



# Portland Community College Comprehensive Annual Financial Report

For the year ended June 30, 2016  
Portland, Oregon





**Portland  
Community  
College**

# PORTLAND COMMUNITY COLLEGE

PORTLAND, OREGON

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2016

Mark Mitsui  
College President

Sylvia Kelley  
Executive Vice President

Jim Langstraat, MBA  
Vice President of Finance and Administrative Services

Eric Blumenthal, MBA  
Associate Vice President of Finance

James H. Crofts, CPA  
Accounting Services Manager

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# PORTLAND COMMUNITY COLLEGE

12000 Southwest 49th Avenue  
Portland, OR 97219

For the year ended June 30, 2016

<u>ZONE</u>	<u>BOARD OF DIRECTORS</u>	<u>TERM EXPIRES</u>
1	Denise Frisbee	June 30, 2017
2	Kali Thorne Ladd	June 30, 2019
3	Michael Sonnleitner	June 30, 2019
4	Jim Harper	June 30, 2017
5	Ken Madden	June 30, 2017
6	Gene Pitts, Vice Chair	June 30, 2017
7	Deanna Palm, Chair	June 30, 2019

## ADMINISTRATION

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

# PORTLAND COMMUNITY COLLEGE

## PORTLAND, OREGON

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# PORTLAND COMMUNITY COLLEGE PORTLAND, OREGON

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# PORTLAND COMMUNITY COLLEGE

## PORTLAND, OREGON

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INTRODUCTORY  
SECTION





November 14, 2016

Board of Directors  
Portland Community College  
Portland, Oregon

## **INTRODUCTION**

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of Portland Community College ("College") for the fiscal year ended June 30, 2016 together with the audit opinion thereon of our auditors as required by Oregon State Laws. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the College. We believe the financial statements and related information are stated fairly in all material aspects in reflecting the financial position and results of operations of the College.

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

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

### ***Independent Audits***

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

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

### ***Management Discussion and Analysis***

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

## ***The College***

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

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

The Oregon State Board of Education establishes state standards for educational programs and facilities, approves courses of study, and adopts regulations for Oregon's community college system. Additionally, the Director of the Office of Community Colleges and Workforce Development serves as administrative officer for the state of Oregon in community college matters under direction from the Higher Education Coordinating Commission (HECC).

*Mission, Vision and Values.* The College's mission, as adopted by the Board of Directors, is to support student success by delivering access to quality education while advancing economic development and promoting sustainability in a collaborative culture of diversity, equity, and inclusion. The vision of the College is building futures for our students and communities.

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

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

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

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

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

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

**Student Success:** Outstanding teaching, student development programs and support services will provide the foundation for student skill development, degree completion and university transfer.

**Economic, Workforce, and Community Development:** Training provided to individuals, community and business partners will be aligned and coordinated with local economic, educational and workforce needs.

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

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

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

*The Cascade Campus* is located in the heart of the revitalized North Portland area and serves nearly 18,200 students representing over 5,200 FTE each year in a diverse, lively and close-knit neighborhood. The campus offers a full array of educational offerings, including the first two years of courses leading to a bachelor's degree and a variety of opportunities for degrees and certificates in career technical programs.

*The Rock Creek Campus* sits about 12 miles west of downtown Portland in the rapidly growing Beaverton-Hillsboro area of Washington County. The 260-acre campus provides a beautiful setting for college transfer and career and technical programs and annually serves nearly 22,300 students or 7,250 FTE. The campus provides a model for successful partnerships with area high schools. The campus also provides classes at other locations. A smaller center located in Hillsboro provides community education programs and selected credit courses. The center is designed to meet the needs for computer education, customized training courses and English as a Second Language program.

*The Sylvania Campus* is located in suburban southwest Portland surrounded by Lake Oswego, Tigard and Portland. It is the largest and oldest campus, serving over 25,700 students or 9,500 FTE this fiscal year. Sylvania has many unique features and specialized programs. Sylvania is home for the College's nursing and dental programs, which have national reputations for excellence. Sylvania also provides college transfer and career technical programs as well as developmental education courses.

*The Southeast Campus* is PCC's newest campus, serving roughly 12,600 students or 3,250 FTE. Thanks to the bond measure passed by voters in 2008, the Southeast Campus has more than doubled its size from 94,000 to 200,000 square feet and expanded its class offerings, allowing students to complete an associate or transfer degree without traveling to another campus.

PCC also operates eight centers, serving 25,100 students or 1,400 FTE. The Swan Island Trades Center, the most recent addition, offers Career Technical Education (CTE) credit programs and noncredit Workforce Development opportunities to more than 65 industry partners. The Willow Creek Center located in Hillsboro houses a workforce development facility serving numerous social agencies. The PCC CLIMB (Continuous

Learning for Individuals, Management & Business) Center is located on the industrial east side of Portland and offers professional development, a small business development center, and non-credit professional training in the health professions. The recently renovated Downtown Center serves as an administrative hub for human resources, financial and enrollment services, institutional effectiveness, and the grants office. Other PCC centers include the Portland Metropolitan Workforce Training Center in Northeast Portland, Hillsboro Center in Hillsboro and Newberg Center in Newberg.

### ***Budget***

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

The College manages its budget based on reasonable projections of future funding and enrollment. This enables the College to continue to meet its student-centered mission. An internal Budget and Planning Advisory Committee ("BPAC") serves as part of the College's budget development process with committee membership including students, faculty, academic professionals, classified staff, managers and the President's Cabinet. Additional detail regarding next year's budget and economic factors is available in Management's Discussion and Analysis in the Financial Section of this report.

### ***Local Economy***

The Portland metropolitan area's seasonally adjusted unemployment rate as of June 2016 was 5.0%, down from 5.4% one year ago. In the past year, the area has added 55,000 jobs for a growth rate of 4.7%.

Also signaling a strengthening economy, the latest estimates released by the Census Bureau show the Portland region nearing 2.4 million residents as of July 1, 2015. More than half the region's new residents – about 21,000 people – moved here from other parts of the country, the 13th largest domestic migration number among US metro areas. Another 6,400 people moved from abroad to the region.

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

The September 2016 Oregon Economic and Revenue Forecast is projecting revenue growth in the current biennium State General Fund of 11.9% or \$1.9 billion relative to the 2013-2015 biennium. For the 2017-19 biennium, the growth in revenue is forecasted to grow 8.6%, before offsets and transfers, relative to the 2015-2017 biennium. Further out, the 2019-2021 biennium is forecast to grow an additional 9.7%. Future challenges for PCC will include a modest decline in enrollment as the economy improves, a rate increase for required PERS contributions, and the potential for future state funding to be linked to outcomes through the developing achievement compact initiatives implemented by the governor and legislature.

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

During the 2015-16 fiscal year, the college completed a substantial new energy-efficient academic building on the Rock Creek Campus, along with seismic and structural improvements at each campus.

Work remains, including creating a presence for PCC in Columbia County, where the college is currently assessing site and program assessments, and building structural improvements and energy upgrades continue at each campus location.

### **Accreditation**

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

### **Awards**

The Government Finance Officers Association of the United States of America and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Portland Community College for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. The College has achieved this prestigious award since 1992. In order to be awarded a Certificate of Achievement, the College must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the College also received the GFOA's Distinguished Budget Presentation Award for its budget document for the biennial period beginning July 1, 2015. The College has earned this award since 2001. In order to qualify for the Distinguished Budget Presentation Award, Portland Community College's budget document was judged to be proficient in several categories that include its use as a policy document, a financial plan, an operations guide, and a communications device.

### **Acknowledgements**

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

Respectfully submitted,



Jim Langstraat  
Vice President of Finance and Administrative Services



James Crofts  
Accounting Services Manager







Government Finance Officers Association

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

Presented to

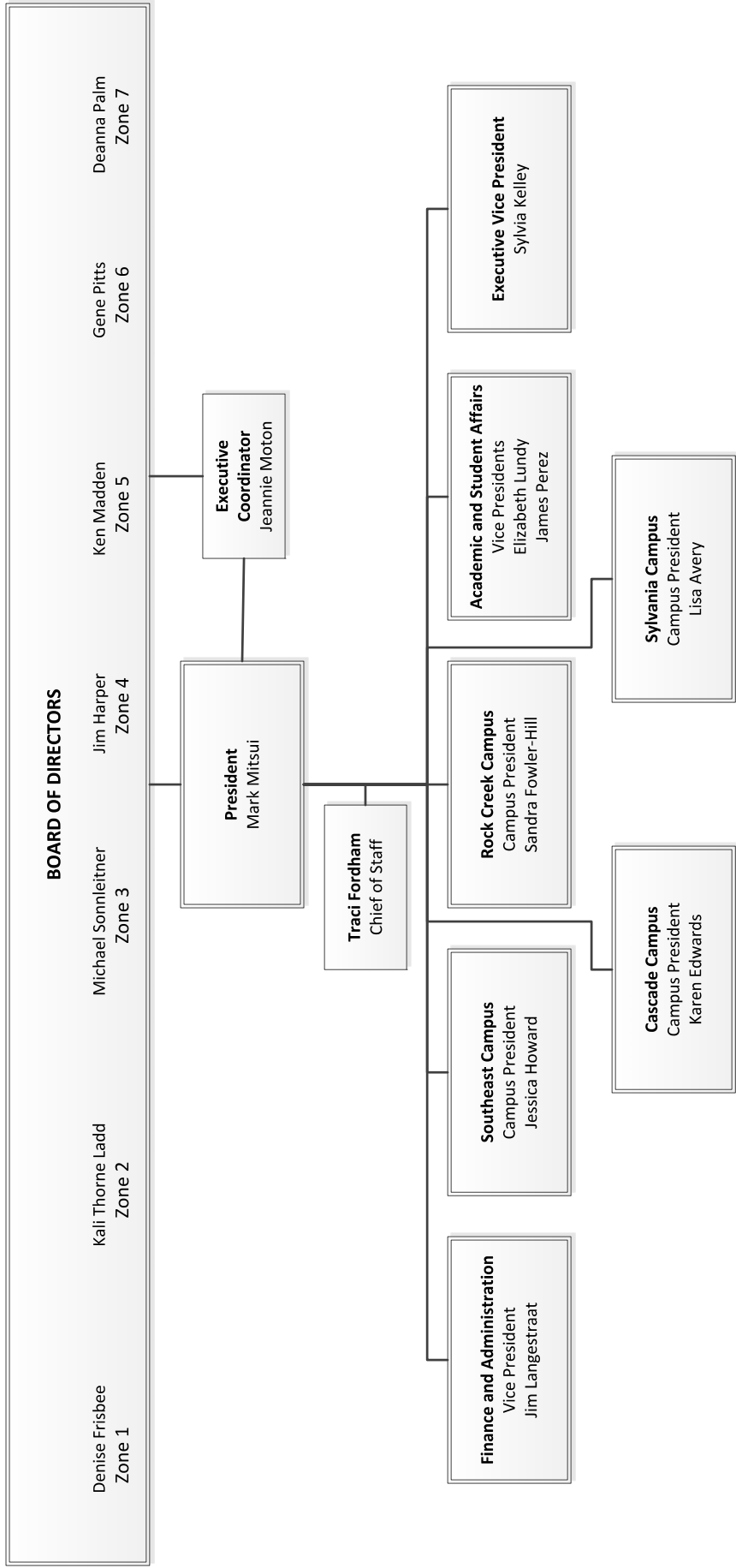
**Portland Community College  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

# PORTLAND COMMUNITY COLLEGE 2016-2017



FINANCIAL  
SECTION



KENNETH KUHN & CO.  
CERTIFIED PUBLIC ACCOUNTANTS  
570 LIBERTY STREET S.E., SUITE 210  
SALEM OREGON 97301-3594  
TELEPHONE (503) 585-2550

## INDEPENDENT AUDITOR'S REPORT

November 8, 2016

Board of Directors  
Portland Community College  
Portland, Oregon

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

We have audited the accompanying financial statements of Portland Community College as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Portland Community College's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Portland Community College as of June 30, 2016, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 10 to the basic financial statements under the caption “Plan Changes Reflected in 2015-16 Financial Statements,” an Oregon Supreme Court decision modified COLA-related benefits for certain members participating in the Oregon Public Employees Retirement System (PERS) Pension Plan. This change in projected benefits is reflected in the College’s net pension liability at June 30, 2016 and resulted in an additional \$68.7 million of operating expenses in the College’s statement of revenues, expenses, and changes in net position. Our opinion is not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that management’s discussion and analysis on pages 4 through 11 and the required supplementary information on pages 43 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Portland Community College’s basic financial statements. The other supplementary information listed in the table of contents, introductory section, statistical section, and schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

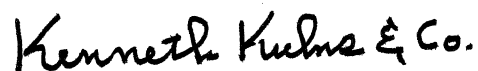
## **Reports on Other Legal and Regulatory Requirements**

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2016 on our consideration of Portland Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Portland Community College's internal control over financial reporting and compliance.

### ***Other Reporting Required by Oregon State Regulations***

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated November 8, 2016 on our consideration of Portland Community College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance.



Kenneth Kuhns & Co.





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

This section of Portland Community College's (the College) Comprehensive Annual Financial Report (CAFR) presents an analysis of the financial activities of the College for the fiscal years ended June 30, 2016 and 2015. This discussion has been prepared by management along with the financial statements and related footnote disclosures and should be read in conjunction with them. Management assumes full responsibility for the completeness and reliability of all the information presented in this report. This discussion is designed to focus on current activities and known facts, and any resulting changes.

### **FINANCIAL HIGHLIGHTS**

The significant events of fiscal year ended June 30, 2016 that impacted the College are as follows:

- Full-time equivalent students (FTE) decreased from 30,210 in 2015 to 28,068 in 2016. The total headcount of students decreased from 85,295 in 2015 to 78,803 in 2016. More information about enrollment is available in the Statistical Section of this CAFR.
- FTE reimbursement from the State of Oregon increased from \$53.7 million to \$102.8 million. Due to the payment method used by the Oregon Legislature and the difference in budgetary reporting under the Oregon Statutes and financial reporting under GAAP, the College reports five quarters of reimbursement the first year of the biennium and three quarters of reimbursement the last year. This fiscal year ending June 30, 2016 is the first year of the biennium.
- Capital assets, net of depreciation, increased from \$534.0 million in 2015 to \$575.2 million in 2016 due primarily to multiple large projects in process and completed during the fiscal year. These capital additions are made possible by a \$374 million bond measure approved by voters in 2008.
- The College has decreased its net position from \$226.5 million in 2015 to \$187.8 million in 2016. Significant activities contributing to the decrease to net position include \$115.2 million increase in educational and general expenses (\$75.4 million of the expenses relates to GASB Statement No. 68) and \$20.3 million decrease in Federal Financial Aid and Property Taxes revenue combined, offset by a \$49.1 million increase in FTE reimbursement.

### **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.

**Portland Community College**  
**Fiscal year ended June 30, 2016**

**Analysis of Net Position**

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

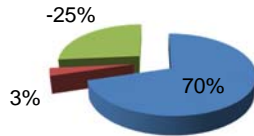
**Net Position (in millions)**

	2016	2015 Restated	Increase (decrease) 2016-15
<b>Assets</b>			
Current assets	\$ 199.2	\$ 195.5	\$ 3.7
Capital assets, net of depreciation	575.2	534.0	41.2
Other noncurrent assets	7.8	123.4	(115.6)
Deferred outflows	12.9	8.8	4.1
Total assets and deferred outflows	<u>\$ 795.1</u>	<u>\$ 861.7</u>	<u>\$ (66.6)</u>
<b>Liabilities</b>			
Current liabilities	\$ 76.1	\$ 78.5	\$ (2.4)
Noncurrent liabilities	502.9	493.9	9.0
Total liabilities	<u>579.0</u>	<u>572.4</u>	<u>6.6</u>
Deferred Inflows	28.3	62.8	(34.5)
<b>Net position</b>			
Net investment in capital assets	281.0	259.8	21.2
Net position: restricted	12.6	16.5	(3.9)
Net position: unrestricted	(105.8)	(49.8)	(56.0)
Total net position	<u>187.8</u>	<u>226.5</u>	<u>(38.7)</u>
Total liabilities and net position	<u>\$ 795.1</u>	<u>\$ 861.7</u>	<u>\$ (66.6)</u>

**Portland Community College  
Fiscal year ended June 30, 2016**

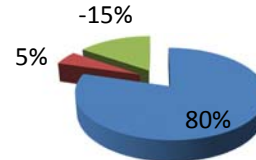
**2016 Net position - \$187.8 million**

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



**2015 Net position - \$226.5 million**

- Net investment in capital assets \$259.8
- Restricted \$16.5
- Unrestricted \$(49.8)



**Fiscal year 2016 compared to 2015.** Net Position decreased \$38.7 million from \$226.5 million in 2015 to \$187.8 million in 2016. Current assets of \$199.2 million are more than sufficient to cover current liabilities of \$76.1 million. This represents a current ratio of 2.6. The College's current liabilities consist primarily of payroll, accounts payable, compensated absences and the current portion of long-term debt. Currently, \$281.0 million is the net investment in capital assets and represents an increase of \$21.2 million from the prior year. The College uses capital assets to provide services to students; consequently, these assets are not available for future spending. Although the College's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Other noncurrent assets decreased \$115.6 million due to \$44.5 million in long-term investments maturing to cash or reclassified to short-term investments and a shift from \$71.1 million in net pension asset in 2015 to a \$47.1 million net pension liability in 2016. Unrestricted net position decreased \$56.0 million in 2016, \$75.4 million of which relates to expense under GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*.

**Analysis of Changes in Net Position**

The Statement of Revenues, Expenses and Changes in Net Position (page 13) present the revenues earned and the expenses incurred during the year. All changes in net position are reported under the accrual basis of accounting, or as soon as the underlying event giving rise to the change occurs, regardless of the timing of when the cash is received or disbursed. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The utilization of long-lived assets is reflected in the financial statement as depreciation, which amortizes the cost of the capital asset over the expected useful life of the asset. Revenues and expenses are reported as either operating or non-operating, with operating revenues primarily coming from tuition and fees, auxiliary services and federal contracts. State appropriations, property taxes and student financial aid, both federal and state, are classified as the primary non-operating revenues. Because of the College's dependency on state aid and property tax revenue, this statement presents an operating loss, while the non-operating revenues significantly offset the operating loss on overall net position. Operating expenses are materially affected by GASB Statement No. 68.

