Oregon TECH

Oregon Institute of Technology

2020 Annual Financial Report

www.oit.edu

Oregon's Polytechnic University

Oregon Institute of Technology
2020 Annual Report

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Oregon Tech Executive Officers

Nagi G. Naganathan, Ph.D., ASME Fellow
President

Erin M. Foley, Ph.D.
Vice President for Student Affairs & Dean of Students

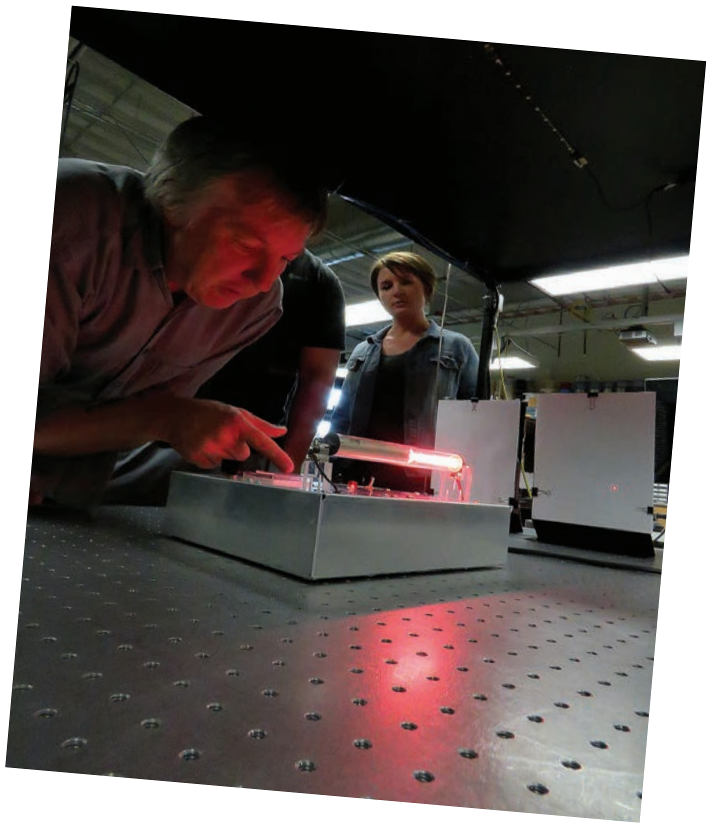
Brian J. Fox
Vice President for Finance & Administration

David P. Groff
University General Counsel

Joanna Mott, Ph.D.
Provost and Vice President for Academic Affairs

Sandra Fox
Board Secretary, Senior Advisor

Oregon Tech Board of Trustees



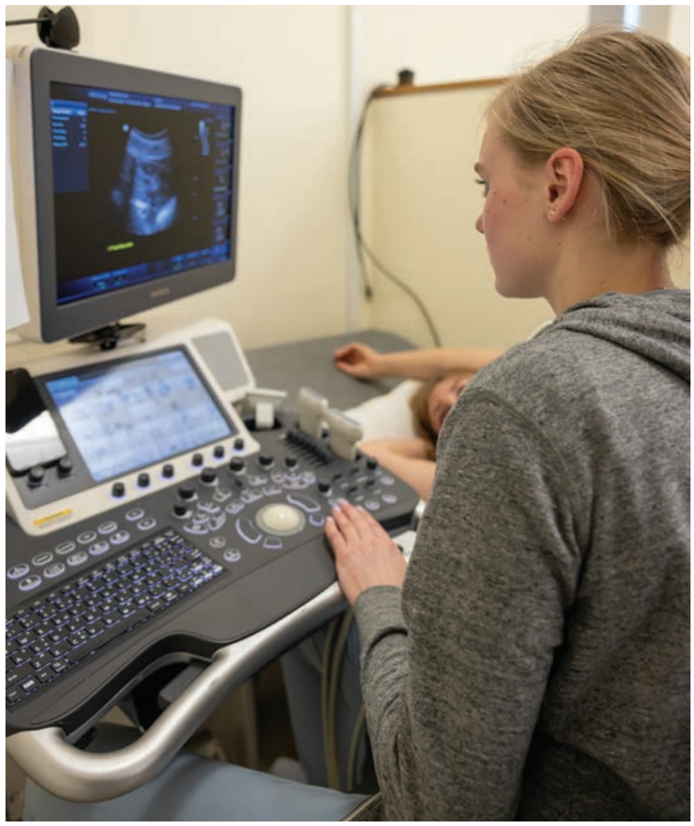
About the University

The Oregon Institute of Technology (Oregon Tech) is an institution founded on the principles of excellence through hands-on knowledge, and professional practice. We believe in giving students a rigorous, project-based education focused on experiential learning and innovation on real-world applications.

As Oregon's polytechnic university, we take pride in our mission to deliver technology education. We continually partner with industry leaders to ensure that at the baccalaureate and masters level we adapt to new technology and that our high-quality programs and classes to prepare students meet workforce demands.

This real-world focus gives our students a competitive edge: 96 percent are either employed or enrolled in graduate school within six months after graduation. Year after year, our graduates earn excellent starting salaries. New graduates earn average starting salaries of $60,000 per year. We also attribute this to our dedicated professors, who provide personalized attention and are genuinely invested in their students' learning. A total enrollment of about 5,300 across all campuses and sites allows for an intimate campus environment distinguished by small classes and a student-to-faculty ratio of 15:1.

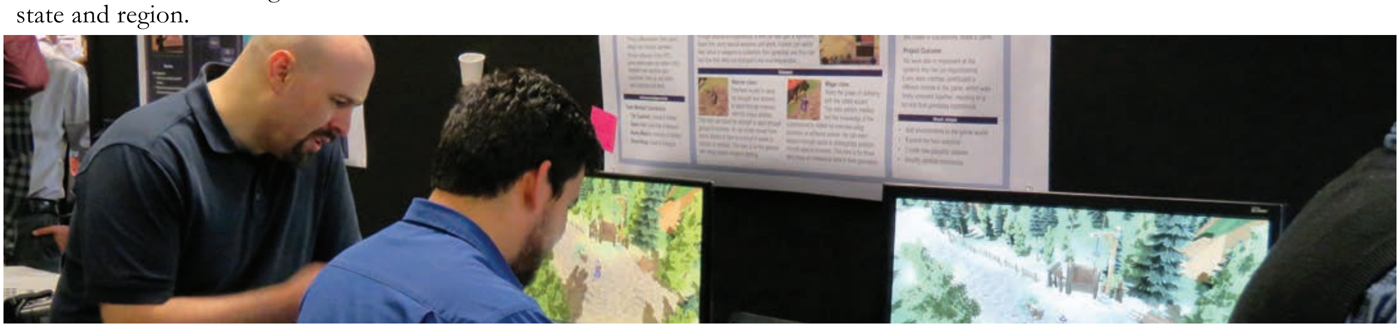
Hands-on Education



Our individualized and applied approach to teaching, which blends theory and practice, is the main reason our graduates are so avidly recruited. Whether they study software engineering, vascular technology, management, or dental hygiene, Oregon Tech students have amazing opportunities to apply what they learn in lab-based classes, clinics, externships and workplaces. This practical focus is reinforced in the classroom by instructors who come to Oregon Tech with relevant business, industry, or clinical experience.

And in every program, major studies are underscored by a general-education core that broadens students' understanding of the world and teaches them to communicate effectively, solve problems and think for themselves. Oregon Tech is best known for its traditional engineering and technological core, but new degree options (and surprising twists on old ones) are remarkably multi-dimensional. A Geomatics student might use GIS technology to survey an archeological excavation, or a Mechanical Engineering student may complete a cross-disciplinary application in sustainability. A Communication Studies major might compile a technical manual for an Oregon Renewable Energy Center project. Information Technology and Health Informatics or Management students might specialize in allied health management.

Oregon Tech is known as "industry's university" because of our intense focus on meeting workforce and economic needs in the state and region.



Mission

Oregon Institute of Technology ("Oregon Tech"), Oregon's polytechnic university, offers innovative, professionally-focused undergraduate and graduate degree programs in the areas of engineering, health, business, technology, and applied arts and sciences. To foster student and graduate success, the university provides a hands-on, project-based learning environment and emphasizes innovation, scholarship, and applied research. With a commitment to diversity and leadership development, Oregon Tech offers statewide educational opportunities and technical expertise to meet current and emerging needs of Oregonians as well as other national and international constituents.

Core Themes

Statewide Educational Opportunities

Student and Graduate Success

Applied Degree Programs

Public Service

Oregon Tech Strategic Plan

www.oit.edu/strategic-plan


RETURN ON INVESTMENT
#1
IN OREGON
PAYSCALE COLLEGE ROI
AVERAGE STARTING SALARY
$60K
PER YEAR
FOR OREGON TECH GRADUATES
PUBLIC WEST REGIONAL COLLEGE
#2
TOP
2020
U.S. NEWS AND WORLD REPORT
BEST WEST COLLEGES FOR VETERANS
#4
2020
U.S. NEWS AND WORLD REPORT
BEST ENGINEERING PROGRAMS
#32
2020
U.S. NEWS AND WORLD REPORT
OR ENROLLED IN GRADUATE SCHOOL
96%
EMPLOYED
WITHIN 6 MONTHS AFTER GRADUATING

Message from the President

Nagi G. Naganathan
Oregon Tech President

The 2019-20 academic year was like no other in Oregon Tech's history. While the year started out with strong freshmen enrollment growth, new degree programs launched, and the five-year strategic planning process well underway, it ended with major academic and operational adaptations in response to the impacts of COVID-19. As the virus held the world in its tight grip, Oregon Tech moved quickly to limit educational impacts on our students. Faculty and students shifted to remote teaching and learning in a matter of days. The majority of employees began working from home, events were shifted to virtual delivery, and our health center professionals developed new patient visit protocols and telehealth services, including mental health counseling for students. Then late in the year, protests and calls for change remind us that we are battling a national crisis of racism and bias. Looking back on this extraordinary year, Oregon Tech's achievements and challenges were many. It is with pride in our collective strength and action, I present the highlights noted below.

New student enrollment energizes the campus

Oregon Tech's value proposition continues to attract larger freshmen classes. Fall 2019 freshmen increases of 14 percent, an 11 percent in transfer students, and online campus growth of 9 percent represented the third year in a row of healthy new student growth. While the university is using new strategies to improve retention rates, our higher number of non-traditional, working and part-time students – attracted by our professional-practice approach in degree programs – are a population that often take longer to complete degrees, some needing to stop out for one or multiple terms for work, family or life obligations.

Value proposition remains strong

Enrollment growth can be attributed to Oregon Tech's unique teaching and learning approach as Oregon's Polytechnic University. The 2019 student success indicators remained strong, with 96 percent of recent graduates employed or enrolled in advanced degree programs within six months of graduation. These same graduates had the highest average starting salaries, $60,000 a year, of any graduates in the state, as verified not just with our own surveys but several external analyses. In fact, the Georgetown Center on Education and the Workforce study on net present value of graduates' degrees ranked Oregon Tech as number one in Oregon for long-term return on investment; and in the top 4 percent in the nation.

Academics deliver to students and industry with in-demand degrees

With a new Provost and new degrees to launch, Oregon Tech began the 2019-20 year in a strong position with our academic programs and operations. Dr. Joanna Mott joined the university as Provost in August 2019, quickly working with faculty and university operations to launch new, and support existing, programs that meet industries' needs for highly skilled professionals. Launching the new cybersecurity bachelor's degree program in the fall attracted students who see the potential in this relatively new and complex field. Provost Mott also led planning for the launch of the new bachelor's in data science; and the development of a first for Oregon Tech, the doctorate in physical therapy (DPT) program. This is also the first public option of its kind in the state. Just prior to the end of the academic year, a director was hired for the DPT program, after which other faculty will be hired and the program set up to begin receiving students in 2021.

Progress in capital projects marks a new era in Klamath Falls

Over the last year much progress has been made on several capital projects that were underway during 2019-20. Major investments are being made in Oregon Tech's engineering and technology facilities with the renovation of Cornett Hall, and the groundbreaking on construction of the new Center for Excellence in Engineering and Technology. Together, this complex represents a new era of innovation at Oregon Tech, with maker spaces and a collaborative atmosphere that fosters entrepreneurialism and invention.

Continuing with renovations done last year, the Athletic Center saw a complete lobby overhaul, internal rehabilitation and improved space usage, and the construction of a brand new Student Recreation Center within the gymnasium. The John & Lois Stilwell Stadium continued with its improvement process, and is now one of the best in conference and in the area, able to host home games during the regional playoffs and events throughout the year. Other rehabilitation plans for campus, including the remodel of Boivin Hall, have been presented to the Oregon legislature for approval, ranking high priority on the statewide list. Due to early cancellation of the 2020 legislative session and the onset of the pandemic, bonding of these projects is currently on hold. The 2021 Legislative Session will be the next opportunity to seek bond funding for Boivin Hall and other priorities.

