

Kristi Wilson
Zone 7

**Mohasin Biswas
Manab**
Student Trustee



FINANCIAL SECTION





Independent Auditor's Report

To the Board of Directors
Portland Community College
Portland, Oregon

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Portland Community College (the College), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the College, as of June 30, 2022, and the respective 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Adoption of New Accounting Standard

As discussed in Notes 1 and 13 to the financial statements, the College has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2021. Accordingly, a restatement has been made to the net position as of July 1, 2021, to restate beginning net position. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 or 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The schedules of revenues, expenditures, and changes in fund balances – budget and actual by fund, the other financial schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of revenues, expenditures, and changes in fund balances – budget and actual by fund, the other financial schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the board of directors and administration, introductory section and the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If,

based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2022 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 5, 2022, 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 5, 2022



MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Portland Community College's (the College) Annual Comprehensive Financial Report presents an analysis of the financial activities of the College for the fiscal years ended June 30, 2022 and June 30, 2021 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, 2022 that affected the College are as follows:

- Full-time equivalent students (FTE) decreased from 20,248 in 2021 to 18,867 in 2022. The total headcount of students decreased from 50,576 in 2021 to 50,533 in 2022. More information about enrollment is available in the Statistical Section of this Annual Comprehensive Financial Report.
- FTE reimbursement from the State of Oregon increased from \$81.0 million in fiscal year 2021 to \$144.9 million in fiscal year 2022. 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, 2022 is the first year of the biennium.
- Capital assets, net of depreciation, increased from \$657.6 million in 2021 to \$689.1 million in 2022. Notable projects completed in fiscal year 2022 include the Sylvania Science Technology building renovation, the Rock Creek Dealer Service Technology building, and other Rock Creek building renovations and improvements, totaling \$10.6 million, \$8.0 million, and \$9.8 million, respectively.
- Net position increased by \$78.9 million from \$342.3 million in 2021 to \$421.2 million in 2022. Details of this increase 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 \$44.4 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. In the current year, GASB 87 was implemented and there was no effect on beginning net position as a result of the implementation.

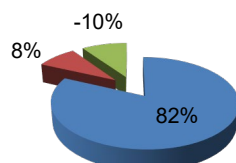
Net Position (in millions)

	2022	As Restated 2021	Increase (decrease) 2022-21
Assets			
Current assets	\$ 338.7	\$ 342.7	\$ (4.0)
Capital assets, net of depreciation	690.3	658.9	31.4
Other noncurrent assets	73.4	2.8	70.6
Total assets	1,102.4	1,004.4	98.0
Deferred outflows	123.4	163.7	(40.3)
Total assets and deferred outflows	<u>\$ 1,225.8</u>	<u>\$ 1,168.1</u>	<u>\$ 57.7</u>
Liabilities			
Current liabilities	\$ 121.5	\$ 138.1	\$ (16.6)
Noncurrent liabilities	530.8	650.0	(119.2)
Total liabilities	652.3	788.1	(135.8)
Deferred Inflows	152.3	37.7	114.6
Net position			
Net investment in capital assets	426.7	393.9	32.8
Net position: restricted	44.5	3.4	41.1
Net position: unrestricted	(50.0)	(55.0)	5.0
Total net position	421.2	342.3	78.9
Total liabilities, deferred inflows and net position	<u>\$ 1,225.8</u>	<u>\$ 1,168.1</u>	<u>\$ 57.7</u>

Portland Community College
Fiscal year ended June 30, 2022

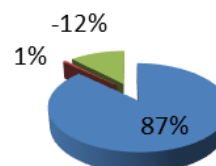
2022 Net position - \$421.2 million

- Net investment in capital assets \$426.7
- Restricted \$44.5
- Unrestricted \$(50.0)



2021 Net position - \$342.3 million

- Net investment in capital assets \$393.9
- Restricted \$3.4
- Unrestricted \$(55.0)



Fiscal year 2022 compared to Fiscal year 2021. Net Position increased \$78.9 million from \$342.3 million in 2021 to \$421.2 million in 2022. Current assets of \$338.7 million are sufficient to cover current liabilities of \$121.5 million. This represents a current ratio of 2.8. Current assets decreased by \$4.0 million primarily due to a \$4.6 million decrease in receivables partially offset by a \$1.0 million increase in cash and cash equivalents. Other noncurrent assets increased \$70.6 million primarily due to a \$68.4 million PERS net pension asset arising from a net pension liability in the prior fiscal year. Deferred outflows decreased \$40.3 million driven by a \$39.0 million decrease in pension related deferred outflows. Due to implementation of GASB 87 in the current fiscal year, capital assets, net of depreciation includes right of use of assets, net of accumulated amortization of \$1.2 million in 2022, and \$1.3 million in the restated net position of 2021. Currently, \$426.7 million is the net investment in capital assets and reflects an increase of \$32.8 million from the prior year. Construction in progress had a net increase of \$18.0 million in the current fiscal year, with a balance of \$77.4 million of projects yet to be completed. Capital assets being depreciated had a net increase of \$11.5 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 decreased \$16.6 million primarily driven by decreases in unearned revenue of \$17.8 million and accounts payable of \$1.9 million offset by an increase in current portion of long-term debt of \$3.1 million. Noncurrent liabilities decreased \$119.2 million primarily due to a net decrease of \$65.2 million in bond related liabilities and a \$51.5 million decrease in net pension liability due to the PERS net pension liability changeover to a net pension asset in the current fiscal year.

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.

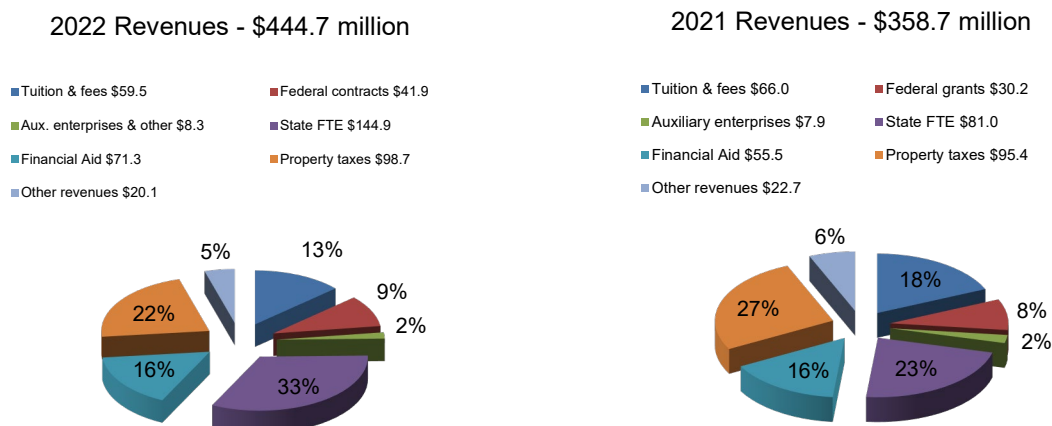
Changes in Net Position (In Millions)

	2022	2021	Increase (decrease) 2022-21
Operating revenues			
Student tuition and fees	\$ 59.5	\$ 66.0	\$ (6.5)
Federal contracted programs	41.9	30.2	11.7
Auxiliary enterprises and other	8.3	7.9	0.4
Total operating revenues	<u>109.7</u>	<u>104.1</u>	<u>5.6</u>
Nonoperating revenues			
State FTE reimbursement	144.9	81.0	63.9
Property taxes	98.7	95.4	3.3
Student financial aid	71.3	55.5	15.8
Other nonoperating revenues	20.1	22.7	(2.6)
Total nonoperating revenues	<u>335.0</u>	<u>254.6</u>	<u>80.4</u>
Total revenues	<u>444.7</u>	<u>358.7</u>	<u>86.0</u>
Operating expenses			
Campus educational and general	131.1	152.0	(20.9)
Other educational and general	106.2	113.3	(7.1)
Grants and contracted programs	22.6	25.0	(2.4)
Auxiliary enterprises	7.8	9.1	(1.3)
Depreciation and amortization	25.4	20.3	5.1
Other support services	50.9	29.5	21.4
Total operating expenses	<u>344.0</u>	<u>349.2</u>	<u>(5.2)</u>
Nonoperating expenses			
Other nonoperating expenses	<u>24.3</u>	<u>28.5</u>	<u>(4.2)</u>
Total expenses	<u>368.3</u>	<u>377.7</u>	<u>(9.4)</u>
Income (loss) before capital contribution	76.4	(19.0)	95.4
Capital contributions	2.5	-	2.5
Increase (decrease) in net position	<u>78.9</u>	<u>(19.0)</u>	<u>97.9</u>
Net position, beginning of year	342.3	361.3	(19.0)
Net position, end of year	<u>\$ 421.2</u>	<u>\$ 342.3</u>	<u>\$ 78.9</u>

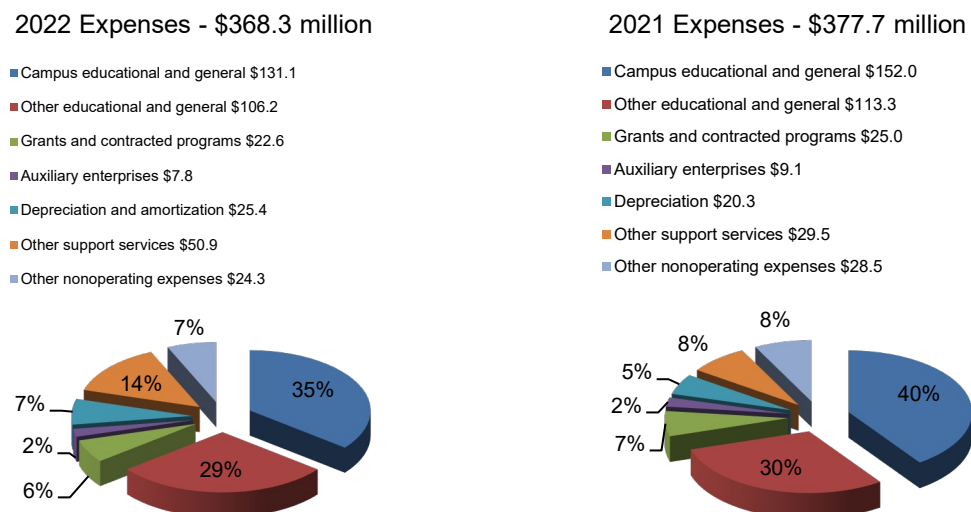
Portland Community College
Fiscal year ended June 30, 2022

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 2022 and 2021:



The following graphics show the allocation of total expenses for fiscal years 2022 and 2021:



Fiscal year 2022 compared to Fiscal year 2021. The most significant sources of operating revenues are student tuition and fees and federal contracted programs. Revenues for auxiliary enterprises were notably impacted by the COVID-19 pandemic for both fiscal years.

The largest non-operating revenue sources are state FTE reimbursement followed by property taxes and student financial aid. The \$63.9 million increase in FTE reimbursement is due to the recognition of five quarters of FTE in

Portland Community College
Fiscal year ended June 30, 2022

2022 compared to three quarters in fiscal year 2021. Student financial aid climbed \$15.8 million from prior year predominantly due to increased expenditures from the COVID-19 Education Stabilization Fund for students.

Operating expenses decreased in net by \$5.2 million. Campus educational and general expenses is the largest single line item followed by other educational and general expenses. The reduction of \$28.0 million in campus educational and other educational and general expenses includes a \$30.9 million reduction in expenses relating to pension and other postemployment benefit transactions in comparison to prior fiscal year. Student financial aid expenses, included in other support services, accounted for \$21.4 million of the increase in operating 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)			
	2022	2021	Increase (decrease) 2022-21
Cash provided by (used in)			
Operating activities	\$ (199.3)	\$ (138.2)	\$ (61.1)
Noncapital financing activities	261.0	178.0	83.0
Capital financing activities	(60.0)	(59.8)	(0.2)
Investing activities	<u>(119.4)</u>	<u>147.3</u>	<u>(266.7)</u>
Net increase (decrease) in cash	(117.7)	127.3	(245.0)
Cash and cash equivalents, beginning of year	<u>186.7</u>	<u>59.4</u>	<u>127.3</u>
Cash and cash equivalents, end of year	<u>\$ 69.0</u>	<u>\$ 186.7</u>	<u>\$ (117.7)</u>

Fiscal year 2022 compared to Fiscal year 2021. 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 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 \$61.1 million more cash in its operating activities in fiscal year 2022 than in fiscal year 2021, primarily driven by a \$8.9 million decrease in cash provided by tuition and fees, a \$23.7 million decrease in cash provided by federal grants and contracts, and a \$21.4 million increase in cash usage for payments to students for financial aid and scholarships.

Noncapital Financing Activities: Proceeds from state FTE reimbursements, student financial aid, and property taxes are the primary sources of noncapital financing for fiscal year 2022. Cash provided by noncapital financing activity increased by \$83.0 million. The increase in cash provided is largely attributed to the increase of \$63.9 million in state FTE this year, a \$24.2 million increase in cash provided by student financial aid grants, and is partially offset by a \$6.4 million decrease in cash provided from 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 net to almost the same amount compared to last fiscal year. Notable cash activity includes cash received from property taxes, cash used for principal and interest paid on long-term debt, and cash used to purchase capital assets. Due to implementation of GASB 87, receipts and payments on leases were added to the capital financing activities section in the statement of cash flows.

Investing Activities: Total cash used by investing activities increased by \$266.7 million compared to fiscal year 2021. The increase in cash used is mainly due to a \$196.7 million increase in cash used for purchases of investments, and a \$69.2 million decrease in proceeds from sales of investments.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The College's net invested in capital assets as of June 30, 2022 was \$689.1 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 and Note 6 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 \$568.7 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 \$4.5 billion, which is significantly higher than the College's outstanding general obligation debt. The College's outstanding general obligation debt is roughly 12.6% 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 began transitioning to a blend of remote, online, and in person classes in FY22 and continues that blend of classes into FY23.
- State support funding increased by 9% in FY22 from FY21, and will increase 2.4% in FY23 from FY22.

Portland Community College
Fiscal year ended June 30, 2022

- No tuition rate increase was adopted for FY23. The College budgeted a 2% decrease in tuition revenue based on enrollment trends in FY22, however tuition was a 11.8% decrease in FY22. Enrollment and tuition revenue continue to decline.
- Property tax income is predicted to be stable in FY23.

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, 2022

(In Thousands)

ASSETS	
Current assets:	
Cash and cash equivalents	\$ 69,033
Short-term investments	252,131
Receivables, net of allowance	
Taxes	2,039
Accounts	6,193
Student accounts	6,362
Federal programs	356
Interest	339
Leases	351
Inventory and prepaid items	1,938
Total current assets	<u>338,742</u>
Noncurrent assets:	
Long-term investments	966
OPEB asset	3,116
Net Pension asset	68,413
Lease receivable	875
Right to use assets, net of accumulated amortization	1,182
Capital assets - non-depreciable	131,697
Capital assets - depreciable	801,984
Less: Accumulated depreciation	<u>(244,518)</u>
Total noncurrent assets	<u>763,715</u>
TOTAL ASSETS	<u>1,102,457</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferral of amounts on refunding	2,413
Pension related	117,735
OPEB related	<u>3,218</u>
TOTAL DEFERRED OUTFLOWS	<u>123,366</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 1,225,823</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 8,933
Payroll liabilities	25,495
Lease liability	641
Accrued interest payable	1,425
Unearned revenue	12,827
Compensated absences	9,144
Other current liabilities	1,983
Current portion of long-term debt	61,065
Total current liabilities	<u>121,513</u>
Noncurrent liabilities:	
Noncurrent liabilities	591,872
Less: Current portion of long-term debt	<u>(61,065)</u>
Total noncurrent liabilities	<u>530,807</u>
TOTAL LIABILITIES	<u>652,320</u>
DEFERRED INFLOWS OF RESOURCES	
Deferral of amounts on refunding	1,568
Lease related	1,185
Pension related	145,346
OPEB related	<u>4,199</u>
TOTAL DEFERRED INFLOWS	<u>152,298</u>
NET POSITION	
Net investment in capital assets	426,734
Net position - restricted: student financial aid	1,352
Net position - restricted: OPEB	2,306
Net position- restricted: Pension	40,803
Net position: unrestricted	<u>(49,990)</u>
Total net position	<u>421,205</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 1,225,823</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, 2022

(In Thousands)

OPERATING REVENUES	
Student tuition and fees,	
net of scholarship allowances	\$ 59,499
Federal contracted programs	41,924
Nongovernment grants and contracts	5,135
Auxiliary enterprises:	
Food services	272
Bookstore, net of scholarship allowances	2,622
Parking operation	52
Other operating revenues	256
Total operating revenues	<u>109,760</u>
OPERATING EXPENSES	
Educational and general:	
Sylvania Campus	47,389
Rock Creek Campus	38,137
Cascade Campus	26,553
Southeast Campus	14,215
Extended Learning Centers	4,773
President and Governing Board	17,390
Academic and Student Affairs Services	39,888
Administrative Services and Physical Plant	48,904
Other support services:	
Student Activities	1,177
Grants and contracted programs	22,630
Student financial aid, net of tuition and textbooks	46,341
Auxiliary enterprises:	
Food services	1,104
Bookstore	5,597
Parking operation	1,058
Materials, supplies and minor equipment expense	3,411
Depreciation expense	28,895
Amortization of bond premium	(4,115)
Amortization of right to use assets	590
Total operating expenses	<u>343,937</u>
Operating income (loss)	<u>(234,177)</u>
NONOPERATING REVENUES (EXPENSES)	
Student financial aid	71,248
State FTE reimbursement	144,934
State and local government grants and contracts	19,971
Property taxes	98,732
Investment income (loss)	(143)
Interest expense	(24,179)
Net nonoperating revenues (expenses)	<u>310,563</u>
Income (loss) before capital contributions	76,386
Capital contributions	2,510
Increase (decrease) in net position	<u>78,896</u>
NET POSITION	
Net position - beginning of the year	342,309
Net position - end of the year	<u>\$ 421,205</u>

See notes to basic financial statements.