**Portland Community College**  
**Fiscal year ended June 30, 2016**

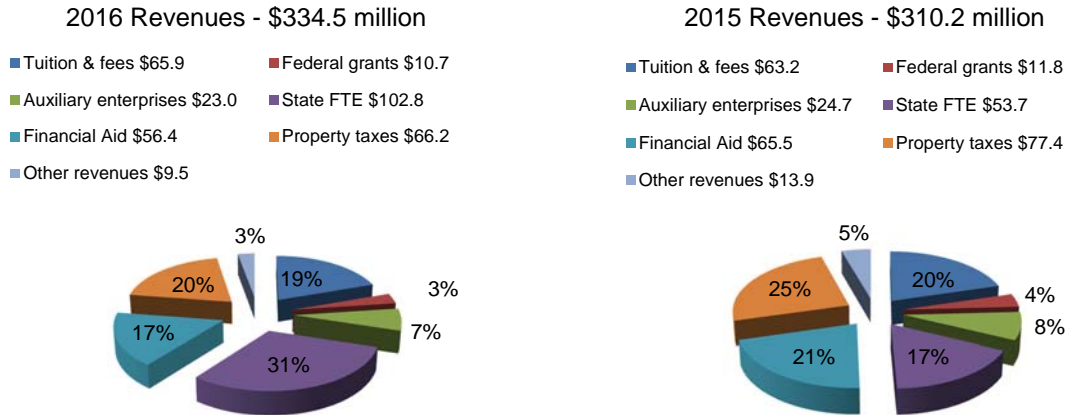
**Changes in Net Position (In Millions)**

	2016	2015 Restated	Increase (decrease) 2016-15
<b>Operating revenues</b>			
Student tuition and fees	\$ 65.9	\$ 63.2	\$ 2.7
Federal contracted programs	10.7	11.8	(1.1)
Auxiliary enterprises and other	23.0	24.7	(1.7)
Total operating revenues	<u>99.6</u>	<u>99.7</u>	<u>(0.1)</u>
<b>Nonoperating revenues</b>			
State FTE reimbursement	102.8	53.7	49.1
Property taxes	66.2	77.4	(11.2)
Federal financial aid	56.4	65.5	(9.1)
Other nonoperating revenues	9.5	13.9	(4.4)
Total nonoperating revenues	<u>234.9</u>	<u>210.5</u>	<u>24.4</u>
Total revenues	<u>334.5</u>	<u>310.2</u>	<u>24.3</u>
<b>Operating expenses</b>			
Educational and general	169.7	100.9	68.8
Administrative services and physical plant	108.0	61.6	46.4
Grants and contracted programs	21.3	23.9	(2.6)
Auxiliary enterprises	20.8	23.2	(2.4)
Depreciation	8.2	8.0	0.2
Other support services	23.6	23.6	-
Total operating expenses	<u>351.6</u>	<u>241.2</u>	<u>110.4</u>
<b>Nonoperating expenses</b>			
Other nonoperating expenses	<u>21.6</u>	<u>23.6</u>	<u>(2.0)</u>
Total expenses	<u>373.2</u>	<u>264.8</u>	<u>108.4</u>
Increase (decrease) in net position	(38.7)	45.4	(84.1)
Net position, beginning of year restated	226.5	351.5	(125.0)
Prior period adjustment	-	(170.4)	170.4
Net position, end of year	<u>\$ 187.8</u>	<u>\$ 226.5</u>	<u>\$ (38.7)</u>

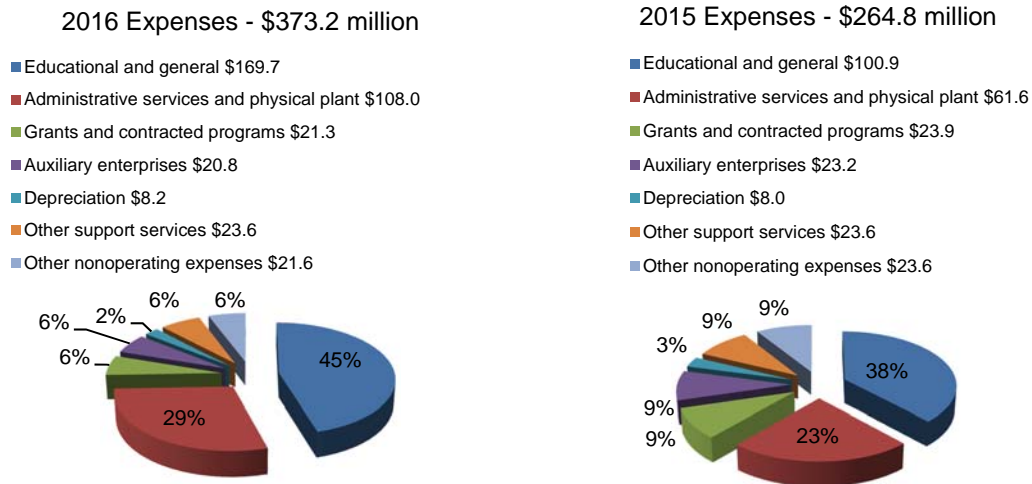
**Portland Community College  
Fiscal year ended June 30, 2016**

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 2016 and 2015:



The following graphics show the allocation of total expenses for fiscal years 2016 and 2015:



**Fiscal year 2016 compared to 2015.** The most significant source of operating revenues is tuition and fees, followed by auxiliary services and federal grants. Operating revenues remained relatively consistent with fiscal year 2015.

The largest non-operating revenue source is state FTE reimbursements, followed by property taxes and federal financial aid. The substantial increase in FTE reimbursement is due to the recognition of five quarters of FTE in 2016 compared to three quarters in fiscal year 2015. Property taxes and federal financial aid revenue combined decreased by \$20.3 million in fiscal year 2016.

**Portland Community College**  
**Fiscal year ended June 30, 2016**

Operating expenses increased significantly by \$110.4 million overall. Educational and general expense is the largest single line item, followed by administrative services and physical plant. Together they increased operating expenses by \$115.2 million compared to fiscal year 2015. Pension expense allocated to these two line items under GASB 68 made up \$75.4 million of the increase.

**Analysis of Cash Flows**

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

<b>Cash Flow (in millions)</b>			
	2016	2015 Restated	Increase (decrease) 2016-15
Cash provided by (used in)			
Operating activities	\$ (174.7)	\$ (166.8)	\$ (7.9)
Noncapital financing activities	191.0	155.0	36.0
Capital financing activities	(59.9)	(41.3)	(18.6)
Investing activities	53.9	60.6	(6.7)
Net increase (decrease) in cash	10.3	7.5	2.8
Cash and cash equivalents, beginning of year	58.8	51.3	7.5
Cash and cash equivalents, end of year	\$ 69.1	\$ 58.8	\$ 10.3

**Fiscal year 2016 compared to 2015.** Operating Activities: The College's major sources of cash included in operating activities are student tuition and fees, federal grants and auxiliary enterprises. Major uses of cash were payments made to employees, suppliers and students for financial aid. The College used \$7.9 million more cash in its operating activities in fiscal year 2016 than in fiscal year 2015.

Noncapital Financing Activities: State FTE reimbursements, Student financial aid and property taxes are the primary sources of noncapital financing. Cash provided by noncapital financing activity increased by \$36.0 million. The largest changes from prior year are a \$49.1 million increase in State FTE and a \$9.7 million decrease in federal student financial aid grants. Accounting standards require that these sources of revenue be reported as non-operating even though the College depends on these revenues to continue the current level of operations.

Capital Financing Activities: Cash used by capital financing activities increased by \$18.6 million compared to last fiscal year. The largest changes in cash flow were the decrease of cash provided from property taxes of \$12.8 million, a \$37.9 million decrease in cash used for principal paid on long-term debt and a \$6.0 million increase in cash used for purchases of capital assets.

**Portland Community College  
Fiscal year ended June 30, 2016**

Investing Activities: Total cash provided in investing activities decreased by \$6.7 million compared to fiscal year 2015. The decrease is mostly a net \$6.8 million decrease in cash provided and used from the sales and purchases of investments.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The College's net investment in capital assets as of June 30, 2016, was \$575.2 million. Investment in capital assets includes land, buildings, improvements, machinery and equipment, art and historical treasures, library collections and infrastructure.

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

**Debt Administration.** At the end of the current fiscal year, the College had debt instruments with a total outstanding principal of \$457.9 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 \$2.8 billion, which is significantly higher than the College's outstanding general obligation debt. The College's outstanding general obligation debt of \$456.4 million is roughly 16% of the legal debt limit. Additional information on the College's long-term debt can be found in Note 4 of the Notes to Basic Financial Statements.

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

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

The College experienced unprecedented enrollment growth between 2008 and 2012 due to the economic downturn, but has been experiencing steady enrollment declines since 2013. For the FY2013-15 biennium, the College anticipated that enrollment would continue to decline from the record levels of the FY2011-13 biennium, and planned for modest enrollment reductions. As the economy has strengthened and more students have returned to the workforce, enrollment has declined at a faster pace than anticipated, with an overall decline in full-time equivalent students (FTE) of 5.4% in FY2015 and 7.1% in FY2016. Many other Oregon community colleges are experiencing even higher rates of decline in enrollment, but we believe the build out of new facilities is reaching new markets and student populations, lessening the rate of enrollment decline in the College's service area.

For the FY2015-17 biennium, we estimated an annual average enrollment of approximately 28,000 credit student (FTE) per year of the biennium. However in FY 2016, enrollment declined 7.1% to 26,341 student FTE. For FY 2017, we forecasted a decline of 3% in enrollment. Thus far in FY 2017, the College has experienced a 1.5% decline in enrollment through the first two weeks of Fall Term 2016. The FY 2015-17 biennium budget includes a student tuition fee increase of \$4 per credit hour in the first year and a \$1 per credit hour increase in the second year. The tuition rate for the first year of the biennium period was \$96 per credit hour and is \$97 for the second year of the biennium. The Board remains sensitive to the cost of tuition and strives to keep tuition rates affordable and comparable to those of other Oregon community colleges.

**Portland Community College  
Fiscal year ended June 30, 2016**

After the adoption of the FY2015-17 budget, the Oregon legislature announced a FY2015-17 Biennium funding level of \$550 million for the Community College Support Fund (CCSF) allocation through the formula approved by the Oregon Higher Education Coordinating Council (HECC). This reflects an increase of 6% from the FY2013-15 final funding level of \$519 million. As the approved level of the CCSF was changing until well after the time that the College had to approve and submit an adopted budget, the FY2015-17 budget was built on a CCSF allocation of \$519 million. While the College plans to amend the budget to account for these additional resources, the College prefers to remain conservative in the initial budget planning process. The CCSF allocation has been adjusted downward in past years when Oregon experienced an economic downturn and decline in the level of personal income tax receipts.

In spite of our efforts to budget conservatively, we will need to review our FY2015-17 biennium budget for potential savings based on the dynamics of the Oregon economy and declining enrollment. We have been successful in slowing the rate of spending over the past three years in anticipation of enrollment declines, but efforts must continue in order to maintain the College's financial viability.

Among the key measures enacted by the Oregon legislature in 2014 were changes to the structure of the annual cost-of-living adjustments for participants in the Public Employees Retirement System (PERS). While these changes would have reduced the PERS liability and help the state make additional funds available, the Oregon Supreme Court overturned these legislative actions in the spring of 2015. Due to the timing of the ruling, the rate impact won't be fully implemented until the FY2017-19 biennium. Per the September 30, 2016 PERS rates approved and released by the PERS Board for the FY 2017-19 biennium, the College is projecting a PERS Employer Rate increase of approximately 40% for the College for the biennium.

The September 2016 Oregon Economic and Revenue Forecast indicates the state's general fund revenue outlook remains stable. Oregon's general fund revenues are currently expected to end the biennium within 0.1% of the Close of Session forecast. Oregon's 2015-2017 general fund revenue growth is an increase of \$1.9 billion (11.9%) relative to the 2013-2015 biennium. Growth is anticipated in state general fund revenues of 8.6% for the FY2017-19 biennium and additional growth of 9.7% for the FY2019-21 biennium.

**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, 2016

(In Thousands)

<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 69,143
Short-term investments	110,063
Receivables, net of allowance	
Taxes	2,025
Accounts	3,720
Student accounts	8,584
Federal programs	999
Interest	362
Inventory and prepaid items	4,296
Total current assets	199,192
Noncurrent assets:	
Long-term investments	7,858
Capital assets - non-depreciable	135,377
Capital assets - depreciable	562,442
Less: Accumulated depreciation	(122,589)
Total noncurrent assets	583,088
 DEFERRED OUTFLOWS OF RESOURCES	
Pension related	12,849
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 795,129
 LIABILITIES	
Current liabilities:	
Accounts payable	\$ 6,980
Payroll liabilities	22,044
Accrued interest payable	1,026
Unearned revenue	6,338
Compensated absences	6,612
Other current liabilities	1,783
Short term loan	195
Current portion of long-term debt	31,150
Total current liabilities	76,128
Noncurrent liabilities:	
Noncurrent liabilities	534,066
Less: Current portion of long-term debt	(31,150)
Total noncurrent liabilities	502,916
TOTAL LIABILITIES	579,044
 DEFERRED INFLOWS OF RESOURCES	
Pension related	28,292
 NET POSITION	
Net investment in capital assets	281,059
Net position: restricted	
Student financial aid grants and loans	12,552
Net position: unrestricted	(105,818)
Total net position	187,793
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 795,129

See notes to basic financial statements.

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
Year ended June 30, 2016  
(In Thousands)

<b>OPERATING REVENUES</b>	
Student tuition and fees, net of scholarship allowances	\$ 65,901
Federal contracted programs	10,640
Nongovernment grants and contracts	6,085
Auxiliary enterprises:	
Food services	4,315
Bookstore, net of scholarship allowances	7,585
Parking operation	4,801
Other operating revenues	239
Total operating revenues	<u>99,566</u>
<b>OPERATING EXPENSES</b>	
Educational and general:	
Sylvania Campus	63,059
Rock Creek Campus	44,295
Cascade Campus	35,704
Southeast Campus	17,798
Extended Learning Campus	8,898
President and Governing Board	18,647
Academic and Student Affairs Services	29,902
Administrative Services and Physical Plant	59,485
Other support services:	
Student Activities	2,132
Grants and contracted programs	21,277
Student financial aid, net of tuition and textbooks	18,325
Auxiliary enterprises:	
Food services	4,754
Bookstore	11,869
Parking operation	4,189
Materials, supplies and minor equipment expense	3,113
Depreciation expense	11,212
Amortization of bond premium	(3,010)
Total operating expenses	<u>351,649</u>
Operating income (loss)	<u>(252,083)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Federal financial aid	56,448
State FTE reimbursement	102,767
State and local government grants and contracts	8,196
Property taxes	66,165
Investment income	1,316
Gain on the disposal of capital assets	48
Interest expense	(21,566)
Net nonoperating revenues (expenses)	<u>213,374</u>
Decrease in net position	<u>(38,709)</u>
<b>NET POSITION</b>	
Net position - beginning of the year restated	<u>226,502</u>
Net position - end of the year	<u>\$ 187,793</u>

See notes to basic financial statements.

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

STATEMENT OF CASH FLOWS  
Year ended June 30, 2016  
(In Thousands)

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CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	\$ 67,497
Federal grants and contracts	10,640
Non-government grants and contracts	6,085
Payments to suppliers for goods and services	(55,115)
Payments to employees	(202,935)
Payments for student financial aid and other scholarships	(18,326)
Cash received from customers	17,208
Other cash receipts	<u>239</u>
Net cash used in operating activities	<u>(174,707)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal student financial aid grants	56,847
State and local government grants and contracts	8,196
Cash received from property taxes	31,833
Cash received from State FTE reimbursement	102,767
Interest paid on limited tax pension bonds	(4,551)
Principal paid on limited tax pension bonds	<u>(4,060)</u>
Net cash provided by noncapital financing activities	<u>191,032</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Cash received from property taxes	34,653
Principal paid on long-term debt	(24,495)
Proceeds from sale of capital assets	82
Proceeds from disposition of capital assets	3
Purchase of capital assets	(52,458)
Short term loan	(195)
Interest paid on long-term debt	<u>(17,463)</u>
Net cash used in capital financing activities	<u>(59,873)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	1,488
Purchases of investments	(116,250)
Proceeds from sales of investments	<u>168,676</u>
Net cash provided by investing activities	<u>53,914</u>

See notes to basic financial statements.

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

STATEMENT OF CASH FLOWS (CONTINUED)  
Year ended June 30, 2016  
(In Thousands)

NET INCREASE IN CASH	\$	10,366
Cash and cash equivalents - beginning of the year		58,777
Cash and cash equivalents - end of year	\$	69,143
RECONCILIATION TO AMOUNTS SHOWN ON STATEMENTS OF NET POSITION		
Unrestricted cash and cash equivalents	\$	69,143
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$	(252,083)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense		11,212
Amortization expense		(3,010)
Change in net pension asset/liability		116,738
Change in pension transition liability		(2,890)
Change in OPEB liability		426
Change in deferred outflows of resources		(4,076)
Change in deferred inflows of resources		(34,515)
(Increases) decreases in current assets used in operations:		
Accounts receivable		507
Student accounts receivable		(2,265)
Inventory and prepaid items		(386)
Increases (decreases) in current liabilities used in operations:		
Accounts payable		(448)
Payroll liabilities		1,336
Unearned revenue		3,861
Other current liabilities		(9,704)
Compensated absences		590
Net cash used in operating activities	\$	(174,707)

See notes to basic financial statements.



**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**The College**

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

**Basis of Presentation**

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

**Basis of Accounting**

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

**New Accounting Pronouncements – GASB Statements No. 72 and 73**

The Governmental Accounting Standards Board (GASB) issued Statement No. 72, *Fair Value Measurement and Application*. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and also guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*; These statements were issued to improve the usefulness of accounting and financial reporting of pension information presented in the financial statements.

**Change In Accounting Presentation**

With the application of GASB 73, it was determined by the College that the Early Retirement Incentive Plan (formerly Pension Trust Fund) was not a standalone fund and needs to be combined in the comprehensive statements. Please see Note 10 for the change.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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

**Deferred Outflows of Resources and Deferred Inflows of Resources**

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

**Use of Estimates**

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

**Cash and Cash Equivalents**

Cash and cash equivalents are considered to be cash on hand, demand deposits, the Oregon Local Government Investment Pool (LGIP) and short-term investments with original maturities of three months or less from the date of acquisition. The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. Participants' fair value or market value is the net position divided by participants' account balances. This varies from year to year.

**Investments**

Oregon Revised Statutes authorize investment in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, repurchase agreements, and bankers' acceptances. The College has an investment policy that is more restrictive than the Oregon Revised Statutes. As of June 30, 2016 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, 2016.

**Receivables**

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

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

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

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



**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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

**Inventory**

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

**Capital Assets**

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

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

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

**Compensated Absences**

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

**Long-term Debt**

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

**Net Position**

Net position is the difference between the College's total assets and deferred outflows and total liabilities and deferred inflows. Net position is subdivided into three categories: net investment in capital assets, restricted, and unrestricted.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

---

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

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.

**Operating and Nonoperating Revenues and Expenses**

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

**Pensions**

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

**Other Postemployment Benefits Obligation**

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

**Scholarship Allowances**

Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Accordingly, some types of student financial aid, such as Pell grants and scholarships awarded by the District, are considered to be scholarship allowances. These allowances are netted against tuition and fees revenues in the statement of revenues, expenses and changes in net position. The scholarship allowances for the year ended June 30, 2016 are \$35.1 million.

**Federal Financial Assistance Program**

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

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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**2. CASH AND INVESTMENTS**

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

	<u>Year Ended June 30, 2016</u>
Cash and cash equivalents:	
Cash on hand	\$ 204
Demand deposits	27,541
Cash held by county treasurer	393
Oregon Local Government Investment Pool	<u>41,005</u>
Total cash and cash equivalents basic statements	<u>69,143</u>
Investments:	
Government and agency obligations	81,933
Corporate securities	35,197
Bank obligations	<u>791</u>
Total investments	<u>117,921</u>
Total cash and investments	<u><u>\$ 187,064</u></u>

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

	<u>Year Ended June 30, 2016</u>
Investments categorized by Standard and Poor's rating:	
Government sponsored (Treasury & Federal Agencies), AA+	\$ 81,933
Corporate notes ( A or better)	35,197
Bank obligations (CD, Banker's acceptance, Repurchase agreements)	<u>791</u>
Total investments	<u><u>\$ 117,921</u></u>

**PORTLAND COMMUNITY COLLEGE  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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

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

*Credit Risk:*

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

*Concentration of credit risk:*

In accordance with GASB 40, the College is required to report all non-federal investments in any one issuer which exceed 5% of total invested funds. There are no investments that exceed this threshold as of June 30, 2016.

*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, 2016, investment instruments held by the College (excluding Local Government Investment Pool balances) that matured within a 180 day timeline, measured as a percentage of their respective portfolio, were as follows: Bond investments 56% and all other investments 28.1%. Weighted average maturities of investments in the Local Government Investment Pool at June 30, 2016 were: 72.3% mature within 93 days, 12% mature from 93 days to one year and 15.7% mature from over one year to three years from settlement date.

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

<b>Bond Investments</b>	<b>Standard and Poor's Rating</b>	<b>Maturity Date</b>	<b>Market Value</b>
FFCB Coupon	AA+	02-22-2017	3,002
US Treasury	AA+	04-15-2017	6,520
US Treasury	AA+	05-31-2017	7,006

**PORTLAND COMMUNITY COLLEGE  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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

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

<b>Other Investments</b>	<b>Standard and Poor's Rating</b>	<b>Maturity Date</b>	<b>Market Value</b>
GE Corp. Note	AA+	12-06-2017	1,059
FFCB Coupon	AA+	01-17-2017	2,048
USBK NA	A+	01-30-2017	1,501
USBK NA	A+	01-30-2017	2,501
US Treasury	AA+	01-31-2017	2,539
FHLMC Coupon	AA+	02-22-2017	5,010
Albina Community Bk CD	NR	03-28-2017	100
FHLB Coupon	AA+	04-20-2017	4,004
US Bancorp	A+	05-15-2017	4,018
FHLB Coupon	AA+	05-17-2017	3,372
US Treasury	AA+	05-31-2017	3,003
US Treasury	AA+	05-31-2017	4,004
US Treasury	AA+	05-31-2017	6,005
FHLMC Coupon	AA+	06-01-2017	6,524
FNMA Coupon	AA+	06-01-2017	1,989
Bank of The West CD	NR	06-03-2017	231
FHLB Coupon	AA+	06-09-2017	3,012
GECC Corp. Note	AA+	09-15-2017	529
Umpqua Bank CD	NR	10-20-2017	230
GECC Corp. Note	AA+	11-20-2017	1,008
FHLB Coupon	AA+	12-08-2017	5,032

*Custodial credit risk – deposits:*

In the 2008 legislative session, new regulations were enacted for collateralizing public funds under ORS 295.004. The statute established a shared liability concept to protect public entities and eliminated personal liability of public officials for balances in excess of the collateral certificates. It also reduced over collateralization and defined qualified depository institutions and addressed collateralization of public funds over \$250 thousand. Finally, it specified the types of instruments that are allowed as collateral and required qualified bank depositories to sign a pledge agreement approved by the board of directors or loan committee. Under ORS 295.004, governmental entities can maintain balances with such bank depositories following their investment policies. On June 30, 2016, the College bank balances were \$29.7 million, which includes time CDs and bank accounts. Of these deposits, \$1.5 million on deposit with seven banks were covered by FDIC and the remaining balance was covered by the procedures for collateralizing public funds.