Donors step up for our students

This year represented a milestone for the Oregon Tech Foundation as it celebrated 50 Years of Philanthropy. The generosity of donors continues to change the landscape of the university with funds for buildings, scholarships, athletics, and academic support. Besides the record amounts in foundation-raised scholarships to Oregon Tech students, the Foundation reached out to donors immediately after the Coronavirus shut down on-campus activities. Foundation donors quickly responded, raising new assistance for students facing financial hardships related to COVID-19. With the need to seek diversification in university funding sources, Oregon Tech is looking forward to a new vice president for Institutional Advancement who will be starting later in 2020, and leading a new era of donor engagement and investment through the work of the Oregon Tech Foundation.

Finding the opportunities amid the challenges

As with all of higher education, Oregon Tech is and will certainly be challenged by the many impacts of COVID-19 on our students, faculty and staff, from financial to social to the ways we ensure a safe environment when we return to campus. Yet we have a solid guidepost in the university's 5-year strategic plan, completed and approved by the university's trustees in June 2020. Development of the plan was led by a dedicated and representative group of faculty, staff, students and other stakeholders, who worked for 12 months to develop the plan. I am proud of the campus for its full engagement in crafting, questioning, engaging in focus groups and bringing us to a plan that will carry Oregon Tech into its next generation of success.

This extraordinary time of change and ambiguity has challenged Oregon Tech. But it has also opened new opportunities, a spirit of innovation, and inspired a new energy and unity as we navigate and succeed by being Oregon Tech Together, now and into the future.

Sincerely,

Nagi G. Naganathan

Nagi G. Naganathan, Ph.D., ASME fellow
President, Oregon Tech

Oregon TECH
Oregon Institute of Technology

Top University Accomplishments 2019-20

Personal finance company SmartAsset released its 2020 Best Value Colleges in the U.S., with an Oregon Institute of Technology degree noted as the highest value for your dollar of any college or university in Oregon. ■ Oregon Tech is once again ranked highly in the U.S. News and World Report "Best Colleges 2020" rankings, listing us as the No. 2 Top Public College in the West*, and No. 6 in Best Western Regional Colleges. ■ Oregon Tech has again earned the 2020-2021 Military Friendly® School designation. The designation is a standard for which higher education institutions provide the best opportunities for veterans and their spouses. (*The ranking is comprised of the best of the baccalaureate colleges in Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oklahoma, Oregon, Texas, Utah, Washington, and Wyoming.)

Student & Faculty Success: Oregon Tech was the first public university in Oregon to no longer require ACT or SAT test scores from first-year applicants -- effective for the entering class of Fall 2021 -- joining a growing list of universities nationally who are revising standardized testing policies. ■ Six senior students and two faculty members from Oregon Tech's dental hygiene program in Klamath Falls traveled to Montego Bay, Jamaica to provide dental care to underserved communities in rural areas. ■ A team of Oregon Tech business students won an international competition called the IACBE Business Case Competition, the second business competition the team won this year. These competitions are designed for business students to work directly with a startup company to develop a solution addressing a real business challenge. ■ Adapting quickly to the changing environment brought on by the COVID-19 pandemic, Oregon Tech faculty and staff developed methods to deliver Spring 2020 classes and services online. Returning from Spring Break to a new course delivery system, students quickly adapted, becoming successful in the new learning environment. ■ Oregon Tech students and faculty used Spring Break to start producing PPE face shields and respirator adaptors through 3D printing to provide to hospitals and medical providers in Oregon as the need increased due to COVID-19.

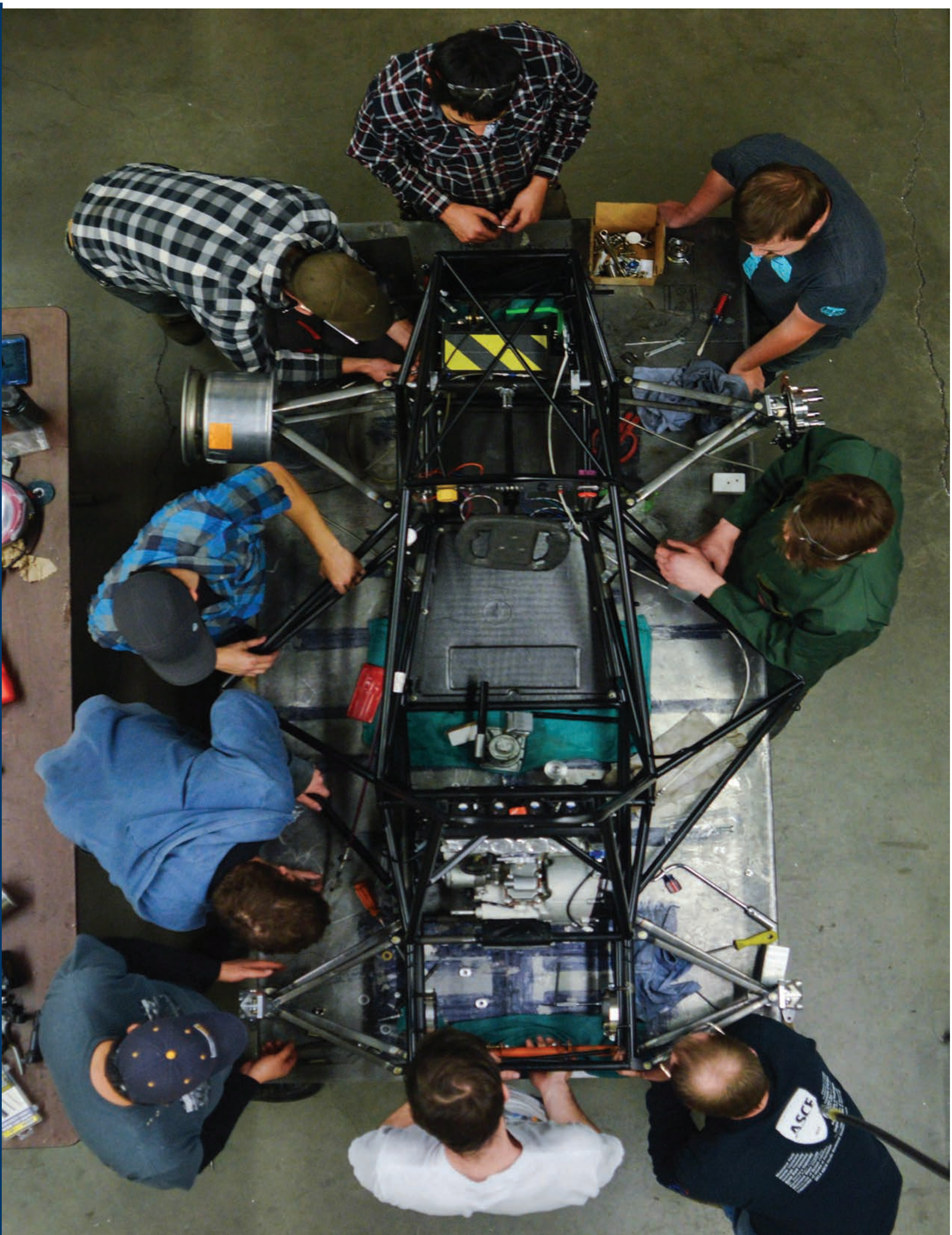
Partnerships: The University is well underway to launching a Doctor of Physical Therapy program in partnership with OHSU, including hiring the program director in June 2020. The program also received financial support from Sky Lakes Medical Center. ■ South Salem High School students in the largest DECA program in the state were welcomed into Oregon Tech's Diploma to Degree program, providing a gateway to college for high school students interested in business. ■ Faculty at Oregon Tech continue to adopt Open Educational Resources for coursework needs, saving students more than $400,000 in textbook costs by not requiring traditional course textbooks. ■ In response to COVID-19, Oregon Tech transferred ventilators from the University's state-of-the-art teaching labs to Sky Lakes Medical Center and Asante Rogue Regional Medical Center for Coronavirus patient respiratory support.

Program Strengthening: Approval was received for Oregon Tech to offer the first undergraduate Data Science bachelor's degree program at a public university in Oregon. ■ Oregon Tech held its first major convening in the fall at the Portland-Metro campus, the Energy-Environment Future Summit. The summit attracted more than 120 practitioners, academic experts and students in the field, focused on issues facing leadership and communities in planning for and delivering renewable and other energy in the context of effective environmental management. ■ Full time dentist, Dr. Andrew Bernhard, joined the Oregon Tech Dental Clinic to provide a full range of dental services to Klamath Falls and surrounding communities. ■ Six new scholarships available through Oregon Tech/OHSU's joint Emergency Medical Services programs, in partnership with the AMR Foundation for Research and Education, were created to provide financial resources to underserved students who embody the university's emphasis on inclusion, innovation and impact.

Facilities: Phase II of the Cornett Hall renovation is complete in the South Wing, with the last phase of the lobby and exterior improvements currently underway. ■ The Center for Excellence in Engineering and Technology is well underway with the structure standing and concrete walls being constructed. ■ The athletic center saw a complete lobby overhaul with the previous fitness center remodeled into staff office and team rooms. Renovations are being completed in the pre-existing pool and weight room to create a brand new Student Recreation Center.

Foundation: The Oregon Tech Foundation celebrated 50 Years of Philanthropy, which has changed the landscape of the university by contributing funds for buildings, scholarships, athletics, and academic support. ■ Oregon Tech Foundation and Oregon Tech collaborated to provide a "Helping Owls Fund" with $150,000 in financial assistance for students facing financial hardships related to COVID-19. ■ Give A Hoot Day raised nearly $90,000, largely in support of students facing crisis related to COVID-19. This included a $10,000 grant to support a student project to provide much-needed PPE in hospitals and clinics in Oregon and beyond. Matching gift challenges were met throughout the campaign, exceeding the initial goal of raising $50,000. ■ Alumni continue to connect and enjoy alumni gatherings, including record attendance as more than 100 alumni attended the Oregon Tech Alumni Trail Blazer Basketball Night. ■ The John & Lois Stilwell Stadium is now sporting lights, new batting cages, and additional landscaping, making the stadium one of the best in conference and in the area. The new lights give the softball team the ability to host home games during the regional playoffs and events at throughout the year.

Athletics: In the classroom, all fourteen athletic teams carried a department GPA average of 3.33, up from 3.31 a year ago, and underscored when 104 athletes received All-CCC Academic Honors this past season. ■ Fall Sports: Oregon Tech had a record year led by the women's soccer program, which had its best year in program history, capturing its first Cascade Conference Championship with an undefeated conference record of 10-0-2, and an overall record of 13-4-3. The Lady Owls made it all the way to the first round of the NAIA National Tournament to Marymount of California, losing 2-1 in the Santa Barbara Bracket, ranking as high as #24 in the NAIA during the 2019 season. Head coach Brandon Porter was voted 2019 Cascade Conference Coach of the Year for the second year. Porter also was the 2019 head men's soccer coach, guiding the team to its best record of 10-5-4, falling to Eastern Oregon University in the quarterfinals of the Cascade Conference Tournament. Both Men's and Women's cross country teams finished at No. 15 nationally. ■ Winter Sports: Men's basketball finished 2nd in the CCC regular season and lost to College of Idaho in the tournament championship game as the men earned their 18th overall bid to the NAIA National Tournament, fourth in a row. (The National Tournament was cancelled due to COVID 19 the day before the Owls played their first game, thus ending the season with a 26-7 overall mark and a No. 7 NAIA ranking.) A very young Lady Owls basketball squad finished 19-12 overall and 4th in the CCC at 13-7. Danielle De Castro set two school records and Cindy Reed joined her garnering All-American status and helped Oregon Tech women to a 17th-place finish in the NAIA indoor track and field championships. ■ Oregon Tech athletes and fans were disappointed when COVID-19 cancelled all spring sport competitions (golf, track & field, baseball, and softball).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INDEPENDENT AUDITORS' REPORT

Members of the Board

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Oregon Tech (the University), a component unit of the State of Oregon, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the University'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the 2020 and 2019 financial statements of the Oregon Tech Foundation (the Foundation), which represents 100 percent of the assets, net assets, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors. 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. The financial statements of the Foundation, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 University'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 University'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 opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the University as of June 30, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 12 through 22, the Schedule of Oregon Tech's Contributions - Public Employees Retirement System, the Schedule of Oregon Tech's Proportionate Share of the Net Pension Asset/Liability, the Schedule of Oregon Tech's Proportionate Share of the Total PEBB OPEB Liability, Schedule of Oregon Tech's Proportionate Share Net PERS RHIA OPEB Liability/Asset, Schedule of Oregon Tech's PERS RHIA OPEB Employer Contribution, Schedule of Oregon Tech's Proportionate Share Net PERS RHIPA OPEB Liability, and Schedule of Oregon Tech's PERS RHIPA Employer Contribution listed as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The Message from the President is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Message from the President has 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.