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

STATEMENT OF CASH FLOWS
Year ended June 30, 2022
(In Thousands)

CASH FLOWS FROM OPERATING ACTIVITIES

Tuition and fees	\$ 57,566
Federal grants and contracts	24,298
Non-government grants and contracts	4,780
Payments to suppliers for goods and services	(18,696)
Payments to employees	(224,570)
Payments for student financial aid and other scholarships	(46,341)
Cash received from customers	3,413
Other cash receipts	256

Net cash used in operating activities	<u>(199,294)</u>
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CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Student financial aid grants	76,927
State and local government grants and contracts	20,112
Cash received from property taxes	41,303
Cash received from State FTE reimbursement	144,934
Interest paid on limited tax pension bonds	(10,114)
Principal paid on limited tax pension bonds	<u>(12,085)</u>

Net cash provided by noncapital financing activities	<u>261,077</u>
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CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Cash received from property taxes	57,504
Principal paid on long-term debt	(45,885)
Receipts (payments) on leases	(282)
Acquisition and construction of capital assets	(57,446)
Interest paid on long-term debt	<u>(13,929)</u>

Net cash used by capital financing activities	<u>(60,038)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments	226
Purchases of investments	(603,564)
Proceeds from sales of investments	<u>483,955</u>

Net cash used by investing activities	<u>(119,383)</u>
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See notes to basic financial statements.

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

STATEMENT OF CASH FLOWS (CONTINUED)
Year ended June 30, 2022
(In Thousands)

NET DECREASE IN CASH	\$ (117,638)
Cash and cash equivalents - beginning of the year	186,671
Cash and cash equivalents - end of year	<u>\$ 69,033</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (234,177)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	28,895
Amortization expense	(3,525)
Change in pension liability	(51,520)
Change in pension transition liability	(1,742)
Change in pension asset	(68,413)
Change in OPEB asset	(1,772)
Change in OPEB liability	14
Change in deferred outflows of resources	39,899
Change in deferred inflows of resources	115,082
(Increases) decreases in current assets used in operations:	
Accounts receivable	111
Student accounts receivable	(1,792)
Inventory and prepaid items	388
Increases (decreases) in current liabilities used in operations:	
Accounts payable	(2,417)
Payroll liabilities	(406)
Unearned revenue	(17,766)
Other current liabilities	149
Compensated absences	(302)
Net cash used in operating activities	<u>\$ (199,294)</u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Capital contribution	\$ 2,510

See notes to basic financial statements.



**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

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.

New Accounting Pronouncements – GASB Statements No. 87 and 98

As of July 1, 2021, the College adopted the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. This standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The additional disclosures required by this standard are included in Notes 6 and 13.

The Governmental Accounting Standards Board (GASB) issued Statement No. 98, *the Annual Comprehensive Financial Report*. The principal objective of this Statement is to replace the existing term used in reference to the annual comprehensive financial report.

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. 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 8 and 9 for more information.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. This includes deferred leases, the employer deferred pension obligation, the deferred OPEB obligation and the deferred gain on debt refunding. See Notes 6, 8, and 9 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.

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, 2022, 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, 2022. 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 uncollectable accounts is determined based upon the aged receivable balance. At June 30, 2022 the allowance for uncollectable accounts is \$1.5 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.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, 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, 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
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.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 \$1.4 million, Pension asset of \$40.8 million and OPEB asset in the amount of \$2.3 million.

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.

Leases

Right to use leased assets are recognized at the lease commencement date and represent the College's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to please the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 5 years.

Lease receivables are recorded by the College as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the College charges the lessee.

Lease liabilities represent the College's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the College.

Deferred inflows related to leases where the College is the lessor are reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on straight-line basis over the term of the lease.

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.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

For purposes of measuring the net pension liability, net pension asset, 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, 2022 are \$24 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, 2022**

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, 2022 (in thousands):

	Year Ended June 30, 2022
Cash and cash equivalents:	
Cash on hand	\$ 70
Demand deposits	27,463
Cash held by county treasurer	303
Oregon Local Government Investment Pool	41,197
Total cash and cash equivalents basic statements	<u>69,033</u>
Investments:	
Government and agency obligations	220,656
Corporate securities	31,871
Bank obligations	570
Total investments	<u>253,097</u>
Total cash and investments	<u><u>\$ 322,130</u></u>

The Oregon Local Government Investment Pool, certificates of deposit, and some repurchase agreements are unrated. Other investments held at June 30, 2022 are categorized by rating as follows (in thousands):

	Year Ended June 30, 2022
Investments categorized by Standard and Poor's rating:	
Government sponsored (Treasury & Federal Agencies), AA+	\$ 220,656
Corporate Securities (AA+ or better)	31,871
Bank obligations (certificates of deposit)	570
Total investments	<u><u>\$ 253,097</u></u>

Cash and investments in the amount of \$96.5 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, 2022**

2. CASH AND INVESTMENTS (Continued)

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. The PFM Asset Management provides 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, 2022 as follows (in thousands):

	Fair Value Hierarchy			Total
	Level 1	Level 2	Level 3	
Debt Securities				
US Treasuries	\$ 200,661	\$ -	\$ -	\$ 200,661
US Government Agencies	-	19,995	-	19,995
Corporate Securities	-	31,871	-	31,871
Time Certifies of Deposit*	-	-	-	570
	<u>\$ 200,661</u>	<u>\$ 51,866</u>	<u>\$ -</u>	<u>\$ 253,097</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, 2022.

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, 2022**

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, 2022, the College bank balances were \$30.9 million, which includes time CDs and bank accounts. Of these deposits, \$1.1 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, 2022, the College had \$253.1 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, 2022, 83.8% 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, 2022 were: 67.8% mature within 93 days, 12.6% mature from 94 days to one year and 19.6% mature from over one year to three years from settlement date.

At June, 30, 2022, the College had no bond investments maturing after 180 days.

All Other Investments maturing after 180 days (in thousands)

<u>All Other Investments</u>	<u>Rating</u>	<u>Maturity Date</u>	<u>Market Value</u>
Heritage Bank CD	NR	03-22-2023	\$ 240
Beneficial State Bank CD	NR	03-28-2023	100
US Treasury	AA+	05-15-2023	14,641
US Treasury	AA+	05-15-2023	14,641
US Treasury	AA+	05-15-2023	19,522
Umpqua Bank CD	NR	10-21-2023	230
US Treasury	AA+	01-31-2024	966

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

3. CAPITAL ASSETS

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

	Balance June 30, 2021	Increase	Decrease	Balance June 30, 2022
Capital assets not being depreciated:				
Land	\$ 50,658	\$ 2,060	\$ -	\$ 52,718
Art and historical treasure	1,530	-	-	1,530
Construction in progress	59,457	57,305	(39,313)	77,449
Total capital assets not being depreciated	111,645	59,365	(39,313)	131,697
Capital assets being depreciated:				
Land improvements	10,493	-	-	10,493
Building and improvements	649,050	37,227	-	686,277
Equipment and machinery	28,059	1,458	(483)	29,034
Library collections	1,147	66	(153)	1,060
Infrastructure	73,291	1,829	-	75,120
Total capital assets being depreciated	762,040	40,580	(636)	801,984
Less accumulated depreciation for:				
Land improvements	10,555	50	-	10,605
Building and improvements	175,747	26,172	-	201,919
Equipment and machinery	22,715	1,315	(465)	23,565
Library collections	586	121	(15)	692
Infrastructure	6,501	1,236	-	7,737
Total accumulated depreciation	216,104	28,894	(480)	244,518
Total capital assets being depreciated, net	545,936	11,686	(156)	557,466
Total capital assets, net	<u>\$ 657,581</u>	<u>\$ 71,051</u>	<u>\$ (39,469)</u>	<u>\$ 689,163</u>

4. UNEARNED REVENUE

At June 30, 2022, The College's unearned revenue consisted of the following (in thousands):

	Amount
Prepaid Tuition	\$ 7,689
Perkins and Nursing Loans	1,470
Contract and Grant Revenues	3,668
Total	<u>\$ 12,827</u>

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

5. LONG-TERM LIABILITIES

Transactions for the fiscal year ended June 30, 2022 are as follows (in thousands):

Bonds	Original Amount	Outstanding June 30, 2021	Increases	Decreases	Outstanding June 30, 2022	Due Within One Year
2020 General obligation refunding bonds, interest ranges from 4.00% - 5.00%, Maturity June 15, 2033	\$ 119,365	\$ 117,730	\$ -	\$ (6,680)	\$ 111,050	\$ 23,500
2018 General obligation bonds, interest ranges from 4.00% - 5.00%, Maturity June 15, 2033	185,000	138,545	-	(20,870)	117,675	4,840
2016 General obligation refunding bonds, interest ranges from 3.00% - 5.00%, Maturity June 15, 2029	118,630	99,130	-	(10,380)	88,750	10,900
2013 General obligation bonds, interest ranges from 3.00% - 5.00%, Maturity June 15, 2033	177,495	16,310	-	(7,955)	8,355	8,355
2018 Limited tax pension bonds, interest ranges from 2.97% - 4.64%, Maturity June 1, 2038	171,865	163,935	-	(4,035)	159,900	4,560
2003 Limited tax pension bonds, interest ranges from 1.07% - 4.81%, Maturity June 1, 2027	119,995	62,440	-	(8,050)	54,390	8,910
Premium on General obligation bonds	67,015	32,659	-	(4,115)	28,544	-
	<u>\$ 959,365</u>	<u>\$ 630,749</u>	<u>\$ -</u>	<u>\$ (62,085)</u>	<u>\$ 568,664</u>	<u>\$ 61,065</u>

Additional Long-Term Liabilities for the fiscal year ended June 30, 2022 are as follows (in thousands):

Other Long-Term Liabilities	Outstanding June 30, 2022
Lease liability	\$ 550
Transition liability - pre SLGRP	10,332
Net pension liability	1,338
OPEB liability	10,988
	<u>\$ 23,208</u>

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

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
2023	\$ 61,065	\$ 21,543
2024	41,025	19,669
2025	44,760	18,076
2026	48,760	16,294
2027	53,050	14,297
2028-2032	184,470	44,039
2033-2037	97,835	13,904
2038	9,155	425
	<u>\$ 540,120</u>	<u>\$ 148,247</u>

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

As of June 30, 2022, \$82.1 million of the General Obligation Bonds, Series 2009 and \$107.9 million of the General Obligation Bonds, Series 2013 are outstanding and considered defeased.

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, 2022, the College had no arbitrage rebate liabilities.

6. LEASES

The College has several leasing arrangements, summarized below:

Lessee:

The College entered an agreement to lease trailers for twenty-two months, beginning July 2021. The lease terminates April 2023. Under the terms of the lease, the College pays a monthly base fee of \$2,229. The College has an option to terminate the lease after the 22nd month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$48,356 and a lease liability of \$48,356, related to this agreement. During the fiscal year, the College recorded \$26,376 in amortization expense and \$523 in interest expense for the right to use the trailers. The College used a discount rate of 1.62%, based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

6. LEASES (Continued)

The College entered an agreement to lease a building for twenty-six months, beginning July 2021. The lease terminates September 2023. Under the terms of the lease, the College pays a monthly base fee of \$10,556. The College has an option to terminate the lease after the 26th month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$274,648 and a lease liability of \$274,468, related to this agreement. During the fiscal year, the College recorded \$124,840 in amortization expense and \$2,790 in interest expense for the right to use the building. The College used a discount rate of 1.28%, based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points.

The College entered an agreement to lease office space for twenty-four months, beginning July 2021. The lease terminates June 2023. Under the terms of the lease, the College pays a monthly base fee of \$13,373, increasing to \$13,774 July 1, 2023. The College has an option to terminate the lease after the 24th month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$321,896 and a lease liability of \$321,896, related to this agreement. During the fiscal year, the College recorded \$160,948 in amortization expense and \$2,762 in interest expense for the right to use the office space. The College used a discount rate of 1.24%, based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points.

The College entered an agreement to lease a building for twenty-six months, beginning July 2021. The lease terminates August 2023. Under the terms of the lease, the College pays a monthly base fee of \$9,753, increasing to \$10,046 September 1, 2022 and \$10,347 September 1, 2023. The College has an option to terminate the lease after the 26th month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$259,070 and a lease liability of \$259,070, related to this agreement. During the fiscal year, the College recorded \$119,570 in amortization expense and \$3,688 in interest expense for the right to use the office space. The College used a discount rate of 1.88%, based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points.

The College entered an agreement to lease a printer and copier machines for thirty-six months, beginning July 2021. The lease terminates June 2024. Under the terms of the lease, the College pays a monthly base fee of \$450. The College has an option to terminate the lease after the 36th month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$15,860 and a lease liability of \$15,860, related to this agreement. During the fiscal year, the College recorded \$5,286 in amortization expense and \$177 in interest expense for the right to use the printer and copier machines. The College used a discount rate of 1.46%, based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points.

The College entered an agreement to lease a printer and copier machines for fourteen months, beginning July 2021. The lease terminates August 2022. Under the terms of the lease, the College pays a monthly base fee of \$392. The College has an option to terminate the lease after the 14th month, which the College believes it will exercise with reasonable certainty.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

6. LEASES (Continued)

At July 1, 2021, the College has recognized a right to use asset of \$5,465 and a lease liability of \$5,465, related to this agreement. During the fiscal year, the College recorded \$4,684 in amortization expense and \$32 in interest expense for the right to use the printer and copier machines. The College used a discount rate of 1.09%, based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points.

The College entered an agreement to lease a printer and copier machines for sixteen months, beginning July 2021. The lease terminates October 2022. Under the terms of the lease, the College pays a monthly base fee of \$183. The College has an option to terminate the lease after the 14th month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$2,904 and a lease liability of \$2,904, related to this agreement. During the fiscal year, the College recorded \$2,178 in amortization expense and \$19 in interest expense for the right to use the printer and copier machines. The College used a discount rate of 1.11%, based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points.

The College entered an agreement to lease a printer and copier machines for nineteen months, beginning July 2021. The lease terminates January 2023. Under the terms of the lease, the College pays a monthly base fee of \$71. The College has an option to terminate the lease after the 19th month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$1,343 and a lease liability of \$1,343, related to this agreement. During the fiscal year, the College recorded \$848 in amortization expense and \$10 in interest expense for the right to use the printer and copier machines. The College used a discount rate of 1.16%, based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points.

The College entered an agreement to lease a printer and copier machines for twenty-four months, beginning July 2021. The lease terminates June 2023. Under the terms of the lease, the College pays a monthly base fee of \$186. The College has an option to terminate the lease after the 24th month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$4,408 and a lease liability of \$4,408, related to this agreement. During the fiscal year, the College recorded \$2,204 in amortization expense and \$40 in interest expense for the right to use the printer and copier machines. The College used a discount rate of 1.24%, based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points.

The College entered an agreement to lease a printer and copier machines for twenty-eight months, beginning July 2021. The lease terminates June 2023. Under the terms of the lease, the College pays a monthly base fee of \$862. The College has an option to terminate the lease after the 28th month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$23,779 and a lease liability of \$23,779, related to this agreement. During the fiscal year, the College recorded \$10,191 in amortization expense and \$226 in interest expense for the right to use the printer and copier machines. The College used a discount rate of 1.32%, based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

6. LEASES (Continued)

The College entered an agreement to lease a printer and copier machines for thirty-three months, beginning July 2021. The lease terminates March 2024. Under the terms of the lease, the College pays a monthly base fee of \$266. The College has an option to terminate the lease after the 33th month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$8,602 and a lease liability of \$8,602, related to this agreement. During the fiscal year, the College recorded \$3,128 in amortization expense and \$98 in interest expense for the right to use the printer and copier machines. The College used a discount rate of 1.41%, based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points.

The College entered an agreement to lease a printer and copier machines for eighteen months, beginning July 2021. The lease terminates December 2022. Under the terms of the lease, the College pays a monthly base fee of \$988. The College has an option to terminate the lease after the 18th month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$17,637 and a lease liability of \$17,637, related to this agreement. During the fiscal year, the College recorded \$11,758 in amortization expense and \$129 in interest expense for the right to use the printer and copier machines. The College used a discount rate of 1.14%, based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points.

The College entered an agreement to lease a printer and copier machines for fifty-one months, beginning July 2021. The lease terminates September 2025. Under the terms of the lease, the College pays a monthly base fee of \$167. The College has an option to terminate the lease after the 51st month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$8,200 and a lease liability of \$8,200, related to this agreement. During the fiscal year, the College recorded \$1,929 in amortization expense and \$124 in interest expense for the right to use the printer and copier machines. The College used a discount rate of 1.73%, based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points.

The College entered an agreement to lease a printer and copier machines for fifty-six months, beginning July 2021. The lease terminates February 2026. Under the terms of the lease, the College pays a monthly base fee of \$111. The College has an option to terminate the lease after the 56th month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$5,976 and a lease liability of \$5,976, related to this agreement. During the fiscal year, the College recorded \$1,280 in amortization expense and \$87 in interest expense for the right to use the printer and copier machines. The College used a discount rate of 1.79%, based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points.

The College entered an agreement to lease a printer and copier machines for sixty months, beginning July 2021. The lease terminates June 2026. Under the terms of the lease, the College pays a monthly base fee of \$3,549. The College has an option to terminate the lease after the 60th month, which the College believes it will exercise with reasonable certainty.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

6. LEASES (Continued)

At July 1, 2021, the College has recognized a right to use asset of \$203,387 and a lease liability of \$203,387, related to this agreement. During the fiscal year, the College recorded \$40,677 in amortization expense and \$3,421 in interest expense for the right to use the printer and copier machines. The College used a discount rate of 1.88%, based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points.

The College entered an agreement to lease a printer and copier machines for sixty months, beginning October 2021. The lease terminates September 2026. Under the terms of the lease, the College pays a monthly base fee of \$633. The College has an option to terminate the lease after the 60th month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$36,195 and a lease liability of \$36,195, related to this agreement. During the fiscal year, the College recorded \$5,429 in amortization expense and \$489 in interest expense for the right to use the printer and copier machines. The College used a discount rate of 1.96%, based on the Treasury Securities State and Local Government Series Daily Rate table as of October 1, 2021 plus 100 basis points.

The College entered an agreement to lease a printer and copier machines for sixty months, beginning January 2022. The lease terminates September 2026. Under the terms of the lease, the College pays a monthly base fee of \$215. The College has an option to terminate the lease after the 60th month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$12,194 and a lease liability of \$12,194, related to this agreement. During the fiscal year, the College recorded \$1,219 in amortization expense and \$129 in interest expense for the right to use the printer and copier machines. The College used a discount rate of 2.25%, based on the Treasury Securities State and Local Government Series Daily Rate table as of January 1, 2022 plus 100 basis points.

The College entered an agreement to lease a printer and copier machines for sixty months, beginning April 2022. The lease terminates March 2027. Under the terms of the lease, the College pays a monthly base fee of \$7,756. The College has an option to terminate the lease after the 60th month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$428,734 and a lease liability of \$428,734 related to this agreement. During the fiscal year, the College recorded \$21,437 in amortization expense and \$2,359 in interest expense for the right to use the printer and copier machines. The College used a discount rate of 3.39%, based on the Treasury Securities State and Local Government Series Daily Rate table as of April 1, 2022 plus 100 basis points.