*Custodial credit risk – investments:*

The College has a Board approved investment policy which states that the President shall appoint an Investment Officer who will perform specific investment functions for the College. Should a counter-party fail, there is a risk that the College would not be able to recover the value of its investments that are held by an outside party. To minimize this risk, securities purchased through any of the authorized non-bank broker-dealers are held in a bank investment safekeeping division. Bond investments purchased through broker-dealers other than Wells Fargo Bank are held in the investment safekeeping division of Wells Fargo Bank.

**PORTLAND COMMUNITY COLLEGE  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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

As of June 30, 2016, the College had \$117.9 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.

**3. CAPITAL ASSETS**

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

	Balance June 30, 2015	Increase	Decrease	Balance June 30, 2016
Capital assets not being depreciated:				
Land	\$ 48,062	\$ -	\$ -	\$ 48,062
Art and historical treasure	1,072	304	-	1,376
Construction in progress	103,781	35,376	(53,218)	85,939
<b>Total capital assets not being depreciated</b>	<b>152,915</b>	<b>35,680</b>	<b>(53,218)</b>	<b>135,377</b>
Capital assets being depreciated:				
Land improvements	10,493	-	-	10,493
Building and improvements	431,016	68,313	-	499,329
Equipment and machinery	24,008	659	(271)	24,396
Library collections	1,408	126	(179)	1,355
Leasehold improvements	972	-	-	972
Infrastructure	25,000	897	-	25,897
<b>Total capital assets being depreciated</b>	<b>492,897</b>	<b>69,995</b>	<b>(450)</b>	<b>562,442</b>
Less accumulated depreciation for:				
Land improvements	8,148	538	-	8,686
Building and improvements	82,574	9,014	-	91,588
Equipment and machinery	17,595	1,043	(235)	18,403
Library collections	745	129	(179)	695
Leasehold improvements	864	88	-	952
Infrastructure	1,865	400	-	2,265
<b>Total accumulated depreciation</b>	<b>111,791</b>	<b>11,212</b>	<b>(414)</b>	<b>122,589</b>
<b>Total capital assets being depreciated, net</b>	<b>381,106</b>	<b>58,783</b>	<b>(36)</b>	<b>439,853</b>
<b>Total capital assets, net</b>	<b>\$ 534,021</b>	<b>\$ 94,463</b>	<b>\$ (53,254)</b>	<b>\$ 575,230</b>

As of June 30, 2016, a major addition to a Rock Creek campus building was completed, along with upgrades at several buildings at the Sylvania campus.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

**4. LONG-TERM LIABILITIES**

Transactions for the fiscal year ended June 30, 2016 are as follows (in thousands):

	<u>Original Amount</u>	<u>Outstanding July 1, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Outstanding June 30, 2016</u>	<u>Due Within One Year</u>
2015 General obligation refunding bonds, interest 5.00%, Maturity June 15, 2018	\$ 34,945	\$ 34,945	\$ -	\$ (10,390)	\$ 24,555	\$ 11,750
2013 General obligation bonds, interest ranges from 3.00% - 5.00%, Maturity June 15, 2033	177,495	164,550	-	(5,935)	158,615	6,235
2009 General obligation bonds, interest 5.00%, Maturity June 15, 2029	200,000	160,095	-	(8,170)	151,925	8,575
2003 Limited tax pension bonds, interest ranges from 1.07% - 4.81%, Maturity June 1, 2027	119,995	95,820	-	(4,060)	91,760	4,590
Premium on General obligation bonds	38,302	34,046	-	(3,009)	31,037	-
Transition liability - pre SLGRP	-	24,660	-	(2,891)	21,769	-
Net pension liability	-	1,488	45,639	-	47,127	-
OPEB liability	-	6,852	426	-	7,278	-
	<u>\$ 570,737</u>	<u>\$ 522,456</u>	<u>\$ 46,065</u>	<u>\$ (34,455)</u>	<u>\$ 534,066</u>	<u>\$ 31,150</u>

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

Fiscal Year Ending June 30,	Total	
	Principal	Interest
2017	\$ 31,150	\$ 20,240
2018	33,520	18,720
2019	22,140	17,054
2020	23,650	15,958
2021	25,255	14,788
2022-2026	153,905	53,457
2027-2031	112,125	16,327
2032-2033	25,110	1,422
	<u>\$ 426,855</u>	<u>\$ 157,966</u>

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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

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

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

In March 2009, the College issued General Obligation Bonds, Series 2009 in the amount of \$200 million. In March 2013, the College issued General Obligation Bonds, Series 2013 in the amount of \$177.5 million. The proceeds of the bonds are being used to expand, modernize, and construct facilities for additional students and programs; upgrade technology and to pay for the costs of issuing the Bonds. In March 2015, the College issued General Obligation Refunding Bonds, Series 2015 in the amount of \$34.9 million. The proceeds from the bonds were used to redeem the General Obligation Advance Refunding Bonds, Series 2005.

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, 2016, the College had no arbitrage rebate liabilities.

**5. OPERATING LEASES**

**Minimum Lease Payments**

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ 877
2018	378
2019	197
2020	173
2021	44
Later years	<u>74</u>
Total	<u>\$ 1,743</u>

The expense for operating leases for the year ended June 30, 2016 was \$0.9 million.

**Solar Power Agreement**

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



**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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**6. SHORT TERM DEBT**

On January 1, 2015, the College entered into an agreement with Presidio Technology Capital LLC for a short term loan totaling \$390,354 for the purchase of network firewall equipment. The schedule of payments is as follows (in thousands):

Year	Balance June 30,	Increases	Decreases	Balance June 30,
2016	\$ 390	\$ -	\$ (195)	\$ 195
2017	195	-	(195)	-

**7. LONG-TERM LEASE**

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

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

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

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

**9. RISK MANAGEMENT**

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

The College retains the risk of liability claims under \$667 thousand per occurrence. There has been no significant reduction in insurance coverage during the year ended June 30, 2016 and no insurance settlement exceeded insurance coverage for the past three years. Liability insurance generally covers casualty losses in excess of \$667 thousand per occurrence. Self Insured Retention has a limit of \$10 million per occurrence and \$20 million in the aggregate. The College's property insurance total loss limit is \$400 million with a \$25 thousand deductible. Earthquake and flood coverage has a loss limit of \$100 million.

**PORTLAND COMMUNITY COLLEGE  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
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**9. RISK MANAGEMENT (Continued)**

The College maintains a risk management program for workers' compensation and employee liability to pay claims, maintain claims reserves and pay administrative expenses. Liabilities for workers' compensation are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The College has obtained an excess coverage insurance policy to cover workers' compensation claims in excess of \$550 thousand with a loss limit of \$100 million. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are calculated considering the effects of inflation, medical costs, state rules, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. Changes in the balances of claims liabilities are as follows (in thousands):

	Year Ended June 30, 2016	Year Ended June 30, 2015
Unpaid claims, July 1	\$ 323	\$ 234
Incurred claims	514	202
Claim payments	(422)	(113)
Unpaid claims, June 30	\$ 415	\$ 323

**10. PENSION PLANS**

**OREGON PUBLIC RETIREMENT SYSTEM (PERS)**

**Plan Description**

The College contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the College's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program and the Individual Account Program. The Pension Program is defined benefit portion of the plan which applies to qualifying College employees hired after August 29, 2003, benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. The Individual Account Program (IAP) is the defined contribution portion of the plan. Beginning January 1, 2004, all PERS member contributions go into the IAP. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

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

[http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

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

**Benefits provided**

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

**Pension Benefits**

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

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

**Death Benefits**

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

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

**Disability Benefits**

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

**Benefit Changes After Retirement**

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2016 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

**PORTLAND COMMUNITY COLLEGE  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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**10. PENSION PLANS (Continued)**

**B. OPSRP Pension Program (OPSRP DB)**

**Pension Benefits**

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

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

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

**Death Benefits**

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

**Disability Benefits**

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

**Benefit Changes After Retirement**

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2016 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

**C. OPSRP Individual Account Program (OPSRP IAP)**

**Pension Benefits**

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

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

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

**Death Benefits**

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

**Recordkeeping**

PERS contracts with VOYA Financial to maintain IAP participant records.

**Contributions**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2016 to the Tier One/Tier Two and OPSRP plans totaled \$8.9 million, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2016 were 11.23% for Tier One/Tier Two General Service Members and 5.68% for OPSRP Pension Program General Service Members, net of 9.06% of side account rate relief. An additional 6 percent contribution is required for the OPSRP Individual Account Program and totaled \$7.5 million for the year ended June 30, 2016.

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

At June 30, 2016, the College reported net pension liability of \$47.1 million for its proportionate share of PERS net pension liability and the net pension liability for the College's early retirement incentive plan. The net pension liability was determined by an actuarial valuation as of December 31, 2013 rolled forward to June 30, 2015. The College's proportion of the net pension liability was based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities actuarially determined. PERS has established side accounts for employers that made lump sum payments to the plan in excess of their actuarially required contributions. Since different contribution rates are assessed to employers based on the value of the side accounts, the side account values were reflected separately in the proportionate share calculation. On June 30, 2015, the College's proportion was 1.28%. The College's early retirement incentive plan has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 73 as described below:

- a. Contributions from employers and nonemployer contributing entities to the pension plan and earning on those contributions are irrevocable.
- b. Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.

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

- c. Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit plan, plan assets also are legally protected from creditors of the plan members.

For the year ended June 30, 2016, the College recognized pension expense of \$87 million. At June 30, 2016, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in millions):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4.0	\$ -
Net difference between projected and actual earnings on investments	-	15.4
Changes in proportionate share	-	5.1
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	7.8
College's contributions subsequent to the measurement date	8.9	-
Year Ended June 30, 2016	<u>\$ 12.9</u>	<u>\$ 28.3</u>

There are \$8.9 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, 2017. 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 millions):

<u>Year Ending June 30,</u>	<u>Amount</u>
2017	\$ (9.5)
2018	(9.5)
2019	(9.5)
2020	4.8
2021	(0.6)
Total	<u>\$ (24.3)</u>

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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**10. PENSION PLANS (Continued)**

**Actuarial assumptions**

The employer contribution rates effective July 1, 2015 to June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2013 rolled forward to June 30, 2015
Experience Study Report	2012, published September 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	2.75%
Investment Rate of Return	7.75%
Projected Salary Increases	3.75% overall payroll growth
Mortality	Healthy retirees and beneficiaries; PF-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-back as described in the valuation.  Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.  Disabled retirees; Mortality rates are a percentage of the RP-2000 statistic combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

**PORTLAND COMMUNITY COLLEGE  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

**10. PENSION PLANS (Continued)**

**Long-term expected rate of return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00%	3.70%
Intermediate-Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equities	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	1.25%	6.07%
<b>Total</b>	<b>100.00%</b>	
 Assumed Inflation - Mean		 2.75%

**Discount rate**

The discount rate used to measure the total pension liability was 7.75% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.



**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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**10. PENSION PLANS (Continued)**

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

The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
College's proportionate share of the net pension liability (asset)	\$ 149,902,542	\$ 45,769,547	\$ (41,987,211)

**Plan Changes Reflected in 2015-16 Financial Statements**

The Oregon Supreme Court decision in *Moro v. State of Oregon* (issued on April 30, 2015) occurred after the December 31, 2013 valuation date but affected the plan provisions reflected for financial reporting purposes. The Moro decision modified the COLA-related changes of Senate Bills 822 and 861, creating a blended COLA for members who earned service both before and after the effective dates of the legislation. For GASB 68, the benefits valued in the Total Pension Liability must be in accordance with the benefit terms legally in effect as of the relevant fiscal year-end for the System. Due to the timing of the Supreme Court decision, this means the COLA change due to Moro is reflected in the June 30, 2015 Total Pension Liability, but was not reflected in the June 30, 2014 Total Pension Liability. The College's proportionate share of the increase in the Total Pension Liability resulting from the Moro decision, measured as of June 30, 2015 (reflected in 2015-16 financial statements), is approximately \$68.7 million.

**Pension plan fiduciary net position**

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

**Transition Liability**

The College reports a separate liability to the plan with a balance of \$21.8 million at June 30, 2016. The liability represents the College's allocated share of the pre-SLGRP pooled liability. The College is being assessed an employer contribution rate of 1.85% of covered payroll for payment of this transition liability.

**EARLY RETIREMENT INCENTIVE PLAN**

**Plan Description**

The College maintains a single-employer, defined benefit early retirement incentive program for qualifying Faculty, Academic Professionals (AP), and Classified Employees. The Board has authority to set benefit provisions and funding policy for the plan. The management employee portion of this plan was replaced in fiscal year 2000 by a 2.00% employer contributed 403(b) plan. The current actuarial report used by the College is dated September 8, 2016.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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**10. PENSION PLANS (Continued)**

*Retirement eligibility:*

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

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

*Benefit eligibility:*

Faculty and AP employees - retire prior to age 65.

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

*Supplemental early retirement benefits:*

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

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

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

At June 30, 2015, 103 retirees and surviving spouses received benefits and 2,232 current active employees are covered.

*Contributions and Funding*

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

The benefits from this program are fully paid in accordance with the Plan by the College and, consequently, no contributions by employees are required. In accordance with the terms of the plan, benefit payments are recognized when due and payable in the financial statements. There are no administrative costs attributable to the plan and the plan's activities are reported in the financial statements. For the year ended June 30, 2016, changes in the pension liability are as follows (in thousands):

	<u>Total Pension Liability</u>
Beginning of Year, 7/1/2015	\$ 1,488
Benefit Payments	(220)
Service Cost	48
Interest on Total Pension Liability	41
End of Year, 6/30/2016	\$ 1,357

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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**10. PENSION PLANS (Continued)**

*Actuarial valuations:*

The actuarial information is from an actuarial valuation dated June 30, 2015 rolled forward to June 30, 2016.

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 | 3.00% per year  |
| 2. Mortality     | Active employee mortality is assumed to be 85% for males and 55% for females. Disabled retiree mortality rates are based on the RP2000 combined active/healthy annuitant mortality table. Mortality is assumed to be 65% for males or 90% for females of the disabled retiree mortality rates described in the previous sentence. |

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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**10. PENSION PLANS (Continued)**

	<b>Discount Rate Sensitivity</b>		
	1% Decrease	Current Discount Rate	1% Increase
	(2.%)	(3.%)	(4.%)
Total Pension Liability on 6/30/2015	\$ 1,561,906	\$ 1,488,412	\$ 1,417,242

**OTHER RETIREMENT PLAN**

The College contributes to a defined contribution pension plan (403(b) plan) for its management employees with at least one year of service. The College administers the plan and does not publish a stand-alone financial report for the plan. The Board has authority to set benefit provisions and funding policy for the plan. The required contribution amount is 2.00% of covered salary for those who have joined the plan. The expense for the plan for the year ended June 30, 2016 was \$0.3 million.

**11. POSTEMPLOYMENT HEALTHCARE PLAN**

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

The College contributes to the premiums for eligible faculty and academic professional employees and their eligible dependents up to the employer paid maximum at the time of retirement (College Paid-Cap). The maximum monthly employer paid premium contribution at June 30, 2016 is \$1,516 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.

For the fiscal year ended June 30, 2016, the College contributed \$0.4 million in College Paid-Cap payments. The College has elected not to prefund the actuarially determined future cost amount of \$7.3 million.

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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

Current healthcare premiums for plan members were as follows for the year ended June 30, 2016. Employees eligible for the College Paid-Cap pay the difference between the cap and premium. Employees eligible on a self-pay basis pay 100% of the premiums.

<u>Medical Coverages</u>	<u>Employee Only</u>	<u>Employee + Spouse/DP</u>	<u>Employee + Child(ren)</u>	<u>Family</u>
Kaiser Plan 1	\$ 586.08	\$ 1,289.40	\$ 1,113.57	\$ 1,816.87
Kaiser Plan 3	359.49	790.88	683.03	1,114.41
Moda Plan C	586.46	1,290.19	1,114.27	1,818.03
Moda Plan E	509.32	1,120.51	967.73	1,578.94
Moda Plan H	382.18	840.80	726.17	1,184.79
<u>Vision Coverages</u>	<u>Employee Only</u>	<u>Employee + Spouse/DP</u>	<u>Employee + Child(ren)</u>	<u>Family</u>
Kaiser Plan 5	\$ 7.67	\$ 16.86	\$ 14.56	\$ 23.76
Moda Plan 1	12.20	26.88	23.19	37.84
<u>Dental Coverages</u>	<u>Employee Only</u>	<u>Employee + Spouse/DP</u>	<u>Employee + Child(ren)</u>	<u>Family</u>
Kaiser Plan 8 with orthodontia	\$ 66.81	\$ 147.01	\$ 126.96	\$ 207.13
Moda Plan 4 with orthodontia	51.88	102.76	116.45	171.39
Moda Plan 6 without orthodontia	41.69	82.54	83.78	127.98
Willamette Plan 8 with orthodontia	40.14	79.48	84.57	127.11

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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

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

	Year Ended June 30, 2016
Annual Required Contribution	\$ 1,404
Interest on Net OPEB Obligation	205
Adjustment to ARC for Net OPEB Obligation	(444)
Annual OPEB Cost	1,165
Contributions Made	(739)
Increase in Net OPEB obligation	426
Net OPEB Obligation at beginning of year	6,852
Net OPEB Obligation at end of year	\$ 7,278
Interest rate	3.0%

The College's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2016, 2015 and 2014 were as follows (in thousands):

Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 1,613	46.0%	\$ 6,461
2015	1,131	65.5%	6,852
2016	1,165	63.4%	7,278

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

Actuarial Valuation Date July 1,	AVA (1)	AAL (2)	UAAL (3)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
2011	\$ -	\$ 19,033	\$ 19,033	0%	\$ 94,614	20.1%
2013	-	16,064	16,064	0%	104,016	15.4%
2015	-	12,469	12,469	0%	113,655	11.0%

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

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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

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

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

In the June 30, 2015 actuarial valuation, the Entry Age Normal Cost Method (Level Percent of Pay) was used to determine the Actuarial Accrued Liability and the Normal Cost. The actuarial assumptions included a 3.00% investment rate of return (net of administrative expenses), an assumed inflation rate of 2.50%, salaries for employees are assumed to increase 3.75% annually. Moda Medical insurance premium/Health Claim for 2016-2017 healthcare cost trend rate is 8.0%. Annual increases decrease by 0.50% each year until a 5.00% annual trend is reached. Kaiser Medical insurance premium/Health Claim for health care cost trend rate assumed increase is 5.00% in all future years. The UAAL is being amortized as a level percentage of projected payroll on a closed basis over a period of thirty years.

**Retirement Health Insurance Account (RHIA)**

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

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

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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

Participating community colleges are contractually required to contribute to RHIA at a rate assessed each year by PERS, currently 0.53% of annual covered payroll. The PERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The College's contributions to RHIA for the years ended June 30, 2016, 2015 and 2014 were \$615 thousand, \$706 thousand and \$687 thousand, which equaled the required contributions each year.

**12. RELATED ORGANIZATION**

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

Summarized financial information from the Foundation's audited financial statements as of and for the years ended June 30, 2016 is as follows (in thousands):

	<u>Year Ended June 30, 2016</u>
Total assets	\$ 14,275
Total net assets	\$ 13,909
Total support and revenues	\$ 5,043
Total expenses	\$ 3,847

**13. COMMITMENTS AND CONTINGENCIES**

**Construction Commitments**

The College has approximately \$18 million in on-going construction commitments as of June 30, 2016. About three-quarters of this total consists of construction contracts based on guaranteed maximum amounts with the construction manager/general contractors selected for each of the four main campuses. Remaining commitments include consulting contracts for architectural and engineering services, moving services, geotechnical, materials testing, commissioning, surveying and other services. Projects are ongoing at the Sylvania campus, Southeast campus, Cascade campus and Rock Creek campus, and include new classrooms, lab facilities, parking, student services and faculty workspaces to accommodate student enrollment.



**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS  
Year ended June 30, 2016**

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**13. COMMITMENTS AND CONTINGENCIES (Continued)**

**Purchasing Commitments**

In June 2016, the College (borrower) entered into an installment payment agreement with Six Degrees, Inc. (lender) totaling \$2,081,071. The agreement is payable over four years, with annual payments of \$520,268 beginning August, 2016 and ending August, 2019. This agreement represents the purchase of technology equipment, software and support, which is crucial to sustained safekeeping of the College's firewall network.