Other Reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2020, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 16, 2020

For the Year Ended June 30, 2020 (dollars in thousands)

Introduction

The following Management's Discussion and Analysis (MD&A) provides an overview of the financial position and activities of Oregon Institute of Technology (Oregon Tech)/(University) for the fiscal year ended June 30, 2020 with comparative data for the fiscal years ended June 30, 2019 and June 30, 2018. This discussion has been prepared by management to assist readers in understanding the accompanying financial statements and footnotes.

ANNUAL FULL TIME EQUIVALENT STUDENT ENROLLMENT SUMMARY:

2020	2019	2018	2017	2016
3,377	3,352	3,330	3,299	3,159

Understanding the Financial Statements

The MD&A focuses on Oregon Tech as a whole and is intended to foster a greater understanding of Oregon Tech's financial activities. Since this presentation includes summarized formats, it should be read in conjunction with the financial statements which have the following six components:

Independent Auditors' Report presents an unmodified opinion rendered by an independent certified public accounting firm, CliftonLarsonAllen LLP, on the fairness in presentation (in all material respects) of the financial statements.

Statement of Net Position (SNP) presents a snapshot of Oregon Tech's assets, deferred outflows, liabilities, and deferred inflows under the accrual basis of accounting at the end of each fiscal year presented. The SNP helps the reader understand the types and amounts of assets available to support operations, how much Oregon Tech owes to vendors, and net position delineated based upon their availability for future expenditures.

Statement of Revenues, Expenses, and Changes in Net Position (SRE) presents Oregon Tech's revenues and expenses categorized between operating, nonoperating, and other related activities. The SRE reports Oregon Tech's operating results for each fiscal year presented.

Statement of Cash Flows (SCF) provides information about Oregon Tech's sources (receipts) and uses (payments) of cash during the fiscal year. The SCF classifies sources and uses of cash into four categories, and assists in determining whether Oregon Tech has the ability to generate future net cash flows to meet its obligations as they come due.

Notes to the Financial Statements (Notes) provide additional information to clarify and expand on the financial statements.

The Component Unit, comprised of a supporting foundation, is discretely presented in the Oregon Tech financial statements and in Notes 2 and 19.

The MD&A provides an objective analysis of Oregon Tech's financial activities based on currently known facts, decisions, and conditions. The MD&A discusses the current and prior year results in comparison to the current and two previous fiscal years. Unless otherwise stated, all years refer to the fiscal year ended June 30.

Financial Summary

The University's financial position has improved over the past two years. Net Position as of June 30, 2020 increased $14,973 over the prior year. Net Position as of June 30, 2019 increased $10,888 over 2018.

The largest increase to Net Position in 2020 was to the Net Investment in Capital Assets, which increased $15,532. The 2020 Unrestricted Net Position increased $2,609 due largely to changes in University operations.

The largest increase to Net Position in 2019 was to the Net Investment in Capital Assets, which increased $8,562. The 2019 Unrestricted Net Position decreased $3,838 due largely to changes in University operations as well as changes to the Net Pension Liability, Other Postemployment Benefit (OPEB) Liability, and their respective related deferred items in 2019.

A full discussion is included in the Statement of Net Position section below.

Statement of Net Position

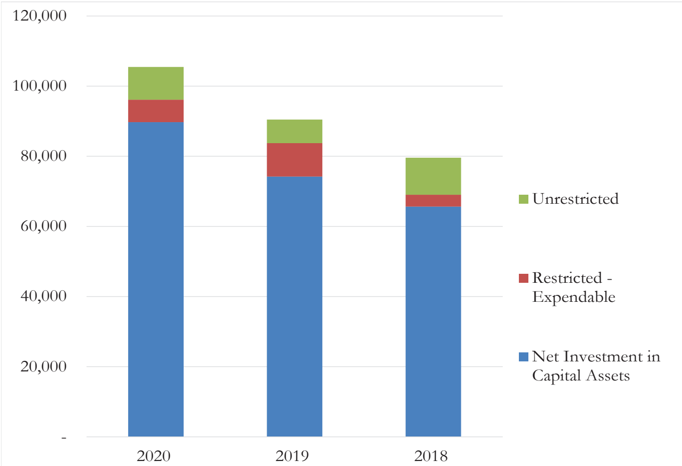
The term "Net Position" refers to the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources and is an indicator of Oregon Tech's current financial condition. Changes in net position that occur over time indicate improvement or deterioration in Oregon Tech's financial condition. The following summarizes Oregon Tech's assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position:

Condensed Statement of Net Position

As of June 30,	**2020**	2019	2018
Current Assets	**$ 30,174**	$ 22,969	$ 17,267
Noncurrent Assets	**19,784**	25,147	25,988
Capital Assets, Net	**129,873**	114,421	103,088
Total Assets	**$ 179,831**	$ 162,537	$ 146,343
Deferred Outflows of Resources	**$ 7,830**	$ 6,592	$ 6,059
Current Liabilities	**$ 17,784**	$ 17,008	$ 15,726
Noncurrent Liabilities	**62,462**	59,717	56,688
Total Liabilities	**$ 80,246**	$ 76,725	$ 72,414
Deferred Inflows of Resources	**$ 1,954**	$ 1,916	$ 388
Net Investment in Capital Assets	**$ 89,749**	$ 74,217	$ 65,655
Restricted - Expendable	**6,378**	9,546	3,382
Unrestricted	**9,334**	6,725	10,563
Total Net Position	**$ 105,461**	$ 90,488	$ 79,600

Total Net Position

As illustrated by the following graph, the make-up of net position changed between 2020, 2019 and 2018.



Comparison of fiscal year 2020 to fiscal year 2019

Net Investment in Capital Assets increased $15,532 or 21 percent.

- The net value of Capital Assets increased $15,452. See the discussion in the "Capital Assets and Related Financing" section of this MD&A and Note 5. "Capital Assets" for further details.
- The net value of Capital Assets is reduced by the Long Term Debt associated with the purchase of capital assets and increased by any unspent bond proceeds associated with debt. The Long Term Debt associated with capital assets decreased $80 due primarily to payments made on the associated debt, offset by the addition of a new loan with the Oregon Tech Foundation for the purchase of equipment. Please see Note 9. "Long-Term Liabilities" for additional information.

Restricted Expendable Net Position decreased $3,168 or 33 percent.

- Net position relating to funds reserved for debt service decreased by $37.
- Net position relating to the funding of capital projects decreased $3,147. The decrease is primarily due to work done on the Student Rec Center.
- Net position related to gifts, grants and contracts increased $111 due primarily to an increase in valuation reserves.
- Net position related to student loans decreased $246 due primarily to decreased funds for institutional and federal student loans.
- Net position related to the OPEB asset increased $151.

Unrestricted Net Position increased $2,609, or 39 percent, due largely to an increase in funds for normal university business activities of $5,618. This increase was primarily offset in by an increase in OPEB and Pension liabilities and their associated deferrals of $2,908. See Note 10. "Unrestricted Net Position" for further details.

Comparison of fiscal year 2019 to fiscal year 2018

Net Investment in Capital Assets increased $8,562 or 13 percent.

- The net value of Capital Assets increased $11,333. See the discussion in the "Capital Assets and Related Financing" section of this MD&A and Note 5. "Capital Assets" for further details.
- The net value of Capital Assets is reduced by the Long Term Debt associated with the purchase of capital assets and increased by any unspent bond proceeds associated with debt. The Long Term Debt and unspent bond proceeds associated with capital assets increased $2,770 due primarily to a new contract payable to the State for bonds issued for construction. Please see Note 9. "Long-Term Liabilities" for additional information.

Restricted Expendable Net Position increased $6,164 or 182 percent.

- Net position relating to funds reserved for debt service decreased by $41. This is primarily related to a $39 decrease in funds held for debt service payments on student building fee funded projects.
- Net position relating to the funding of capital projects increased $5,665. The increase is primarily due to funds for the Student Rec Center and additional matching funds for the renovation of the Center for Excellence in Engineering and Technology.
- Net position related to gifts, grants and contracts increased $425 due primarily to an increase in private funds received for the OMIC Linear Hydraulic Activator as well as increases in funds from the Oregon Tech Foundation. These increases were mainly offset by decreases in funds for grants and contracts received from the State.
- Net position related to student loans increased $25 due primarily to increased funds for institutional student loans.
- Net position related to the OPEB asset increased $90.

Unrestricted Net Position decreased $3,838, or 36 percent, due to Pension and OPEB expense of $1,361 and a decrease in funds for normal university business activities and other miscellaneous liabilities of $2,477. See Note 10. "Unrestricted Net Position" for further details.

Total Assets and Deferred Outflows of Resources

Total Assets increased $17,294, or 11 percent, during the year ended 2020. Total Assets increased $16,194 or 11 percent, during the year ended 2019. Deferred Outflows of Resources increased $1,238 in 2020 and increased $533 in 2019.

Comparison of fiscal year 2020 to fiscal year 2019

Current Assets increased $7,205, or 31 percent.

- Current Cash and Cash Equivalents increased $6,015. The increase is primarily due to increases in cash associated with the primary business activities of the University, auxiliaries, and renewal and replacement funds as well as less cash held as investments. These increases were offset by a decrease in cash associated with cost reimbursable project funds.
- Collateral from Securities Lending decreased $377.

- Accounts Receivable increased $2,963 primarily due to increases in receivables associated with capital construction grants and contracts of $3,833. Receivables for state, other government, and private grants, gifts, and contracts decreased $1,246.
- Current Notes Receivable decreased $1,339. This was primarily due to a $1,310 decrease in notes receivable for construction reimbursements due from the State.

Noncurrent Assets, including Capital Assets, increased $10,089, or 7 percent.

- Noncurrent Cash increased $186 due mainly to a decrease in cash being held as investments. This was offset by decreases in cash held for construction projects.
- Investments decreased $4,165 due primarily to an decrease in the amount of cash being converted to investments of $4,461. Due to revenue uncertainties related to the Coronavirus, approximately 40% of the Public University Fund's (PUF) intermediate term investments were sold during the fourth quarter of fiscal year 2020 to provide a liquidity cushion for fiscal year 2021.
- Noncurrent Notes Receivable decreased $1,535. This was primarily due to a decrease of $1,412 in noncurrent notes receivable for construction reimbursements due from the State.
- The net OPEB asset increased $151 See Note 15. "Other Postemployment Benefits" for additional information on this change.
- Capital Assets additions of $22,336 were offset by additions to accumulated depreciation of $6,758 and net retirements of $126, which resulted in an increase in the net value of Capital Assets of $15,452. See "Capital Assets" in this MD&A and Note 5. "Capital Assets" for additional information relating to these variances.

Deferred Outflows of Resources increased $1,238, or 19 percent, due to net increases related to changes in the reporting of pension deferrals of $1,322 offset by net decreases to deferrals for OPEB of $84. Also see Note 6. "Deferred Inflows and Outflows of Resources" for additional detail on these changes.

Comparison of fiscal year 2019 to fiscal year 2018

Current Assets increased $5,702, or 33 percent.

- Current Cash and Cash Equivalents increased $1,105. The increase is primarily due to an increase in cash associated with auxiliaries and less cash held as investments. These increases were offset by a decrease in cash associated with the primary business activities of the University.
- Collateral from Securities Lending decreased $479.
- Accounts Receivable increased $2,000 primarily due to increases in receivables from state, other government, and private grants, gifts, and contracts; accounts receivable from the Oregon Tech Foundation; and receivables associated with student tuition and fees. These increases were mainly offset by decreases to accounts receivable for capital construction grants and gifts and to accounts receivable for federal gifts, grants, and contracts.
- Current Notes Receivable increased $2,931. This was primarily due to $3,025 of added notes receivable for construction reimbursements due from the State. Current notes receivable for Perkins Loans decreased $68, while the allowance for these notes increased $9; leaving a net decrease to current notes receivable due to the Perkins Loan program of $77. Current notes receivable for institutional and other student loans decreased by $17.
- Prepaid Expenses increased $131 primarily due to an increase in prepaid general expenses in online learning and budgeted operation funds.

Noncurrent Assets, including Capital Assets, increased $10,492, or 8 percent.

- Noncurrent Cash decreased $61 due mainly to decreases in cash held for construction projects and also in cash held for student building fee funds. This was offset with a decrease in cash being held as investments.
- Investments decreased $1,976 due primarily to an decrease in the amount of cash being converted to investments of $2,574, mainly offset by an increase in gains on investments of $976.
- Noncurrent Notes Receivable increased $1,106. This was primarily due to $1,412 of added noncurrent notes receivable for construction reimbursements due from the State. Noncurrent notes receivable for Perkins Loans decreased $285, while the allowance for these notes increased $38; leaving a net increase to noncurrent notes receivable due to the Perkins Loan program of $323. The University is no longer allowed to issue new Perkins loans. Noncurrent notes receivable for institutional and other student loans increased by $17.
- The net OPEB asset increased $90 See Note 15. "Other Postemployment Benefits" for additional information on this change.
- Capital Assets additions of $16,927 were offset by additions to accumulated depreciation of $5,563 and net retirements of $31, which resulted in an increase in the net value of Capital Assets of $11,333. See "Capital Assets" in this MD&A and Note 5. "Capital Assets" for additional information relating to these variances.