The College entered an agreement to lease a printer and copier machines for twenty-six months, beginning July 2021. The lease terminates September 2023. Under the terms of the lease, the College pays a monthly base fee of \$594, with a onetime fee of \$218. The College has an option to terminate the lease after the 26th month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$15,449 and a lease liability of \$15,449, related to this agreement. During the fiscal year, the College recorded \$7,031 in amortization expense and \$149 in interest expense for the right to use the printer and copier machines. The College used a discount rate of 1.28%, based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points.

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PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

6. LEASES (Continued)

The College entered an agreement to lease portable classrooms for twenty-four months, beginning July 2021. The lease terminates June 2023. Under the terms of the lease, the College pays a monthly base fee of \$3,268. The College has an option to terminate the lease after the 24th month, which the College believes it will exercise with reasonable certainty.

At July 1, 2021, the College has recognized a right to use asset of \$77,544 and a lease liability of \$77,544, related to this agreement. During the fiscal year, the College recorded \$38,580 in amortization expense and \$635 in interest expense for the right to use portable classrooms. The College used a discount rate of 1.19%, based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points.

Remaining obligations associated with these leases are as follows (in thousands):

Year Ending June 30,	Total	
	Principal	Interest
2023	\$ 641	\$ 21
2024	195	13
2025	141	8
2026	143	5
2027	71	1
Thereafter - 5 year Increments	-	-
Total	<u>\$ 1,191</u>	<u>\$ 48</u>

During the fiscal year, the College amortized the right to use assets are as follows (in thousands):

	(Restated) Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Right to use assets:				
Building	\$ 982	\$ -	\$ -	\$ 982
Equipment	313	477	-	790
Total right to use assets	<u>1,295</u>	<u>477</u>	<u>-</u>	<u>1,772</u>
Accumulated amortization:				
Building	-	(471)	-	(471)
Equipment	-	(119)	-	(119)
Total accumulated amortization	<u>-</u>	<u>(590)</u>	<u>-</u>	<u>(590)</u>
Total right to use assets, net	<u>\$ 1,295</u>	<u>\$ (113)</u>	<u>\$ -</u>	<u>\$ 1,182</u>

Lessor:

The College leases a portion of its facilities for classroom and office spaces. This lease expires June 30, 2022. The College believes the lessees will exercise the renewal option extending the leasing period for twenty-four months with reasonable certainty. The agreement has a 2% annual increase to the payments when renewal option exercised. During the fiscal year, the College recognized \$100,774 in lease revenue and \$6,240 in interest income related to these agreements. At July 1, 2021, the College recorded \$358,018 in lease receivables and (\$358,018) deferred inflows of resources for these arrangements.

**PORTLAND COMMUNITY COLLEGE
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**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

6. LEASES (Continued)

The College leases a portion of its facilities for classroom and office spaces. This lease expires June 30, 2026. The agreement has a 3% annual increase to the payments. During the fiscal year, the College recognized \$236,625 in lease revenue and \$19,713 in interest income related to these agreements. At July 1, 2021, the College recorded \$1,183,123 in lease receivables and (\$1,183,123) deferred inflows of resources for these arrangements.

The College used an interest rate of 2.00%, based on based on the Treasury Securities State and Local Government Series Daily Rate table as of July 1, 2021 plus 100 basis points. The balance of deferred inflows of lease receipts are as follows (in thousands):

	(Restated) Balance June 30, 2021			Balance June 30, 2022
Deferred Inflows		Additions	Deletions	
Lease agreements	\$ 1,541	\$ -	\$ (356)	\$ 1,185
Total deferred inflows of lease	<u>\$ 1,541</u>	<u>\$ -</u>	<u>\$ (356)</u>	<u>\$ 1,185</u>

Remaining amounts to be received associated with these leases are as follows:

Year Ending June 30,	Lease Revenue
2023	\$ 351
2024	366
2025	248
2026	261
Total	<u>\$ 1,226</u>

7. RISK MANAGEMENT

The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which it carries commercial insurance.

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, 2022 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'

**PORTLAND COMMUNITY COLLEGE
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**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

7. RISK MANAGEMENT (Continued)

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, 2022	Year Ended June 30, 2021
Unpaid claims, July 1	\$ 403	\$ 559
Incurred claims	458	309
Claim payments	(573)	(465)
Unpaid claims, June 30	<u>\$ 288</u>	<u>\$ 403</u>

8. 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 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>

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

8. PENSION PLANS (Continued)

Benefits Provided

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

Pension Benefits

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

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 \$197,730 in 2021, 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.

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.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

8. PENSION PLANS (Continued)

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 \$197,730 in 2021, 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
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**NOTES TO BASIC FINANCIAL STATEMENTS
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8. 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, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. Employer contributions for the year ended June 30, 2022 to the Tier One/Tier Two and OPSRP plans totaled \$5.5 million, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2022 were 6.78% for Tier One/Tier Two General Service Members and 3.14% for OPSRP Pension Program General Service Members, net of 20.61% of side account rate relief. An additional 6% contribution is required for the OPSRP Individual Account Program and totaled \$6.9 million for the year ended June 30, 2022.

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

At June 30, 2022, the College reported net pension liability (assets) of (\$68.4) million for its proportionate share of PERS net pension liability (asset). The net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. 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

**PORTLAND COMMUNITY COLLEGE
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**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

8. PENSION PLANS (Continued)

relative to the projected contributions of all participating entities actuarially determined. PERS has established side accounts for employers that made lump sum payments to the plan in excess of their actuarially required contributions. Since different contribution rates are assessed to employers based on the value of the side accounts, the side account values were reflected separately in the proportionate share calculation. On June 30, 2021 and 2020, the College's proportion were 1.11% and 1.16% respectively.

For the year ended June 30, 2022, the College recognized pension expense of \$33.8 million. At June 30, 2022, 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	\$ 12,429	\$ -
Changes in assumptions	33,239	349
Net difference between projected and actual earnings on investments	-	98,296
Changes in proportionate share	-	15,481
Changes in proportion and differences between employer contributions and proportionate share of contributions	65,965	31,024
College's contributions subsequent to the measurement date	5,518	-
Year Ended June 30, 2022	<u>\$ 117,151</u>	<u>\$ 145,150</u>

There is \$5.5 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, 2023. 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>
2023	\$ 7,944
2024	8,538
2025	(19,341)
2026	(31,297)
<u>2027</u>	<u>639</u>
Total	<u>\$ (33,517)</u>

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

8. 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, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	December 31, 2019
Measurement date	June 30, 2021
Experience Study	2018, published by July 24, 2019
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation Rate	2.40%
Long-term expected rate of return	6.90%
Discount rate	6.90%
Projected salary increases	3.40%
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 Heathy 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
Year ended June 30, 2022**

8. 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 June 2021 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
Global Equity	30.62 %	5.85 %
Private Equity	25.50	7.71
Core Fixed Income	23.75	2.73
Real Estate	12.25	5.66
Master Limited Partnerships	0.75	5.71
Infrastructure	1.50	6.26
Commodities	0.63	3.10
Hedge Fund of Funds - Multistrategy	1.25	5.11
Hedge Fund Equity - Hedge	0.63	5.31
Hedge Fund - Macro	5.62	5.06
US Cash	-2.50	1.76
Total	100 %	
Assumed Inflation - Mean		2.40 %

Source: OPERS Annual Comprehensive Financial Report, For the Fiscal Year Ended June 30, 2021.

Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**PORTLAND COMMUNITY COLLEGE
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**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

8. PENSION PLANS (Continued)

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

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

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
College's proportionate share of the net pension liability (asset)	\$ 59,554	\$ (68,413)	\$ (175,476)

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 \$10.3 million at June 30, 2022. The liability represents the College's allocated share of the pre-SLGRP pooled liability. The College is being assessed an employer contribution rate of 1.52% 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 that has been rolled-forward by the actuary to June 30, 2022.

Retirement eligibility:

Faculty and Academic Professional:

10 consecutive years of service immediately preceding retirement
30 years of PERS service OR age 58
Retire prior to age 65

Classified employees

10 consecutive years of service immediately preceding retirement
30 years of PERS service OR age 55
Retire prior to age 62

**PORTLAND COMMUNITY COLLEGE
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**NOTES TO BASIC FINANCIAL STATEMENTS
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8. PENSION PLANS (Continued)

Supplemental early retirement benefits description:

Faculty and Academic Professionals: \$400 payable monthly for four years, but not beyond age 65.

Eligible faculty and academic professionals can elect to an equivalent benefit as a lump sum, calculated using a 6% annual discount rate.

Classified employees: \$270 payable monthly for four years, but not beyond age 62.

Surviving Spouse Benefits:

No benefits are payable to a beneficiary upon the death of a retiree receiving a stipend.

Special Classified Employees Benefits:

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. The 2022 information is not available.

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, 2022, changes in the pension liability are as follows (in thousands):

	<u>Total Stipend Liability</u>
Beginning of Year, 7/1/2021	\$ 1,386
Benefit Payments	(139)
Service Cost	63
Interest on Stipend Liability	28
End of Year, 6/30/2022	\$ 1,338

Actuarial valuations:

The actuarial information is from an actuarial valuation report as of June 30, 2021 that has been rolled-forward by the actuary to June 30, 2022.

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**NOTES TO BASIC FINANCIAL STATEMENTS
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8. 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 | <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 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.</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> |

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

8. 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 6/30/2022	\$ 1,403	\$ 1,338	\$ 1,274

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

For the year ended June 30, 2022, the College recognized stipend expense of \$145 thousand. As of June 30, 2022, 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	\$ 275	\$ 50
Changes of assumptions or other inputs	309	145
Total	<u>\$ 584</u>	<u>\$ 195</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, 2022 as follows (in thousands):

Year Ended June 30,	Amount
2023	\$ 54
2024	54
2025	54
2026	56
2027	81
All Subsequent Years	90
Total	<u>\$ 389</u>

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

8. 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, 2022 was \$0.3 million.

9. 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, 2022 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.

At June 30, 2021, 80 retirees and surviving spouses received benefits and 2,128 current active employees are covered. The 2022 information is not available.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

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

The College's total OPEB liability of \$11.0 million was measured as of June 30, 2022 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, 2022 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*
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, 7/1/2021	\$ 10,974
Benefit Payments - Explicit Medical	(463)
Benefit Payments - Implicit Medical	(358)
Service Cost	607
Interest on Total OPEB Liability	228
<u>End of Year, 6/30/2022</u>	<u>\$ 10,988</u>

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

9. 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, 2022 are as follows (in thousands):

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 11,771	\$ 10,988	\$ 10,245

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, 2022 are as follows (in thousands):

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB Liability	\$ 9,873	\$ 10,988	\$ 12,246

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

For the year ended June 30, 2022, the College recognized OPEB expense of \$699 thousand. At June 30, 2022, 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	\$ 645	\$ 1,311
Changes of assumptions or other inputs	2,206	1,710
Total	<u>\$ 2,851</u>	<u>\$ 3,021</u>

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

9. 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
2023	\$ (136)
2024	(136)
2025	(136)
2026	(136)
2027	254
All Subsequent Years	120
Total	<u>\$ (170)</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.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

9. 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, 2019 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2021. Employer contributions for the year ended June 30, 2022 were \$22 thousand. The rates in effect for the fiscal year ended June 30, 2022 were 0.05% 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, OPEB Income, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

At June 30, 2022, the College reported an asset of \$3.1 million for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. 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, 2021 and 2020, the College's proportion were 0.91% and 0.66% respectively.

For the year ended June 30, 2022, the College recognized OPEB expense (income) of approximately (\$368) thousand. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 87
Changes of assumptions	61	46
Net difference between projected and actual earnings on investments	-	740
Changes in proportionate share	284	304
College's contributions subsequent to the measurement date	<u>22</u>	<u>-</u>
Year Ended June 30, 2022	<u>\$ 367</u>	<u>\$ 1,177</u>

Contributions subsequent to the measurement date of \$22 thousand reported as deferred outflows of resources will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. 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):

<u>Year Ended June 30,</u>	<u>Amount</u>
2023	\$ (154)
2024	(275)
2025	(169)
2026	<u>(234)</u>
Total	<u>\$ (832)</u>

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

9. 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, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	December 31, 2019
Measurement date	June 30, 2021
Experience Study	2018, published by July 24, 2019
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation Rate	2.40%
Long-term expected rate of return	6.90%
Discount rate	6.90%
Projected salary increases	3.40%
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, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010, Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

9. 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 June 2021 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	Allocation	Geometric Mean
Global Equity	30.62 %	5.85 %
Private Equity	25.50	7.71
Core Fixed Income	23.75	2.73
Real Estate	12.25	5.66
Master Limited Partnerships	0.75	5.71
Infrastructure	1.50	6.26
Commodities	0.63	3.10
Hedge Fund of Funds - Multistrategy	1.25	5.11
Hedge Fund Equity - Hedge	0.63	5.31
Hedge Fund - Macro	5.62	5.06
US Cash	-2.50	1.76
Total	100 %	
Assumed Inflation - Mean		2.40 %

Source: OPERS Annual Comprehensive Financial Report, For the Fiscal Year Ended June 30, 2021.

Discount Rate

The discount rate used to measure the total OPEB asset was 6.90% 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.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

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

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 6.90%, 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 (5.90%) or 1-percentage-point higher (7.90%) than the current rate (in thousands):

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
College's proportionate share of the net OPEB liability (asset)	\$ (2,756)	\$ (3,116)	\$ (3,424)

OPEB Plan Fiduciary Net Position

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

10. 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, 2022 is as follows (in thousands):

	<u>June 30, 2022</u>
Total assets	\$ 27,750
Total net assets	26,196
Total support and revenues	6,517
Total expenses	7,754

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

11. ESTIMATED TAX ABATEMENTS

The College's property tax revenues were reduced by \$11.2 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, 2022
Clackamas County	\$ 469
Columbia County	41
Multnomah County	555
Washington County	10,084
Yamhill County	4
	<u>\$ 11,153</u>

All data is estimated based on tax roll values.

12. COMMITMENTS AND CONTINGENCIES

Construction Commitments

The College has approximately \$54.3 million in on-going construction commitments as of June 30, 2022. About eighty 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.

**PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON**

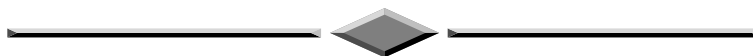
**NOTES TO BASIC FINANCIAL STATEMENTS
Year ended June 30, 2022**

13. RESTATEMENT OF NET POSITION

Based on implementation for GASB No. 87, the College retroactively restated the beginning net position. The effect of this adjustment as follows (in thousands):

Net position at June 30, 2021, as previously reported at	\$ 342,309
Add Right of use asset under GASB Statement No. 87 at June 30, 2021 as lessee	1,295
Add Lease Receivable under GASB Statement No. 87 at June 30, 2021 as lessor	1,541
Less Deferred Inflow under GASB Statement No. 87 at June 30, 2021 as lessor	(1,541)
Less lease liability under GASB Statement No. 87 at June 30, 2021 as lesser	<u>(1,295)</u>
Net position at June 30, 2021, as restated	<u>\$ 342,309</u>

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)	Plan fiduciary net position as a percentage of the total pension liability
				College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	
2022	1.10959750%	(68,413,411)	\$ 134,936,648	-50.70%	87.57%
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
2022	8,622,123	4,328,621	4,293,502	\$ 134,629,627	3.22%
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%
2022	0.90735329%	(3,115,856)	134,936,648	-2.309125094%	183.86%

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
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**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%
2022	26,888	26,888	-	134,629,627	0.020%

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****

	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 606,874	\$ 586,352	\$ 437,649	\$ 422,849	\$ 342,240	\$ 330,667
Interest	228,173	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	(821,180)	(968,462)	(1,007,266)	(740,513)	(751,349)	(551,945)
Net change in total OPEB liability	13,867	(224,613)	(188,683)	3,386,297	(131,412)	(4,558,295)
Total OPEB liability beginning	10,974,174	11,198,787	11,387,470	8,001,173	8,132,585	12,690,880
Total OPEB liability ending	<u>\$ 10,988,041</u>	<u>\$ 10,974,174</u>	<u>\$ 11,198,787</u>	<u>\$ 11,387,470</u>	<u>\$ 8,001,173</u>	<u>\$ 8,132,585</u>
Covered employee payroll***	\$ 132,584,970	\$ 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 ***	8.3%	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****

	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability							
Service cost	\$ 62,442	\$ 60,330	\$ 37,609	\$ 36,337	\$ 28,796	\$ 27,822	\$ 47,419
Interest	28,440	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	(139,252)	(193,760)	(200,996)	(195,681)	(210,650)	(143,160)	(220,495)
Net change in total OPEB liability	(48,370)	92,769	(117,519)	540,599	(149,125)	(337,129)	(131,731)
Total Pension liability beginning	1,386,276	1,293,507	1,411,026	870,427	1,019,552	1,356,681	1,488,412
Total Pension liability ending	\$ 1,337,906	\$ 1,386,276	\$ 1,293,507	\$ 1,411,026	\$ 870,427	\$ 1,019,552	\$ 1,356,681
Covered employee payroll ***	\$ 49,230,414	\$ 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 ***	2.7%	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.

See notes to the required supplementary information

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON
Notes to Required Supplementary Information
June 30, 2022

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, 2022

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)

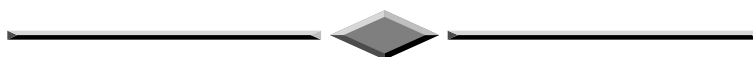
This Stipend plan is not a stand-alone plan and therefore does not issue its own financial statements. The plan does not have assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73.