**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.

**14. RESTATEMENT OF NET POSITION**

Based on implementation of GASB No. 73, the College restated beginning net position. The effect of this adjustment is:

**NET POSITION**

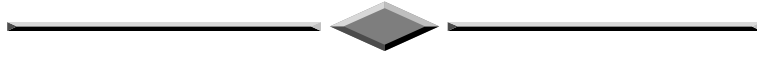
Net position – beginning of the year, as originally reported	\$228,459
Prior period adjustment	<u>1,957</u>
Net position – beginning of the year, as restated	<u><u>\$226,502</u></u>

**15. SUBSEQUENT EVENT**

The College entered into a property sales agreement to sell one of its holdings at Cascade Campus. The sales price is \$400,000. The College originally purchased this property in 2008 for \$610,000 to expand the campus.



# REQUIRED SUPPLEMENTARY INFORMATION



**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**PERS Pension Plan**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

For the last three fiscal years

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

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

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

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**PERS Pension Plan  
SCHEDULE OF CONTRIBUTIONS  
For the last three fiscal years**

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) College's covered payroll	(b/c) Contributions as a percent of covered payroll
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.

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

**PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON**

**Early Retirement Incentive Plan  
SCHEDULE OF CONTRIBUTIONS  
For the last three fiscal years**

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

\*Assumes all actuarial assumptions are exactly realized.

Update procedures were used to roll forward the service cost and total Pension liability to the June 30, 2016

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.

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

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON  
**Notes to Required Supplementary Information**  
**June 30, 2016**

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**PERS Pension Plan**

**Changes in Plan Provisions**

A summary of key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at:

[http://www.oregon.gov/pers/EMP/docs/er\\_general\\_information/opers\\_gasb\\_68\\_disclosure\\_information\\_revised.pdf](http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf)

**Changes of assumptions**

A summary of key changes implemented since the December 31, 2011 valuation are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at:

[http://www.oregon.gov/pers/EMP/docs/er\\_general\\_information/opers\\_gasb\\_68\\_disclosure\\_information\\_revised.pdf](http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf)

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2012 Experience Study for the System, which was published on September 18, 2013, and can be found at:

<http://www.oregon.gov/pers/docs/2012%20Exp%20Study%20Updated.pdf>

**Early Retirement Incentive Plan**

**Changes in Plan or Assumptions**

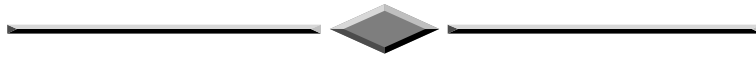
No material changes in the census or plan provision have occurred.

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





# **Other SUPPLEMENTARY INFORMATION**



Individual funds  
and other financial schedules



# Individual Funds

## **General Fund**

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

## **Continuing and Community Education Fund**

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

## **Auxiliary Fund**

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

## **Student Activities Fund**

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

## **Contracts and Grants Fund**

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

## **Student Financial Aid Fund**

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

## **General Obligation Bond Fund**

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

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

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

**Capital Projects Fund**

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

**Capital Construction Fund**

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

**Food Services Fund**

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

**Bookstore Fund**

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

**Parking Operations Fund**

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

**Print Center Fund**

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

**Risk Management Fund**

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

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

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

**Early Retirement Incentive Plan**

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

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
For the year ended June 30, 2016

GENERAL FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
<b>REVENUES:</b>			
From local sources:			
District tax levy:			
Current	\$ 59,004,227	\$ 31,293,409	\$ (27,710,818)
Prior	1,453,482	442,494	(1,010,988)
Total district tax levy	<u>60,457,709</u>	<u>31,735,903</u>	<u>(28,721,806)</u>
Tuition and fees	<u>207,216,559</u>	<u>93,410,167</u>	<u>(113,806,392)</u>
Other sources:			
Interest from investments	714,634	300,831	(413,803)
Miscellaneous local sources	<u>2,743,976</u>	<u>1,587,925</u>	<u>(1,156,051)</u>
Total other sources	<u>3,458,610</u>	<u>1,888,756</u>	<u>(1,569,854)</u>
Total from local sources	<u>271,132,878</u>	<u>127,034,826</u>	<u>(144,098,052)</u>
From state sources:			
FTE reimbursement	173,894,582	84,725,578	(89,169,004)
Other state sources	<u>-</u>	<u>-</u>	<u>-</u>
Total from state sources	<u>173,894,582</u>	<u>84,725,578</u>	<u>(89,169,004)</u>
<b>TOTAL REVENUES, BUDGETARY BASIS</b>	<u>445,027,460</u>	<u>211,760,404</u>	<u>(233,267,056)</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

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

For the year ended June 30, 2016

<u>GENERAL FUND</u>			
	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
<b>EXPENDITURES:</b>			
Campus program areas:			
Sylvania campus	\$ 96,638,591	\$ 46,493,828	\$ 50,144,763
Rock Creek campus	65,278,066	32,792,099	32,485,967
Cascade campus	55,258,684	26,311,594	28,947,090
Southeast campus	24,867,299	13,118,155	11,749,144
Total Campus program areas	<u>242,042,640</u>	<u>118,715,676</u>	<u>123,326,964</u>
Non-campus program areas:			
Office of the President	10,691,310	4,967,037	5,724,273
Office of the Executive Vice President	14,302,153	8,770,717	5,531,436
Administrative Services	110,361,279	50,631,346	59,729,933
Academic & Student Affairs	48,271,117	22,155,761	26,115,356
Total Non-campus program areas	<u>183,625,859</u>	<u>86,524,861</u>	<u>97,100,998</u>
Contingencies	<u>17,112,925</u>	-	<u>17,112,925</u>
<b>TOTAL EXPENDITURES</b>	<u>442,781,424</u>	<u>205,240,537</u>	<u>237,540,887</u>
REVENUES OVER (UNDER) EXPENDITURES, BUDGETARY BASIS	<u>2,246,036</u>	<u>6,519,867</u>	<u>4,273,831</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	6,524,561	2,590,353	(3,934,208)
Transfers out	<u>(8,828,918)</u>	<u>(3,805,327)</u>	<u>5,023,591</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,304,357)</u>	<u>(1,214,974)</u>	<u>1,089,383</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES, BUDGETARY BASIS	(58,321)	5,304,893	5,363,214
Beginning fund balance	<u>17,227,963</u>	<u>17,227,963</u>	-
Ending fund balance - budgetary basis	<u>\$ 17,169,642</u>	<u>\$ 22,532,856</u>	<u>\$ 5,363,214</u>

PORTLAND COMMUNITY COLLEGE  
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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2016

CONTINUING AND COMMUNITY EDUCATION FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Other local sources	\$ 3,081,639	\$ 1,095,681	\$ (1,985,958)
Tuition and fees	11,818,273	4,457,483	(7,360,790)
TOTAL REVENUES	<u>14,899,912</u>	<u>5,553,164</u>	<u>(9,346,748)</u>
EXPENDITURES:			
Sylvania campus	80,000	54,804	25,196
Workforce/Continuing Education	17,467,570	6,490,629	10,976,941
Cascade campus	92,426	10,180	82,246
Contingency	76,445	-	76,445
TOTAL EXPENDITURES	<u>17,716,441</u>	<u>6,555,613</u>	<u>11,160,828</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,816,529)</u>	<u>(1,002,449)</u>	<u>1,814,080</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	2,359,364	1,179,682	(1,179,682)
Transfers (out)	(289,878)	(2,353)	287,525
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,069,486</u>	<u>1,177,329</u>	<u>(892,157)</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(747,043)	174,880	921,923
Beginning fund balance	<u>747,043</u>	<u>747,043</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ -</u>	<u>\$ 921,923</u>	<u>\$ 921,923</u>



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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2016

AUXILIARY FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Facilities usage	\$ 664,840	\$ 502,140	\$ (162,700)
Campus activities	193,848	107,937	(85,911)
Other revenues	-	45,074	45,074
	<u>858,688</u>	<u>655,151</u>	<u>(203,537)</u>
TOTAL REVENUES			
EXPENDITURES:			
Facilities usage	802,638	188,055	614,583
Campus activities	256,224	61,089	195,135
Sustainability	15,000	-	15,000
Contingency	71,657	-	71,657
	<u>1,145,519</u>	<u>249,144</u>	<u>896,375</u>
TOTAL EXPENDITURES			
REVENUES OVER (UNDER) EXPENDITURES	<u>(286,831)</u>	<u>406,007</u>	<u>692,838</u>
OTHER FINANCING SOURCES (USES):			
Transfers:			
Transfers in	1,000	-	(1,000)
Transfers (out)	(39,390)	(31,773)	7,617
	<u>(38,390)</u>	<u>(31,773)</u>	<u>6,617</u>
TOTAL OTHER FINANCING SOURCES (USES)			
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(325,221)	374,234	699,455
Beginning fund balance	<u>650,297</u>	<u>650,297</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ 325,076</u>	<u>\$ 1,024,531</u>	<u>\$ 699,455</u>

PORTLAND COMMUNITY COLLEGE  
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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2016

STUDENT ACTIVITIES FUND

	<u>2015-17 ADJUSTED BUDGET</u>	<u>1st YEAR ACTUAL</u>	<u>VARIANCE FROM BUDGET</u>
REVENUES:			
Interest from investments	\$ 2,500	\$ 2,723	\$ 223
From local sources:			
Student activities fees	3,695,633	1,890,861	(1,804,772)
Other local sources	<u>440,000</u>	<u>129,302</u>	<u>(310,698)</u>
Total from local sources	<u>4,135,633</u>	<u>2,020,163</u>	<u>(2,115,470)</u>
TOTAL REVENUES	<u>4,138,133</u>	<u>2,022,886</u>	<u>(2,115,247)</u>
EXPENDITURES:			
Sylvania campus programs	1,345,613	567,671	777,942
Rock Creek campus programs	1,103,269	466,971	636,298
Cascade campus programs	929,161	405,826	523,335
Extended Learning campus programs	591,032	284,248	306,784
District-wide programs	433,915	192,959	240,956
Contingency	<u>161,237</u>	<u>-</u>	<u>161,237</u>
TOTAL EXPENDITURES	<u>4,564,227</u>	<u>1,917,675</u>	<u>2,646,552</u>
REVENUES OVER (UNDER) EXPENDITURES	(426,094)	105,211	531,305
Beginning fund balance	<u>426,094</u>	<u>426,094</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ -</u>	<u>\$ 531,305</u>	<u>\$ 531,305</u>

PORTLAND COMMUNITY COLLEGE  
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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2016

CONTRACTS AND GRANTS FUND

	<u>2015-17 ADJUSTED BUDGET</u>	<u>1st YEAR ACTUAL</u>	<u>VARIANCE FROM BUDGET</u>
<b>REVENUES:</b>			
Local sources	\$ 13,298,077	\$ 6,084,664	\$ (7,213,413)
State sources	15,104,121	5,807,846	(9,296,275)
Federal sources	<u>35,557,714</u>	<u>10,640,136</u>	<u>(24,917,578)</u>
TOTAL REVENUES	<u>63,959,912</u>	<u>22,532,646</u>	<u>(41,427,266)</u>
<b>EXPENDITURES:</b>			
Local contracts	12,937,393	6,186,225	6,751,168
State grants	13,191,836	5,283,837	7,907,999
Federal grants	<u>32,502,207</u>	<u>9,966,207</u>	<u>22,536,000</u>
TOTAL EXPENDITURES	<u>58,631,436</u>	<u>21,436,269</u>	<u>37,195,167</u>
Contingency	<u>4,015,364</u>	<u>-</u>	<u>4,015,364</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,313,112</u>	<u>1,096,377</u>	<u>(216,735)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	381,056	189,929	(191,127)
Transfers (out)	<u>(3,517,886)</u>	<u>(1,252,068)</u>	<u>2,265,818</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,136,830)</u>	<u>(1,062,139)</u>	<u>2,074,691</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(1,823,718)	34,238	1,857,956
Beginning fund balance	<u>1,823,718</u>	<u>1,823,718</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ -</u>	<u>\$ 1,857,956</u>	<u>\$ 1,857,956</u>

PORTLAND COMMUNITY COLLEGE  
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SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2016

STUDENT FINANCIAL AID FUND

	<u>2015-17 ADJUSTED BUDGET</u>	<u>1st YEAR ACTUAL</u>	<u>VARIANCE FROM BUDGET</u>
<b>REVENUES:</b>			
From local sources:			
Interest from investments	\$ 15,550	\$ 7,208	\$ (8,342)
Private scholarships	2,830,134	8,890	(2,821,244)
Miscellaneous income	-	302	302
Total from local sources	<u>2,845,684</u>	<u>16,400</u>	<u>(2,829,284)</u>
From federal sources	<u>361,095,408</u>	<u>131,888,769</u>	<u>(229,206,639)</u>
TOTAL REVENUES	<u>363,941,092</u>	<u>131,905,169</u>	<u>(232,035,923)</u>
<b>EXPENDITURES:</b>			
College funded programs	810,958	27,509	783,449
Federal programs	364,252,494	132,028,519	232,223,975
Short term student loan program	275,050	8,890	266,160
Contingency	<u>2,500,038</u>	<u>-</u>	<u>2,500,038</u>
TOTAL EXPENDITURES	<u>367,838,540</u>	<u>132,064,918</u>	<u>235,773,622</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,897,448)</u>	<u>(159,749)</u>	<u>3,737,699</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	1,548,066	166,000	(1,382,066)
Transfers (out)	<u>(447,214)</u>	<u>(414,972)</u>	<u>32,242</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,100,852</u>	<u>(248,972)</u>	<u>(1,349,824)</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>(2,796,596)</u>	<u>(408,721)</u>	<u>2,387,875</u>
Beginning fund balance	<u>2,796,596</u>	<u>2,796,596</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ -</u>	<u>\$ 2,387,875</u>	<u>\$ 2,387,875</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2016

GENERAL OBLIGATION (G.O.) BOND FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
<b>REVENUES:</b>			
From local sources:			
Proceeds from tax levies - current year	\$ 78,540,814	\$ 33,997,299	\$ (44,543,515)
Proceeds from tax levies - prior year	1,013,242	656,092	(357,150)
Interest from investments	148,254	160,862	12,608
<b>TOTAL REVENUES</b>	<b>79,702,310</b>	<b>34,814,253</b>	<b>(44,888,057)</b>
<b>EXPENDITURES:</b>			
Principal payments	51,055,000	24,495,000	26,560,000
Interest payments	33,318,150	17,463,162	15,854,988
<b>TOTAL EXPENDITURES</b>	<b>84,373,150</b>	<b>41,958,162</b>	<b>42,414,988</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,670,840)</b>	<b>(7,143,909)</b>	<b>(2,473,069)</b>
<b>REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES</b>	<b>(4,670,840)</b>	<b>(7,143,909)</b>	<b>(2,473,069)</b>
Beginning fund balance	8,604,341	8,604,341	-
<b>Ending fund balance - budgetary basis</b>	<b>\$ 3,933,501</b>	<b>\$ 1,460,432</b>	<b>\$ (2,473,069)</b>

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

For the year ended June 30, 2016

P.E.R.S. DEBT SERVICE FUND

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

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2016

<u>CAPITAL PROJECTS FUND</u>			
	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
<b>REVENUES:</b>			
Interest from investments	\$ 100,000	\$ 40,924	\$ (59,076)
Other revenues	400,000	217,122	(182,878)
<b>TOTAL REVENUES</b>	<b>500,000</b>	<b>258,046</b>	<b>(241,954)</b>
<b>EXPENDITURES:</b>			
Capital outlay	5,563,960	883,850	4,680,110
Contingency	245,306	-	245,306
<b>TOTAL EXPENDITURES</b>	<b>5,809,266</b>	<b>883,850</b>	<b>4,925,416</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(5,309,266)</b>	<b>(625,804)</b>	<b>4,683,462</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	2,000,000	1,000,000	(1,000,000)
Transfers (out)	(2,231,040)	(2,231,040)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(231,040)</b>	<b>(1,231,040)</b>	<b>(1,000,000)</b>
<b>REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES</b>	<b>(5,540,306)</b>	<b>(1,856,844)</b>	<b>3,683,462</b>
Beginning fund balance	7,542,139	7,542,139	-
<b>Ending fund balance - budgetary basis</b>	<b>\$ 2,001,833</b>	<b>\$ 5,685,295</b>	<b>\$ 3,683,462</b>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2016

CAPITAL CONSTRUCTION FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
<b>REVENUES:</b>			
Interest from investments	\$ 220,000	\$ 473,352	\$ 253,352
State sources	8,100,000	-	(8,100,000)
Miscellaneous income	350,000	239,179	(110,821)
<b>TOTAL REVENUES</b>	<b>8,670,000</b>	<b>712,531</b>	<b>(7,957,469)</b>
<b>EXPENDITURES:</b>			
Sylvania campus	21,500,000	9,151,271	12,348,729
Cascade campus	9,500,000	9,627,716	(127,716)
Rock Creek campus	26,000,000	19,716,345	6,283,655
Southeast campus	1,900,000	1,582,622	317,378
District-wide projects	27,619,104	10,603,453	17,015,651
Contingency	36,618,411	-	36,618,411
<b>TOTAL EXPENDITURES</b>	<b>123,137,515</b>	<b>50,681,407</b>	<b>72,456,108</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(114,467,515)</b>	<b>(49,968,876)</b>	<b>64,498,639</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	2,531,040	2,531,040	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,531,040</b>	<b>2,531,040</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES</b>	<b>(111,936,475)</b>	<b>(47,437,836)</b>	<b>64,498,639</b>
Beginning fund balance	119,396,824	119,396,824	-
<b>Ending fund balance - budgetary basis</b>	<b>\$ 7,460,349</b>	<b>\$ 71,958,988</b>	<b>\$ 64,498,639</b>



PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2016

FOOD SERVICES FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Food sales	\$ 12,147,173	\$ 4,314,670	\$ (7,832,503)
TOTAL REVENUES	<u>12,147,173</u>	<u>4,314,670</u>	<u>(7,832,503)</u>
EXPENDITURES:			
Food services operations	14,065,415	4,825,188	9,240,227
Contingency	659,388	-	659,388
TOTAL EXPENDITURES	<u>14,724,803</u>	<u>4,825,188</u>	<u>9,899,615</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,577,630)</u>	<u>(510,518)</u>	<u>2,067,112</u>
OTHER FINANCING SOURCES (USES):			
Interest from investments	4,185	418	(3,767)
Transfers in	2,500,000	1,060,717	(1,439,283)
Transfers (out)	(119,458)	(57,853)	61,605
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,384,727</u>	<u>1,003,282</u>	<u>(1,381,445)</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(192,903)	492,764	685,667
Beginning fund balance	<u>192,903</u>	<u>192,903</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ -</u>	<u>\$ 685,667</u>	<u>\$ 685,667</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2016

<u>BOOKSTORE FUND</u>			
	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Bookstore sales	\$ 24,986,251	\$ 11,924,525	\$ (13,061,726)
Miscellaneous income	261,554	108,689	(152,865)
<b>TOTAL REVENUES</b>	<b>25,247,805</b>	<b>12,033,214</b>	<b>(13,214,591)</b>
EXPENDITURES:			
Bookstore operations	28,712,640	11,924,750	16,787,890
Contingency	2,620,405	-	2,620,405
<b>TOTAL EXPENDITURES</b>	<b>31,333,045</b>	<b>11,924,750</b>	<b>19,408,295</b>
REVENUES OVER (UNDER) EXPENDITURES	(6,085,240)	108,464	6,193,704
OTHER FINANCING SOURCES (USES):			
Transfers (out)	(3,249,587)	(1,418,453)	1,831,134
Interest from investments	182,815	110,428	(72,387)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,066,772)</b>	<b>(1,308,025)</b>	<b>1,758,747</b>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(9,152,012)	(1,199,561)	7,952,451
Beginning fund balance	14,651,832	14,651,832	-
Ending fund balance - budgetary basis	<b>\$ 5,499,820</b>	<b>\$ 13,452,271</b>	<b>\$ 7,952,451</b>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2016

PARKING OPERATIONS FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Parking permits	\$ 4,971,742	\$ 2,759,451	\$ (2,212,291)
Parking fines	596,309	265,467	(330,842)
Other revenue	4,810,649	1,776,483	(3,034,166)
TOTAL REVENUES	<u>10,378,700</u>	<u>4,801,401</u>	<u>(5,577,299)</u>
EXPENDITURES:			
Parking operations	12,657,703	4,234,773	8,422,930
Contingency	1,796,863	-	1,796,863
TOTAL EXPENDITURES	<u>14,454,566</u>	<u>4,234,773</u>	<u>10,219,793</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(4,075,866)</u>	<u>566,628</u>	<u>4,642,494</u>
OTHER FINANCING SOURCES (USES):			
Interest from investments	9,425	30,392	20,967
Transfers in	104,290	52,145	(52,145)
Transfers (out)	(1,096,886)	(704,551)	392,335
TOTAL OTHER FINANCING SOURCES (USES)	<u>(983,171)</u>	<u>(622,014)</u>	<u>361,157</u>
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>(5,059,037)</u>	<u>(55,386)</u>	<u>5,003,651</u>
Beginning fund balance	<u>5,059,037</u>	<u>5,059,037</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ -</u>	<u>\$ 5,003,651</u>	<u>\$ 5,003,651</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2016