Deferred Outflows of Resources increased $533, or 9 percent, due to net increases related to changes in the reporting of pension deferrals of $454 as well as net increases to deferrals for OPEB of $79. Also see Note 6. "Deferred Inflows and Outflows of Resources" for additional detail on these changes.

Total Liabilities and Deferred Inflows of Resources

Total Liabilities increased $3,521, or 5 percent, during the fiscal year 2020. Total Liabilities increased $4,311, or 6 percent, during fiscal year 2019. Deferred Inflows of Resources increased $38 or 2 percent in 2020 and increased $1,528 or 394 percent in 2019.

Comparison of fiscal year 2020 to fiscal year 2019

Current Liabilities increased $776, or 5 percent.

- The current portion of Long-Term Liabilities increased by $711 due primarily to increases to the current portion of liabilities for contracts payable to the State and compensated absences. In addition, during fiscal year 2020, Oregon Tech entered into a loan agreement with the Oregon Tech

For the Year Ended June 30, 2020 (dollars in thousands)

Foundation in order to purchase equipment. See Note 9. "Long-Term Liabilities" for additional information on these changes.

- Accounts Payable and Accrued Liabilities increased $461. The increase was largely attributable to payables related to payroll benefits of $674 and payables for contract retainage of $513. In response to difficulties presented by COVID-19, Oregon Tech also offered a new, one-time only early retirement incentive plan which added $162 to accounts payable in fiscal year 2020. Accounts payable related to services and supplies decreased $808. See Note 7. "Accounts Payable and Accrued Liabilities" for details.
- Obligations Under Securities Lending decreased $377.

Noncurrent Liabilities increased $2,745, or 5 percent.

- Long-Term Liabilities decreased $1,363 mainly due to decreases in the long-term portion of contracts payable to the State of $1,694. Oregon Tech added to the long-term portion when they entered into a loan agreement with the Foundation for the purchase of new equipment. See "Debt Administration" in this MD&A and Note 9. "Long-Term Liabilities" for additional information on these changes.
- The Net Pension Liability increased $4,267. See Note 14. "Employee Retirement Plans" for further details.
- The OPEB Liability decreased $159 due to a decrease to the OPEB liability for the PEBB plan of $127 and a decrease to the liability for the PERS RHIPA plan of $32. See Note 15. "Other Postemployment Benefits" for additional information.

Deferred Inflows of Resources increased $38, or 2 percent. See Note 6. "Deferred Inflows and Outflows of Resources" for additional detail.

Comparison of fiscal year 2019 to fiscal year 2018

Current Liabilities increased $1,282, or 8 percent.

- The current portion of Long-Term Liabilities increased by $39 due primarily to increases to the current portion of liabilities for contracts payable to the State and the PERS pre-SLGRP pooled liability. These increases were largely offset by decreases in the current portion of liabilities for compensated absences and the early retirement program. See Note 9. "Long-Term Liabilities" for additional information on these changes.
- Accounts Payable and Accrued Liabilities increased $1,103. The increase was seen across most categories with the largest increase coming from payables related to payroll benefits, which increased $772. Other large increases were to payables for services and supplies and payables for salaries and wages. Contract retainage payable decreased $253. See Note 7. "Accounts Payable and Accrued Liabilities" for details.
- Unearned Revenue increased by $579 due primarily to increases in prepaid tuition and fees and grant and contract deferred revenue.
- Deposits increased $40.
- Obligations Under Securities Lending decreased $479.

Noncurrent Liabilities increased $3,029, or 5 percent.

- Long-Term Liabilities increased $2,663 mainly due to an increase in the long-term portion of contracts payable to the State of $2,730. The primary decreases were for the long-term portion of the PERS pre-SLGRP pooled liability, loans from the Oregon Department of Energy, and capital leases. See "Debt Administration" in this MD&A and Note 9. "Long-Term Liabilities" for additional information on these changes.
- The Net Pension Liability increased $279. See Note 14. "Employee Retirement Plans" for further details.
- The OPEB Liability increased $87 due to an increase to the OPEB liability for the PEBB plan of $132, offset by a decrease to the liability for the PERS RHIPA plan. See Note 15. "Other Postemployment Benefits" for additional information.

Deferred Inflows of Resources increased $1,528, or 394 percent, due to net changes in reporting for pension liabilities, which increased deferred inflows by $1,505, and net changes related to OPEB liabilities of $23. See Note 6. "Deferred Inflows and Outflows of Resources" for additional detail.

Statement of Revenues, Expenses and Changes in Net Position (SRE)

Due to the classification of certain revenues as nonoperating revenue, Oregon Tech shows a loss from operations. State general fund appropriations, nonexchange grants, and non-capital gifts, although considered nonoperating revenue under GASB Statement No. 35 and reflected accordingly in the nonoperating section of the SRE, are used solely for operating purposes.

The following summarizes the revenue and expense activity of Oregon Tech:

Condensed Statement of Revenues, Expenses and Changes in Net Position

For the Years Ended June 30,	2020	2019	2018
Operating Revenues	**$ 45,988**	$ 47,042	$ 39,005
Operating Expenses	**91,520**	92,018	80,478
Operating Loss	**(45,532)**	(44,976)	(41,473)
Nonoperating Revenues, Net of Expenses	**43,640**	39,962	34,858
Other Revenues	**16,865**	15,902	10,559
Increase in Net Position	**14,973**	10,888	3,944
Net Position, Beginning of Year	**90,488**	79,600	76,423
Change in Accounting Principle	**-**	-	(767)
Net Position, End of Year	**$ 105,461**	$ 90,488	$ 79,600

For the Year Ended June 30, 2020 (dollars in thousands)

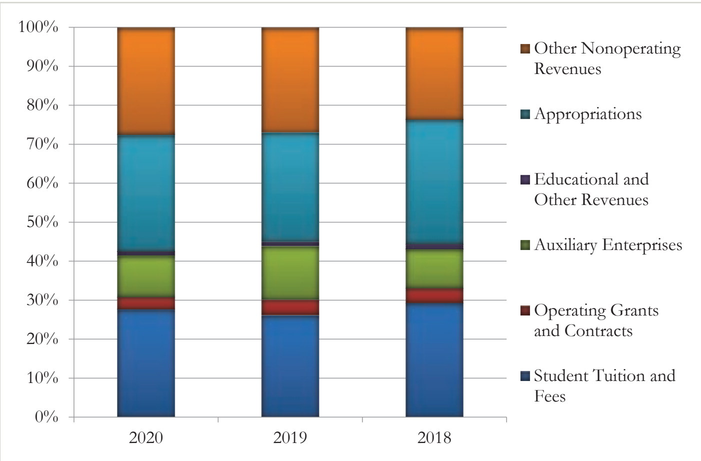
Total Revenues

Total Revenues increased $3,552, or 3 percent, in 2020 over 2019.

Total Operating and Nonoperating Revenues

For the Year Ended June 30,	2020	2019	2018
Student Tuition and Fees	$ 29,911	$ 27,352	$ 25,717
Grants and Contracts	3,427	4,208	3,340
Auxiliary Enterprises	11,573	14,348	8,855
Educational and Other	1,077	1,134	1,093
Total Operating Revenues	45,988	47,042	39,005
Appropriations	32,379	29,401	28,114
Financial Aid Grants	7,061	7,158	6,940
Gifts	3,877	3,635	3,253
Investment Activity	1,764	1,636	177
Federal CARES Act Grants	393	-	-
Capital Grants and Gifts	16,731	15,769	10,402
Total Nonoperating and Other Revenues	62,205	57,599	48,886
Total Revenues	$ 108,193	$ 104,641	$ 87,891

Total Operating and Nonoperating Revenues



Operating Revenues

Operating Revenues decreased $1,054 in 2020, or 2 percent, over 2019, to $45,988. Operating Revenues increased $8,037 in 2019, or 21 percent, over 2018, to $47,042.

Comparison of fiscal year 2020 to fiscal year 2019

Student Tuition and Fees increased $2,559, or 9 percent.

- Higher enrollment increased the total by $24 while higher fee rates accounted for an increase of $3,259.
- Fee remissions and scholarship allowances reduced tuition and fees by $775 more than in the prior period.
- Bad debt expense, primarily related to the maintenance of the allowance for bad debt, decreased by $51, causing less of a reduction to tuition revenues.

Federal, State and Nongovernmental Grants and Contracts decreased $781, or 19, percent due to the following:

- Federal grant and contract revenue decreased $90.
- State and local grant activity decreased $267 primarily due to decreased grant revenues from the Oregon Business Development Department for work done in the OMIC facility.
- Nongovernmental grant activity decreased $424 primarily due to decreases in revenues from grants for work done in the OMIC facility.

Auxiliary Enterprise revenues decreased $2,775, or 19 percent, due mainly to the following:

- Housing and Dining revenues decreased $988 due primarily to lost revenues from dining card sales and room and board fees. These losses can be attributed to the shut-down of in-person classes necessitated by COVID-19.
- OMIC membership dues decreased $2,085 largely due to a reduction of non-cash gift in kind revenues for the year.
- These decreases were mainly offset by the addition of new fees for the Student Recreation Center.

Educational Department Sales and Services revenues increased $61, while **Other Operating** revenues decreased $118.

Comparison of fiscal year 2019 to fiscal year 2018

Student Tuition and Fees increased $1,635, or 6 percent.

- Higher enrollment increased the total by $14 while higher fee rates accounted for an increase of $2,111.
- Fee remissions and scholarship allowances reduced tuition and fees by $585 more than in the prior period.
- Bad debt expense, primarily related to the maintenance of the allowance for bad debt, decreased by $95, causing less of a reduction to tuition revenues.

Federal, State and Nongovernmental Grants and Contracts increased $868, or 26, percent due to the following:

- Federal grant and contract revenue increased $105 primarily due to increases in grant revenues received as a subrecipient of awards from the US Department of Interior as well as increases in federal grant revenue passed through commercial business. The increases were offset in large part by a decrease in grants made through NASA.
- State and local grant activity increased $233 primarily due to increased grant revenues from the Oregon Business Development Department for work done in the OMIC facility. Increases in state and local grant revenue were offset mainly by decreases in grants from the Northwest Collaboratory for Sustainable Manufacturing.
- Nongovernmental grant activity increased $530 primarily due to increases in revenues from grants for work done in the OMIC facility.

Auxiliary Enterprise revenues increased $5,493, or 62 percent, due mainly to the following:

- OMIC membership dues of $4,758 were collected as part of a collaboration agreement, a portion of which included gift in kind dues.
- Housing and Dining revenues increased $397 due primarily to increased revenues from dining card sales of $1,553. This, and other small increases, were mainly offset by decreases in revenues from room and board fees of $1,209.
- Incidental fees for student centers increased $74.
- Undergraduate health center fees increased $92
- Revenues for dental services increased $153.
- Revenue and reimbursements generated by the Bookstore increased $70.

For the Year Ended June 30, 2020 (dollars in thousands)

- These increases were mainly offset by decreases in revenue generated from conferences and athletic advertising.

Educational Department Sales and Services revenues decreased $22, while **Other Operating** revenues increased $63.

Nonoperating and Other Revenues

The increase of $4,606, or 8 percent, during 2020 in Nonoperating Revenues is primarily due to increases in government appropriations. The increase of $8,713, or 22 percent, during 2019 in Nonoperating Revenues is primarily due to increases in investment activities and government appropriations.

Comparison of fiscal year 2020 to fiscal year 2019

Government Appropriations increased $2,978, or 10 percent, due to an increase in state appropriations for Oregon Tech operations. See Note 13. "Government Appropriations" for additional information relating to changes in appropriations.

Financial Aid Grants decreased by $97, or 1 percent.

Gifts increased $242, or 7 percent. The change can be largely attributed to the following:

- Gifts from the Oregon Tech Foundation increased $159.
- Gifts from private individuals increased $93.

Investment Activity revenues increased $128, or 8 percent due in large part to an increase in investment earnings, which increased $218. In addition, there was a gain on the sale of investments of $76 in fiscal year 2020, while there was a loss of $353 in fiscal year 2019. These increases were offset primarily by a decrease in the appreciation of net assets. See Note 11. "Investment Activity" as well as discussion of Investments in this MD&A for additional information relating to these changes.