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. Internal Service 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 Fund

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, 2022

<u>GENERAL FUND</u>			
	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
From local sources:			
District tax levy:			
Current	\$ 79,273,369	\$ 40,756,212	\$ (38,517,157)
Prior	2,014,307	479,824	(1,534,483)
Total district tax levy	81,287,676	41,236,036	(40,051,640)
Tuition and fees	175,545,530	78,962,418	(96,583,112)
Other sources:			
Interest from investments	2,601,210	478,379	(2,122,831)
Other local sources	4,274,956	1,334,274	(2,940,682)
Total other sources	6,876,166	1,812,653	(5,063,513)
Total from local sources	263,709,372	122,011,107	(141,698,265)
From state sources:			
FTE reimbursement	224,435,452	117,715,619	(106,719,833)
Other state sources	-	18,131	18,131
Total from state sources	224,435,452	117,733,750	(106,701,702)
TOTAL REVENUES, BUDGETARY BASIS	488,144,824	239,744,857	(248,399,967)

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

For the year ended June 30, 2022

<u>GENERAL FUND</u>			
	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
EXPENDITURES:			
Campus program areas:			
Sylvania campus	\$ 100,677,948	\$ 41,641,396	\$ 59,036,552
Rock Creek campus	77,913,773	33,664,412	44,249,361
Cascade campus	54,988,068	23,419,889	31,568,179
Southeast campus	32,640,763	12,496,681	20,144,082
Total Campus program areas	266,220,552	111,222,378	154,998,174
Non-campus program areas:			
Office of the President	7,336,804	2,821,703	4,515,101
Office of the Executive Vice President	29,690,503	12,458,642	17,231,861
Finance & Administration	132,746,557	61,245,852	71,500,705
Academic Affairs	40,978,771	18,969,265	22,009,506
Student Affairs	36,480,099	16,146,556	20,333,543
Total Non-campus program areas	247,232,734	111,642,018	135,590,716
Contingencies	42,501,023	-	42,501,023
TOTAL EXPENDITURES	555,954,309	222,864,396	333,089,913
REVENUES OVER (UNDER) EXPENDITURES, BUDGETARY BASIS	(67,809,485)	16,880,461	84,689,946
OTHER FINANCING SOURCES (USES):			
Transfers in	21,904,678	16,687,342	(5,217,336)
Transfers out	(32,015,423)	(17,876,466)	14,138,963
TOTAL OTHER FINANCING SOURCES (USES)	(10,110,745)	(1,189,124)	8,921,621
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES, BUDGETARY BASIS	(77,920,230)	15,691,337	93,611,567
Beginning fund balance	101,209,081	101,209,081	-
Ending fund balance - budgetary basis	\$ 23,288,851	\$ 116,900,418	\$ 93,611,567

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2022

CONTINUING AND COMMUNITY EDUCATION FUND

	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Other local sources	\$ 623,350	\$ 550,929	\$ (72,421)
Tuition and fees	8,878,958	3,665,105	(5,213,853)
TOTAL REVENUES	9,502,308	4,216,034	(5,286,274)
EXPENDITURES:			
Workforce/Continuing Education	13,362,657	4,186,242	9,176,415
Cascade campus	91,928	7,440	84,488
Contingency	3,123,988	-	3,123,988
TOTAL EXPENDITURES	16,578,573	4,193,682	12,384,891
REVENUES OVER (UNDER) EXPENDITURES	(7,076,265)	22,352	7,098,617
OTHER FINANCING SOURCES (USES):			
Transfers in	3,061,594	1,561,594	(1,500,000)
Transfers (out)	(6,000)	(17,875)	(11,875)
TOTAL OTHER FINANCING SOURCES (USES)	3,055,594	1,543,719	(1,511,875)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(4,020,671)	1,566,071	5,586,742
Beginning fund balance	4,020,671	4,020,671	-
Ending fund balance - budgetary basis	\$ -	\$ 5,586,742	\$ 9,607,413

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2022

<u>AUXILIARY FUND</u>			
	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Facilities usage	\$ 1,454,000	\$ 403,212	\$ (1,050,788)
Campus activities	414,490	404,172	(10,318)
TOTAL REVENUES	1,868,490	807,384	(1,061,106)
EXPENDITURES:			
Facilities usage	1,588,486	100,060	1,488,426
Campus activities	1,221,580	292,766	928,814
Sustainability projects	200,000	-	200,000
Contingency	396,754	-	396,754
TOTAL EXPENDITURES	3,406,820	392,826	3,013,994
REVENUES OVER (UNDER) EXPENDITURES	(1,538,330)	414,558	1,952,888
OTHER FINANCING SOURCES (USES):			
Transfers:			
Transfers in	472,756	241,236	(231,520)
Transfers (out)	(48,150)	(2,481)	45,669
TOTAL OTHER FINANCING SOURCES (USES)	424,606	238,755	(185,851)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(1,113,724)	653,313	1,767,037
Beginning fund balance	2,154,211	2,154,211	-
Ending fund balance - budgetary basis	\$ 1,040,487	\$ 2,807,524	\$ 1,767,037

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2022

STUDENT ACTIVITIES FUND

	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Interest from investments	\$ 9,000	\$ 7,801	\$ (1,199)
From local sources:			
Student activities fees	4,186,322	1,986,134	(2,200,188)
Other local sources	470,000	20,376	(449,624)
Total from local sources	4,656,322	2,006,510	(2,649,812)
TOTAL REVENUES	4,665,322	2,014,311	(2,651,011)
EXPENDITURES:			
Sylvania campus programs	965,277	85,102	880,175
Rock Creek campus programs	923,392	102,710	820,682
Cascade campus programs	726,694	77,882	648,812
Southeast campus programs	663,592	84,928	578,664
District-wide programs	2,135,428	604,195	1,531,233
Contingency	1,213,736	-	1,213,736
TOTAL EXPENDITURES	6,628,119	954,817	5,673,302
REVENUES OVER (UNDER) EXPENDITURES	(1,962,797)	1,059,494	3,022,291
OTHER FINANCING SOURCES (USES):			
Transfers in	68,984	68,984	-
TOTAL OTHER FINANCING SOURCES (USES)	68,984	68,984	-
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(1,893,813)	1,128,478	3,022,291
Beginning fund balance	1,893,813	1,893,813	-
Ending fund balance - budgetary basis	\$ -	\$ 3,022,291	\$ 3,022,291

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2022

CONTRACTS AND GRANTS FUND

	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Investment earnings	\$ -	\$ -	\$ -
Local sources	\$ 12,705,000	\$ 5,134,795	\$ (7,570,205)
State sources	16,532,260	10,429,547	(6,102,713)
Federal sources	40,360,650	41,923,873	1,563,223
	<u>69,597,910</u>	<u>57,488,215</u>	<u>(12,109,695)</u>
TOTAL REVENUES			
EXPENDITURES:			
Local contracts	12,658,800	5,023,651	7,635,149
State grants	15,092,290	9,457,417	5,634,873
Federal grants	23,155,030	8,653,330	14,501,700
Contingency	2,270,536	-	2,270,536
	<u>53,176,656</u>	<u>23,134,398</u>	<u>30,042,258</u>
TOTAL EXPENDITURES			
REVENUES OVER (UNDER) EXPENDITURES	<u>16,421,254</u>	<u>34,353,817</u>	<u>17,932,563</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	394,000	193,486	(200,514)
Transfers (out)	(18,053,350)	(16,407,444)	1,645,906
	<u>(17,659,350)</u>	<u>(16,213,958)</u>	<u>1,445,392</u>
TOTAL OTHER FINANCING SOURCES (USES)			
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(1,238,096)	18,139,859	19,377,955
Beginning fund balance	<u>1,238,096</u>	<u>(16,331,191)</u>	<u>(17,569,287)</u>
Ending fund balance - budgetary basis	<u>\$ -</u>	<u>\$ 1,808,668</u>	<u>\$ 1,808,668</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2022

STUDENT FINANCIAL AID FUND

	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
From local sources:			
Interest from investments	\$ 25,200	\$ 2,045	\$ (23,155)
Private scholarships	1,355,500	-	(1,355,500)
Total from local sources	1,380,700	2,045	(1,378,655)
From federal sources	171,050,000	89,998,862	(81,051,138)
From state sources	30,000,000	13,859,428	(16,140,572)
TOTAL REVENUES	202,430,700	103,860,335	(98,570,365)
EXPENDITURES:			
College funded programs	299,200	90,129	209,071
Federal programs	172,640,458	89,909,012	82,731,446
State programs	30,000,000	13,859,428	16,140,572
Short term student loan program	276,000	-	276,000
Contingency	632,667	-	632,667
TOTAL EXPENDITURES	203,848,325	103,858,569	99,989,756
REVENUES OVER (UNDER) EXPENDITURES	(1,417,625)	1,766	1,419,391
OTHER FINANCING SOURCES (USES):			
Transfers in	244,455	-	(244,455)
Transfers (out)	(309,693)	(132,146)	177,547
TOTAL OTHER FINANCING SOURCES (USES)	(65,238)	(132,146)	(66,908)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(1,482,863)	(130,380)	1,352,483
Beginning fund balance	1,482,863	1,482,863	-
Ending fund balance - budgetary basis	\$ -	\$ 1,352,483	\$ 1,352,483

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

For the year ended June 30, 2022

GENERAL OBLIGATION (G.O.) BOND FUND

	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
From local sources:			
Proceeds from tax levies - current year	\$ 115,230,212	\$ 56,843,456	\$ (58,386,756)
Proceeds from tax levies - prior year	300,000	660,172	360,172
Interest from investments	25,092	118,689	93,597
TOTAL REVENUES	<u>115,555,304</u>	<u>57,622,317</u>	<u>(57,932,987)</u>
EXPENDITURES:			
Principal payments	93,480,000	45,885,000	47,595,000
Interest payments	25,883,082	13,929,181	11,953,901
TOTAL EXPENDITURES	<u>119,363,082</u>	<u>59,814,181</u>	<u>59,548,901</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,807,778)</u>	<u>(2,191,864)</u>	<u>1,615,914</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(3,807,778)	(2,191,864)	1,615,914
Beginning fund balance	<u>9,091,696</u>	<u>9,091,696</u>	<u>-</u>
Ending fund balance - budgetary basis	<u><u>\$ 5,283,918</u></u>	<u><u>\$ 6,899,832</u></u>	<u><u>\$ 1,615,914</u></u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

For the year ended June 30, 2022

P.E.R.S. DEBT SERVICE FUND

	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
EXPENDITURES:			
Principal payments	\$ 25,555,000	\$ 12,085,000	\$ 13,470,000
Interest payments	19,703,373	10,113,884	9,589,489
TOTAL EXPENDITURES	45,258,373	22,198,884	23,059,489
REVENUES OVER (UNDER) EXPENDITURES	(45,258,373)	(22,198,884)	23,059,489
OTHER FINANCING SOURCES (USES):			
Transfer from PERS Reserve Fund	45,258,373	22,198,884	(23,059,489)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	-	-	-
Beginning fund balance	-	-	-
Ending fund balance - budgetary basis	\$ -	\$ -	\$ -

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2022

CAPITAL PROJECTS FUND

	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Interest from investments	\$ 65,600	\$ 28,535	\$ (37,065)
Other revenues	250,000	502,868	252,868
	<u>315,600</u>	<u>531,403</u>	<u>215,803</u>
TOTAL REVENUES			
EXPENDITURES:			
Capital outlay	5,080,000	2,332,326	2,747,674
Contingency	1,419,937	-	1,419,937
	<u>6,499,937</u>	<u>2,332,326</u>	<u>4,167,611</u>
TOTAL EXPENDITURES			
REVENUES OVER (UNDER) EXPENDITURES	<u>(6,184,337)</u>	<u>(1,800,923)</u>	<u>4,383,414</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	8,580,391	5,500,000	(3,080,391)
	<u>8,580,391</u>	<u>5,500,000</u>	<u>(3,080,391)</u>
TOTAL OTHER FINANCING SOURCES (USES)			
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	2,396,054	3,699,077	1,303,023
Beginning fund balance	<u>8,603,946</u>	<u>8,603,946</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ 11,000,000</u>	<u>\$ 12,303,023</u>	<u>\$ 1,303,023</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

For the year ended June 30, 2022

CAPITAL CONSTRUCTION FUND

	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Interest from investments	\$ 1,922,325	\$ 356,255	\$ (1,566,070)
State sources	8,000,000	6,307,684	(1,692,316)
Miscellaneous income	30,000	213,706	183,706
	<u>9,952,325</u>	<u>6,877,645</u>	<u>(3,074,680)</u>
TOTAL REVENUES			
EXPENDITURES:			
Sylvania campus	68,000,000	25,881,307	42,118,693
Cascade campus	3,500,000	1,227,235	2,272,765
Rock Creek campus	10,500,000	7,824,373	2,675,627
Southeast campus	4,000,000	1,619,599	2,380,401
District-wide projects	41,632,305	19,420,230	22,212,075
Contingency	15,666,894	-	15,666,894
	<u>143,299,199</u>	<u>55,972,744</u>	<u>87,326,455</u>
TOTAL EXPENDITURES			
REVENUES OVER (UNDER) EXPENDITURES	<u>(133,346,874)</u>	<u>(49,095,099)</u>	<u>84,251,775</u>
Beginning fund balance	<u>139,602,403</u>	<u>139,602,403</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ 6,255,529</u>	<u>\$ 90,507,304</u>	<u>\$ 84,251,775</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2022

FOOD SERVICES FUND

	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Food sales	\$ 5,976,937	\$ 272,174	\$ (5,704,763)
TOTAL REVENUES	<u>5,976,937</u>	<u>272,174</u>	<u>(5,704,763)</u>
EXPENDITURES:			
Direct personnel services		611,063	(611,063)
Personnel benefits		324,984	(324,984)
Supplies, material and services		163,858	(163,858)
Capital outlay		-	-
Food services operations	8,495,210	1,099,905	7,395,305
Contingency	2,973,842	-	2,973,842
TOTAL EXPENDITURES	<u>11,469,052</u>	<u>1,099,905</u>	<u>10,369,147</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(5,492,115)</u>	<u>(827,731)</u>	<u>4,664,384</u>
OTHER FINANCING SOURCES (USES):			
Interest from investments	(5,675)	8,045	13,720
Transfers in	3,002,000	1,500,000	(1,502,000)
Transfers (out)	(50,682)	(2,722)	47,960
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,945,643</u>	<u>1,505,323</u>	<u>(1,440,320)</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(2,546,472)	677,592	3,224,064
Beginning fund balance	<u>2,546,472</u>	<u>2,546,472</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ -</u>	<u>\$ 3,224,064</u>	<u>\$ 3,224,064</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2022

BOOKSTORE FUND

	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Bookstore sales	\$ 11,365,693	\$ 3,326,422	\$ (8,039,271)
Miscellaneous income	201,289	171,783	(29,506)
TOTAL REVENUES	<u>11,566,982</u>	<u>3,498,205</u>	<u>(8,068,777)</u>
EXPENDITURES:			
Bookstore operations	13,697,939	5,242,733	8,455,206
Contingency	<u>7,474,534</u>	<u>-</u>	<u>7,474,534</u>
TOTAL EXPENDITURES	<u>21,172,473</u>	<u>5,242,733</u>	<u>15,929,740</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(9,605,491)</u>	<u>(1,744,528)</u>	<u>7,860,963</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	3,934,076	2,183,678	(1,750,398)
Transfers (out)	(340,970)	(99,793)	241,177
Interest from investments	<u>60,000</u>	<u>34,573</u>	<u>(25,427)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,653,106</u>	<u>2,118,458</u>	<u>(1,534,648)</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>(5,952,385)</u>	<u>373,930</u>	<u>6,326,315</u>
Beginning fund balance	<u>5,952,385</u>	<u>5,952,385</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ -</u>	<u>\$ 6,326,315</u>	<u>\$ 6,326,315</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2022

TRANSPORTATION & PARKING SERVICES FUND

	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Parking permits	\$ 4,067,755	\$ 4,242	\$ (4,063,513)
Parking fines	234,527	12,455	(222,072)
Other revenue	2,064,302	35,231	(2,029,071)
TOTAL REVENUES	<u>6,366,584</u>	<u>51,928</u>	<u>(6,314,656)</u>
EXPENDITURES:			
Parking operations	10,130,058	1,058,375	9,071,683
Contingency	5,560,593	-	5,560,593
TOTAL EXPENDITURES	<u>15,690,651</u>	<u>1,058,375</u>	<u>14,632,276</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(9,324,067)</u>	<u>(1,006,447)</u>	<u>8,317,620</u>
OTHER FINANCING SOURCES (USES):			
Interest from investments	63,571	19,696	(43,875)
Transfers in	3,568,098	1,748,966	(1,819,132)
Transfers (out)	(475,720)	(2,142)	473,578
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,155,949</u>	<u>1,766,520</u>	<u>(1,389,429)</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(6,168,118)	760,073	6,928,191
Beginning fund balance	<u>6,168,118</u>	<u>6,168,118</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ -</u>	<u>\$ 6,928,191</u>	<u>\$ 6,928,191</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2022

PRINT CENTER FUND

	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Charges for services-internal	\$ 828,307	\$ 331,780	\$ (496,527)
Charges for services-external	47,000	16,107	(30,893)
Copy machine income	772,327	186,187	(586,140)
Miscellaneous income	5,200	34,393	29,193
TOTAL REVENUES	1,652,834	568,467	(1,084,367)
EXPENDITURES:			
Print center operations	2,855,564	1,156,003	1,699,561
Contingency	405,119	-	405,119
TOTAL EXPENDITURES	3,260,683	1,156,003	2,104,680
REVENUES OVER (UNDER) EXPENDITURES	(1,607,849)	(587,536)	1,020,313
OTHER FINANCING SOURCES (USES):			
Interest from investments	-	1,597	1,597
Transfers in	1,325,000	675,000	(650,000)
Transfers (out)	(120,113)	(22,739)	97,374
TOTAL OTHER FINANCING SOURCES (USES)	1,204,887	653,858	(551,029)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(402,962)	66,322	469,284
Beginning fund balance	641,571	641,571	-
Ending fund balance - budgetary basis	\$ 238,609	\$ 707,893	\$ 469,284

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2022

<u>RISK MANAGEMENT FUND</u>			
	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Department charges & other revenues	\$ 6,490,000	\$ 2,512,117	\$ (3,977,883)
Insurance reimbursement	150,000	-	(150,000)
TOTAL REVENUES	6,640,000	2,512,117	(4,127,883)
EXPENDITURES:			
Self-insurance & risk administration	12,779,263	3,363,559	9,415,704
Contingency	1,988,098	-	1,988,098
TOTAL EXPENDITURES	14,767,361	3,363,559	11,403,802
REVENUES OVER (UNDER) EXPENDITURES	(8,127,361)	(851,442)	7,275,919
OTHER FINANCING SOURCES (USES):			
Interest from investments	326,000	39,027	(286,973)
Transfers in	4,026,500	2,062,500	(1,964,000)
TOTAL OTHER FINANCING SOURCES (USES)	4,352,500	2,101,527	(2,250,973)
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(3,774,861)	1,250,085	5,024,946
Beginning fund balance	11,362,680	11,362,680	-
Ending fund balance - budgetary basis	\$ 7,587,819	\$ 12,612,765	\$ 5,024,946