PRINT CENTER FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
<b>REVENUES:</b>			
Charges for services-internal	\$ 1,046,158	\$ 519,020	\$ (527,138)
Charges for services-external	54,376	22,015	(32,361)
Copy machine income	973,996	430,818	(543,178)
Miscellaneous income	149,800	-	(149,800)
<b>TOTAL REVENUES</b>	<b>2,224,330</b>	<b>971,853</b>	<b>(1,252,477)</b>
<b>EXPENDITURES:</b>			
Print center operations	2,194,746	916,042	1,278,704
Contingency	58,708	-	58,708
<b>TOTAL EXPENDITURES</b>	<b>2,253,454</b>	<b>916,042</b>	<b>1,337,412</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(29,124)</b>	<b>55,811</b>	<b>84,935</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Interest from investments	-	963	963
Transfers (out)	(88,974)	(44,047)	44,927
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(88,974)</b>	<b>(43,084)</b>	<b>45,890</b>
<b>REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES</b>	<b>(118,098)</b>	<b>12,727</b>	<b>130,825</b>
Beginning fund balance	118,098	118,098	-
Ending fund balance - budgetary basis	<u>\$ -</u>	<u>\$ 130,825</u>	<u>\$ 130,825</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF REVENUES, EXPENSES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended June 30, 2016

<u>RISK MANAGEMENT FUND</u>			
	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
<b>REVENUES:</b>			
Department charges & other revenues	\$ 5,031,870	\$ 2,708,144	\$ (2,323,726)
Insurance reimbursement	48,636	-	(48,636)
<b>TOTAL REVENUES</b>	<b>5,080,506</b>	<b>2,708,144</b>	<b>(2,372,362)</b>
<b>EXPENDITURES:</b>			
Self-insurance & risk administration	5,223,560	3,179,639	2,043,921
Contingency	788,388	-	788,388
<b>TOTAL EXPENDITURES</b>	<b>6,011,948</b>	<b>3,179,639</b>	<b>2,832,309</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(931,442)</b>	<b>(471,495)</b>	<b>459,947</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Interest from investments	129,580	26,083	(103,497)
Transfers in	1,735,142	867,571	(867,571)
Transfers out	(425,288)	-	425,288
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,439,434</b>	<b>893,654</b>	<b>(545,780)</b>
<b>REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES</b>	<b>507,992</b>	<b>422,159</b>	<b>(85,833)</b>
Beginning fund balance	4,093,652	4,093,652	-
<b>Ending fund balance - budgetary basis</b>	<b>\$ 4,601,644</b>	<b>\$ 4,515,811</b>	<b>\$ (85,833)</b>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

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

For the year ended June 30, 2016

P.E.R.S./RESERVE FUND

	2015-17 ADJUSTED BUDGET	1st YEAR ACTUAL	VARIANCE FROM BUDGET
REVENUES:			
Department PERS charges	\$ 17,351,330	\$ 8,298,931	\$ (9,052,399)
TOTAL REVENUES	<u>17,351,330</u>	<u>8,298,931</u>	<u>(9,052,399)</u>
OPERATING EXPENSES:			
Contingency	<u>200,000</u>	<u>-</u>	<u>200,000</u>
TOTAL OPERATING EXPENSES	<u>200,000</u>	<u>-</u>	<u>200,000</u>
OTHER FINANCING SOURCES (USES):			
Transfers (out)	(17,636,450)	(8,636,252)	9,000,198
Interest from investments	<u>320,000</u>	<u>159,595</u>	<u>(160,405)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(17,316,450)</u>	<u>(8,476,657)</u>	<u>8,839,793</u>
REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES)	(165,120)	(177,726)	(12,606)
Beginning fund balance	<u>25,667,888</u>	<u>25,667,888</u>	<u>-</u>
Ending fund balance - budgetary basis	<u>\$ 25,502,768</u>	<u>\$ 25,490,162</u>	<u>\$ (12,606)</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

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

For the year ended June 30, 2016

EARLY RETIREMENT INCENTIVE PLAN

	<u>2015-17 ADJUSTED BUDGET</u>	<u>1st YEAR ACTUAL</u>	<u>VARIANCE FROM BUDGET</u>
ADDITIONS:			
Amount provided by General Fund	\$ 700,000	\$ 350,000	\$ (350,000)
Interest from investments	<u>120,554</u>	<u>10,971</u>	<u>(109,583)</u>
TOTAL ADDITIONS	<u>820,554</u>	<u>360,971</u>	<u>(459,583)</u>
DEDUCTIONS:			
Other post-retirement benefits	1,034,848	570,356	464,492
Contingency	<u>386,125</u>	<u>-</u>	<u>386,125</u>
TOTAL DEDUCTIONS	<u>1,420,973</u>	<u>570,356</u>	<u>850,617</u>
NET ADDITIONS (DEDUCTIONS):	<u>(600,419)</u>	<u>(209,385)</u>	<u>391,034</u>
Beginning fund balance	<u>1,477,195</u>	<u>1,477,195</u>	<u>-</u>
Ending fund balance - budgetary basis	<u><u>\$ 876,776</u></u>	<u><u>\$ 1,267,810</u></u>	<u><u>\$ 391,034</u></u>





## OTHER FINANCIAL SCHEDULES

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS  
June 30, 2016

GENERAL OBLIGATION BONDS

FISCAL YEAR	SERIES 2009, ISSUED 04/01/2009		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
2016-17	\$ 8,575,000	\$ 7,596,250	\$ 16,171,250
2017-18	9,005,000	7,167,500	16,172,500
2018-19	9,455,000	6,717,250	16,172,250
2019-20	9,930,000	6,244,500	16,174,500
2020-21	10,425,000	5,748,000	16,173,000
2021-22	10,945,000	5,226,750	16,171,750
2022-23	11,495,000	4,679,500	16,174,500
2023-24	12,070,000	4,104,750	16,174,750
2024-25	12,675,000	3,501,250	16,176,250
2025-26	13,305,000	2,867,500	16,172,500
2026-27	13,970,000	2,202,250	16,172,250
2027-28	14,670,000	1,503,750	16,173,750
2028-29	15,405,000	770,250	16,175,250
TOTALS	<u>\$ 151,925,000</u>	<u>\$ 58,329,500</u>	<u>\$ 210,254,500</u>

GENERAL OBLIGATION BONDS

FISCAL YEAR	SERIES 2013, ISSUED 03/28/2013		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
2016-17	\$ 6,235,000	\$ 7,030,988	\$ 13,265,988
2017-18	6,545,000	6,719,238	13,264,238
2018-19	6,875,000	6,391,988	13,266,988
2019-20	7,215,000	6,048,238	13,263,238
2020-21	7,580,000	5,687,488	13,267,488
2021-22	7,955,000	5,308,488	13,263,488
2022-23	8,355,000	4,910,738	13,265,738
2023-24	8,770,000	4,492,988	13,262,988
2024-25	9,210,000	4,054,488	13,264,488
2025-26	9,670,000	3,593,988	13,263,988
2026-27	10,155,000	3,110,488	13,265,488
2027-28	10,660,000	2,602,738	13,262,738
2028-29	10,980,000	2,282,938	13,262,938
2029-30	11,420,000	1,843,738	13,263,738
2030-31	11,880,000	1,386,938	13,266,938
2031-32	12,355,000	911,738	13,266,738
2032-33	12,755,000	510,200	13,265,200
TOTALS	<u>\$ 158,615,000</u>	<u>\$ 66,887,408</u>	<u>\$ 225,502,408</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

SCHEDULE OF LONG-TERM DEBT PRINCIPAL AND INTEREST REQUIREMENTS  
June 30, 2016

GENERAL OBLIGATION REFUNDING BONDS

FISCAL YEAR	<u>SERIES 2015, ISSUED 03/28/2015</u>		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
2016-17	\$ 11,750,000	\$ 1,227,750	\$ 12,977,750
2017-18	12,805,000	640,250	13,445,250
TOTALS	<u>\$ 24,555,000</u>	<u>\$ 1,868,000</u>	<u>\$ 26,423,000</u>

LIMITED TAX PENSION BONDS

FISCAL YEAR	<u>SERIES 2003, ISSUED 6/12/2003</u>		TOTAL REQUIREMENTS
	PRINCIPAL	INTEREST	
2016-17	\$ 4,590,000	\$ 4,385,198	\$ 8,975,198
2017-18	5,165,000	4,192,877	9,357,877
2018-19	5,810,000	3,944,441	9,754,441
2019-20	6,505,000	3,664,980	10,169,980
2020-21	7,250,000	3,352,089	10,602,089
2021-22	8,050,000	3,003,364	11,053,364
2022-23	8,910,000	2,616,159	11,526,159
2023-24	9,825,000	2,187,588	12,012,588
2024-25	10,810,000	1,715,006	12,525,006
2025-26	11,860,000	1,195,045	13,055,045
2026-27	12,985,000	624,579	13,609,579
TOTALS	<u>\$ 91,760,000</u>	<u>\$ 30,881,326</u>	<u>\$ 122,641,326</u>



STATISTICAL  
SECTION



# **STATISTICAL SECTION**

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

## **Financial Trends**

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

## **Revenue Capacity**

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

## **Debt Capacity**

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

## **Demographic and Economic Information**

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

## **Operating Information**

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

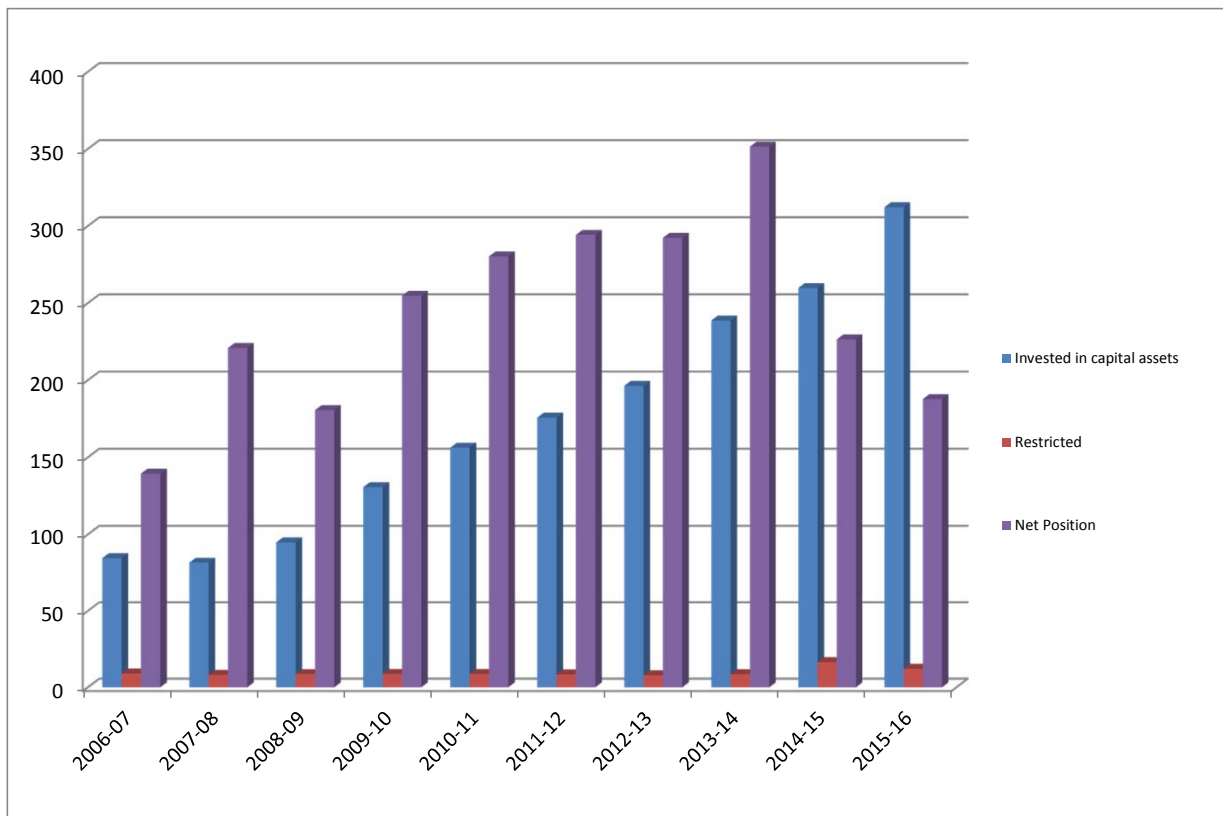
**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

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

	2015-16	2014-15	2013-14	2012-13
Net invested in capital assets	\$ 575,232	\$ 534,021	\$ 497,577	\$ 407,082
Less related debt	<u>(294,173)</u>	<u>(274,240)</u>	<u>(258,913)</u>	<u>(210,674)</u>
Net investment in capital assets	281,059	259,781	238,664	196,408
Net position, restricted	12,552	16,497	8,596	7,935
Net position, unrestricted	<u>(105,818)</u>	<u>(49,776)</u>	<u>104,248</u>	<u>88,105</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 187,793</u></u>	<u><u>\$ 226,502</u></u>	<u><u>\$ 351,508</u></u>	<u><u>\$ 292,448</u></u>

Note: Restated in 2015, 2014, 2011, 2010, 2008 and 2007.





<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
\$ 339,857 <u>(164,041)</u>	\$ 323,919 <u>(167,624)</u>	\$ 300,161 <u>(169,457)</u>	\$ 242,922 <u>(148,025)</u>	\$ 211,565 <u>(129,947)</u>	\$ 226,769 <u>(142,130)</u>
175,816	156,295	130,704	94,897	81,618	84,639
8,510	8,782	8,764	8,700	8,203	9,056
<u>110,021</u>	<u>115,262</u>	<u>115,364</u>	<u>76,987</u>	<u>131,125</u>	<u>105,837</u>
<u>\$ 294,347</u>	<u>\$ 280,339</u>	<u>\$ 254,832</u>	<u>\$ 180,584</u>	<u>\$ 220,946</u>	<u>\$ 199,532</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

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

	2015-16	2014-15	2013-14	2012-13
<b>Operating revenues</b>				
Student tuition and fees, net	\$ 65,901	\$ 63,196	\$ 63,775	\$ 60,845
Grants and contracted programs	16,725	17,194	16,416	19,085
Auxiliary enterprises	16,701	18,717	17,731	19,139
Other operating revenues	239	638	606	12
<b>Total operating revenues</b>	<b>99,566</b>	<b>99,745</b>	<b>98,528</b>	<b>99,081</b>
<b>Nonoperating revenues</b>				
State FTE reimbursement	102,767	53,710	78,243	39,191
Property taxes	66,165	77,393	74,246	65,790
Federal financial aid	56,448	65,488	69,780	73,239
State and local grants and contracts	8,196	12,809	15,583	9,357
Investment income	1,316	1,136	2,388	514
Investment gain on pension asset	-	-	20,273	12,918
Gain on disposal of assets	48	-	-	-
Other nonoperating revenues	-	-	-	-
<b>Total nonoperating revenues</b>	<b>234,940</b>	<b>210,536</b>	<b>260,513</b>	<b>201,009</b>
<b>Total Revenues</b>	<b>334,506</b>	<b>310,281</b>	<b>359,041</b>	<b>300,090</b>
<b>Operating expenses</b>				
Campus educational and campus general	169,754	100,927	131,068	129,297
Other educational and general	108,034	61,590	78,008	72,426
Grants and contracted programs	21,277	23,881	21,906	24,778
Auxiliary enterprises	20,812	23,256	22,747	24,069
Student financial aid, net tuition and textbooks	18,325	19,630	20,092	22,678
Other support services	5,245	4,009	4,149	4,434
Depreciation and amortization	8,202	7,975	6,428	7,508
<b>Total operating expenses</b>	<b>351,649</b>	<b>241,268</b>	<b>284,398</b>	<b>285,190</b>
<b>Nonoperating expenses</b>				
Interest expense	21,566	23,469	15,583	13,919
Investment loss on pension asset	-	-	-	-
Bond issuance costs	-	166	-	1,425
Loss on disposal of assets	-	-	-	-
Other nonoperating expenses	-	-	-	-
<b>Total nonoperating expenses</b>	<b>21,566</b>	<b>23,635</b>	<b>15,583</b>	<b>15,344</b>
<b>Total Expenses</b>	<b>373,215</b>	<b>264,903</b>	<b>299,981</b>	<b>300,534</b>
Capital contributions	-	-	-	-
<b>TOTAL INCREASE (DECREASE) IN NET POSITION</b>	<b>\$ (38,709)</b>	<b>\$ 45,378</b>	<b>\$ 59,060</b>	<b>\$ (444)</b>

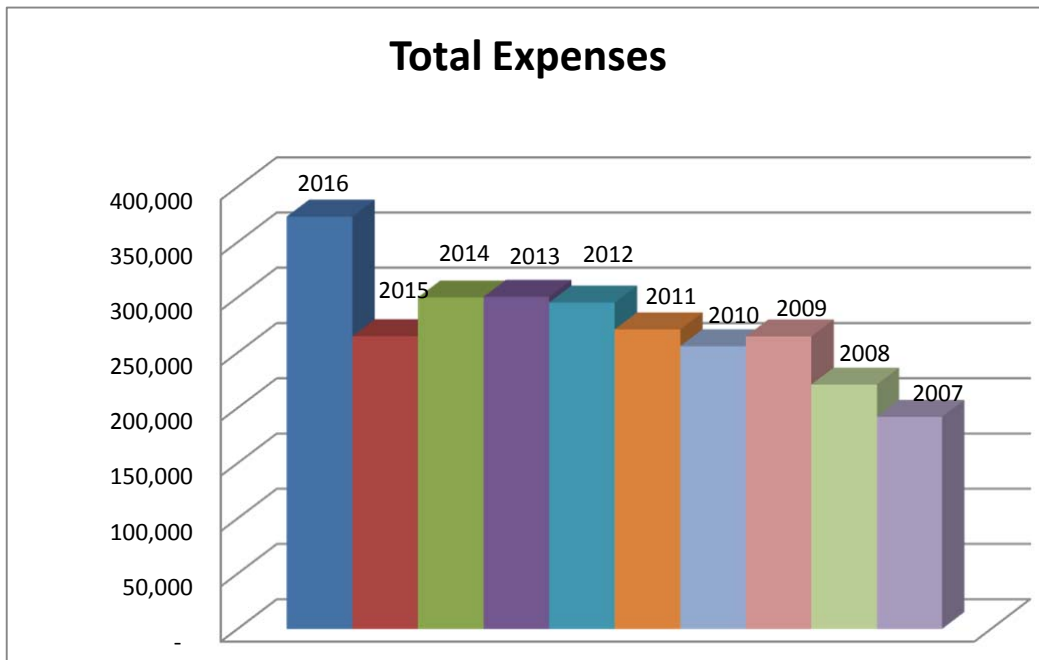
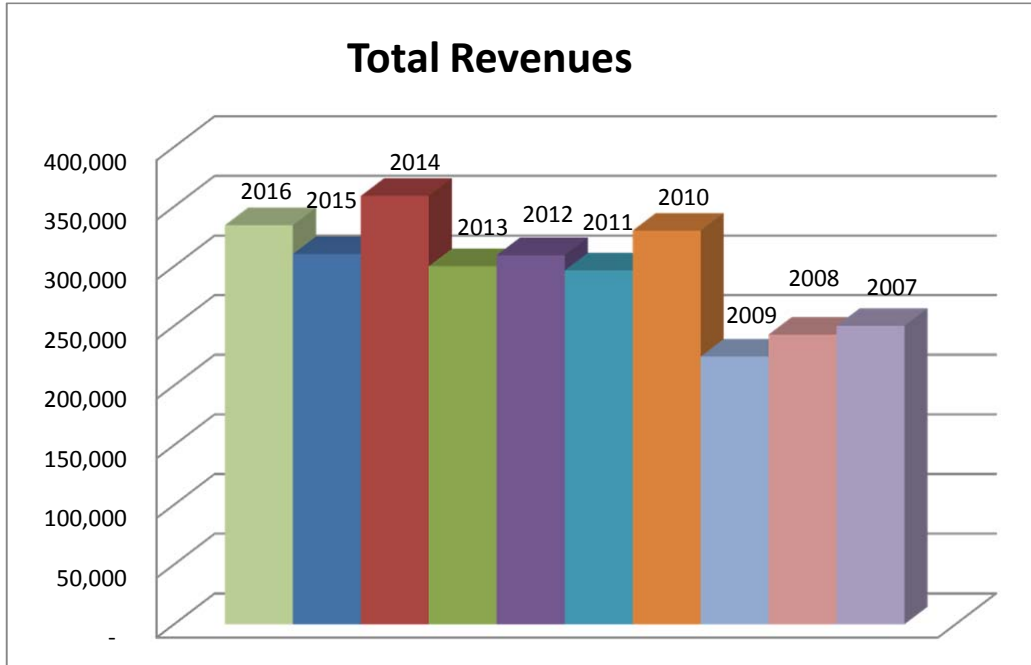
Note: Restated in 2015, 2014, 2011, 2010, 2008 and 2007.