During fiscal year 2020, Oregon Tech received $393 from the **Federal CARES Act** in response to COVID-19. These revenues came from the student portion of the CARES Act and were used to fund student aid. See Note 1.Z. "CARES Act" for additional information concerning the Federal CARES Act funds.

Capital Grants and Gifts increased $962, or 6 percent, due primarily to increased funds the Center for Excellence in Engineering and Technology (CEET) - Cornett Hall Renovation, This increase was offset due primarily to decreased funds for the Oregon Business Development OMIC projects and the renovation of the softball complex.

Comparison of fiscal year 2019 to fiscal year 2018

Government Appropriations increased $1,287, or 5 percent, due to an increase in state appropriations for Oregon Tech operations. See Note 13. "Government Appropriations" for additional information relating to changes in appropriations.

Financial Aid Grants increased by $218, or 3 percent, primarily due to increases in the amount of Oregon Opportunity Grant funds as well as funds for the federal Supplemental Educational Opportunity Grant. These increases were offset by a decrease to funds for Pell grants.

Gifts increased $382, or 12 percent.

- Gifts from private individuals increased $210.
- Gifts from the Oregon Tech Foundation increased $203.
- Gifts from commercial businesses increased $62.
- Gifts from foundations, associations, and societies decreased $93.

Investment Activity revenues increased $1,459, or 824 percent due in large part to net appreciation of investments, which increased $1,147, as well as increases in investment earnings and income from temporarily restricted endowments. See Note 11. "Investment Activity" for additional information relating to these changes.

Capital Grants and Gifts increased $5,367, or 52 percent, due primarily to increased funds set aside as match for the Center for Excellence in Engineering and Technology - Cornett Hall Renovation; Phase 1 project, increased funds for capital made possible by grant funds from the Oregon Business Development Department, gifts from the foundation for softball upgrades, and funds from the State for the Student Rec Center project.

Expenses

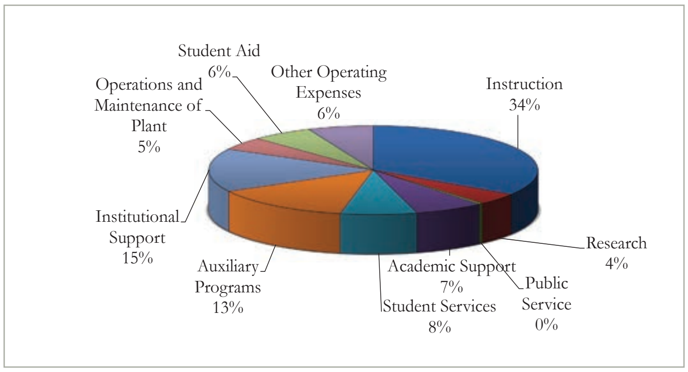
Operating Expenses

Operating expenses decreased $498 in 2020, or 1 percent over 2019, to $91,520. Operating expenses increased $11,540 in 2019, or 14 percent over 2018, to $92,018. The following summarizes operating expenses by functional classification:

Operating Expense by Function

For the Years Ended June 30,	2020	2019	2018
Instruction	$ 31,331	$ 32,568	$ 30,366
Research	3,889	4,601	2,908
Public Service	400	154	73
Academic Support	6,240	10,070	6,089
Student Services	6,843	6,427	4,932
Auxiliary Programs	12,629	11,698	10,774
Institutional Support	14,430	13,133	11,661
Operations and Maintenance of Plant	4,408	4,713	4,465
Student Aid	5,454	5,135	5,215
Other Operating Expenses	5,896	3,519	3,995
Total Operating Expenses	$ 91,520	$ 92,018	$ 80,478

2020 Operating Expense by Function



For the Year Ended June 30, 2020 (dollars in thousands)

The implementation of GASB Nos. 68 and 71 in 2015 and the implementation of GASB No. 75 in 2018 have had a profound impact on the operating expenses reported by Oregon Tech. The following tables show the effect of these statements on operating expenses across the functional classifications. The changes associated with recording components of the Net Pension Liability required by GASB 68 and 71 increased operating expenses by $2,779; while the changes associated with recording components of the OPEB Asset/Liability required by GASB 75 decreased operating expenses by $22. See Note 14. "Employee Retirement Plans" and Note 15. "Other Postemployment Benefits" for additional details.

The effect of GASB Nos. 68 and 75 on Expenses by Functional Classifications

For the Year Ended June 30, 2020	as reported	without adjustments	difference
Instruction	$ 31,331	$ 30,192	$ 1,139
Research	3,889	3,810	79
Public Service	400	382	18
Academic Support	6,240	6,022	218
Student Services	6,843	6,559	284
Auxiliary Programs	12,629	12,412	217
Institutional Support	14,430	13,825	605
Operations & Maintenance of Plant	4,408	4,211	197
Student Aid	5,454	5,454	-
Other Operating Expenses	5,896	5,896	-
Total Operating Expenses	**$ 91,520**	**$ 88,763**	**$ 2,757**

For the Year Ended June 30, 2019	as reported	without adjustments	difference
Instruction	$ 32,568	$ 32,017	$ 551
Research	4,601	4,568	33
Public Service	154	151	3
Academic Support	10,070	9,960	110
Student Services	6,427	6,302	125
Auxiliary Programs	11,698	11,594	104
Institutional Support	13,133	12,874	259
Operations & Maintenance of Plant	4,713	4,627	86
Student Aid	5,135	5,135	-
Other Operating Expenses	3,519	3,518	1
Total Operating Expenses	$ 92,018	$ 90,746	$ 1,272

For the Year Ended June 30, 2018	as reported	without adjustments	difference
Instruction	$ 30,366	$ 29,511	$ 855
Research	2,908	2,864	44
Public Service	73	72	1
Academic Support	6,089	5,886	203
Student Services	4,932	4,762	170
Auxiliary Programs	10,774	10,631	143
Institutional Support	11,661	11,296	365
Operations & Maintenance of Plant	4,465	4,312	153
Student Aid	5,215	5,215	-
Other Operating Expenses	3,995	3,994	1
Total Operating Expenses	$ 80,478	$ 78,543	$ 1,935

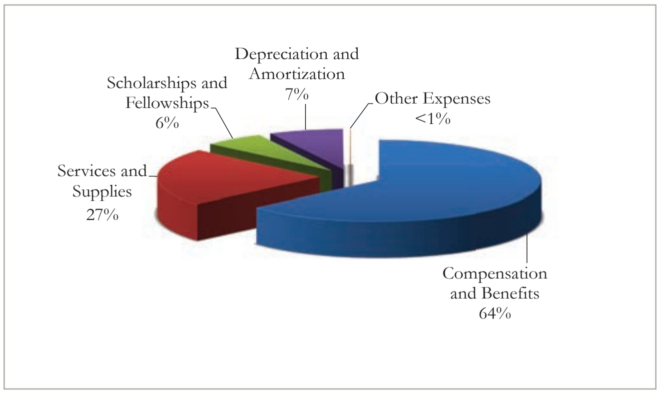
Due to the way in which expenses are incurred by Oregon Tech, variances are presented and explained by analyzing changes in the natural classification of expenses. Each natural classification analysis can be applied to many of the functional expense caption items.

The following summarizes operating expenses by natural classification:

Operating Expenses by Natural Classification

For the Year Ended June 30,	**2020**	2019	2018
Compensation and Benefits	**$ 58,148**	$ 56,374	$ 52,334
Services and Supplies	**21,044**	24,958	17,610
Scholarships and Fellowships	**5,509**	5,048	5,105
Depreciation and Amortization	**6,758**	5,563	5,316
Other Expenses	**61**	75	113
Total Operating Expenses	**$ 91,520**	$ 92,018	$ 80,478

2020 Operating Expenses by Natural Classification



Comparison of fiscal year 2020 to fiscal year 2019

Compensation and Benefits costs increased $1,774, or 3 percent, primarily due to the following:

- Unclassified salaries decreased $275; classified salaries increased $84; and wages for students and graduate teaching assistants decreased $196. These increases were partially due to a 6 percent decrease in FTE.
- Adjustments made due to required reporting for the Net Pension Liability and related deferrals increased by $2,263. See Note 14. "Employee Retirement Plans" for more information.
- The OPEB expense recorded as a result of the required reporting for the OPEB Liability/Asset and related deferrals decreased $47. See Note 1.L. "Other Postemployment Benefits (OPEB) Asset/Liability" and Note 15. "Other Postemployment Benefits" for additional information.

Services and Supplies expense decreased $3,914, or 16 percent. This increase was mainly caused by large decreases in services and supplies for the University budgeted operations ($989) and those purchased with grants, gifts, and contracts ($1,083). In addition, there was $1,588 less supplies and minor equipment recorded related to OMIC membership dues. Auxiliary programs services and supplies decreased $549.

For the Year Ended June 30, 2020 (dollars in thousands)

These decreases were largely offset by an increase in services and supplies for construction projects.

Scholarships and Fellowships expense increased $461, or 9 percent, primarily due to awards given to students through the federal CARES Act funding and also through the Helping Owls Scholarship, a collaboration between the Oregon Tech Foundation and Oregon Tech, totaling $393 and $75, respectively. Both of these programs are in response to the COVID-19 pandemic. In addition, there was an increase in the amount of Oregon Need grant awards of $89. Among other smaller decreases, there was a decrease in the amount of Pell grant funds awarded of $158.

Depreciation and Amortization expense increased $1,195, or 21 percent, primarily due to the addition of new personal and real property assets.

Comparison of fiscal year 2019 to fiscal year 2018

Compensation and Benefits costs increased $4,040, or 8 percent, primarily due to the following:

- Unclassified salaries increased $2,332; classified salaries increased $245; and wages for students and graduate teaching assistants increased $165. These increases were partially due to a 5 percent increase in FTE.
- Costs for health and other personnel expenses increased $1,955.
- University paid employee moving expenses increased $25.
- Adjustments made due to required reporting for the Net Pension Liability and related deferrals decreased by $641. See Note 14. "Employee Retirement Plans" for more information.
- The OPEB expense recorded as a result of the required reporting for the OPEB Liability/Asset and related deferrals decreased $22. See Note 1.L. "Other Postemployment Benefits (OPEB) Asset/Liability" and Note 15. "Other Postemployment Benefits" for additional information.

Services and Supplies expense increased $7,348, or 42 percent. This increase was mainly caused by an $5,864 increase in services and supplies for the University budgeted operations, of which $3,260 related to OMIC supplies and minor equipment received through in-kind, non-cash dues. In addition there were increases for services and supplies in the following areas:

- Gifts, grants, and contracts services and supplies increased $979.
- Auxiliary programs services and supplies increased $451.
- Services and supplies for non-capitalized construction costs increased $107.

These increases were largely offset by decreases in services and supplies for renewal and replacement costs which decreased by $183.

Scholarships and Fellowships expense decreased $57, or 1 percent, primarily due to a decrease in Pell grants of $300. This decrease was mainly offset by increases in Oregon Need grant awards of $149 and other, smaller increases to SEOG awards, athletics scholarships, scholarships from the Oregon Tech Foundation, and those from other federal award sources.

Depreciation and Amortization expense increased $247, or 5 percent, primarily due to the addition of new personal and real property assets.

Nonoperating Expenses and Other Nonoperating Items

Nonoperating expenses increased $96, or 5 percent, in 2020 as compared to 2019 and decreased $1,644, or 48 percent, in 2019 as compared to 2018. Other nonoperating items increased by $131, in 2020 while it increased $90 in 2019.

For the Year Ended June 30,	**2020**	2019	2018
Loss on Sale of Assets, Net	**$ (11)**	$ (1)	$ (9)
Interest Expense	**(1,882)**	(1,796)	(1,729)
Perkins Loan Program Liquidation	**-**	-	(1,703)
Total Nonoperating Expenses	**$ (1,893)**	$ (1,797)	$ (3,441)
Other Nonoperating Items	**$ 193**	$ 62	$ (28)

Nonoperating Expenses

Comparison of fiscal year 2020 to fiscal year 2019

- **Interest Expense** increased $86 primarily due to an increase in the amount of interest associated with a loan from the Oregon Tech Foundation.

Comparison of fiscal year 2019 to fiscal year 2018

- **Interest Expense** increased $67 primarily due to an increase in the amount of interest associated with capital construction liabilities.
- An expense of $1,703 was added in 2018 to record the impending return of Perkins Loan funds to the federal government as the process proceeds. There was no similar expense in fiscal year 2019. See Note 1.Y. "Perkins Loan Program Termination" for additional information on this expense.

Other Nonoperating Items

Comparison of fiscal year 2020 to fiscal year 2019

- **Other Nonoperating Items** increased by $131. The change is primarily due to the return to the University of funds forwarded to the federal government in excess of the required liability for the Perkins program termination.

Comparison of fiscal year 2019 to fiscal year 2018

- **Other Nonoperating Items** increased by $90. The change is primarily due to prior year adjustments to capital assets as well as repayments to the federal government.