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2022

P.E.R.S. INTERNAL SERVICE FUND

	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Department PERS charges	\$ 45,258,373	\$ 20,324,263	\$ (24,934,110)
TOTAL REVENUES	45,258,373	20,324,263	(24,934,110)
OPERATING EXPENSES:			
Contingency	1,250,000	-	1,250,000
TOTAL OPERATING EXPENSES	1,250,000	-	1,250,000
OTHER FINANCING SOURCES (USES):			
Transfers in	1,250,000	1,250,000	-
Transfers (out)	(47,758,373)	(22,198,884)	25,559,489
Interest from investments	96,399	77,865	(18,534)
TOTAL OTHER FINANCING SOURCES (USES)	(46,411,974)	(20,871,019)	25,540,955
REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES)	(2,403,601)	(546,756)	1,856,845
Beginning fund balance	17,805,994	17,805,994	-
Ending fund balance - budgetary basis	\$ 15,402,393	\$ 17,259,238	\$ 1,856,845

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended June 30, 2022

EARLY RETIREMENT FUND

	2021-23 ADJUSTED BUDGET	1st YEAR ACTUAL	TOTAL ACTUALS	VARIANCE FROM BUDGET
REVENUES:				
Interest from investments	47,600	17,561	17,561	(30,039)
TOTAL REVENUES	47,600	17,561	17,561	(30,039)
OPERATING EXPENSES:				
Other post-retirement benefits	2,148,560	603,447	603,447	1,545,113
TOTAL OPERATING EXPENSES	2,148,560	603,447	603,447	1,545,113
OTHER FINANCING SOURCES (USES):				
Transfers in	2,087,569	891,022	891,022	(1,196,547)
TOTAL OTHER FINANCING SOURCES (USES)	2,087,569	891,022	891,022	(1,196,547)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) OPERATING EXPENSES	(13,391)	305,136	305,136	318,527
Beginning fund balance	13,391	13,391	13,391	-
Ending fund balance - budgetary basis	\$ -	\$ 318,527	\$ 318,527	\$ 318,527

OTHER FINANCIAL SCHEDULES

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS
June 30, 2022

GENERAL OBLIGATION BONDS

FISCAL YEAR	<u>SERIES 2013, ISSUED 03/28/2013</u>		TOTAL REQUIREMENTS
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2022-23	<u>8,355,000</u>	<u>417,750</u>	<u>8,772,750</u>
TOTALS	<u>\$ 8,355,000</u>	<u>\$ 417,750</u>	<u>\$ 8,772,750</u>

FISCAL YEAR	<u>SERIES 2016, ISSUED 03/28/2015</u>		TOTAL REQUIREMENTS
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
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	<u>14,610,000</u>	<u>730,500</u>	<u>15,340,500</u>
TOTALS	<u>\$ 88,750,000</u>	<u>\$ 18,614,500</u>	<u>\$ 107,364,500</u>

FISCAL YEAR	<u>SERIES 2018, ISSUED 04/02/2018</u>		TOTAL REQUIREMENTS
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
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	<u>14,270,000</u>	<u>713,500</u>	<u>14,983,500</u>
TOTALS	<u>\$ 117,675,000</u>	<u>\$ 39,959,250</u>	<u>\$ 157,634,250</u>

FISCAL YEAR	<u>SERIES 2020, ISSUED 12/17/2020</u>		TOTAL REQUIREMENTS
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2022-23	23,500,000	1,214,901	24,714,901
2023-24	8,365,000	1,133,826	9,498,826
2024-25	8,415,000	1,085,979	9,500,979
2025-26	8,470,000	1,028,588	9,498,588
2026-27	8,550,000	952,443	9,502,443
2027-28	8,635,000	862,754	9,497,754
2028-29	8,750,000	750,671	9,500,671
2029-30	8,870,000	628,346	9,498,346
2030-31	9,010,000	491,926	9,501,926
2031-32	9,160,000	339,837	9,499,837
2032-33	<u>9,325,000</u>	<u>176,056</u>	<u>9,501,056</u>
TOTALS	<u>\$ 111,050,000</u>	<u>\$ 8,665,327</u>	<u>\$ 119,715,327</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS
June 30, 2022

LIMITED TAX PENSION BONDS

SERIES 2003, ISSUED 6/12/2003

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL REQUIREMENTS</u>
2022-23	8,910,000	2,616,159	11,526,159
2023-24	9,825,000	2,187,588	12,012,588
2024-25	10,810,000	1,715,006	12,525,006
2025-26	11,860,000	1,195,045	13,055,045
2026-27	12,985,000	624,579	13,609,579
TOTALS	<u>\$ 54,390,000</u>	<u>\$ 8,338,377</u>	<u>\$ 62,728,377</u>

SERIES 2018, ISSUED 11/27/18

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL REQUIREMENTS</u>
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	<u>\$ 159,900,000</u>	<u>\$ 72,252,186</u>	<u>\$ 232,152,186</u>

STATISTICAL SECTION



STATISTICAL SECTION

This part of Portland Community College's Annual Comprehensive 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 annual comprehensive financial reports for the relevant year.

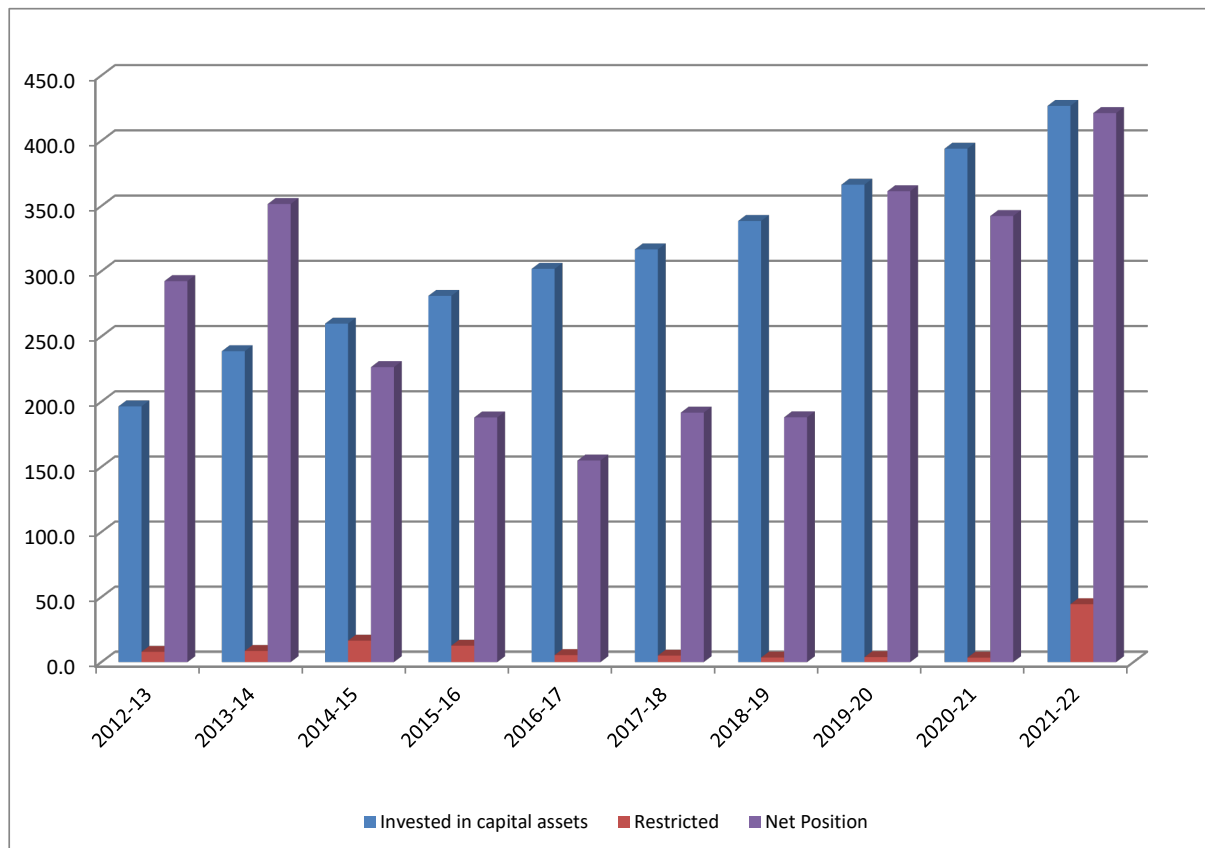


PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2021-22	2020-21	2019-20	2018-19
Net invested in capital assets	\$ 689,163	\$ 657,582	\$ 623,142	\$ 605,712
Less related debt	(262,429)	(263,704)	(256,851)	(267,231)
Net investment in capital assets	426,734	393,878	366,291	338,481
Net position, restricted	44,461	3,397	3,805	3,489
Net position, unrestricted	(49,990)	(54,966)	(8,770)	(154,015)
TOTAL NET POSITION	\$ 421,205	\$ 342,309	\$ 361,326	\$ 187,955

Note: Restated in 2015 and 2014 for GASB 68, no prior year restatement for GASB 87.



<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
\$ 584,314 <u>(267,661)</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>
316,653 4,995	301,845 5,422	281,059 12,552	259,781 16,497	238,664 8,596	196,408 7,935
<u>(130,060)</u>	<u>(152,347)</u>	<u>(105,818)</u>	<u>(49,776)</u>	<u>104,248</u>	<u>88,105</u>
<u>\$ 191,588</u>	<u>\$ 154,920</u>	<u>\$ 187,793</u>	<u>\$ 226,502</u>	<u>\$ 351,508</u>	<u>\$ 292,448</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

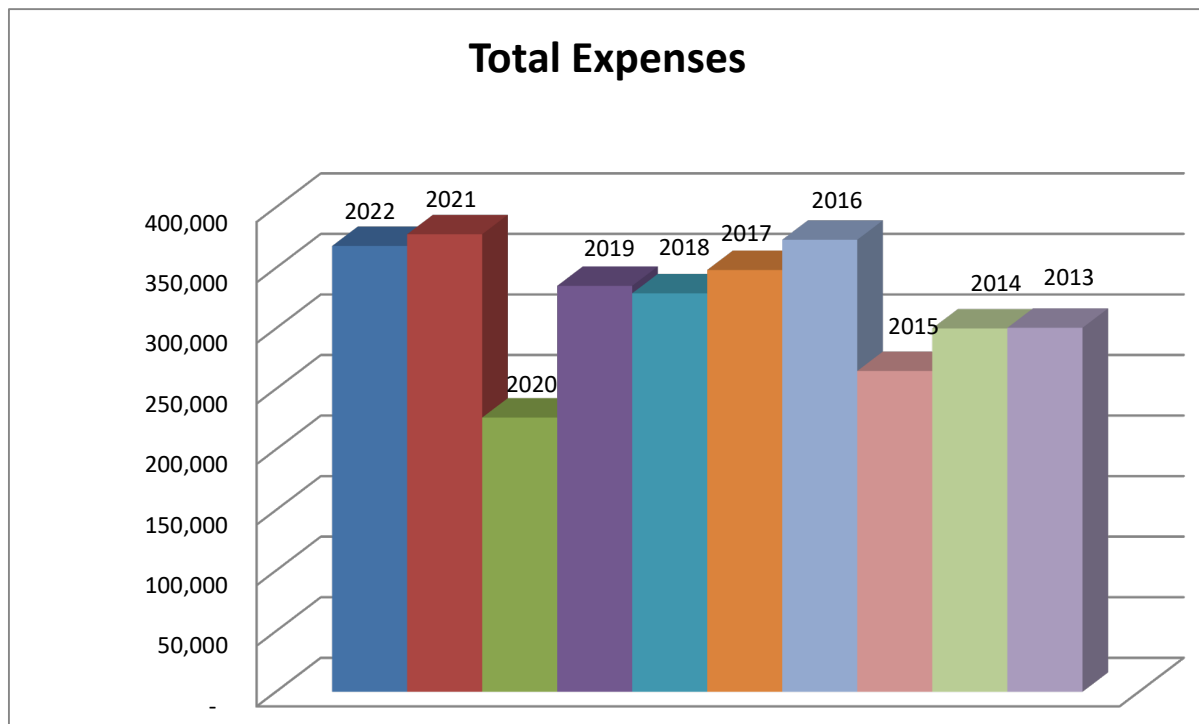
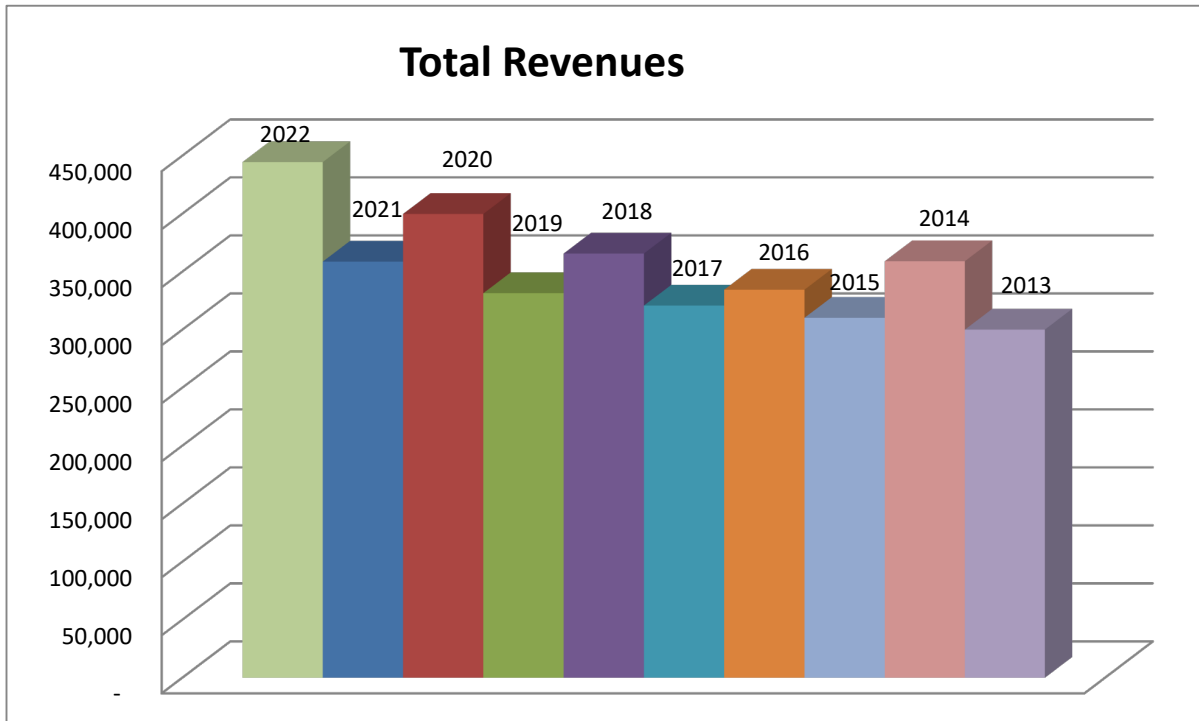
	2021-22	2020-21	2019-20	2018-19
Operating revenues				
Student tuition and fees, net	\$ 59,499	\$ 65,992	\$ 68,850	\$ 69,908
Grants and contracted programs	47,059	34,493	11,491	16,446
Auxiliary enterprises	2,946	3,097	8,608	12,852
Other operating revenues	256	572	150	11
Total operating revenues	109,760	104,154	89,099	99,217
Nonoperating revenues				
State FTE reimbursement	144,935	81,043	132,346	71,543
Property taxes	98,732	95,393	91,952	87,948
Federal financial aid	71,248	55,517	58,640	49,176
State and local grants and contracts	19,971	21,789	19,468	12,482
Investment income (loss)	(143)	849	8,228	11,166
Investment gain on pension asset	-	-	-	-
Sale of equipment	-	-	54	-
Gain on disposal of assets	-	-	-	-
Gain on legal settlement	-	-	-	-
Total nonoperating revenues	334,743	254,591	310,688	232,315
Total Revenues	444,503	358,745	399,787	331,532
Operating expenses				
Campus educational and campus general	131,067	152,049	76,259	156,782
Other educational and general	106,182	113,333	35,918	69,052
Grants and contracted programs	22,630	24,962	21,307	22,500
Auxiliary enterprises	7,759	9,067	13,208	15,847
Student financial aid, net tuition and textbooks	46,341	24,903	24,740	19,363
Other support services	4,588	4,637	5,676	6,381
Depreciation and amortization	25,371	20,303	18,222	14,292
Total operating expenses	343,938	349,254	195,330	304,217
Nonoperating expenses				
Interest expense	24,179	27,478	31,047	29,792
Bond issuance costs	-	749	-	1,155
Loss on disposal of assets	-	281	39	1
Total nonoperating expenses	24,179	28,508	31,086	30,948
Total Expenses	368,117	377,762	226,416	335,165
Capital contributions	2,510	-	-	-
TOTAL INCREASE (DECREASE) IN NET POSITION	\$ 78,896	\$ (19,017)	\$ 173,371	\$ (3,633)

Note: Restated in 2015 and 2014.