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
\$	62,216	\$ 62,644	\$ 61,946	\$ 52,837	\$ 49,203	\$ 45,085
	20,362	21,045	18,944	16,449	19,845	20,958
	21,259	18,298	18,093	15,721	14,679	13,564
	20	221	61	11	3,129	3,775
	<u>103,857</u>	<u>102,208</u>	<u>99,044</u>	<u>85,018</u>	<u>86,856</u>	<u>83,382</u>
	71,604	41,003	77,046	48,945	81,165	42,146
	58,282	59,895	57,622	44,162	42,504	39,100
	62,720	57,471	54,704	31,828	20,837	17,631
	8,899	11,740	18,881	11,069	6,962	6,814
	1,313	1,814	4,208	3,267	4,362	60,925
	2,651	22,373	18,416	-	-	-
	-	-	-	10	-	-
	-	-	-	-	-	31
	<u>205,469</u>	<u>194,296</u>	<u>230,877</u>	<u>139,281</u>	<u>155,830</u>	<u>166,647</u>
	<u>309,326</u>	<u>296,504</u>	<u>329,921</u>	<u>224,299</u>	<u>242,686</u>	<u>250,029</u>
	134,836	118,239	111,610	103,227	98,524	84,331
	68,982	59,521	55,597	52,898	45,910	36,917
	25,617	26,881	23,658	21,649	24,841	25,675
	23,904	20,885	19,919	17,136	16,228	14,914
	16,123	20,235	24,535	11,953	7,451	6,617
	4,479	3,614	4,034	3,696	2,848	3,163
	7,438	6,670	5,458	5,830	5,855	7,292
	<u>281,379</u>	<u>256,045</u>	<u>244,811</u>	<u>216,389</u>	<u>201,657</u>	<u>178,909</u>
	13,931	14,930	11,092	13,281	11,796	12,412
	-	-	-	35,023	-	-
	-	-	-	-	-	-
	8	22	4	-	7,749	624
	-	-	-	-	-	-
	<u>13,939</u>	<u>14,952</u>	<u>11,096</u>	<u>48,304</u>	<u>19,545</u>	<u>13,036</u>
	<u>295,318</u>	<u>270,997</u>	<u>255,907</u>	<u>264,693</u>	<u>221,202</u>	<u>191,945</u>
	-	-	234	32	-	-
\$	<u>14,008</u>	<u>25,507</u>	<u>74,248</u>	<u>(40,362)</u>	<u>21,484</u>	<u>58,084</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

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

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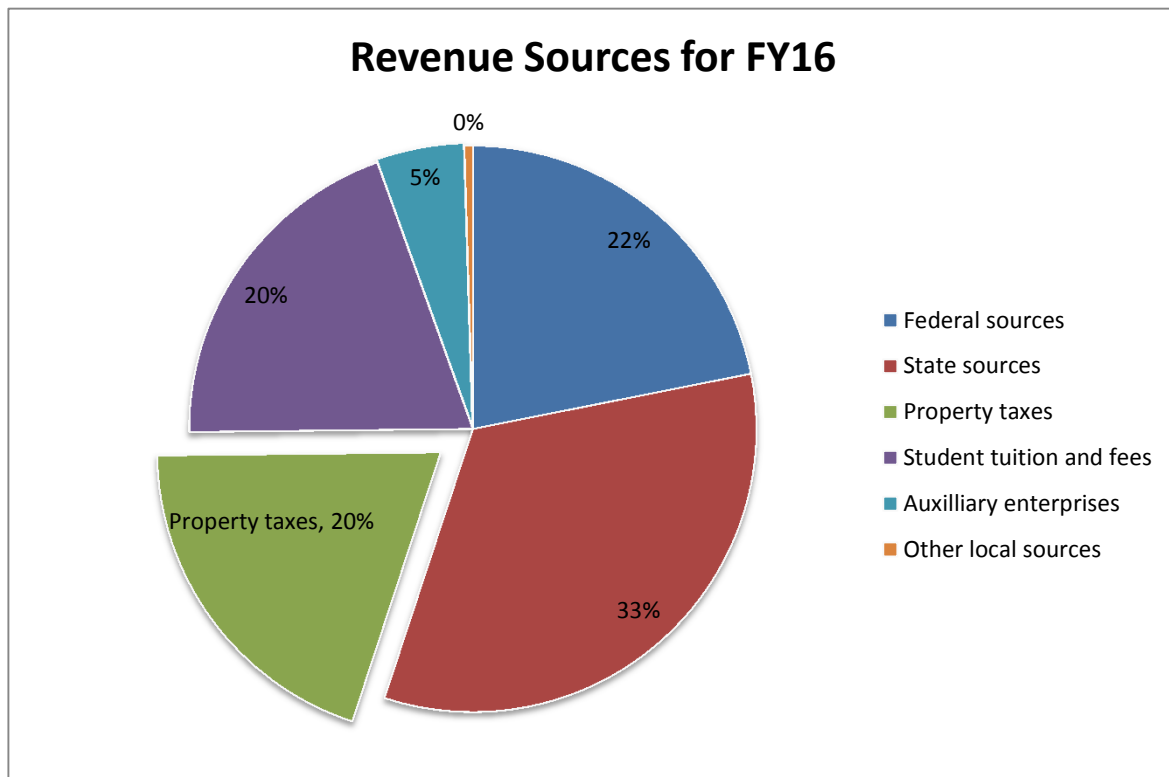
PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

REVENUES BY SOURCES  
LAST TEN FISCAL YEARS (in Thousands)

	2015-16	2014-15	2013-14	2012-13
Federal financial aid	\$ 56,448	\$ 65,488	\$ 69,780	\$ 73,239
Other federal grants and contracts	16,725	17,194	16,416	19,085
<b>Federal sources</b>	<b>\$ 73,173</b>	<b>\$ 82,682</b>	<b>\$ 86,196</b>	<b>\$ 92,324</b>
State FTE reimbursement	102,767	53,710	78,243	39,191
Other state grants and contracts	8,196	12,809	15,583	9,357
<b>State sources</b>	<b>110,963</b>	<b>66,519</b>	<b>93,826</b>	<b>48,548</b>
<b>Local sources:</b>				
Property taxes (2)	66,165	77,393	74,246	65,790
Student tuition and fees, net	65,901	63,196	63,775	60,845
Auxiliary enterprise	16,701	18,717	17,731	19,139
Food Services	4,315	4,606	4,571	4,827
Bookstore, net of scholarship allowance	7,585	9,464	8,048	9,095
Parking Operation	4,801	4,647	5,112	5,217
Other local sources	1,603	1,774	23,267	13,444
Investment income	1,316	1,136	2,388	514
Gain on disposal of capital assets	48	-	-	-
Investment gain on pension asset	-	-	20,273	12,918
Other local sources	239	638	606	12
<b>Total local sources</b>	<b>150,370</b>	<b>161,080</b>	<b>179,019</b>	<b>159,218</b>
<b>Total revenues (1)</b>	<b>\$ 334,506</b>	<b>\$ 310,281</b>	<b>\$ 359,041</b>	<b>\$ 300,090</b>

(1) Restated in 2015, 2011, 2010, 2008 and 2007.

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

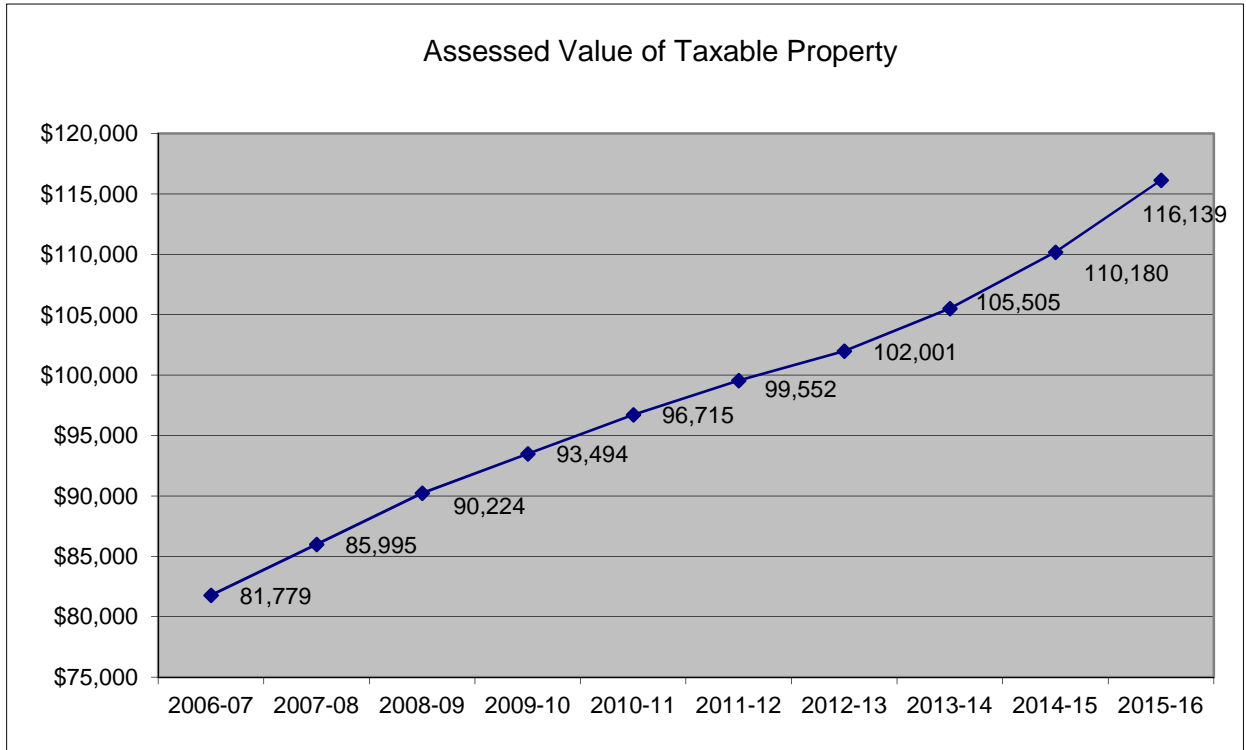


<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
\$ 62,720	\$ 57,471	\$ 54,704	\$ 31,828	\$ 20,837	\$ 17,631
<u>20,362</u>	<u>21,045</u>	<u>18,944</u>	<u>16,449</u>	<u>19,845</u>	<u>20,958</u>
\$ 83,082	\$ 78,516	\$ 73,648	\$ 48,277	\$ 40,682	\$ 38,589
71,604	41,003	77,046	48,945	81,165	42,146
<u>8,899</u>	<u>11,740</u>	<u>18,881</u>	<u>11,069</u>	<u>6,962</u>	<u>6,814</u>
<u>80,503</u>	<u>52,743</u>	<u>95,927</u>	<u>60,014</u>	<u>88,127</u>	<u>48,960</u>
58,282	59,895	57,622	44,162	42,504	39,100
62,216	62,644	61,946	52,837	49,203	45,085
21,259	18,298	18,093	15,721	14,679	13,564
4,915	4,581	4,124	3,764	3,402	3,085
11,478	9,697	10,300	9,500	9,070	8,504
4,866	4,020	3,669	2,457	2,207	1,975
3,984	24,408	22,685	3,288	7,491	64,731
1,313	1,814	4,208	3,267	4,362	60,925
-	-	-	10	-	-
2,651	22,373	18,416	-	-	-
<u>20</u>	<u>221</u>	<u>61</u>	<u>11</u>	<u>3,129</u>	<u>3,806</u>
<u>145,741</u>	<u>165,245</u>	<u>160,346</u>	<u>116,008</u>	<u>113,877</u>	<u>162,480</u>
\$ <u>309,326</u>	\$ <u>296,504</u>	\$ <u>329,921</u>	\$ <u>224,299</u>	\$ <u>242,686</u>	\$ <u>250,029</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

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

	2015-16	2014-15	2013-14	2012-13
Net Assessed Valuation (1)	\$ 116,139,150	\$ 110,179,585	\$ 105,504,924	\$ 102,000,829
Percentage Increased (decreased)	5.4%	4.4%	3.4%	2.5%
Direct Tax Rate (2)	\$ 0.586	\$ 0.722	\$ 0.734	\$ 0.665
Real Market Valuation	\$ 186,844,997	\$ 170,320,945	\$ 154,652,630	\$ 147,092,511
Percentage Increased (decreased)	9.7%	10.1%	5.1%	-2.1%
Ratio of Assessed Valuation to Real Market Valuation	62.2%	64.7%	68.2%	69.3%



(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



2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
\$ 99,551,921	\$ 96,714,788	\$ 93,493,947	\$ 90,223,567	\$ 85,994,505	\$ 81,778,844
2.9%	3.4%	3.6%	4.9%	5.2%	4.6%
\$ 0.598	\$ 0.636	\$ 0.633	\$ 0.503	\$ 0.505	\$ 0.489
\$ 150,172,560	\$ 158,329,495	\$ 165,721,635	\$ 172,500,177	\$ 163,621,726	\$ 143,776,579
-5.2%	-4.5%	-3.9%	5.4%	13.8%	16.8%
66.3%	61.1%	56.4%	52.3%	52.6%	56.9%

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

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

	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
Levy extended by assessor (1)	<u>\$ 68,035</u>	<u>\$ 77,437</u>	<u>\$ 67,620</u>	<u>\$ 59,435</u>
Reduction of taxes receivable: (2) (3)				
Current year	<u>\$ 66,673</u>	<u>\$ 77,999</u>	<u>\$ 75,599</u>	<u>\$ 65,902</u>
First year prior	772	904	839	879
Second year prior	256	281	262	389
Third year prior	195	235	236	250
Fourth year prior	72	122	108	85
Fifth year prior	12	20	13	11
Sixth year prior and earlier	<u>9</u>	<u>14</u>	<u>17</u>	<u>16</u>
Total prior	<u>1,316</u>	<u>1,576</u>	<u>1,475</u>	<u>1,630</u>
Total Property Taxes	<u>\$ 67,989</u>	<u>\$ 79,575</u>	<u>\$ 77,074</u>	<u>\$ 67,532</u>

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

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

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

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

<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
<u>\$ 61,449</u>	<u>\$ 59,191</u>	<u>\$ 45,298</u>	<u>\$ 43,358</u>	<u>\$ 39,893</u>	<u>\$ 38,725</u>
<u>\$ 57,706</u>	<u>\$ 59,771</u>	<u>\$ 57,342</u>	<u>\$ 43,739</u>	<u>\$ 42,128</u>	<u>\$ 38,900</u>
691	1,108	950	754	656	635
143	301	226	154	156	144
193	156	105	83	86	94
68	58	47	42	43	46
7	6	6	4	6	9
7	7	7	7	4	5
<u>1,109</u>	<u>1,636</u>	<u>1,341</u>	<u>1,044</u>	<u>951</u>	<u>933</u>
<u>\$ 58,815</u>	<u>\$ 61,407</u>	<u>\$ 58,683</u>	<u>\$ 44,783</u>	<u>\$ 43,079</u>	<u>\$ 39,833</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

LARGEST PROPERTY TAXPAYERS WITHIN DISTRICT  
(in Thousands)

	2016		
	ASSESSED VALUATION	RANK	PERCENT OF TOTAL DISTRICT'S ASSESSED VALUATION
Intel Corporation	\$ 2,218,043	1	1.91 %
Portland General Electric	1,432,279	2	1.23
Nike	661,926	3	0.57
Northwest Natural Gas	634,261	4	0.55
Comcast	619,465	5	0.53
Pacific Realty Associates	339,536	6	0.29
Fred Meyer Stores Inc	306,529	7	0.26
PacifiCorp	299,787	8	0.26
Port of Portland	235,540	9	0.20
Weston Investment	231,629	10	0.20
	<u>6,978,995</u>		<u>6.01</u>
ALL OTHER TAXPAYERS	<u>109,160,155</u>		<u>93.99</u>
TOTAL	<u>\$ 116,139,150</u>		<u>100.00 %</u>

	2007		
	ASSESSED VALUATION	RANK	PERCENT OF TOTAL DISTRICT'S ASSESSED VALUATION
Intel Corporation	\$ 1,043,165	1	1.28 %
Portland General Electric Co.	563,832	2	0.69
Verizon Northwest Inc.	352,920	3	0.43
Nike	333,402	4	0.41
Qwest Wireless	295,433	5	0.36
Northwest Natural	262,931	6	0.32
Pacific Realty Associates	245,937	7	0.30
PacifiCorp	235,810	8	0.29
Oregon Steel Mills Inc.	163,511	9	0.20
Maxim Integrated Products	152,395	10	0.19
	<u>3,649,336</u>		<u>4.46</u>
ALL OTHER TAXPAYERS	<u>78,129,508</u>		<u>95.54</u>
TOTAL	<u>\$ 81,778,844</u>		<u>100.00 %</u>

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



PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

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

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

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

<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
\$ 61,449	\$ 59,191	\$ 45,298	\$ 43,358	\$ 39,893
\$ 57,975	\$ 55,575	\$ 42,500	\$ 40,953	\$ 37,805
94.3%	93.9%	93.8%	94.5%	94.8%
\$ 1,611	\$ 1,281	\$ 936	\$ 935	\$ 856
\$ 59,586	\$ 56,856	\$ 43,436	\$ 41,888	\$ 38,661
97.0%	96.1%	95.9%	96.6%	96.9%
\$ 2,886	\$ 2,844	\$ 2,337	\$ 1,823	\$ 1,544
4.7%	4.8%	5.2%	4.2%	3.9%

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

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

	2015-16	2014-15	2013-14	2012-13
<b>Outstanding Debt</b>				
General obligation bonds (1)	\$ 366,132	\$ 393,636	\$ 419,600	\$ 448,191
Limited tax pension bonds	91,760	95,820	99,385	102,495
Certificate of participation	-	-	-	860
Note payable	-	-	-	-
Capital leases	-	-	83	163
<b>Total Outstanding Debt</b>	<b>\$ 457,892</b>	<b>\$ 489,456</b>	<b>\$ 519,068</b>	<b>\$ 551,709</b>
Student population	79	85	88	90
Total Debt per student (in dollars)	\$ 5,811	\$ 5,738	\$ 5,887	\$ 6,137
Personal income (2)	N/A	N/A	\$ 107,536,731	\$ 101,210,007
Total Debt to personal income	N/A	N/A	0.48%	0.55%

(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 2015-16 and 2014-15 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



2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
\$ 272,293	\$ 292,805	\$ 312,190	\$ 325,454	\$ 128,510	\$ 140,118
105,180	107,470	109,400	111,165	112,875	114,545
1,010	1,150	1,285	1,415	1,540	1,660
300	375	466	37	56	73
231	290	342	100	199	279
\$ 379,014	\$ 402,090	\$ 423,683	\$ 438,171	\$ 243,180	\$ 256,675
95	93	94	87	87	86
\$ 4,005	\$ 4,345	\$ 4,517	\$ 5,036	\$ 2,795	\$ 2,985
\$ 98,698,029	\$ 93,449,170	\$ 88,964,975	\$ 87,893,727	\$ 88,021,653	\$ 84,151,048
0.38%	0.43%	0.48%	0.50%	0.28%	0.31%

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

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

	2015-16	2014-15	2013-14	2012-13
<b>General Bonded Debt Outstanding:</b>				
General obligation bonds (1)	\$ 366,132	\$ 393,636	\$ 419,600	\$ 448,191
Limited tax pension bonds	91,760	95,820	99,385	102,495
Certificate of participation	-	-	-	860
<b>Total General bonded Debt</b>	<b>\$ 457,892</b>	<b>\$ 489,456</b>	<b>\$ 518,985</b>	<b>\$ 551,546</b>
Less: Amounts set aside to repay general debt	(1,460)	(8,604)	(3,486)	(4,935)
<b>Net General Bonded Debt</b>	<b>\$ 456,432</b>	<b>\$ 480,852</b>	<b>\$ 515,499</b>	<b>\$ 546,611</b>
Taxable Assessed Property Value (2)	\$ 116,139,150	\$ 110,179,585	\$ 105,504,924	\$ 102,000,829
Population Estimate (3)	N/A	1,324	1,303	1,284
Net bonded debt to assessed value	0.39%	0.44%	0.49%	0.54%
Net bonded debt per capita (in dollars)	N/A	\$ 363	\$ 396	\$ 426

(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 2015-16 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.