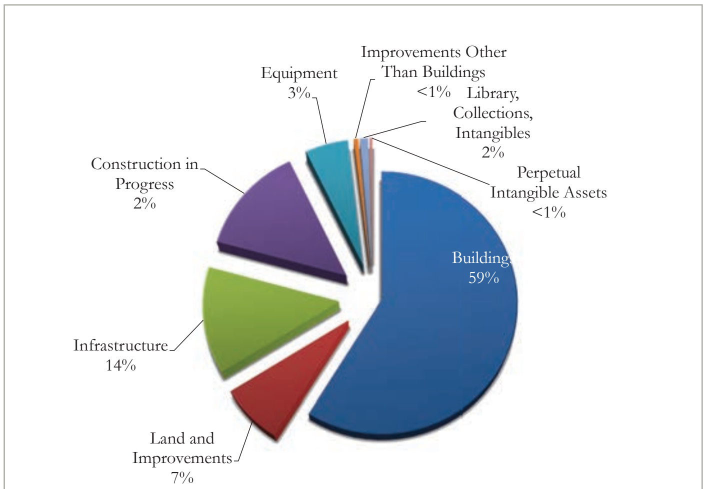
For the Year Ended June 30, 2020 (dollars in thousands)

CAPITAL ASSETS AND RELATED FINANCING ACTIVITIES

Capital Assets

At June 30, 2020, Oregon Tech had $221,833 in capital assets, less accumulated depreciation of $91,960, for net capital assets of $129,873. At June 30, 2019, Oregon Tech had $200,218 in capital assets, less accumulated depreciation of $85,797, for net capital assets of $114,421.

2020 Capital Assets, Net - $129,873 thousand



Changes to Capital Assets

	2020	2019	2018
Capital Assets, Beginning of Year	$ 200,218	$ 183,323	$ 174,043
Add: Purchases/Construction	22,336	16,927	11,278
Less: Retirements/ Disposals/Adjustments	(720)	(32)	(1,998)
Total Capital Assets, End of Year	221,834	200,218	183,323
Accum. Depreciation, Beginning of Year	(85,797)	(80,235)	(76,884)
Add: Depreciation Expense	(6,758)	(5,563)	(5,316)
Less: Retirements/ Disposals/Adjustments	594	1	1,965
Total Accum. Depreciation, End of Year	(91,961)	(85,797)	(80,235)
Total Capital Assets, Net, End of Year	$ 129,873	$ 114,421	$ 103,088

Capital additions totaled $22,336 for 2020, $16,927 for 2019, $11,278 for 2018.

Capital Asset additions for 2020 included primarily:

- $2,671 for equipment, which includes machinery and tools for use in the OMIC facility, technology, vehicles, and other various equipment.
- Equipment CIP additions of $98 are primarily related to technology for classrooms and conference rooms.
- $12,061 for building CIP upgrades and repair, primarily due to $11,319 for renovations to Cornett Hall, which includes the Center for Excellence in Engineering and Technology.
- In addition, $3,903 was added to building projects which were complete in 2020, mainly the Student Recreation Center. Projects amounting to $215 were completed in 2020.
- Additions of $721 were made for Infrastructure CIP projects. Infrastructure projects which were completed in 2020 totaled $2,637 and there were $1,838 in additions to completed infrastructure projects.
- Additions of $7 were made for Land Improvement CIP projects. Land Improvement projects which were completed in 2020 totaled $372 and there were $228 in additions to completed land improvement projects.
- Additions of $381 were made for Improvements Other then Buildings (IOTB) CIP projects. There were $322 in additions to completed IOTB projects.
- There was $94 added to CIP for Other intangibles associated with the 2020 new website design.

Net Capital Asset Retirements and Adjustments totaled $126 for 2020, $31 for 2019, and $33 for 2018.

During 2020, accumulated depreciation increased $6,758 due to depreciation of existing assets, which was offset by the disposal of depreciated equipment.

See Note 5. "Capital Assets" for additional information.

Debt Administration

During 2020, long-term debt held by Oregon Tech decreased by $263, from $40,414 to $40,151.

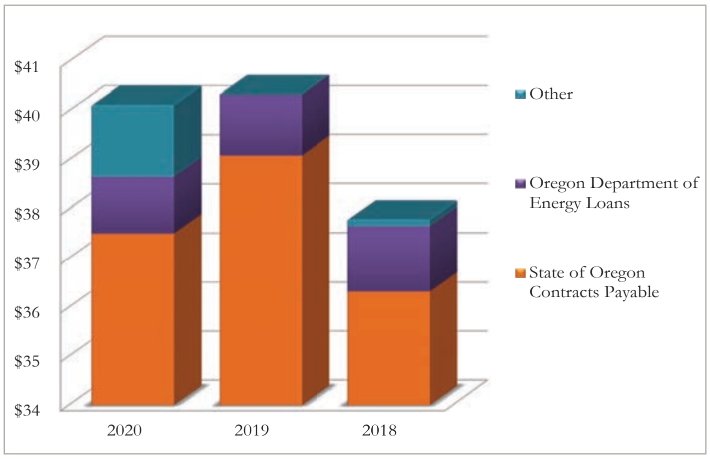
- Long term debt decreased $1,584 due to principal payments on contracts payable to the State of Oregon. It was increased $2 by the addition of accreted interest.
- Long term debt also decreased $90 due to principal payments on Oregon Department of Energy loans.
- Long Term debt increased $1,470 due to a new loan with the Oregon Tech Foundation of $1,800, less payments made on the loan of $330.
- Capital leases decreased $61 due to payments.

During 2019, long-term debt held by Oregon Tech increased by $2,621, or 7 percent, from $37,793 to $40,414.

- Long term contracts payable to the State increased $4,305 due to a new debt agreement with the State for capital construction and $9 due to net changes in accreted interest.
- Long term debt decreased $1,546 due to principal payments on contracts payable to the State of Oregon.
- Long term debt also decreased $86 due to principal payments on Oregon Department of Energy loans.
- Capital leases decreased $61 due to payments.

See Note 9. "Long-Term Liabilities" for additional information.

Long-term Debt (in millions)



ECONOMIC OUTLOOK

Funding for the major activities of Oregon Tech comes from a variety of sources, including tuition and fees, financial aid programs, state and federal appropriations, grants, private and government contracts, donor gifts, and investment earnings. Among these many sources, student tuition and fees, net of allowances, and government appropriations are by far the largest, representing 27.7 percent and 30.0 percent, respectively, and combining for 57.7 percent of the combined operating and non-operating revenues during the year ended June 30, 2020. The third largest revenue source, Auxiliary Enterprise revenues, represents 10.7 percent of operating and non-operating revenues and, like tuition, is strongly correlated with enrollment.

In previous years, this forward looking outlook has discussed Oregon Tech's relatively high reliance on state funding. This reliance continued during Fiscal Year 2020 and will likely continue into the next fiscal year. Impacts from the COVID-19 pandemic on the state's budget have been significant and necessitated a mid-biennia rebalancing from the Legislature utilizing significant amounts of the state's reserves. This has allowed the state to avoid significant near-term reductions in operating funding for all education sectors, including higher education generally and Oregon Tech specifically. This has been a strongly positive near-term development for Oregon Tech.

The medium-term impact of the COVID-19 pandemic and associated economic downturn is not known yet. Early indications were for dramatic reductions in available revenues to the state in the upcoming 2021-2023 Biennium (fiscal years 2021-22 and 2022-23). Significant reductions in state revenue, and additional demand on resources from expansion of social services and Medicaid case counts next biennia pose significant risk to higher education funding. If reductions in state funding come to fruition a combination of cost reductions, increases in other earned revenue and depending on the time and severity of the cuts utilization of reserves will be necessary to sustain operations and forward momentum for the University. Unfortunately, certainty on the course of state action will not be available until the beginning or even after the start of next fiscal year.

The state of Oregon's Higher Education Coordinating Commission (HECC) utilizes a structured funding allocation system, the Student Success and Completion Model (SSCM), to distribute state resources to the seven public universities. Since the implementation of the SSCM in 2015, Oregon Tech has performed well under the model's degree completion, programmatic focus and enrollment proportional funding system. This model is currently under review and changes are anticipated to be implemented during the 2021-2022 fiscal year. Early indications are that these changes may be deleterious to Oregon Tech's interest and thus create an additional headwind to state funding.

The University and its staff responded quickly to the onset of the COVID-19 Pandemic at the close of Winter Term 2020 moving all or nearly all courses to remote instruction and the vast majority of employees to remote work within weeks of onset of community transmission. The University responded to an uncertain revenue environment by quickly reducing personnel and non-personnel costs and implementing programs which will reduce the cost-curve over the next several years. These include furloughs, an early retirement program, eliminating positions, and holding back on discretionary expenses across the University. This allowed for reductions in year-over-year expenses and strong financial performance in Fiscal Year 2020 on a combined operating and non-operating basis.

Over the past several years Oregon Tech has completed a phase-in of differential tuition for certain high-cost and high-return programs including engineering, management, and health related disciplines and continues to increase these rates to match programmatic cost structure and market demand. This has contributed to increased tuition revenue overall. For the upcoming academic year 2020-2021, tuition rates increased 5.0 percent and most differential tuition rates increased from a 30 percent premium over base tuition to 35 percent. For the year ending June 30, 2020 overall student tuition and fees revenue, net of allowances increased 9.4 percent over the prior year. Oregon Tech has continued investment and reorganization efforts focused on strategic enrollment management with a goal of boosting overall enrollment and degree completions and thus topline revenue. During Fall 2019, Oregon Tech saw the largest freshmen class since at least the 1980s and is trending towards near double digit growth in freshmen for Fall 2020 despite COVID-19 related headwinds.

Oregon Tech is completing or has under way with several major capital projects, including the completion of $3.5 million dollar renovation and expansion of the Tech Fit recreation center, completion of the $18 million dollar Cornet Hall engineering building, $35 million dollar investment in the new Center for Excellence in Engineering complex, and the approval by the legislature of the $20 million dollar Boivin Hall and associated transportation improvement project. These complement smaller projects to rebuild and revitalize campus infrastructure, parking, accessibility and other initiatives.

Looking forward, the fiscal challenges which are likely to buffet the state of Oregon will weigh heavily on Oregon Tech over the short and medium-terms given our reliance on state operating support. However, the strong and improving market position, resilience of our employees and proven ability to innovate in supporting our students bode well.

As of June 30,		University 2020		2019
		(In thousands)		
ASSETS				
Current Assets				
Cash and Cash Equivalents (Note 2)	$	**16,509**	$	10,494
Collateral from Securities Lending (Note 2)		**351**		728
Accounts Receivable, Net (Note 3)		**10,423**		7,460
Notes Receivable, Net (Note 4)		**1,967**		3,306
Inventories		**154**		192
Prepaid Expenses		**770**		789
Total Current Assets		**30,174**		22,969
Noncurrent Assets				
Cash and Cash Equivalents (Note 2)		**1,060**		874
Investments (Note 2)		**16,555**		20,720
Notes Receivable, Net (Note 4)		**1,873**		3,408
Net OPEB Asset (Note 15)		**296**		145
Capital Assets, Net of Accumulated Depreciation (Note 5)		**129,873**		114,421
Total Noncurrent Assets		**149,657**		139,568
Total Assets	$	**179,831**	$	162,537
DEFERRED OUTFLOWS OF RESOURCES (Note 6)	$	**7,830**	$	6,592
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Liabilities (Note 7)	$	**9,512**	$	9,051
Deposits		**144**		114
Obligations Under Securities Lending (Note 2)		**351**		728
Current Portion of Long-Term Liabilities (Note 9)		**4,136**		3,425
Unearned Revenues		**3,641**		3,690
Total Current Liabilites		**17,784**		17,008
Noncurrent Liabilities				
Long-Term Liabilities (Note 9)		**40,826**		42,189
Net Pension Liability (Note 14)		**20,224**		15,957
OPEB Liability (Note 15)		**1,412**		1,571
Total Noncurrent Liabilities		**62,462**		59,717
Total Liabilities	$	**80,246**	$	76,725
DEFERRED INFLOWS OF RESOURCES (Note 6)	$	**1,954**	$	1,916
NET POSITION				
Net Investment in Capital Assets	$	**89,749**	$	74,217
Restricted For:				
Expendable:				
Gifts, Grants and Contracts		**1,366**		1,255
Student Loans		**1,322**		1,568
Capital Projects		**3,365**		6,512
Debt Service		**29**		66
OPEB Asset		**296**		145
Unrestricted (Note 10)		**9,334**		6,725
Total Net Position	$	**105,461**	$	90,488

The accompanying notes are an integral part of these financial statements.