2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
\$ 68,398	\$ 66,752	\$ 65,901	\$ 63,196	\$ 63,775	\$ 60,845
17,260	20,478	16,725	17,194	16,416	19,085
14,548	15,820	16,701	18,717	17,731	19,139
75	10	239	638	606	12
100,281	103,060	99,566	99,745	98,528	99,081
116,888	67,933	102,767	53,710	78,243	39,191
76,405	80,013	66,165	77,393	74,246	65,790
56,869	56,860	56,448	65,488	69,780	73,239
10,214	11,941	8,196	12,809	15,583	9,357
2,265	996	1,316	1,136	2,388	514
-	-	-	-	20,273	12,918
-	-	-	-	-	-
-	15	48	-	-	-
2,750	-	-	-	-	-
265,391	217,758	234,940	210,536	260,513	201,009
365,672	320,818	334,506	310,281	359,041	300,090
136,919	144,870	169,754	100,927	131,068	129,297
90,977	97,588	108,034	61,590	78,008	72,426
21,850	26,149	21,277	23,881	21,906	24,778
18,575	19,962	20,812	23,256	22,747	24,069
21,186	22,038	18,325	19,630	20,092	22,678
5,382	4,856	5,245	4,009	4,149	4,434
12,546	12,213	8,202	7,975	6,428	7,508
307,435	327,676	351,649	241,268	284,398	285,190
20,518	19,964	21,566	23,469	15,583	13,919
755	638	-	166	-	1,425
297	-	-	-	-	-
21,570	20,602	21,566	23,635	15,583	15,344
329,005	348,278	373,215	264,903	299,981	300,534
-	-	-	-	-	-
\$ 36,667	\$ (27,460)	\$ (38,709)	\$ 45,378	\$ 59,060	\$ (444)

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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



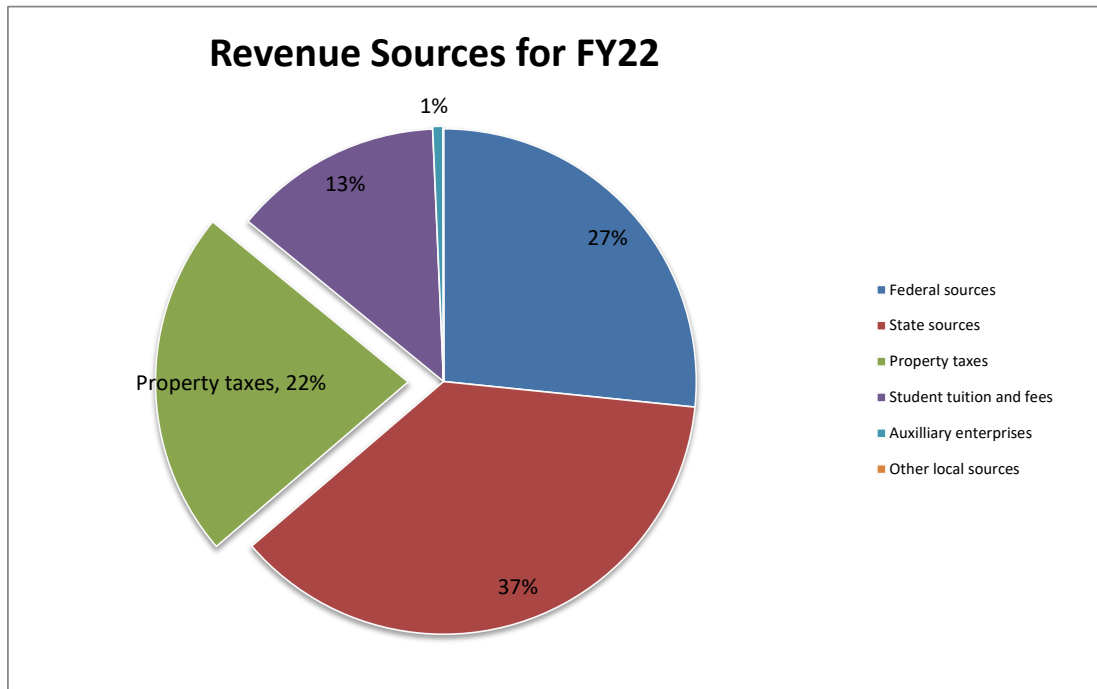
PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

REVENUES BY SOURCES
LAST TEN FISCAL YEARS (in Thousands)

	2021-22	2020-21	2019-20	2018-19
Federal financial aid	\$ 71,248	\$ 55,517	\$ 58,640	\$ 49,176
Other federal grants and contracts	47,059	34,493	11,491	16,446
Federal sources	\$ 118,307	\$ 90,010	\$ 70,131	\$ 65,622
State FTE reimbursement	144,935	81,043	132,346	71,543
Other state grants and contracts	19,971	21,789	19,468	12,482
State sources	164,906	102,832	151,814	84,025
Local sources:				
Property taxes (2)	98,732	95,393	91,952	87,948
Student tuition and fees, net	59,499	65,992	68,850	69,908
Auxiliary enterprise	2,946	3,097	8,608	12,852
Food Services	272	11	2,083	3,271
Bookstore, net of scholarship allowance	2,622	3,030	3,958	5,334
Parking Operation	52	56	2,567	4,247
Other local sources	113	1,421	8,432	11,177
Investment income (loss)	(143)	849	8,228	11,166
Sale of equipment	-	-	54	-
Gain on disposal of capital assets	-	-	-	-
Investment gain on pension asset	-	-	-	-
Other local sources	256	572	150	11
Legal settlement	-	-	-	-
Total local sources	161,290	177,842	181,885	181,885
Total revenues (1)	\$ 444,503	\$ 192,842	\$ 399,787	\$ 331,532

(1) Restated in 2015 and 2014.

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

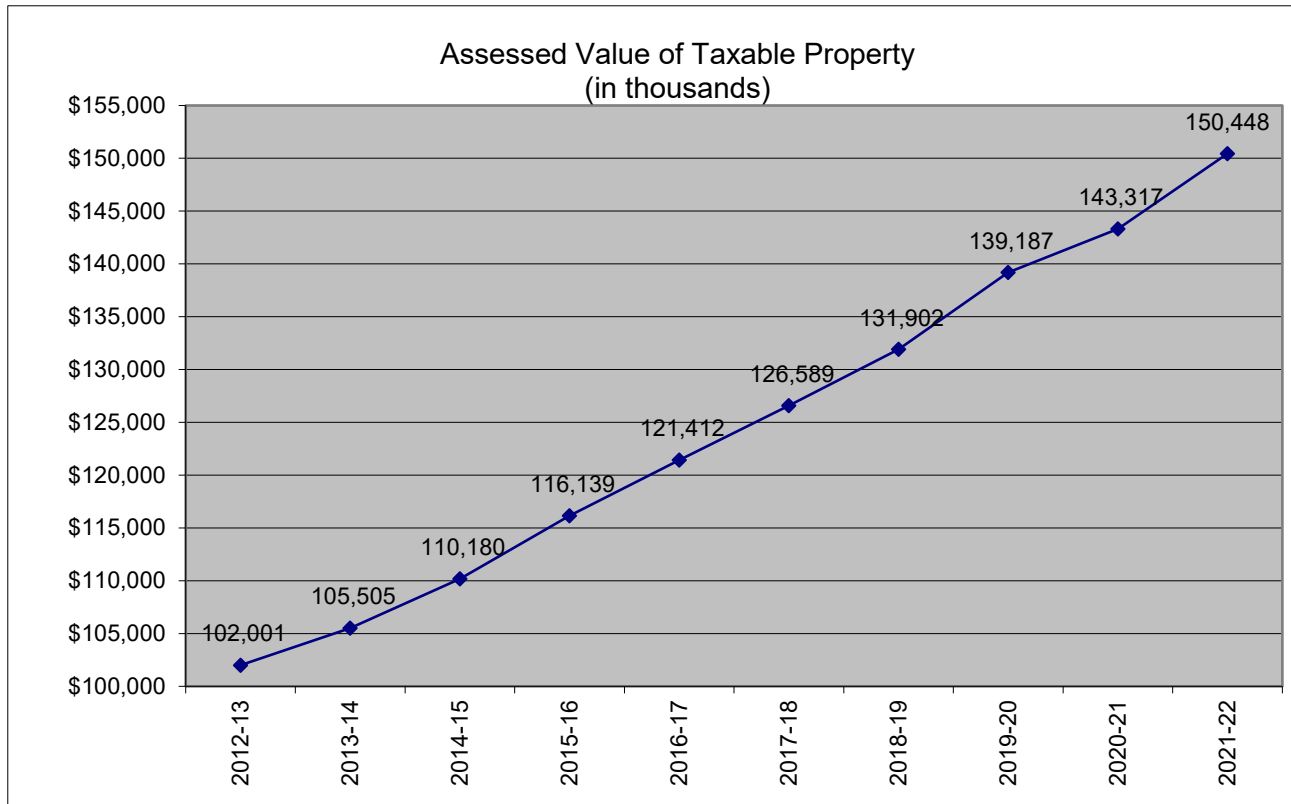


<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
\$ 56,869 17,260	\$ 56,860 20,478	\$ 56,448 16,725	\$ 65,488 17,194	\$ 69,780 16,416	\$ 73,239 19,085
\$ 74,129	\$ 77,338	\$ 73,173	\$ 82,682	\$ 86,196	\$ 92,324
116,888 10,214	67,933 11,941	102,767 8,196	53,710 12,809	78,243 15,583	39,191 9,357
127,102	79,874	110,963	66,519	93,826	48,548
76,405	80,013	66,165	77,393	74,246	65,790
68,398	66,752	65,901	63,196	63,775	60,845
14,548	15,820	16,701	18,717	17,731	19,139
3,628	4,024	4,315	4,606	4,571	4,827
6,128	6,940	7,585	9,464	8,048	9,095
4,792	4,856	4,801	4,647	5,112	5,217
5,090	1,021	1,603	1,774	23,267	13,444
2,265	996	1,316	1,136	2,388	514
-	-	-	-	-	-
-	15	48	-	-	-
-	-	-	-	20,273	12,918
75	10	239	638	606	12
2,750	-	-	-	-	-
164,441	163,606	150,370	161,080	179,019	159,218
<u>\$ 365,672</u>	<u>\$ 320,818</u>	<u>\$ 334,506</u>	<u>\$ 310,281</u>	<u>\$ 359,041</u>	<u>\$ 300,090</u>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2021-22	2020-21	2019-20	2018-19
Net Assessed Valuation (1)	\$ 150,447,609	\$ 143,317,354	\$ 139,186,819	\$ 131,902,424
Percentage Increased (decreased)	5.0%	3.0%	5.5%	4.2%
Direct Tax Rate (2)	\$ 0.663	\$ 0.680	\$ 0.685	\$ 0.687
Real Market Valuation	\$ 300,682,899	\$ 282,679,399	\$ 269,739,841	\$ 260,781,492
Percentage Increased (decreased)	6.4%	4.8%	3.4%	8.6%
Ratio of Assessed Valuation to Real Market Valuation	50.0%	50.7%	51.6%	50.6%



(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

2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
\$ 126,589,172	\$ 121,411,734	\$ 116,139,150	\$ 110,179,585	\$ 105,504,924	\$ 102,000,829
4.3%	4.5%	5.4%	4.4%	3.4%	2.5%
\$ 0.605	\$ 0.679	\$ 0.586	\$ 0.722	\$ 0.734	\$ 0.665
\$ 240,182,547	\$ 213,829,495	\$ 186,844,997	\$ 170,320,945	\$ 154,652,630	\$ 147,092,511
12.3%	14.4%	9.7%	10.1%	5.1%	-2.1%
52.7%	56.8%	62.2%	64.7%	68.2%	69.3%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2021-22	2020-21	2019-20	2018-19 (4)
Levy extended by assessor (1)	<u>\$ 101,380</u>	<u>\$ 98,189</u>	<u>\$ 94,660</u>	<u>\$ 90,572</u>
Reduction of taxes receivable: (2) (3)				
Current year	<u>\$ 100,239</u>	<u>\$ 96,998</u>	<u>\$ 93,394</u>	<u>\$ 89,369</u>
First year prior	763	798	723	650
Second year prior	226	242	214	518
Third year prior	143	130	147	354
Fourth year prior	60	65	67	452
Fifth year prior	10	7	15	362
Sixth year prior and earlier	<u>13</u>	<u>9</u>	<u>37</u>	<u>913</u>
Total prior	<u>1,215</u>	<u>1,251</u>	<u>1,203</u>	<u>3,249</u>
Total Property Taxes	<u>\$ 101,454</u>	<u>\$ 98,249</u>	<u>\$ 94,597</u>	<u>\$ 92,618</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>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
<u>\$ 76,978</u>	<u>\$ 82,318</u>	<u>\$ 68,035</u>	<u>\$ 77,437</u>	<u>\$ 67,620</u>	<u>\$ 59,435</u>
<u>\$ 75,901</u>	<u>\$ 80,793</u>	<u>\$ 66,673</u>	<u>\$ 77,999</u>	<u>\$ 75,599</u>	<u>\$ 65,902</u>
769	648	772	904	839	879
272	232	256	281	262	389
193	194	195	235	236	250
94	81	72	122	108	85
11	10	12	20	13	11
30	14	9	14	17	16
<u>1,369</u>	<u>1,179</u>	<u>1,316</u>	<u>1,576</u>	<u>1,475</u>	<u>1,630</u>
<u>\$ 77,270</u>	<u>\$ 81,972</u>	<u>\$ 67,989</u>	<u>\$ 79,575</u>	<u>\$ 77,074</u>	<u>\$ 67,532</u>

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

2022				
	ASSESSED VALUATION	RANK	PERCENT OF TOTAL DISTRICT'S ASSESSED VALUATION	
Portland General Electric	\$ 2,185,150	1	1.45	%
Intel Corporation	1,892,355	2	1.26	
Nike	1,450,518	3	0.96	
NW Natural Gas	899,277	4	0.60	
Verizon	532,209	5	0.35	
Pacificorp	519,380	6	0.35	
Comcast	460,322	7	0.31	
Pacific Realty Assoc	426,502	8	0.28	
Fred Meyer Stores Inc	362,109	9	0.24	
Lumen Technologies Inc.	314,765	10	0.21	
	9,042,587		6.01	
ALL OTHER TAXPAYERS	141,405,022		93.99	
TOTAL	\$ 150,447,609		100.00	%

2013				
	ASSESSED VALUATION	RANK	PERCENT OF TOTAL DISTRICT'S ASSESSED VALUATION	
Intel Corporation	\$ 1,317,485	1	1.29	%
Portland General Electric	1,002,222	2	0.98	
Northwest Natural Gas	573,797	3	0.56	
Comcast	468,299	4	0.46	
Nike	458,135	5	0.45	
Pacific Realty Associates	301,554	6	0.30	
PacifiCorp	294,662	7	0.29	
Fred Meyer Stores Inc.	291,217	8	0.29	
Frontier Communications	251,376	9	0.25	
Weston Investment	224,601	10	0.22	
	5,183,348		5.08	
ALL OTHER TAXPAYERS	96,817,481		94.92	
TOTAL	\$ 102,000,829		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)

	2021-22	2020-21	2019-20	2018-19	2017-18
Current tax levy	\$ 101,380	\$ 98,189	\$ 94,660	\$ 90,572	\$ 76,978
Current tax collections	\$ 97,268	\$ 94,117	\$ 90,554	\$ 86,725	\$ 73,303
Current collections as a percentage of current levy	95.9%	95.9%	95.7%	95.8%	95.2%
Delinquent tax collections	\$ 1,267	\$ 1,251	\$ 1,126	\$ 2,820	\$ 1,067
Total tax collections	\$ 98,535	\$ 95,368	\$ 91,680	\$ 89,545	\$ 74,370
Total tax collections as a percentage of current levy	97.2%	97.1%	96.9%	98.9%	96.6%
Uncollected tax	\$ 2,039	\$ 2,113	\$ 2,173	\$ 2,110	\$ 4,157
Uncollected percentage of current levy	2.0%	2.2%	2.3%	2.3%	5.4%

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

<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
\$ 82,318	\$ 68,035	\$ 79,676	\$ 77,437	\$ 67,620
\$ 78,392	\$ 64,757	\$ 75,788	\$ 73,400	\$ 64,089
95.2%	95.2%	95.1%	94.8%	94.8%
\$ 1,153	\$ 1,353	\$ 1,504	\$ 1,504	\$ 1,324
\$ 79,545	\$ 66,110	\$ 77,292	\$ 74,904	\$ 65,413
96.6%	97.2%	97.0%	96.7%	96.7%
\$ 4,449	\$ 4,103	\$ 4,058	\$ 3,957	\$ 3,594
5.4%	6.0%	5.1%	5.1%	5.3%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2021-22	2020-21	2019-20	2018-19
Outstanding Debt				
General obligation bonds (1)	\$ 354,374	\$ 404,374	\$ 447,363	\$ 484,542
Limited tax pension bonds	214,290	226,375	237,165	246,750
Certificate of participation	-	-	-	-
Note payable	-	-	-	520
Capital leases	-	-	412	1,429
Total Outstanding Debt	\$ 568,664	\$ 630,749	\$ 684,940	\$ 733,241
Student population	51	51	60	68
Total Debt per student (in dollars)	\$ 11,253	\$ 12,471	\$ 11,409	\$ 10,849
Personal income (2)	N/A	N/A	\$ 157,150,249	\$ 149,346,827
Total Debt to personal income	N/A	N/A	0.44%	0.49%

(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 2021-22 and 2020-21 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

2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
\$ 517,550	\$ 340,728	\$ 366,132	\$ 393,636	\$ 419,600	\$ 448,191
82,005	87,170	91,760	95,820	99,385	102,495
-	-	-	-	-	860
1,041	1,561	-	-	-	-
2,481	1,935	-	-	83	163
\$ 603,077	\$ 431,394	\$ 457,892	\$ 489,456	\$ 519,068	\$ 551,709
71	74	79	85	88	90
\$ 8,481	\$ 5,813	\$ 5,811	\$ 5,738	\$ 5,887	\$ 6,137
\$ 141,269,916	\$ 131,861,400	\$ 122,433,633	\$ 115,690,881	\$ 107,536,731	\$ 101,210,007
0.43%	0.33%	0.37%	0.42%	0.48%	0.55%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2021-22	2020-21	2019-20	2018-19
General Bonded Debt Outstanding:				
General obligation bonds (1)	\$ 354,374	\$ 404,374	\$ 447,363	\$ 484,542
Limited tax pension bonds	214,290	226,375	237,165	246,750
Certificate of participation	-	-	-	-
Total General bonded Debt	\$ 568,664	\$ 630,749	\$ 684,528	\$ 731,292
Less: Amounts set aside to repay general debt	(6,900)	(9,162)	(7,630)	(5,886)
Net General Bonded Debt	\$ 561,764	\$ 621,587	\$ 676,898	\$ 725,406
Taxable Assessed Property Value (2)	\$ 150,447,609	\$ 143,317,354	\$ 139,186,819	\$ 131,902,424
Population Estimate (3)	N/A	1,401	1,426	1,412
Net bonded debt to assessed value	0.37%	0.43%	0.49%	0.55%
Net bonded debt per capita (in dollars)	N/A	\$ 444	\$ 475	\$ 514

(1) General obligation bonds are reported including premiums.

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

(3) District population for fiscal year 2021-2022 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.