2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
\$ 272,293	\$ 292,805	\$ 312,190	\$ 325,454	\$ 128,510	\$ 140,118
105,180	107,470	109,400	111,165	112,875	114,545
1,010	1,150	1,285	1,415	1,540	1,660
\$ 378,483	\$ 401,425	\$ 422,875	\$ 438,034	\$ 242,925	\$ 256,323
(1,087)	(3,917)	(3,399)	(3,877)	(3,298)	(2,537)
\$ 377,396	\$ 397,508	\$ 419,476	\$ 434,157	\$ 239,627	\$ 253,786
\$ 99,551,921	\$ 96,714,788	\$ 93,493,947	\$ 90,223,567	\$ 85,994,505	\$ 81,778,844
1,267	1,254	1,243	1,233	1,218	1,201
0.38%	0.41%	0.45%	0.48%	0.28%	0.31%
\$ 298	\$ 317	\$ 337	\$ 352	\$ 197	\$ 211

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS (in Thousands)

	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
Legal debt limit (1)	2,802,675	2,554,814	2,319,789	2,206,388
Net general bonded debt applicable to debt limit	456,432	480,852	515,499	546,611
Legal debt margin	<u>\$ 2,346,243</u>	<u>\$ 2,073,962</u>	<u>\$ 1,804,290</u>	<u>\$ 1,659,776</u>
Legal debt margin as a percentage of the debt limit	83.71%	81.18%	77.78%	75.23%

**Legal Debt Margin Calculation for Fiscal Year 2016**

Real Market Value (2)	\$ 186,844,997	
Applicable percentage	1.5%	
Legal Debt Limit		\$ 2,802,675
Bonded Debt Outstanding	\$ 457,892	
Less: Amounts set aside to repay general debt	(1,460)	
Total Applicable Debt		<u>\$ 456,432</u>
Legal Debt Margin		<u>\$ 2,346,243</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>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
2,252,588	2,374,942	2,485,825	2,587,503	2,454,326	2,156,649
377,396	397,508	419,476	434,157	239,627	253,786
<u>\$ 1,875,192</u>	<u>\$ 1,977,434</u>	<u>\$ 2,066,349</u>	<u>\$ 2,153,346</u>	<u>\$ 2,214,699</u>	<u>\$ 1,902,863</u>
83.25%	83.26%	83.13%	83.22%	90.24%	88.23%

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

DIRECT AND OVERLAPPING GROSS BONDED DEBT  
June 30, 2016  
(dollars in Thousands)

	<u>PERCENT OVERLAP</u>	<u>OVERLAPPING GROSS BONDED DEBT</u>
<u>OVERLAPPING DISTRICT</u>		
DIRECT DEBT		
Portland Community College	100.0%	\$ 457,892
OVERLAPPING DISTRICT		
Chehalem Park & Recreation District	100.0%	23,825
City of Hillsboro	100.0%	44,975
City of Lake Oswego	99.0%	179,580
City of Newberg	100.0%	19,880
City of Portland	86.5%	573,683
City of Sherwood	100.0%	44,432
City of Tigard	100.0%	26,218
City of Tualatin	86.8%	9,691
Clackamas County	17.1%	17,609
Clackamas County School District 7J (Lake Oswego)	98.6%	94,719
Columbia County	68.5%	11,891
Columbia County School District 1J (Scappose)	100.0%	29,095
Columbia County School District 47J (Vernonia)	100.0%	16,540
Columbia County School District 502 (St Helens)	99.9%	22,279
Metro	73.9%	169,018
Multnomah County	76.5%	207,925
Multnomah County School District 1J (Portland)	100.0%	709,916
Multnomah County School District 51J (Riverdale)	100.0%	18,374
Multnomah ESD	75.4%	22,516
Port of Portland	70.2%	44,750
Tualatin Hills Park & Rec. District	100.0%	86,872
Tualatin Valley Fire & Rescue District	84.7%	44,871
Washington County	100.0%	80,420
Washington County School District 13 (Banks)	100.0%	14,975
Washington County School District 15 (Forest Grove)	100.0%	101,687
Washington County School District 1J (Hillsboro)	100.0%	269,460
Washington County School District 23J (Tigard-Tualatin)	95.3%	82,291
Washington County School District 48J (Beaverton)	100.0%	808,154
Washington County School District 88J (Sherwood)	93.6%	93,482
Yamhill County School District 29J (Newberg)	98.1%	55,302
Other Overlapping Districts under \$9,000,000	100.0%	81,995
Total Overlapping Debt		<u>4,006,425</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>		<b><u>\$ 4,464,317</u></b>

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)

		2016			
		EMPLOYEES	RANK	PERCENT OF TOTAL DISTRICT'S EMPLOYMENT	
	Intel Corporation	19,500	1	1.70	%
	Providence Health & Services	17,378	2	1.51	
	Oregon Health & Science University	15,424	3	1.34	
	Fred Meyer Stores	11,200	4	0.98	
	Kaiser Permanente Northwest	10,269	5	0.89	
	Legacy Health System	9,300	6	0.81	
	Nike Inc.	8,500	7	0.74	
	Portland Public Schools	7,678	8	0.67	
	Multnomah County	6,189	9	0.54	
	City of Portland	5,667	10	0.49	
	SUB TOTAL	111,105		9.68	
	ALL OTHER EMPLOYERS	1,036,695		90.32	
	TOTAL	1,147,800		100.00	%
		2007			
		EMPLOYEES	RANK	PERCENT OF TOTAL DISTRICT'S EMPLOYMENT	
	Intel Corporation	16,000	1	1.47	%
	Fred Meyer Stores	13,000	2	1.20	
	Oregon Health & Science University	12,100	3	1.11	
	Providence Health System	12,000	4	1.11	
	Kaiser Foundation Health Plan of the NW	8,789	5	0.81	
	City of Portland	8,613	6	0.79	
	Legacy Health System	8,196	7	0.75	
	Wells Fargo	5,306	8	0.49	
	Beaverton School District	5,000	9	0.46	
	Nike Inc.	5,000	9	0.46	
	Portland School District	5,000	9	0.46	
	U.S. Bank	4,921	10	0.45	
	SUB TOTAL	103,925		9.57	
	ALL OTHER EMPLOYERS	981,738		90.43	
	TOTAL	1,085,663		100.00	%

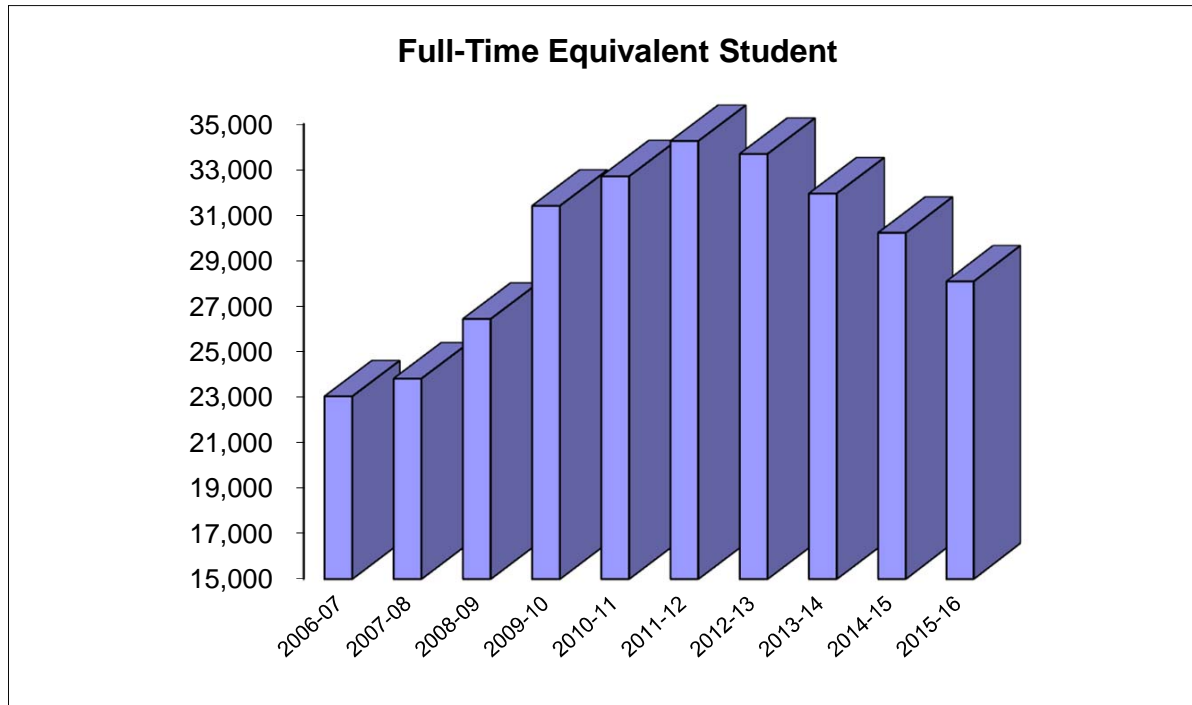
(1) Specific data for the District is not available.

Sources: Oregon Employment Department, Current Employment Estimates  
Portland Business Journal July 5, 2016

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS

	2015-16	2014-15	2013-14	2012-13	2011-12
District population (estimated) (1)	N/A	1,324,490	1,302,694	1,283,687	1,267,001
Personal income (estimated, in millions) (2)	N/A	N/A	\$ 107,537	\$ 101,210	\$ 98,698
Per capita income (estimated, in dollars) (2)	N/A	N/A	\$ 45,794	\$ 43,728	\$ 43,103
FTE (3) student enrollment	28,068	30,210	31,940	33,680	34,246
Unemployment rate (estimated) (4)	4.9%	5.4%	6.1%	7.5%	8.0%



(1) District population for fiscal year 2015-16 was not available at the time of this report. District population includes all of Washington and Columbia Counties and parts of Multnomah, Clackamas and Yamhill Counties.

(2) Personal income and Per capita personal income is not available for the District. The best estimate available and used above is the Portland metropolitan area. Data for fiscal year 2015-16 and 2014-15 was not available at this time.

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

(4) Unemployment rate is for the Portland-Vancouver-Hillsboro, OR-WA metropolitan area.

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

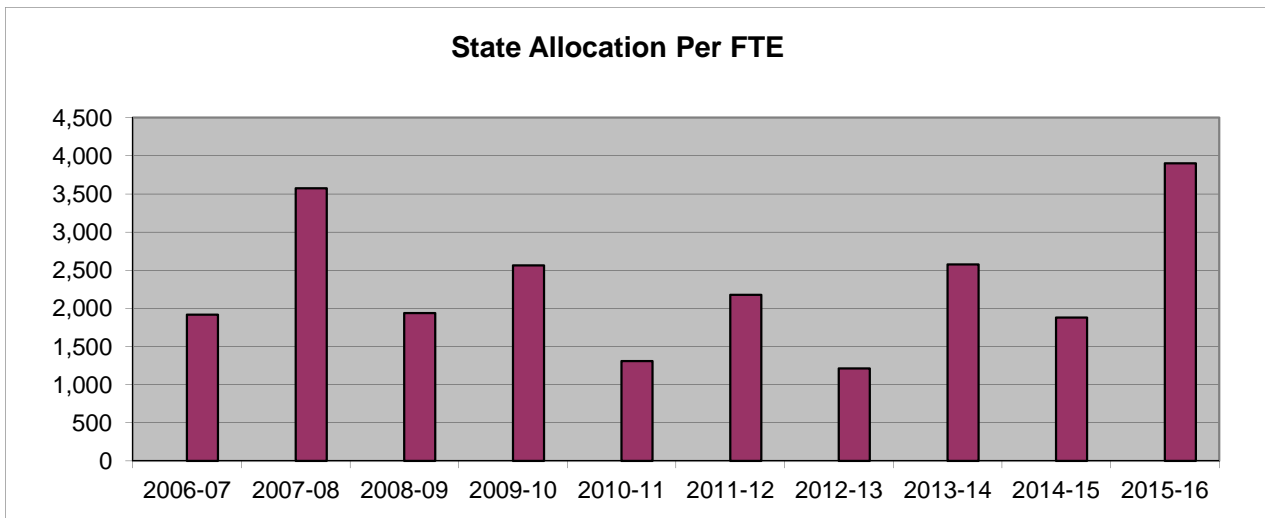


<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
1,253,981	1,243,264	1,232,567	1,218,014	1,201,048
\$ 93,449	\$ 88,965	\$ 87,894	\$ 88,022	\$ 84,151
\$ 41,302	\$ 39,843	\$ 39,206	\$ 39,942	\$ 38,842
32,694	31,395	26,419	23,794	23,011
9.2%	10.2%	11.7%	5.3%	4.8%

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

STATE ALLOCATIONS PER FTE  
LAST TEN FISCAL YEARS

	2015-16	2014-15	2013-14	2012-13	2011-12
Allocations per FTE	\$ 3,901	\$ 1,879	\$ 2,576	\$ 1,215	\$ 2,178
Annual State Funding (in thousands)	\$ 102,767	\$ 53,710	\$ 78,243	\$ 39,191	\$ 71,603
Total Reimbursable FTE	26,341	28,577	30,371	32,267	32,875



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

Source: Office of Institutional Effectiveness

<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
\$ 1,308	\$ 2,563	\$ 1,939	\$ 3,574	\$ 1,917
\$ 41,003	\$ 77,046	\$ 48,945	\$ 81,165	\$ 42,146
31,354	30,064	25,236	22,713	21,988

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

ENROLLMENT STATISTICS  
LAST TEN FISCAL YEARS

	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
Total operating expenses (in thousands)	\$ 351,649	\$ 241,268	\$ 284,398	\$ 285,190	\$ 281,379
District population (estimated) (2) (in thousands)	N/A	1,324	1,303	1,284	1,267
FTE student enrollment (3)	28,068	30,210	31,940	33,680	34,246
Percent of FTE to district population	N/A	2.3%	2.5%	2.6%	2.7%
Cost per FTE (1)	\$ 12,528	\$ 7,986	\$ 8,904	\$ 8,468	\$ 8,216
Number of employees	3,871	3,913	3,979	4,071	4,181
Ratio of employees to FTE	1:7	1:8	1:8	1:8	1:8

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

(2) District population for fiscal year 2015-16 was not available. District population includes all of Washington and Columbia Counties and parts of Multnomah, Clackamas and Yamhill Counties.

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

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

<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
\$ 256,045	\$ 244,811	\$ 216,389	\$ 201,657	\$ 178,909
1,254	1,243	1,233	1,218	1,201
32,694	31,395	26,419	23,794	23,011
2.6%	2.5%	2.1%	2.0%	1.9%
\$ 7,832	\$ 7,798	\$ 8,191	\$ 8,475	\$ 7,775
4,153	3,904	3,604	3,475	3,522
1:8	1:8	1:7	1:7	1:7

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

CAMPUS FACILITIES AND OPERATING INFORMATION  
LAST TEN FISCAL YEARS

	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
Sylvania Campus					
Buildings/leases	15	17	17	17	16
Gross square feet	886,286	887,556	887,556	887,556	885,207
Campus expenditures (1)	\$ 63,059	\$ 37,474	\$ 49,904	\$ 49,083	\$ 51,452
Cascade Campus					
Buildings/leases	13	11	11	11	9
Gross square feet	485,382	420,588	420,588	420,123	347,852
Campus expenditures (1)	\$ 35,704	\$ 21,499	\$ 28,146	\$ 28,849	\$ 30,647
Rock Creek Campus					
Buildings/leases	12	11	11	11	11
Gross square feet	595,026	574,684	574,684	565,808	542,723
Campus expenditures (1)	\$ 44,295	\$ 25,896	\$ 33,780	\$ 33,428	\$ 35,239
Southeast Campus (2)					
Buildings/leases	6	N/A (2)	N/A (2)	N/A (2)	N/A (2)
Gross square feet	228,455				
Campus expenditures (1)	\$ 17,798				
Extended Learning Campuses (2)					
Buildings/leases	11	17	16	18	13
Gross square feet	272,238	500,481	484,193	509,093	329,232
Campus expenditures (1)	\$ 8,898	\$ 16,057	\$ 19,169	\$ 17,937	\$ 17,498

(1) In Thousands

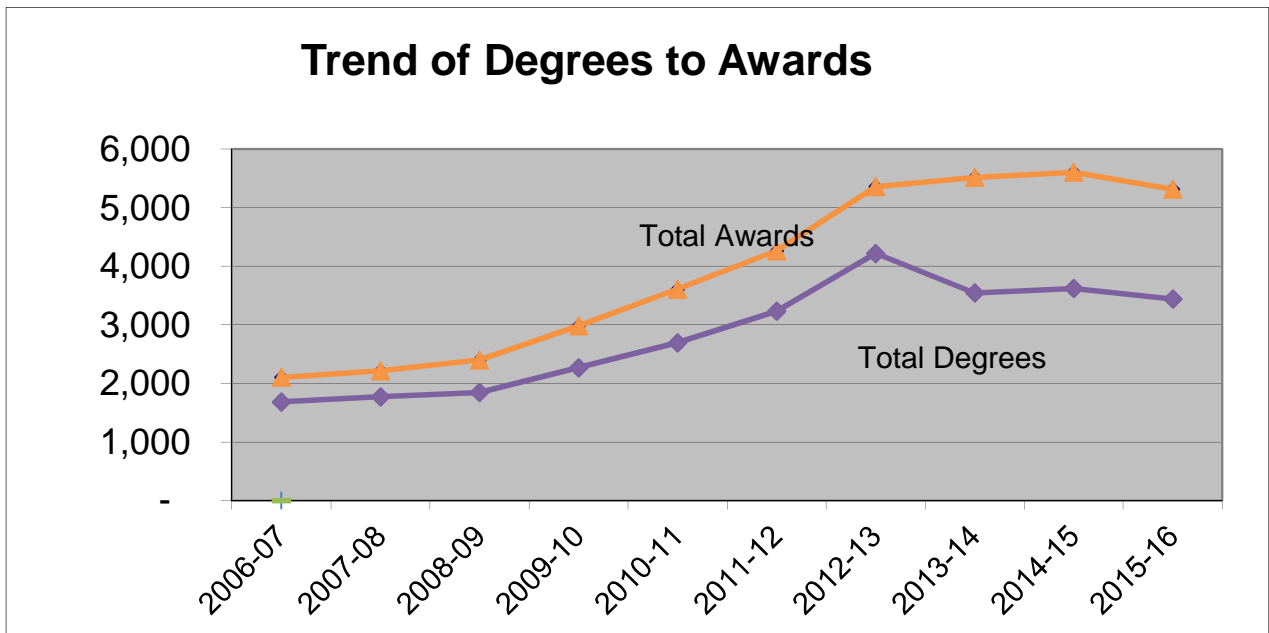
(2) Beginning fiscal year 2015-16, Southeast Campus was reported separate from Extended Learning Campuses.