As of June 30,		Component Unit 2020		2019
		(In thousands)		
ASSETS				
Current Assets				
Cash and Cash Equivalents	**$**	**718**	$	1,480
Accounts Receivable		**-**		18
Prepaid Expenses		**35**		8
Current Portion Notes Receivable and Accrued Interest - OT		**348**		-
Total Current Assets		**1,101**		1,506
Noncurrent Assets				
Investments		**26,594**		28,219
Split-Interest Agreements		**676**		692
Unconditional Promises to Give, Net		**1,301**		1,501
Long-term Notes Receivable- OT		**1,108**		-
Other Assets		**393**		370
Total Noncurrent Assets		**30,072**		30,782
Total Assets	**$**	**31,173**	$	32,288
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Expenses	**$**	**232**	$	613
Liabilities Under Split-Interest Agreements		**83**		79
Current Portion Promise to Pay - OT		**20**		-
Funds Held for Distribution		**1,084**		954
Total Current Liabilities		**1,419**		1,646
Noncurrent Liabilities				
Long-Term Portion Promise to Pay - OT		**80**		-
Total Noncurrent Liabilities		**80**		-
Total Liabilities	**$**	**1,499**	$	1,646
NET ASSETS				
Without Donor Restrictions	**$**	**10,470**	$	10,631
With Donor Restrictions		**19,204**		20,011
Total Net Assets	**$**	**29,674**	$	30,642
Total Liabilities and Net Assets	**$**	**31,173**	$	32,288

The accompanying notes are an integral part of these financial statements.

Statements of Revenues, Expenses and Changes in Net Position-Oregon Institute of Technology

For the Years Ended June 30,	University 2020	2019
	(In thousands)	
OPERATING REVENUES		
Student Tuition and Fees (Net of Allowances of $9,588 and $8,863, Note 1.T.)	**$ 29,911**	$ 27,352
Federal Grants and Contracts	**801**	891
State and Local Grants and Contracts	**2,275**	2,542
Nongovernmental Grants and Contracts	**351**	775
Educational Department Sales and Services	**680**	619
Auxiliary Enterprises Revenues (Net of Allowances of $398 and $474, Note 1.T.)	**11,573**	14,348
Other Operating Revenues	**397**	515
Total Operating Revenues	**45,988**	47,042
OPERATING EXPENSES		
Instruction	**31,331**	32,568
Research	**3,889**	4,601
Public Service	**400**	154
Academic Support	**6,240**	10,070
Student Services	**6,843**	6,427
Auxiliary Programs	**12,629**	11,698
Institutional Support	**14,430**	13,133
Operation and Maintenance of Plant	**4,408**	4,713
Student Aid	**5,454**	5,135
Other Operating Expenses	**5,896**	3,519
Total Operating Expenses (Note 12)	**91,520**	92,018
Operating Loss	**(45,532)**	(44,976)
NONOPERATING REVENUES (EXPENSES)		
Government Appropriations (Note 13)	**32,245**	29,268
Financial Aid Grants	**7,061**	7,158
Gifts	**3,877**	3,635
Investment Activity (Note 11)	**1,764**	1,636
Loss on Sale of Assets, Net	**(11)**	(1)
Interest Expense	**(1,882)**	(1,796)
Federal CARES Act Grants (Note 1.Z.)	**393**	-
Other Nonoperating Items	**193**	62
Net Nonoperating Revenues	**43,640**	39,962
Loss Before Other Nonoperating Revenues	**(1,892)**	(5,014)
Capital and Debt Service Appropriations (Note 13)	**134**	133
Capital Grants and Gifts	**16,731**	15,769
Total Other Nonoperating Revenues	**16,865**	15,902
Increase In Net Position After Other Nonoperating Revenues	**14,973**	10,888
NET POSITION		
Beginning Balance	**90,488**	79,600
Ending Balance	**$ 105,461**	$ 90,488

The accompanying notes are an integral part of these financial statements.

For the Years Ended June 30,		Component Unit 2020		2019
		(in thousands)		
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS				
REVENUES				
Contributions and Grants	$	**99**	$	1,802
In-Kind Donations		**141**		139
Investment Income		**355**		730
Impairment on Partnership		**-**		-
Other		**12**		10
Change in Donor Intent		**-**		(668)
Net Assets Released From Restrictions		**2,161**		4,257
Total Revenues		**2,768**		6,270
EXPENSES				
University Support		**577**		3,269
Student Support		**1,799**		1,182
Management and General		**478**		456
Fundraising		**75**		49
Total Expenses		**2,929**		4,956
Increase (Decrease) In Net Assets Without Donor Restrictions		**(161)**		1,314
Beginning Balance, Net Assets Without Donor Restrictions		**10,631**		9,317
Ending Balance, Net Assets Without Donor Restrictions	$	**10,470**	$	10,631
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS				
REVENUES				
Contributions and Grants		**1,220**		2,415
In-Kind Donations		**27**		91
Investment Income		**107**		462
Change in Value of Split - Interest Agreements		**(20)**		11
Other		**20**		26
Change in Donor Intent		**-**		668
Net Assets Released From Restrictions		**(2,161)**		(4,257)
Increase In Net Assets With Donor Restrictions		**(807)**		(584)
Beginning Balance, Net Assets With Donor Restrictions		**20,011**		20,595
Ending Balance, Net Assets With Donor Restrictions	$	**19,204**	$	20,011
Beginning Balance, Total Net Assets		**30,642**		29,912
Total Change in Net Assets		**(968)**		730
Ending Balance, Total Net Assets	$	**29,674**	$	30,642

The accompanying notes are an integral part of these financial statements.

For the Years Ended June 30,		University 2020		2019
		(In thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES				
Tuition and Fees	$	**29,676**	$	27,687
Grants and Contracts		**4,917**		3,244
Educational Department Sales and Services		**642**		(2,595)
Auxiliary Enterprises Operations		**11,752**		14,173
Payments to Employees for Compensation and Benefits		**(54,427)**		(54,060)
Payments to Suppliers		**(21,984)**		(21,541)
Student Financial Aid		**(5,509)**		(5,048)
Other Operating Receipts (Disbursements)		**(293)**		612
Fiduciary Activities - Direct Student Loan Receipts		**20,526**		19,167
Fiduciary Activities - Direct Student Loan Disbursements		**(20,526)**		(19,167)
Net Cash Used by Operating Activities		**(35,226)**		(37,528)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Government Appropriations		**32,245**		29,268
Financial Aid Grants		**7,061**		7,135
Federal CARES Act Receipts		**346**		-
Other Gifts and Private Contracts		**4,321**		3,179
Other Net Noncapital Financing Receipts (Payments)		**(341)**		33
Net Cash Provided by Noncapital Financing Activities		**43,632**		39,615
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt Service Appropriations		**134**		133
Capital Grants and Gifts		**12,194**		15,162
State Contracts for Capital Debt		**3,317**		563
Other Contracts for Capital Debt		**1,800**		-
Sales of Capital Assets		**115**		30
Purchases of Capital Assets		**(21,752)**		(17,103)
Interest Payments on Capital Debt		**(1,879)**		(1,756)
Principal Payments on Capital Debt		**(2,063)**		(1,684)
Net Cash Used by Capital and Related Financing Activities		**(8,134)**		(4,655)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net Sales (Purchases) of Investments		**4,564**		2,521
Income on Investments and Cash Balances		**1,365**		1,091
Net Cash Provided by Investing Activities		**5,929**		3,612
NET INCREASE IN CASH AND CASH EQUIVALENTS		**6,201**		1,044
CASH AND CASH EQUIVALENTS				
Beginning Balance		**11,368**		10,324
Ending Balance	$	**17,569**	$	11,368

The accompanying notes are an integral part of these financial statements.

For the Years Ended June 30,	University 2020	University 2019
	(In thousands)	
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	**$ (45,532)**	$ (44,976)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	**6,758**	5,563
Changes in Assets and Liabilities:		
Accounts Receivable	**473**	(1,647)
Notes Receivable	**252**	400
Inventories	**38**	(14)
Prepaid Expenses	**19**	(131)
Accounts Payable and Accrued Liabilities	**(55)**	1,316
Long-Term Liabilities	**83**	104
Deposits	**30**	7
Unearned Revenue	**(49)**	579
Net Pension Liability and Related Deferrals	**2,779**	1,330
Net OPEB Asset/(Liability) and Related Deferrals	**(22)**	(59)
NET CASH USED BY OPERATING ACTIVITIES	**$ (35,226)**	$ (37,528)
NONCASH INVESTING, NONCAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS		
Contributed Capital Assets	**$ 9**	$ 15
Increase (Decrease) in Fair Value of Investments Recognized as a Component of Investment Activity	**399**	545

The accompanying notes are an integral part of these financial statements.

1. Organization and Summary of Significant Accounting Policies

A. Reporting Entity

The Oregon Institute of Technology (Oregon Tech)/(University) is governed by the Board of Trustees of Oregon Institute of Technology (Board), a citizen board appointed by the Governor with confirmation by the State Senate. Oregon Tech has two campuses, located in Klamath Falls and the Portland Metro area.

The Oregon Tech financial reporting entity includes Oregon Tech and the Oregon Tech Foundation (Foundation), which is reported as a discretely presented component unit under the guidelines established by Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*. Discretely presented means that the statements are included separately in the financial report. See Note 19 "University Foundation" for additional information relating to this component unit.

Because the Governor of the State of Oregon (State) appoints the Board and Oregon Tech receives some financial support from the State, the State determined that Oregon Tech is a discretely presented component unit of the State and is included in the State's Comprehensive Annual Financial Report (CAFR).

B. Financial Statement Presentation

Oregon Tech financial accounting records are maintained in accordance with U.S. generally accepted accounting principles as prescribed in applicable pronouncements of the GASB. The financial statement presentation required by GASB No. 35 *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34*, modified by GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, provides a comprehensive, entity-wide perspective of Oregon Tech assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position, and cash flows.

In preparing the financial statements, interfund transfers between University funds, and internal revenues and expenses associated with self-supporting auxiliary and service center operations have been eliminated. Unless otherwise stated, dollars are presented in thousands.

Financial statements of the Oregon Tech Foundation for fiscal years ended June 30, 2020 and 2019 are discretely presented, as discussed above. The Foundation's financial statements are prepared in accordance with the pronouncements of the Financial Accounting Standards Board (FASB). As such, certain revenue recognition criteria and presentation features are different from GASB revenue criteria and presentation. Accordingly, those financial statements have been reported on separate pages following the respective counterpart financial statements of the University. No modifications have been made to the Foundation's financial information included in the University's financial report.

C. Basis of Accounting

For financial reporting purposes, Oregon Tech is considered a special-purpose government engaged only in business-type activities. Accordingly, the Oregon Tech financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when incurred.

NEWLY IMPLEMENTED ACCOUNTING STANDARDS

Oregon Tech implemented GASB Statement No. 84, *Fiduciary Activities*, effective June 30, 2020. GASB Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Statement establishes criteria for identifying fiduciary activities and guidance on how to report activities meeting the criteria in a fiduciary fund in the basic financial statements. GASB Statement No. 84 allows business-type activities, such as Oregon Tech, to report activities that would otherwise be considered custodial funds in Oregon Tech's Statement of Net Position and State of Cash Flows as an operating activity if upon receipt, the funds are normally expected to be held for three months or less. All Oregon Tech fiduciary activities identified upon implementation of GASB Statement No. 84 are characterized as custodial fiduciary funds and upon receipt, these funds are normally expected to be held for three months or less. These fiduciary activities were reclassified to the operating activities portion of the Statement of Cash Flows at June 30, 2020 and 2019, respectively.

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB Statement No. 95 postpones the effective date of a number of GASB Pronouncements and implementation guides in response to the COVID-19 pandemic and is effective immediately. The Statement permits earlier application of the addressed provisions to the extent specified in each pronouncement as originally issued. Oregon Tech has elected to move forward with the implementation of GASB Statement No. 84, *Fiduciary Activities*, for fiscal year ending June 30, 2020. Oregon Tech will further evaluate the remaining GASB Pronouncements and implementation guides allowable for postponement under GASB Statement No. 95. Oregon Tech may, under certain circumstances, elect to postpone individual GASB Pronouncements and implementation guides in future years.

UPCOMING ACCOUNTING STANDARDS

In June 2017, GASB issued Statement No. 87, *Leases*. GASB Statement No. 87 improves the accounting and financial reporting for leases and is effective for the fiscal year ended June 30, 2021. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities. This Statement will substantially impact the University's lease accounting and reporting.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangement (SBITAs) for government end user and is effective for the fiscal year ended June 30, 2023. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This statement will change how the university accounts for and reports SBITAs.

Between July 2019 and June 2020, GASB issued the following statements which do not currently, but could under certain circumstances in the future, apply to Oregon Tech: Statement No. 92, *Omnibus 2020*; Statement No. 93, *Replacement of Interbank Offered Rates*; Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements;* and Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32.*

D. Cash and Cash Equivalents

Cash and cash equivalents may include highly liquid investments with original maturities of three months or less. Cash and cash equivalents of the University consist of: cash on hand, cash and investments held by the State of Oregon in the Oregon Short-Term Fund (OSTF) and cash held at U.S. Bank.