2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
\$ 517,550 82,005 -	\$ 340,728 87,170 -	\$ 366,132 91,760 -	\$ 393,636 95,820 -	\$ 419,600 99,385 -	\$ 448,191 102,495 860
\$ 599,555	\$ 427,898	\$ 457,892	\$ 489,456	\$ 518,985	\$ 551,546
(3,778)	(5,980)	(1,460)	(8,604)	(3,486)	(4,935)
\$ 595,777	\$ 421,918	\$ 456,432	\$ 480,852	\$ 515,499	\$ 546,611
\$ 126,589,172 1,396	\$ 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
0.47% \$ 427	0.35% \$ 307	0.39% \$ 338	0.44% \$ 363	0.49% \$ 396	0.54% \$ 426

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS (in Thousands)

	2021-22	2020-21	2019-20	2018-19
Legal debt limit (1)	4,510,243	4,240,191	4,046,098	3,911,722
Net general bonded debt applicable to debt limit	561,764	621,587	676,898	725,406
Legal debt margin	<u>\$ 3,948,479</u>	<u>\$ 3,618,604</u>	<u>\$ 3,369,200</u>	<u>\$ 3,186,316</u>
Legal debt margin as a percentage of the debt limit	87.54%	85.34%	83.27%	81.46%

Legal Debt Margin Calculation for Fiscal Year 2022

Real Market Value (2)	\$ 300,682,899	
Applicable percentage	1.5%	
Legal Debt Limit	<u> </u>	\$ 4,510,243
Bonded Debt Outstanding	\$ 568,664	
Less: Amounts set aside to repay general debt	<u>(6,900)</u>	
Total Applicable Debt	<u>\$ 561,764</u>	
Legal Debt Margin	<u>\$ 3,948,479</u>	

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

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

<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
3,602,738	3,207,442	2,802,675	2,554,814	2,319,789	2,206,388
595,777	421,918	456,432	480,852	515,499	546,611
<u>\$ 3,006,961</u>	<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>
83.46%	86.85%	83.71%	81.18%	77.78%	75.23%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

DIRECT AND OVERLAPPING GROSS BONDED DEBT
June 30, 2022
(dollars in Thousands)

	PERCENT OVERLAP	OVERLAPPING GROSS BONDED DEBT
<u>OVERLAPPING DISTRICT</u>		
DIRECT DEBT		
Portland Community College	100.0%	\$ 568,664
OVERLAPPING DISTRICT		
Chehalem Park & Recreation District	100.0%	22,070
City of Beaverton	100.0%	31,358
City of Hillsboro	100.0%	72,815
City of Lake Oswego	99.1%	216,695
City of Newberg	100.0%	11,257
City of Portland	86.6%	639,388
City of Sherwood	100.0%	68,497
City of St. Helens	100.0%	19,765
City of Tigard	100.0%	21,043
City of Tualatin	88.5%	20,304
Clackamas County	16.3%	18,842
Clackamas County School District 7J (Lake Oswego)	98.8%	391,886
Columbia County School District 1J (Scappoose)	100.0%	19,340
Columbia County School District 47J (Vernonia)	100.0%	17,801
Columbia County School District 502 (St Helens)	99.9%	119,783
Metro	73.9%	663,173
Multnomah County	76.6%	481,103
Multnomah County School District 1J (Portland)	100.0%	1,731,817
Multnomah County School District 51J (Riverdale)	100.0%	13,631
Multnomah ESD	75.6%	61,607
Port of Portland	69.9%	31,977
Tualatin Hills Park & Rec. District	100.0%	54,783
Tualatin Valley Fire & Rescue District	86.2%	57,758
Washington County	100.0%	181,686
Washington County School District 15 (Forest Grove)	100.0%	65,691
Washington County School District 1J (Hillsboro)	100.0%	529,454
Washington County School District 23J (Tigard-Tualatin)	95.9%	298,921
Washington County School District 48J (Beaverton)	100.0%	907,677
Washington County School District 511J (Gaston)	82.4%	11,637
Washington County School District 88J (Sherwood)	94.1%	285,514
Yamhill County School District 29J (Newberg)	98.3%	160,918
Other Overlapping Districts under \$9,000,000	100.0%	73,343
Total Overlapping Debt		7,301,534
TOTAL DIRECT AND OVERLAPPING DEBT		\$ 7,870,198

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)

2022				
	EMPLOYEES	RANK	PERCENT OF TOTAL DISTRICT'S EMPLOYMENT	
Intel Corporation	21,000	1	1.07	%
Providence Health & Services	21,000	2	1.07	
Oregon Health & Science University	18,048	3	0.92	
Nike Inc.	13,964	5	0.71	
Legacy Health	13,120	4	0.67	
Kaiser Permanente	11,163	6	0.57	
Fred Meyer Stores	9,525	7	0.48	
Portland Public Schools	6,847	9	0.35	
City of Portland	6,635	8	0.34	
Multnomah County	5,096	10	0.26	
SUB TOTAL	126,398		6.41	
ALL OTHER EMPLOYERS	1,845,402		93.59	
TOTAL	1,971,800		100.00	%

2013				
	EMPLOYEES	RANK	PERCENT OF TOTAL DISTRICT'S EMPLOYMENT	
Intel Corporation	16,700	1	1.54	%
Providence Health System	14,132	2	1.30	
Oregon Health & Science University	14,106	3	1.30	
U.S. Federal Government	13,900	4	1.28	
Fred Meyer Stores	10,176	5	0.94	
Kaiser Foundation Northwest	9,896	6	0.91	
Legacy Health System	9,835	7	0.91	
City of Portland	9,318	8	0.86	
State of Oregon	7,559	9	0.70	
Nike Inc.	7,000	10	0.64	
SUB TOTAL	112,622		10.36	
ALL OTHER EMPLOYERS	974,089		89.64	
TOTAL	1,086,711		100.00	%

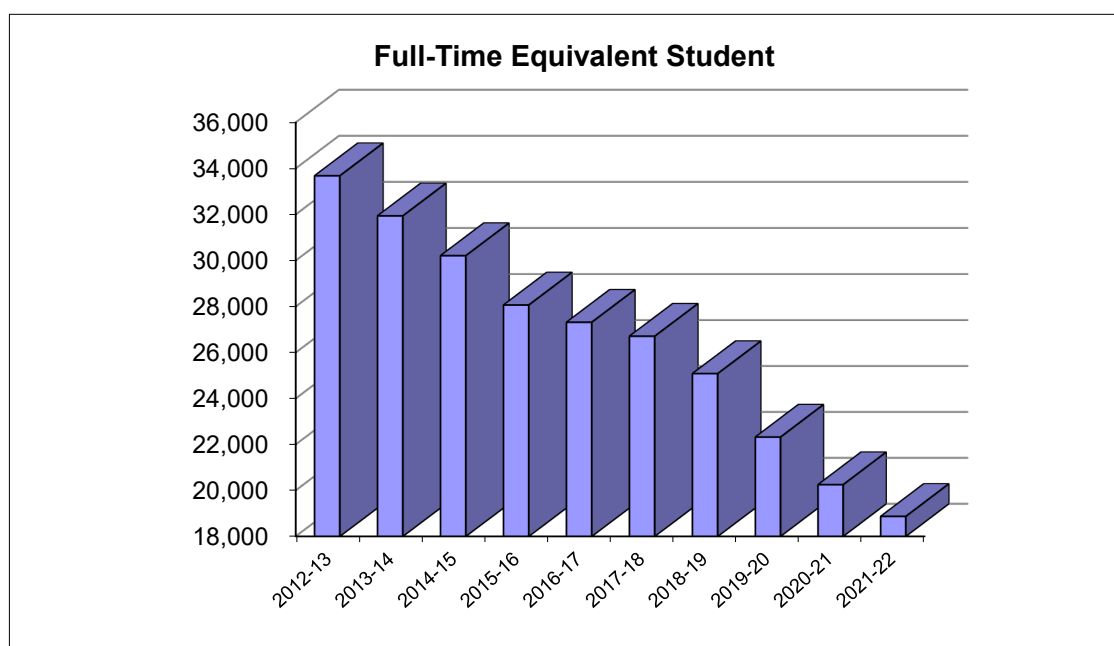
(1) Specific data for the District is not available.

Sources: Oregon Employment Department, Current Employment Estimates
Portland Business Journal September 21, 2021

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS

	2021-22	2020-21	2019-20	2018-19	2017-18
District population (estimated) (1)	N/A	1,401,291	1,426,010	1,411,895	1,395,790
Personal income (estimated, in millions) (2)	N/A	N/A	157,150	\$ 149,347	\$ 141,270
Per capita income (estimated, in dollars) (2)	N/A	N/A	62,603	\$ 59,921	\$ 56,991
FTE (3) student enrollment	18,867	20,248	22,320	25,084	26,712
Unemployment rate (estimated) (4)	3.6%	5.0%	11.4%	3.8%	3.8%



(1) District population for fiscal year 2021-22 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 2021-22 & 2020-21 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 due to Covid-19 Pandemic related reopening and improving.

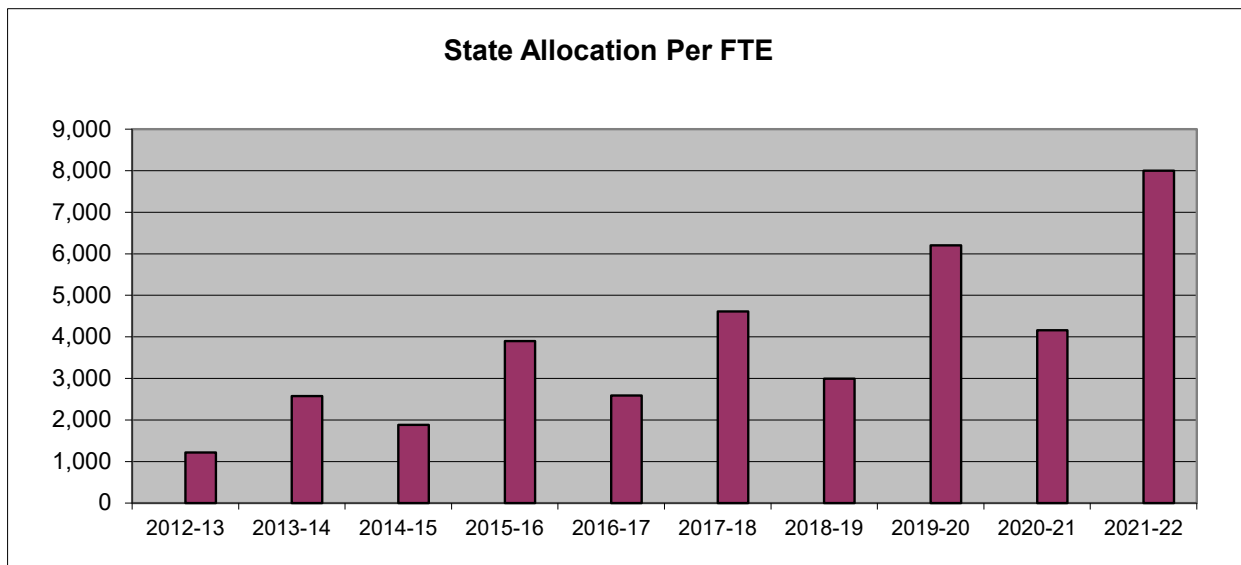
Sources: Portland State University, Population Research Center
Portland Community College, Office of Institutional Effectiveness, Enrollment Reporting - Preliminary Final.
Bureau of Economic Analysis, Regional Economic Information System
Oregon Employment Department, Local Area Unemployment Statistics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

<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
1,374,279	1,350,756	1,324,490	1,302,694	1,283,687
\$ 131,861	\$ 122,434	\$ 115,691	\$ 107,537	\$ 101,210
\$ 53,751	\$ 50,489	\$ 48,422	\$ 45,794	\$ 43,728
27,319	28,068	30,210	31,940	33,680
4.1%	4.9%	5.4%	6.1%	7.5%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

STATE ALLOCATIONS PER FTE
LAST TEN FISCAL YEARS

	2021-22	2020-21	2019-20	2018-19	2017-18
Allocations per FTE	\$ 7,997	\$ 4,161	\$ 6,203	\$ 2,995	\$ 4,609
Annual State Funding (in thousands)	\$ 144,935	\$ 81,043	\$ 132,346	\$ 71,543	\$ 116,888
Total Reimbursable FTE	18,123	19,479	21,335	23,888	25,361



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

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

<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
\$ 2,588	\$ 3,901	\$ 1,879	\$ 2,576	\$ 1,215
\$ 66,846	\$ 102,767	\$ 53,710	\$ 78,243	\$ 39,191
25,830	26,341	28,577	30,371	32,267

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

ENROLLMENT STATISTICS
LAST TEN FISCAL YEARS

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
Total operating expenses (in thousands)	\$ 343,937	\$ 349,254	\$ 195,330	\$ 304,217	\$ 307,435
District population (estimated) (2) (in thousands)	N/A	\$ 1,401	1,426	1,412	1,396
FTE student enrollment (3)	18,867	20,248	22,320	25,084	26,712
Percent of FTE to district population	N/A	1.44%	1.6%	1.8%	1.9%
Cost per FTE (1)	\$ 18,230	\$ 17,249	\$ 8,751	\$ 12,128	\$ 11,509
Number of employees	3,037	2,977	3,060	3,798	3,859
Ratio of employees to FTE	1:6	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 2021-22 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- Preliminary Final.
Portland State University, Population Research Center

<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
\$ 351,649	\$ 351,649	\$ 241,268	\$ 284,398	\$ 285,190
1,351	1,351	1,324	1,303	1,284
28,068	28,068	30,210	31,940	33,680
2.1%	2.1%	2.3%	2.5%	2.6%
\$ 12,528	\$ 12,528	\$ 7,986	\$ 8,904	\$ 8,468
3,871	3,871	3,913	3,979	4,071
1:7	1:7	1:8	1:8	1:8

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

CAMPUS FACILITIES AND OPERATING INFORMATION
LAST TEN FISCAL YEARS

	2021-22	2020-21	2019-20	2018-19	2017-18
Sylvania Campus					
Buildings/leases	17	17	16	15	15
Gross square feet	911,939	911,939	900,829	888,227	888,227
Campus expenditures (1)	\$ 47,389	\$ 55,333	\$ 27,321	\$ 51,695	\$ 50,048
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)	\$ 26,553	\$ 31,962	\$ 16,045	\$ 30,891	\$ 28,924
Rock Creek Campus					
Buildings/leases	14	14	13	12	12
Gross square feet	652,685	652,685	636,133	644,996	635,702
Campus expenditures (1)	\$ 38,137	\$ 42,791	\$ 21,147	\$ 39,328	\$ 37,219
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)	\$ 14,215	\$ 16,851	\$ 8,535	\$ 15,316	\$ 14,573
Extended Learning Centers (2)					
Buildings/leases	13	13	10	10	11
Gross square feet	330,313	330,313	272,177	272,177	271,623
Campus expenditures (1)	\$ 4,773	\$ 5,112	\$ 3,211	\$ 6,405	\$ 6,155

(1) In Thousands

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

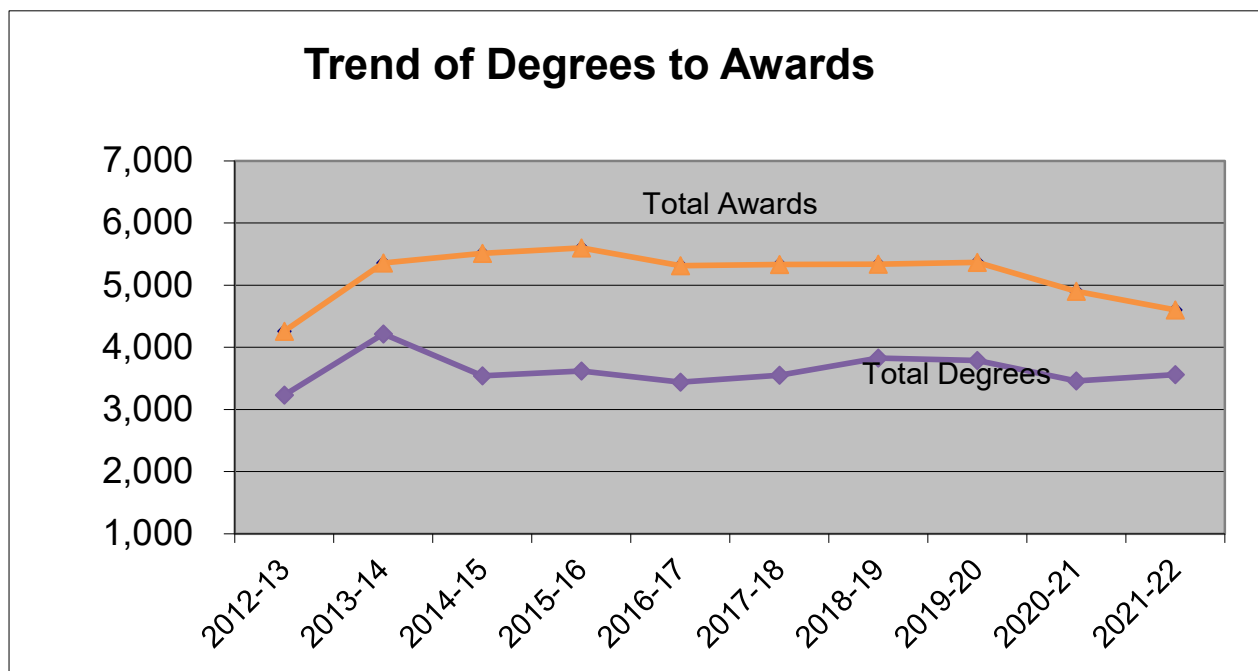
Source: Facilities Management Services Manager

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

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

CERTIFICATES AND DEGREES GRANTED
LAST TEN FISCAL YEARS

	2021-22	2020-21	2019-20	2018-19
Certificates				
One-Year	308	323	264	409
Two-Year	41	28	52	68
Others	934	688	1,125	1,102
Total Certificates	1,283	1,039	1,441	1,579
Degrees				
Associate of Arts, Oregon Transfer (AAORT)	582	601	540	550
Associate of Science, Oregon Transfer (ASORT)	29	64	63	76
Associate of Science (AS)	765	973	933	1,042
Associate of General Studies (AGEN)	877	993	972	1,060
Associate of Applied Science (AAS)	937	932	954	1,059
Total Degrees	3,190	3,563	3,462	3,787
High School Diplomas	-	-	-	-
Total Awards	4,473	4,602	4,903	5,366



Source: Portland Community College, Office of Institutional Effectiveness

<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
414	520	551	494	513	313
100	96	110	153	96	52
<u>997</u>	<u>1,163</u>	<u>1,208</u>	<u>1,308</u>	<u>1,311</u>	<u>706</u>
<u>1,511</u>	<u>1,779</u>	<u>1,869</u>	<u>1,955</u>	<u>1,920</u>	<u>1,071</u>
626	549	560	600	618	613
85	73	112	127	110	117
975	870	731	767	722	857
1,014	954	940	937	1,020	1,473
<u>1,129</u>	<u>1,108</u>	<u>1,097</u>	<u>1,188</u>	<u>1,074</u>	<u>1,157</u>
<u>3,829</u>	<u>3,554</u>	<u>3,440</u>	<u>3,619</u>	<u>3,544</u>	<u>4,217</u>
<u>-</u>	<u>-</u>	<u>4</u>	<u>27</u>	<u>51</u>	<u>68</u>
<u><u>5,340</u></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>

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

TUITION AND FEES
LAST TEN FISCAL YEARS

Portland Community College (1)

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Per Credit Hour				
General Tuition	\$ 123	\$ 123	\$ 116	\$ 111
Fees	<u>9</u>	<u>9</u>	<u>9</u>	<u>8</u>
Combined Per Credit Total	\$ 132	\$ 132	\$ 125	\$ 119
Per Term - College Service & Transportation Fee (2)	\$ 15	\$ 15	\$ 23	\$ 23
Annual cost (45 credit hours)	\$ 5,972	\$ 5,972	\$ 5,681	\$ 5,408.25

National and Statewide Comparisons

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
PCC District				
Annual Cost (45 credit hours)	\$ 5,972	\$ 5,972	\$ 5,681	\$ 5,408
Percentage Change	0%	5%	5%	6%
National Community College Average (3)				
Annual Cost	N/A	\$ 3,501	\$ 3,377	\$ 3,313
Percentage Change		4%	2%	2%
Oregon Universities Average (4)				
Annual Cost (45 credit hours)	\$ 11,291	\$ 10,895	\$ 10,440	\$ 9,874
Percentage Change	4%	4%	6%	2%

(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 - 2021-22 Annual Costs for 2-year colleges are not available at this time.