<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
16 885,207 \$ 46,564	16 885,207 \$ 44,180	15 884,559 \$ 40,850	15 884,559 \$ 40,028	15 884,559 \$ 34,707
9 347,852 \$ 26,618	9 347,852 \$ 24,538	9 347,852 \$ 22,017	9 347,852 \$ 20,443	9 347,852 \$ 16,590
11 542,723 \$ 30,231	11 542,723 \$ 28,045	11 542,723 \$ 25,175	11 542,723 \$ 24,289	10 540,323 \$ 20,230
N/A (2)	N/A (2)	N/A (2)	N/A (2)	N/A (2)
12 314,874 \$ 14,826	12 314,874 \$ 14,847	12 246,551 \$ 15,185	11 241,251 \$ 13,764	9 247,631 \$ 12,805

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

CERTIFICATES AND DEGREES GRANTED  
LAST TEN FISCAL YEARS

	2015-16	2014-15	2013-14	2012-13
<b>Certificates</b>				
One-Year	551	494	513	313
Two-Year	110	153	96	52
Others	1,208	1,308	1,311	706
<b>Total Certificates</b>	<b>1,869</b>	<b>1,955</b>	<b>1,920</b>	<b>1,071</b>
<b>Degrees</b>				
Associate of Arts, Oregon Transfer (AAORT)	560	600	618	613
Associate of Science, Oregon Transfer (ASORT)	112	127	110	117
Associate of Science (AS)	731	767	722	857
Associate of General Studies (AGEN)	940	937	1,020	1,473
Associate of Applied Science (AAS)	1,097	1,188	1,074	1,157
<b>Total Degrees</b>	<b>3,440</b>	<b>3,619</b>	<b>3,544</b>	<b>4,217</b>
High School Diplomas	4	27	51	68
<b>Total Awards</b>	<b>5,313</b>	<b>5,601</b>	<b>5,515</b>	<b>5,356</b>



Source: Portland Community College, Office of Institutional Effectiveness



<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
330	269	244	271	240	211
76	69	48	37	56	58
<u>522</u>	<u>459</u>	<u>300</u>	<u>149</u>	<u>61</u>	<u>68</u>
<u>928</u>	<u>797</u>	<u>592</u>	<u>457</u>	<u>357</u>	<u>337</u>
503	470	342	232	204	209
104	72	75	60	55	22
649	515	456	371	328	329
905	725	599	440	439	426
<u>1,071</u>	<u>912</u>	<u>797</u>	<u>742</u>	<u>744</u>	<u>699</u>
<u>3,232</u>	<u>2,694</u>	<u>2,269</u>	<u>1,845</u>	<u>1,770</u>	<u>1,685</u>
<u>101</u>	<u>115</u>	<u>120</u>	<u>97</u>	<u>87</u>	<u>80</u>
<u>4,261</u>	<u>3,606</u>	<u>2,981</u>	<u>2,399</u>	<u>2,214</u>	<u>2,102</u>

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

TUITION AND FEES  
LAST TEN FISCAL YEARS

**Portland Community College (1)**

	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
Per Credit Hour				
General Tuition	\$ 96	\$ 93	\$ 88	\$ 82
Fees	7	6	6	6
Combined Per Credit Total	<u>\$ 103</u>	<u>\$ 99</u>	<u>\$ 94</u>	<u>\$ 88</u>
Per Term - College Service & Transportation Fee (2)	\$ 23	\$ 19	\$ 19	\$ 19
Annual cost (45 credit hours)	\$ 4,691	\$ 4,521	\$ 4,296	\$ 4,026

**National and Statewide Comparisons**

	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>
PCC District				
Annual Cost (45 credit hours)	\$ 4,691	\$ 4,521	\$ 4,296	\$ 4,026
Percentage Change	4%	5%	7%	3%
National Community College Average (3)				
Annual Cost	N/A	\$ 2,955	\$ 2,882	\$ 2,792
Percentage Change		3%	3%	5%
Oregon Universities Average (4)				
Annual Cost (45 credit hours)	\$ 8,791	\$ 8,210	\$ 7,964	\$ 7,877
Percentage Change	7%	3%	1%	3%

(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 - 2015-16 Annual Costs for 2-year colleges are not available at this time.

<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
\$ 79	\$ 76	\$ 74	\$ 70	\$ 68	\$ 67
6	6	6	6	6	6
<u>\$ 85</u>	<u>\$ 82</u>	<u>\$ 80</u>	<u>\$ 76</u>	<u>\$ 74</u>	<u>\$ 73</u>
\$ 19	\$ 19	\$ 19	\$ -	\$ -	\$ -
\$ 3,891	\$ 3,756	\$ 3,666	\$ 3,425	\$ 3,335	\$ 3,274

<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
\$ 3,891 4%	\$ 3,756 2%	\$ 3,666 7%	\$ 3,425 3%	\$ 3,335 2%	\$ 3,274 4%
\$ 2,647 9%	\$ 2,439 7%	\$ 2,285 7%	\$ 2,137 4%	\$ 2,063 2%	\$ 2,017 4%
\$ 7,623 8%	\$ 7,082 7%	\$ 6,601 8%	\$ 6,105 5%	\$ 5,801 6%	\$ 5,471 5%

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

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

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

(1) For the Portland Metropolitan Area.

(2) For all of Clackamas, Columbia, Multnomah, Washington and Yamhill counties. Specific data for the District is not available. Fiscal year 2007-08 and 2006-07 data was obtained from the Federal Deposit Insurance Corporation which reports amounts in millions.

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

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

<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>
4.3	4.4	5.1	9.9	13.9
\$ 914,517	\$ 940,129	\$ 1,008,088	\$ 1,760,447	\$ 2,494,886
\$ 36,122,000	\$ 28,823,000	\$ 27,650,000	\$ 25,409,000	\$ 24,370,598
\$ 93,794,528	\$ 90,761,489	\$ 87,260,824	\$ 82,937,829	\$ 78,484,722
3,948,297	3,973,480	4,077,206	3,852,351	3,759,738
180,087	201,783	191,635	194,630	174,803
3,584,011	3,528,839	3,051,076	2,894,350	2,833,673
<u>101,506,923</u>	<u>98,465,591</u>	<u>94,580,741</u>	<u>89,879,160</u>	<u>85,252,936</u>
\$ 158,344,983	\$ 165,643,688	\$ 171,761,783	\$ 163,394,017	\$ 140,256,940

PORTLAND COMMUNITY COLLEGE  
PORTLAND, OREGON

MISCELLANEOUS INFORMATION  
June 30, 2016

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DATE OF INCORPORATION: July 1, 1969

CENTRAL MAILING ADDRESS:

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

MAIN CAMPUSES AND CENTERS:

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

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

Newberg Center  
135 Werth Blvd.  
Newberg, OR 97132

Cascade Campus  
705 N. Killingsworth  
Portland, OR 97217

CLIMB Center for Advancement  
1626 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

CONTRACTED EDUCATION SERVICE DISTRICT:

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

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





AUDIT COMMENTS AND DISCLOSURES  
REQUIRED BY STATE REGULATIONS

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



INDEPENDENT AUDITOR'S COMMENTS  
REQUIRED BY OREGON STATE REGULATIONS

November 8, 2016

Board of Directors  
Portland Community College  
Portland, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Portland Community College as of and for the year ended June 30, 2016, and have issued our report thereon dated November 8, 2016.

**Internal Control Over Financial Reporting**

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

**Compliance**

As part of obtaining reasonable assurance about whether Portland Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

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

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing nothing came to our attention that caused us to believe Portland Community College was not in substantial compliance with certain provisions of laws, regulations, contracts and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these specified parties.

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.

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



INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

November 8, 2016

Board of Directors  
Portland Community College  
Portland, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Portland Community College as of and for the year ended June 30, 2016, and have issued our report thereon dated November 8, 2016.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Portland Community College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

November 8, 2016

Board of Directors  
Portland Community College  
Portland, Oregon

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

We have audited Portland Community College's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Portland Community College's major federal programs for the year ended June 30, 2016. Portland Community College's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Portland Community College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Portland Community College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, Portland Community College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

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

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

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

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

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

*Kenneth Kuhns & Co.*

Kenneth Kuhns & Co.

**PORTLAND COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2016**

<b>FEDERAL AWARDS BY CLUSTERS</b>	Federal CFDA Number	Pass Through Number	Total Expenditures
<b>STUDENT FINANCIAL ASSISTANCE CLUSTER</b>			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	\$ 1,147,251
Federal Work-Study Program	84.033	N/A	854,898
Federal Pell Grant Program	84.063	N/A	47,031,169
Federal Perkins Loan Program	84.038	N/A	5,913,293
Federal Nursing Loan Program	93.364	N/A	1,222,453
Direct Loans Program	84.268	N/A	72,766,823
<b>Total Student Financial Assistance Cluster</b>			<b>128,935,887</b>
<b>WIA CLUSTER</b>			
Workforce Investment Act - Adult Program	17.258	15-10100	377,578
Workforce Investment Act - Adult Program	17.258	15-10200	307,949
Workforce Investment Act - Adult Program	17.258	15-10300	156,080
Workforce Investment Act - Adult Program	17.258	14-10520	4,224
			<u>845,831</u>
WIA Dislocated Worker Formula Grants	17.278	15-10100	358,752
WIA Dislocated Worker Formula Grants	17.278	15-10200	302,083
WIA Dislocated Worker Formula Grants	17.278	15-10300	166,291
WIA Dislocated Worker Formula Grants	17.278	14-10520	4,224
			<u>831,350</u>
<b>Total WIA Cluster</b>			<b>1,677,181</b>
<b>FEDERAL TRANSIT CLUSTER</b>			
Federal Transit—Formula Grants	20.507	933339	<u>15,527</u>
<b>TRIO CLUSTER</b>			
TRIO - Student Support Services	84.042	N/A	217,114
TRIO - Talent Search	84.044	N/A	261,489
<b>Total TRIO Cluster</b>			<u>478,603</u>
<b>SUBTOTAL CLUSTER PROGRAMS</b>			<b>131,107,198</b>
<b>NON-CLUSTER PROGRAMS</b>			<b>6,133,099</b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b>\$ 137,240,297</b>

**PORTLAND COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2016**

<b>FEDERAL AWARDS BY FEDERAL AGENCY</b>	<b>Federal CFDA Number</b>	<b>Pass Through Number</b>	<b>Total Expenditures</b>
<b>U.S. DEPARTMENT OF EDUCATION:</b>			
<b>Direct Programs:</b>			
Federal Supplemental Educational Opportunity Grants	84.007	N/A	\$ 1,147,251
Federal Work-Study Program	84.033	N/A	854,898
Federal Pell Grant Program	84.063	N/A	47,031,169
Federa; Perkins Loan Program	84.038	N/A	5,913,293
Direct Loans Program	84.268	N/A	72,766,823
Higher Educational Institutional Aid	84.031	N/A	149,620
TRIO - Student Support Services	84.042	N/A	217,114
TRIO - Talent Search	84.044	N/A	261,489
Migrant Education - High School Equivalency Program	84.141	N/A	393,833
Child Care Means Parents in School - CCAMPIS	84.335	N/A	191,047
<b>Total Direct Programs</b>			<b>128,926,537</b>
<b>Passed through Dept. of Community Colleges and Workforce Development</b>			
Adult Education - Basic Grants to States - Program Improvement	84.002A	EE151617 PG	6,648
Adult Education - Basic Grants to States - Multnomah Co Corrections	84.002A	EE151617 CG	24,000
Adult Education - State Grant Program - TOPS Accountability	84.002A	EE151617 AG	87,430
Adult Education - State Grant Program - Outreach Tutoring	84.002A	EE151617 TG	66,681
Adult Education - State Grant Program - Comprehensive Services	84.002A	EE151617 BG	536,110
Adult Education - State Grant Program - EI Civics	84.002A	EE151617 EG	47,115
<b>Total passed through Dept. of Community Colleges and Workforce Development</b>			<b>767,984</b>
<b>Passed through State of Oregon, Department of Education</b>			
Career & Technical Education - Basic Grants to States - Perkins Reserve	84.048	36435/31804	189,921
Career & Technical Education - Basic Grants to States - Region 2A Consortium	84.048	31771/36416	188,073
Career & Technical Education - Basic Grants to States - Perkins	84.048	36417	1,541,857
<b>Total passed through State of Oregon, Department of Education</b>			<b>1,919,851</b>
<b>Passed through Portland Public Schools</b>			
Gaining Early Awareness and Readiness for Undergraduate Programs - Gear Up	84.334A	IGA 61334	7,697
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>131,622,069</b>
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>			
<b>Passed through State of Oregon, Department of Education</b>			
Child and Adult Care Food Program	10.558	26-16022	2,692
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>2,692</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
<b>Direct Program:</b>			
Federal Nursing Student Loans	93.364	N/A	1,222,453
Grants for Training in Primary Care Medicine and Dentistry - Restorative Dental Hygiene	93.884	D85HP20042-05-01	7,034
<b>Total Direct Programs</b>			<b>1,229,487</b>
<b>Passed through Oregon Health Authority</b>			
Assistance Programs for Chronic Disease Prevention and Control	93.945	146505	6,551
Block Grants for Prevention and Treatment of Substance Abuse	93.959	144301	74,736
<b>Total Passed through Oregon Health Authority</b>			<b>81,287</b>

See notes to schedule of expenditures of federal awards

**PORTLAND COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2016**

<b>FEDERAL AWARDS BY FEDERAL AGENCY</b>	<b>Federal CFDA Number</b>	<b>Pass Through Number</b>	<b>Total Expenditures</b>
<b>Passed through Worksystems, Inc.</b>			
Healthcare NW - Coaching	93.093	15-10106	\$ 67,101
Healthcare NW - Liaison	93.093	15-10106	23,304
Healthcare NW - Career Link	93.093	15-10106	48,830
Healthcare NW - ITA's	93.093	15-10106	6,906
Health Careers NW Hillsboro	93.093	15-10206	<u>13,991</u>
<b>Total Passed through Worksystems, Inc.</b>			<b>160,132</b>
<b>Passed through Portland State University</b>			
Exito - PSU	93.310	205CRE485	<u>81,235</u>
<b>Total Passed through Portland State University</b>			<b>81,235</b>
<b>Passed through Oregon Health Sciences University:</b>			
Ryan White HIV/AIDS Dental Reimbursements	93.924	1004285_PCC	<u>1,577</u>
<b>Total Passed through Oregon Health Sciences University</b>			<b>1,577</b>
<b>TOTAL U.S.DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u><b>1,553,718</b></u>
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>			
<b>Passed through Oregon State University</b>			
Oregon Space Grant	43.008	NS261A-A	<u>138,258</u>
<b>Total Passed through Oregon State University</b>			<u><b>138,258</b></u>

**PORTLAND COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2016**

<b>FEDERAL AWARDS BY FEDERAL AGENCY</b>	<b>Federal CFDA Number</b>	<b>Pass Through Number</b>	<b>Total Expenditures</b>
<b>U.S.DEPARTMENT OF LABOR:</b>			
<b>Passed through Worksystems, Inc:</b>			
Workforce Investment Act - Adult Program - Hillsboro	17.258	15-10200	\$ 307,949
Workforce Investment Act - Adult Program - Tualatin	17.258	15-10300	156,080
Workforce Investment Act - Adult Program -Metro One Stop	17.258	15-10100	163,498
Workforce Investment Act - Adult Program - WorkSource Liaison - Adult	17.258	15-10100	165,140
Workforce Investment Act - Adult Foundational Skills	17.258	15-10100	48,940
Workforce Investment Act - Adult Job Readiness Courses	17.258	14-10520	4,224
			<hr/> 845,831
H-1B Job Training Grants - Clean Tech Advance - Tualatin	17.268	11-70579	65,309
H-1B Job Training Grants - Metro STEP Tualatin	17.268	11-70579	291,164
H-1B Job Training Grants - Clean Tech Advance - Central	17.268	11-70578	6,740
H-1B Job Training Grants - Metro STEP Central	17.268	11-70578	203,137
H-1B Job Training Grants - MISTI Tualatin	17.268	11-70579	55,419
H-1B Job Training Grants - Misti ETAF	17.268	13-10325	224,090
H-1B Job Training Grants - Reboot NW Metro	17.268	15-10107	81,428
H-1B Job Training Grants - Reboot NW Tualatin	17.268	15-10307	117,689
H-1B Job Training Grants - Reboot NW Hillsboro	17.268	15-10207	139,213
H-1B Job Training Grants - Career Link Reboot NW	17.268	14-10108	48,214
H-1B Job Training Grants - Career Link Metro STEP	17.268	14-10108	58,755
H-1B Job Training Grants - IAM2	17.268	13-10330	58,263
WIOA Dislocated Worker Formula Grants - MISTI Central	17.268	11-70578	103,947
			<hr/> 1,453,368
Reentry Employment Opportunities - LEAP	17.270	15-10209	6,226
H-1B Job Training Grants - Job Driven NEG	17.277	15-10107	75,647
H-1B Job Training Grants -Job Driven NEG Hillsboro	17.277	15-10207	73,784
WIOA Dislocated Worker Grants-Sector Partnership NEG Hillsboro	17.277	15-10215	26,785
WIOA Dislocated Worker Grants-Sector Partnership NEG Tualatin	17.277	15-10315	24,185
WIOA Dislocated Worker Grants -Sector Partnership NEG Metro	17.277	15-10115	12,274
WIOA Dislocated Worker Grants-NEG DW Tualatin	17.277	15-10300	53,806
WIOA Dislocated Worker Grants-NEG DW Metro	17.277	15-10100	57,410
WIOA Dislocated Worker Grants-Job Driven NEG Tualatin	17.277	15-10307	75,523
WIOA Dislocated Worker Formula Grants - NEG DW Hillsboro	17.277	15-10200	69,305
			<hr/> 468,719
WIOA Dislocated Worker Formula Grants-DWP Metro	17.278	15-10100	190,455
WIOA Dislocated Worker Formula Grants-WSI: DWP Program Hillsboro	17.278	15-10200	302,083
WIOA Dislocated Worker Formula Grants-WSI: DWP Program Tualatin	17.278	15-10300	166,291
WIOA Dislocated Worker Formula Grants -Worksource Liaison - DWP	17.278	15-10100	121,049
WIOA Dislocated Worker Formula Grants- WSI: Foundational Skills- DWP	17.278	15-10100	47,248
WIOA Dislocated Worker Formula Grants-Job Readiness Courses-DW	17.278	14-10520	4,224
			<hr/> 831,350
Workforce Innovation Fund - Housing Works Career Link	17.283	15-10800	7,093
Workforce Innovation Fund - Housing Works Hillsboro	17.283	15-10200	43,221
			<hr/> 50,314
<b>Total passed through Worksystems, Inc.</b>			<hr/> <b>3,655,808</b>
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>			<hr/> <b>3,655,808</b>

See notes to schedule of expenditures of federal awards

**PORTLAND COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2016**

<b>FEDERAL AWARDS BY FEDERAL AGENCY</b>	<b>Federal CFDA Number</b>	<b>Pass Through Number</b>	<b>Total Expenditures</b>
<b>NATIONAL SCIENCE FOUNDATION:</b>			
<b>Direct Programs:</b>			
Education and Human Resources - OCATE	47.076	N/A	59,828
Education and Human Resources - SSTEM Schlr Sci Tech Eng & Math	47.076	N/A	<u>103,220</u>
<b>Total Direct Programs</b>			<b>163,048</b>
<b>Passed through University of Washington</b>			
Education and Human Resources -University of WA	47.076	763922	<u>9,000</u>
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>			<b><u>172,048</u></b>
<b>DEPARTMENT OF TRANSPORTATION</b>			
<b>METRO</b>			
Federal Transit—Formula Grants	20.507	933339	<u>\$ 15,527</u>
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>			<b>15,527</b>
<b>Passed through Lane Community College:</b>			
Small Business Development Center - SBDC	59.037	15-152	<u>80,177</u>
<b>Total Passed through Lane Community College</b>			<b>80,177</b>
<b>TOTAL SMALL BUSINESS ADMINISTRATION</b>			<b><u>80,177</u></b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b><u>\$ 137,240,297</u></b>

**PORTLAND COMMUNITY COLLEGE**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**  
**YEAR ENDED JUNE 30, 2016**

**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, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

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

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

**Note C - LOANS RECEIVABLE**

The federal student loan programs listed subsequently are administered directly by the College, and balances and transactions relating to these programs are included in the College's basis financial statements. Perkins and Nursing loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2016 consists of:

	Federal CFDA Number		
Federal Perkins Loan Program	84.038	\$	4,649,052
Federal Nursing Student Loans	93.364		1,039,784
			\$ 5,688,836

**Note D - PERKINS LOAN PROGRAM - EXCESS LIQUID CAPITAL**

Section 466(c) of the Higher Education Act requires institutions to return to the Department of Education (the Department) the Federal share of any Excess Liquid Capital (ELC) from the institution's Federal Perkins Loan Revolving Fund (Fund). ELC is the amount of the Fund's "Cash On Hand" that is in excess of the institution's estimated immediate needs for the Perkins Loan Program. In Fiscal Year 2016 the College had excess liquid capital and returned it to the Department.

	Federal CFDA Number		Expenditures
Federal share returned	84.038	\$	1,273,798

**Note E - SUBRECIPIENTS**

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

	Federal CFDA Number		Expenditures
Workforce Investment Act - Adult Program - Foundation Skills	17.258	\$	10,438
Workforce Investment Act - Dislocated Workers - Foundational Skills	17.278		9,932
Workforce Investment Act - Career Link	17.278		21,508
			\$ 41,878



PORTLAND COMMUNITY COLLEGE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2016

A - SUMMARY OF AUDIT RESULTS:

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

<u>Program Name</u>	<u>CFDA Number</u>
Student Financial Aid Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Perkins Loans	84.038
Federal Pell Grant Program	84.063
Federal Direct Loans	84.268
Nursing Student Loans	93.364
Workforce Investment Act Cluster:	
Adult Program	17.258
Dislocated Worker Formula Grants	17.278
H-1B Job Training Grants	17.268
Adult Education – Basic Grants to States	84.002

8. The threshold for distinguishing Type A programs from Type B programs was \$750,000.
9. Portland Community College was determined to be a low-risk auditee.

B - FINDINGS, FINANCIAL STATEMENTS AUDIT:

None.

C - FINDINGS AND QUESTIONED COSTS, MAJOR FEDERAL AWARD PROGRAMS AUDIT:

None.