<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
\$ 104	\$ 97	\$ 96	\$ 93	\$ 88	\$ 82
8	7	7	6	6	6
<u>\$ 112</u>	<u>\$ 104</u>	<u>\$ 103</u>	<u>\$ 99</u>	<u>\$ 94</u>	<u>\$ 88</u>
\$ 23	\$ 23	\$ 23	\$ 19	\$ 19	\$ 19
\$ 5,093	\$ 4,736	\$ 4,691	\$ 4,521	\$ 4,296	\$ 4,026

<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
\$ 5,093	\$ 4,736	\$ 4,691	\$ 4,521	\$ 4,296	\$ 4,026
8%	1%	4%	5%	7%	3%
\$ 3,242	\$ 3,156	\$ 3,038	\$ 2,955	\$ 2,882	\$ 2,792
3%	4%	3%	3%	3%	5%
\$ 9,655	\$ 9,117	\$ 8,791	\$ 8,210	\$ 7,964	\$ 7,877
6%	4%	7%	3%	1%	3%

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

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

	2021-22	2020-21	2019-20	2018-19	2017-18
Residential Construction (1)					
Permits	13.5	13.4	16.1	15.0	16.5
Value	\$ 3,409,331	\$ 3,208,508	\$ 3,273,357	\$ 3,055,717	\$ 3,217,155
Bank Deposits (2)	N/A	66,034,000	59,972,000	46,418,000	45,339,837
Property Values (3)					
Assessed Values:					
Real Property	\$ 147,218,889	\$ 141,736,743	\$ 135,678,705	\$ 129,513,143	\$ 124,479,160
Personal Property	5,616,730	5,442,227	5,405,325	4,953,038	5,049,679
Manufactured Structures	210,662	194,157	182,925	182,265	171,220
Public Utility	5,576,456	5,284,143	4,589,393	4,490,760	4,353,038
Total Assessed Value	158,622,737	152,657,270	145,856,348	139,139,206	134,053,097
Total Real Market Value	\$ 300,473,853	\$ 282,604,963	\$ 269,857,837	\$ 260,713,118	\$ 240,170,507

(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>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
15.3	14.9	12.7	11.8	10.2
\$ 3,158,656	\$ 2,900,448	\$ 2,468,921	\$ 2,257,252	\$ 1,773,855
\$ 43,988,737	\$ 40,657,736	\$ 37,468,000	\$ 35,589,000	\$ 33,475,000
\$ 118,714,575	\$ 113,554,257	\$ 107,625,199	\$ 103,179,134	\$ 99,627,505
4,601,052	4,349,460	4,081,805	3,911,730	3,796,361
188,095	162,324	139,864	129,150	134,973
4,123,037	3,881,839	3,804,319	3,611,064	3,495,084
<u>127,626,759</u>	<u>121,947,880</u>	<u>115,651,187</u>	<u>110,831,078</u>	<u>107,053,923</u>
\$ 213,806,259	\$ 186,837,348	\$ 170,619,869	\$ 154,652,556	\$ 146,954,618

PORTLAND COMMUNITY COLLEGE
PORTLAND, OREGON

MISCELLANEOUS INFORMATION
June 30, 2022

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
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
34001 NE Wagner Ct
Scappoose, OR 97056

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

Vanport Building
1810 SW 5th Ave
Portland, OR 97201



AUDIT SECTION



AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

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





Independent Auditor's 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, 2022, and have issued our report thereon dated December 5, 2022. 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.

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 5, 2022

**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, 2022, 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 5, 2022.

Report on 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.

Report on 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 black ink that reads "Erik Sully LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
December 5, 2022



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

Opinion on Each Major Federal Program

We have audited Portland Community College (the College)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2022. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
December 5, 2022

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

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	\$ 1,451,699
Federal Work-Study Program	84.033	N/A	240,981
Federal Pell Grant Program	84.063	N/A	27,835,316
Federal Perkins Loan Program	84.038	N/A	1,379,966
Direct Loans Program	84.268	N/A	31,467,779
Nursing Student Loans	93.364	N/A	1,360,726
Total Student Financial Assistance Cluster			63,736,467
WIOA CLUSTER			
WIA/WIOA Adult Program - Hillsboro	17.258	21-11200/2	151,175
WIA/WIOA Adult Program - Hillsboro Liaison	17.258	21-11202	52,205
WIOA Formula Youth-Hillsboro Liaison	17.259	20-11202	55,074
WIA/WIOA Dislocated Worker Formula Grants -Hillsboro Liaison - DWP	17.278	21-11202	272,685
WIA/WIOA Dislocated Worker Formula Grants-WSI: DWP Program Hillsboro	17.278	21-11200/2	180,752
Total WIOA Cluster			711,891
FEDERAL TRANSIT CLUSTER			
Federal Transit—Formula Grants	20.507	936290	17,815
Total Transit Cluster			17,815
477 CLUSTER			
TANF - Youth WEX - Hillsboro	93.558	21-11220	124,998
Total 477 Cluster			124,998
TRIO CLUSTER			
TRIO - Student Support Services	84.042A	N/A	240,538
TRIO - Talent Search	84.044A	N/A	30,210
Total TRIO Cluster			270,748
SUBTOTAL CLUSTER PROGRAMS			64,861,919
NON-CLUSTER PROGRAMS			50,573,612
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 115,435,531

See notes to schedule of expenditures of federal awards

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

FEDERAL AWARDS BY FEDERAL AGENCY	Federal Assistance Listing Number	Pass Through Number	Total Expenditures
U.S. DEPARTMENT OF EDUCATION:			
Direct Programs:			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	\$ 1,451,699
Federal Work-Study Program	84.033	N/A	240,981
Federal Pell Grant Program	84.063	N/A	27,835,316
Federal Perkins Loan Program	84.038	N/A	1,379,966
Direct Loans Program	84.268	N/A	31,467,779
Federal Nursing Student Loans	93.364	N/A	1,360,726
Title III - PCC Rises Re-imagining Integrated	84.031A	N/A	260,995
TRIO - Student Support Services	84.042A	N/A	240,538
TRIO - Talent Search	84.044A	N/A	30,210
Career and Technical Education - National Programs Oregon High School CTE Teacher Pathway	84.051D	N/A	63,542
Migrant Education - High School Equivalency Program	84.141A	N/A	439,843
Migrant Education - College Assistance Migrant Program	84.149A	N/A	30,282
Migrant Education - College Assistance Migrant Program	84.149A	N/A	410,617
Child Care Means Parents in School - CCAMPIS	84.335A	N/A	24,594
			<u>65,237,088</u>
COVID-19 - Education Stabilization Fund - Student	84.425E ^[1]	N/A	28,471,135
COVID-19 - Education Stabilization Fund - Institutional	84.425F ^[1]	N/A	13,336,903
COVID-19 - Education Stabilization Fund - Title III/SIP	84.425M ^[1]	N/A	2,369,112
Total Education Stabilization Fund			<u>44,177,150</u>
Total Direct Programs			<u>109,414,238</u>
Passed through Office of Community Colleges and Workforce Development			
Adult Education - Basic Grants to States - Program Improvement	84.002	21-006L	9,815
Adult Education - State Grant Program - TOPS Accountability	84.002	21-006-L	153,623
Adult Education - State Grant Program - Comprehensive Services	84.002	21-006L	605,564
Adult Education - Learning Standards State Trainers	84.002	20-081H	7,271
Adult Education - CCWD Learning Standards Pilot	84.002	17-006	5,950
Total passed through Office of Community Colleges and Workforce Development			<u>782,223</u>
Passed through State of Oregon, Department of Education			
Career & Technical Education - Basic Grants to States - Perkins Reserve	84.048	52479	37,972
Career & Technical Education - Basic Grants to States - Perkins Reserve	84.048	57621	210,706
Career & Technical Education - Basic Grants to States - Region 2A Consortium	84.048	57596	100,158
Career & Technical Education - Basic Grants to States - Region 2A Consortium	84.048	66150	214,972
Career & Technical Education - Basic Grants to States - Perkins	84.048	57603	1,553,115
Total passed through State of Oregon, Department of Education			<u>2,116,923</u>
Passed through State of Oregon, Department of Human Services			
Disability Innovation Fund - DOE ODHS VR ICAP	84.421C	173455	139,448
Disability Innovation Fund - DOE ODHS VR ICAP Local	84.421C	173455	29,031
Total passed through State of Oregon, Department of Human Services			<u>168,479</u>

[1] PCC had a total of \$44,442,346 expenditures for Federal Financial Assistance Listing Number 84.425.

See notes to schedule of expenditures of federal awards

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

FEDERAL AWARDS BY FEDERAL AGENCY	Federal Assistance Listing Number	Pass Through Number	Total Expenditures
Passed through Higher Education Coordinating Commission			
Covid 19 - Education Stabilization Fund - HECC TIE GEER II	84.425C ^[1]	19-151A-001	87
Covid 19 -Education Stabilization Fund - HECC GEER Student Support	84.425C ^[1]	20-074S	96,854
Covid 19 -Education Stabilization Fund - HECC GEER Distance Learning	84.425C ^[1]	20-075S	168,255
Total passed through Higher Education Coordinating Commission			265,196
TOTAL U.S. DEPARTMENT OF EDUCATION			112,747,059
U.S. DEPARTMENT OF JUSTICE:			
Passed through Oregon Department of Justice			
VOCA 2020-2022	16.575	VOCA 20-22	237,264
Total Passed through Oregon Department of Justice			237,264
TOTAL U.S. DEPARTMENT OF JUSTICE			237,264
U.S. DEPARTMENT OF LABOR:			
Passed through Worksystems, Inc:			
WIA/WIOA Adult Program - Hillsboro	17.258	21-11200/2	151,175
WIA/WIOA Adult Program - Hillsboro Liaison	17.258	21-11202	52,205
Total Passed through Worksystems, Inc.			203,380
WIOA Formula Youth-Hillsboro Liaison	17.259	20-11202	55,074
Total Passed through Worksystems, Inc.			55,074
Passed through Mt. Hood Community College			
WIOA Pilots, Demonstrations and Research Projects- SCC Grant	17.261	MI-35897-21-60-A-41	37,591
Total Passed through Mt. Hood Community College			37,591
Passed through Oregon Employment Department:			
H-1B Job Training Grants - OED: AIM	17.268	18-228	2,221
Total passed through Oregon Employment Department			2,221
Passed through Worksystems, Inc:			
WIA/WIOA National Dislocated Worker Grants- WashCo DW Disaster Recovery	17.277	21-11200/2	111,512
WIA/WIOA National Dislocated Worker Grants- WashCo DW Employment Recovery	17.277	21-11200/2	90,094
Total Passed through Worksystems, Inc.			201,606
WIA/WIOA Dislocated Worker Formula Grants -Hillsboro Liaison - DWP	17.278	21-11202	272,685
WIA/WIOA Dislocated Worker Formula Grants-WSI: DWP Program Hillsboro	17.278	21-11200/2	180,752
Total Passed through Worksystems, Inc.			453,437

[1] PCC had a total of \$44,442,346 expenditures for Federal Financial Assistance Listing Number 84.425.

See notes to schedule of expenditures of federal awards

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

FEDERAL AWARDS BY FEDERAL AGENCY	Federal Assistance Listing Number	Pass Through Number	Total Expenditures
Passed through Oregon Higher Education Coordinating Commission			
Women's Bureau - Fostering Access, Rights, and Equity - Hillsboro	17.700	21-11200/2	<u>61,394</u>
Total Passed through Oregon Higher Education Coordinating Commission			<u>61,394</u>
TOTAL U.S. DEPARTMENT OF LABOR			<u>1,014,703</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through TriMet			
Federal Transit Formula Grants	20.507	936290	<u>17,815</u>
Total Passed through TriMet			<u>17,815</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>17,815</u>
U.S. DEPARTMENT OF THE TREASURY			
Passed through The City of Portland			
Covid 19 -Coronavirus State and Local Fiscal Recovery Funds - ARPA City of Portland Right to Counsel	21.027	30007952	<u>77,138</u>
Total Passed through The City of Portland			<u>77,138</u>
Passed through Oregon Department of Administrative Services			
Covid 19 -Coronavirus State and Local Fiscal Recovery Funds - ARPA Fire Protection	21.027	8084	<u>31,320</u>
Total Passed through Oregon Department of Administrative Services			<u>31,320</u>
TOTAL U.S. DEPARTMENT OF THE TREASURY			<u>108,458</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION:			
Passed through Oregon State Univeristy			
OSGC OSU/NASA -MEE	43.008	80NSSC20M0035	<u>14,845</u>
Total Passed through Oregon State University			<u>14,845</u>
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			<u>14,845</u>
NATIONAL SCIENCE FOUNDATION:			
Direct Programs:			
Education and Human Resources - NSF RETA	47.076	N/A	151,176
Education and Human Resources - Mentoring in Manufacturing Technology	47.076	N/A	71,545
Education and Human Resources - NSF ATE eGIST	47.076	N/A	218,654
Education and Human Resources - S-STEM SE Campus	47.076	N/A	241,822
Education and Human Resources - NSF IUSE	47.076	N/A	<u>49,750</u>
Total Direct Programs			<u>732,947</u>

See notes to schedule of expenditures of federal awards

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

FEDERAL AWARDS BY FEDERAL AGENCY	Federal Assistance Listing Number	Pass Through Number	Total Expenditures
Passed through Pasadena City College			
Education and Human Resources - NSF ATE MNT-EC	47.076	B210055	116,211
Total Passed through Pasadena City College			116,211
TOTAL NATIONAL SCIENCE FOUNDATION			849,158
NATIONAL SECURITY AGENCY			
Passed through Towson University			
Department of Defense - NSA CyberSecurity Core Curriculum	12.905	H98230-21-1--0175	7,822
Total Passed through Towson University			7,822
TOTAL NATIONAL SECURITY AGENCY			7,822
SMALL BUSINESS ADMINISTRATION:			
Passed through Lane Community College:			
Small Business Development Center - SBDC	59.037	SBAHQ-21-B-0062	33,000
Small Business Development Center - SBDC SBA Center#20	59.037	SBAHQ-21-B-0062	38,821
COVID-19 - Small Business Development Center - SBDC	59.037	SBAHQ-20-C-0074-152	84,053
Total Passed through Lane Community College			155,874
TOTAL SMALL BUSINESS ADMINISTRATION			155,874
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Worksystems, Inc.			
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	20-10106	39,933
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	20-10106	18,294
Affordable Care Act (ACA) Health Profession Opportunity Grants	93.093	20-10206	27,211
Total Passed through Worksystems, Inc.			85,438
Passed through Portland State University			
Trans-NIH Research Support - Exito	93.310	2RL5GM118963-06	69,072
Total Passed through Portland State University			69,072
Passed through Oregon Department of Human Services			
Youth WEX - Hillsboro	93.558	21-11220	124,998
Total Passed through Oregon Department of Human Services			124,998
Passed through Oregon Health Sciences University:			
Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants	93.924	5H65HA00006-21-00	3,025
Total Passed through Oregon Health Sciences University			3,025
TOTAL U.S.DEPARTMENT OF HEALTH AND HUMAN SERVICES			282,533
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 115,435,531

See notes to schedule of expenditures of federal awards

PORTLAND COMMUNITY COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

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, 2022. The information is presented in accordance with 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, except for subrecipient expenditures, which are recorded on the cash basis. 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, 2022 consists of:

	Assistance Listing Number	Loans Receivable
Gross loans receivable at June 30, 2022 including the institutional match, totaled:		
Federal Perkins Loan Program	84.038	\$ 471,723
Federal Nursing Student Loans	93.364	1,116,085
		<u>\$ 1,587,808</u>

Note D - LOANS DISBURSED

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 2022 the College had excess liquid capital and returned it to the Department.

	Assistance Listing Number	New Loans
Federal Family Education Loans:		
Federal Perkins Loan Program	84.038	\$ 274,419
		<u>\$ 274,419</u>

Note E - SUBRECIPIENTS

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

Description	Assistance Listing Number	Expenditures
OIT - Education and Human Resources - NSF RETA	47.076	\$ 151,176
Madden - OED:AIM	17.268	2,221
Portland State University - S-STEM SE	47.076	241,822
Oregon Coast Community College - Covid 19 -Education Stabilization Fund - Student Aid	84.425E	301,480
Oregon Coast Community College - Covid 19 -Education Stabilization Fund - Title III SIP	84.425M	38,166
Oregon Coast Community College - Covid 19 -Education Stabilization Fund - Institutional	84.425F	280,801
		<u>\$ 1,015,666</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:

<u>Name of Federal Program</u>	<u>Financial Assistance Number</u>
U. S. Department of Education Direct Programs	
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 - HECC GEER TIE GEER II	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?	Yes
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Section II – Financial Statement Findings

No findings reported.

Section III – Federal Award Findings and Questioned Costs

No findings reported.