E. Investments

Investments are reported at fair value as determined by market prices. Unrealized gains or losses on investments are reported as investment activity in the Statement of Revenues, Expenses, and Changes in Net Position. Investments are classified as noncurrent assets in the Statement of Net Position.

F. Receivables

Accounts receivable consists primarily of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff. Accounts receivable for tuition and fee charges are recorded net of estimated uncollectible amounts in accordance with U.S. generally accepted accounting principles.

Grants and contracts receivable include amounts due from Federal, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Capital Construction receivables include amounts due from the State of Oregon in connection with reimbursement of allowable expenditures made pursuant to the grant agreements between the University and the State for facilities projects funded by the State.

Student Loans receivable consists of amounts due from the Federal Perkins Loan Program and from other loans administered by the University. Construction Reimbursement loans receivable are amounts receivable from the State of Oregon in connection with reimbursement of allowable expenditures made pursuant to the contracts between the University and the State for facilities projects funded by the University. Construction Reimbursements can be current or long term depending on the estimated timing of completion of construction projects.

G. Inventories

Inventories are recorded at the lower of average cost or market and consist primarily of supplies in storerooms, information technology, and physical plant stores.

H. Capital Assets

Capital assets are recorded at cost on the date acquired or at acquisition value on the date donated. Oregon Tech capitalizes equipment with unit costs of five thousand dollars or more and an estimated useful life of greater than one year. Oregon Tech capitalizes real property expenditures that increase the functionality and/or extend the useful life of the real property if total expenditures exceed the capitalization thresholds of $50 to $100, depending on the type of real property. Intangible assets valued in excess of $100 are capitalized. In addition, a group of related assets may be capitalized as a single asset when there is a major asset with related underlying assets, valued separately at under five thousand dollars, which must also be capitalized. Expenditures below the capitalization threshold and repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets; generally 15 to 50 years for buildings, 10 to 20 years for infrastructure and land improvements, 10 years for library books, and 5 to 11 years for equipment. Amortization terms of intangible assets vary depending on the factors relating to the specific asset. Depreciation is not applied to land, easements, museum collections, works of art or historical treasures, or library special collections.

I. Unearned Revenues

Unearned revenues include amounts received for tuition and fees, grants and contracts, lease income, and auxiliary enterprises activities in which cash has been received, but revenues will be earned in subsequent fiscal year(s).

J. Compensated Absences

Oregon Tech accrues a liability for vacation leave and other compensated absences that were earned but not used during the current or prior fiscal year for which employees can receive compensation in a future period. An estimate is made to allocate this liability between its current and noncurrent components. Sick leave is recorded as an expense when paid. There is no payout provision for unused sick leave and no liability exists for terminated employees.

K. Net Pension Liability

The net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense are actuarially determined at the system-wide Plan level and are allocated to employers based on their proportionate share.

Oregon Tech is included in the proportionate share for all state agencies. The Oregon Tech proportionate share is allocated to Oregon Tech by the Oregon State Department of Administrative Services. The system-wide Plan uses the accrual basis of accounting. For more information, see Note 14. "Employee Retirement Plans".

L. Other Postemployment Benefits (OPEB) Asset/ Liability

Under GASB Statement No. 75, the University reports their proportionate share of the net PERS RHIA OPEB asset, net PERS RHIPA OPEB liability, and the total PEBB OPEB liability along with the associated deferred outflows of resources and deferred inflows of resources. The OPEB asset and OPEB liabilities are now reported on separate lines in the Statement of Net Position. See Note 15. "Other Postemployment Benefits (OPEB)" for a detailed description of each plan and the proportionate share methodology for each.

M. Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources represent the use of resources in one period that is applicable to, and will be recognized in, a period which is more than a year in the future. These deferred outflows have a positive effect on net position that is similar to assets, but are not assets. Deferred inflows of resources represent the acquisition of resources that is applicable to, and will be recognized in, a period which is more than a year in the future. These deferred inflows have a negative effect on net position, similar to liabilities, but are not liabilities. Both deferred outflows of resources and deferred inflows of resources for Oregon Tech are related to defined benefit pension plans and other post employment benefits (OPEB).

N. Net Position

Oregon Tech's net position is classified as follows:

NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets represents the total investment in capital assets, net of accumulated depreciation and amortization, and outstanding debt obligations related to those capital assets.

RESTRICTED – EXPENDABLE

Restricted expendable includes resources which Oregon Tech is legally or contractually obligated to spend in accordance with restrictions imposed by external parties.

UNRESTRICTED

Unrestricted are resources that may be used at the discretion of the Board.

O. Restricted/Unrestricted Resources

The University has no formal policy addressing which resources to use when both restricted and unrestricted net position are available for the same purpose. University personnel decide which resources to use at the time expenses are incurred. Factors used to determine which resources to use include relative priorities of the University in accordance with the University's strategic initiatives and externally imposed matching requirements of certain restricted funds. Major capital purchases are many times split funded from multiple restricted and unrestricted funding sources.

P. Endowments

The University has the authority to use the interest, income, dividends, or profits of endowments. The Oregon Tech Board policy is to annually distribute, for spending purposes, four percent of the preceding 20 quarter moving average of the market value of the endowment funds and to maintain the purchasing power of the funds as nearly as prudent investment permits. In accordance with current Board policy, the amount available for distribution during fiscal year 2021 is estimated to be $298.

Oregon Tech's endowments are not true endowments (in that the donor does not require the corpus to remain intact in perpetuity) and are included in the Expendable Gifts, Grants, and Contracts on the Statement of Net Position. See Note 2.B. "Investments" for additional information.

Q. Income Taxes

Oregon Tech is treated as a governmental entity for tax purposes. As such, Oregon Tech is generally not subject to federal and state income taxes. However, Oregon Tech remains subject to income taxes on any income that is derived from a trade or business regularly carried on and not in furtherance of the purpose for which it was granted exemption from income taxes. No income tax provision has been recorded for the years ended June 30, 2020 and June 30, 2019 because there is no significant amount of taxes on such unrelated business income for Oregon Tech.

R. Revenues and Expenses

Oregon Tech has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

Operating revenues and expenses generally have the characteristics of exchange transactions. These transactions can be defined as an exchange in which two or more entities both receive and sacrifice value, such as purchases and sales of goods or services. Examples of operating revenues include student tuition and fees, sales and services of auxiliary enterprises, most federal, state and local grants and contracts, and other operating revenues. In addition, OMIC member dues revenue includes in-kind (non-cash) receipts. In-kind dues consists of donated services and supplies, and use of highly specialized equipment. In-kind dues are recorded at their estimated fair value at the time of receipt. In 2019, Oregon Tech recorded $3,409 for in-kind dues in Educational Department Sales and Services, with the corresponding expenses in Services and Supplies. These revenues were reclassified in the 2020 financial statement from Educational Department Sales and Services to Auxiliary Revenues due to a change in the nature of the program. In 2020, Oregon Tech recorded $1,523 for in-kind dues in Auxiliary Revenues. The change in revenue type is due to changes in the operating structure of OMIC. Examples of operating expenses include employee compensation and benefits, scholarships and fellowships, utilities, supplies and other services, professional fees, and depreciation expense.

Nonoperating revenues and expenses generally have the characteristics of nonexchange transactions. In a nonexchange transaction, Oregon Tech receives value without directly giving equal value in exchange. Examples of nonoperating revenues include state appropriations, nonexchange grants, gifts, and contributions. Nonoperating expenses are defined in GASB No. 9, *Reporting Cash Flows of Proprietary and Non-expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting,* and GASB No. 34, *Basic Financial Statement - and Management Discussion and Analysis*. Examples of nonoperating expenses include interest on capital asset related debt expenses.

S. State Support

Oregon Tech receives support from the State of Oregon in the form of General Fund and Lottery appropriations and debt service appropriations for some Oregon Department of Energy loans, see Note 13. "Government Appropriations" for details on appropriations.

In addition to appropriations, the State of Oregon provides funding for plant facilities on the University's campuses. Capital projects for new facilities and capital improvements and repair are funded by philanthropy, campus paid debt and resources, and state-paid debt. The State of Oregon Legislature considers projects from all seven public universities for allocation of Oregon's bonding capacity. Funds for capital projects funded by state-paid debt are provided through grant agreements between Oregon Tech and the State of Oregon. Revenue is recorded as Capital Grants in the Statement of Revenues, Expenses and Changes in Net Position when appropriate expenditures are reimbursable per the grant agreements. Funds for capital projects funded by campus paid debt can also be funded through the State of Oregon's bonding capacity. At the time that the bonds are sold, the State of Oregon instructs Oregon Tech to record a liability for the debt and a receivable for construction reimbursements. The receivable is reduced as expenditures on the capital project are completed and reimbursed by the State.

Facilities funded by philanthropy, state-paid debt, and campus paid debt are reflected as completed assets or construction in progress in the accompanying Statement of Net Position. The obligations for the bonds issued by the State of Oregon are not obligations of Oregon Tech. Oregon Tech is obligated to pay contracts for projects funded by campus paid debt, these contracts payable are included as current and long term liabilities in the Statement of Net Position.

T. Allowances

Student tuition and fees and campus housing fees included in auxiliary enterprises revenues are reported net of scholarship allowances. A scholarship allowance is the difference between the stated charge for tuition, fees, and housing provided by the University and the amount that is billed to the student and/or third parties making payments on behalf of the student. Under this approach, scholarships awarded by the University are considered as reductions in tuition and fee revenues rather than as expenses. Additionally, certain governmental grants, such as Pell grants, and payments from other federal, state or nongovernmental programs, are required to be recorded as either operating or nonoperating revenues in the University's financial statement. To the extent that revenues from such programs are applied to tuition, fees, and other student charges, the University has reported a corresponding scholarship allowance.

Oregon Tech has three types of allowances that net into auxiliary enterprises revenues and tuition and fees. Tuition and housing waivers provided directly by Oregon Tech amounted to $4,697 and $3,946 for the fiscal years ended 2020 and 2019, respectively. Revenues from financial aid programs (e.g., Pell Grants, Supplemental Educational Opportunity Grants, and Oregon Opportunity Grants) used for paying student tuition and fees and campus housing was estimated to be $5,082 and $5,121 for the fiscal year ended 2020 and 2019, respectively. Bad debt expense is included as an allowance to operating revenues and is estimated to be $207 and $270 for the fiscal years ended 2020 and 2019, respectively.

U. Federal Student Loan Programs

Oregon Tech receives proceeds from the Federal Direct Student Loan Program (FDSLP). GASB Statement No. 84 allows business-type activities, such as Oregon Tech, to report activities that would otherwise be considered custodial funds in the University's Statement of Net Position and Statement of Cash Flows as an operating activity if, upon receipt, the funds are normally expected to be held for three months or less. Funds associated with the FDSLP meet this exception and are reported as such. Federal student loans received by Oregon Tech students but not reported in operations was $17,227 and $16,578 for the fiscal years ended 2020 and 2019, respectively.

V. Deposit Liabilities

Deposit Liabilities primarily consist of fund balances held by Oregon Tech on behalf of student groups and organizations that account for activities in the Oregon Tech accounting system and whose cash is part of the cash held on deposit with the State Treasury.

W. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities, revenues and expenses, and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

X. Reclassifications

Certain amounts within the June 30, 2019 financial statements for both the University and the Foundation have been reclassified to conform to the June 30, 2020 presentation. The reclassifications had no effect on previously reported total net position and do not constitute a restatement of prior periods.

Y. Perkins Loan Program Termination

Oregon Tech administers Title IV Perkins Loans for the benefit of its students. Funds for the Perkins program were initially received through Federal Capital Contributions (FCC) from the US Department of Education (ED) and were matched with Institutional Capital Contributions (ICC). Over the years, the proportion of federal to institutional matching funds varied, from a 90/10 split to a 75/25 split. Academic year 2017-18 was the last year in which new Perkins loans were allowed to be disbursed.

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Institutions have been given the option of assigning existing Perkins Loans back to the federal government or continuing to collect on these loans while returning the FCC portion as loans are repaid. Historically, the balance of the Perkins loans was reported in Notes Receivable and in Net Position Expendable for Student Loans. Due to the impending return of the loans to ED, a liability has been established for the amount of the federal portion of the remaining Notes Receivable and Cash. See Note 9. "Long-Term Liabilities" for more information on this change.

Z. CARES Act

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed by Congress in March 2020, provides budgetary relief to higher education institutions through numerous provisions. Of the $30.75 billion allotted to the Education Stabilization Fund through the CARES Act, Congress set aside approximately $14.25 billion for the Higher Education Emergency Relief Fund (HEERF). Due to the different formulas and discretionary allocations Congress created within the CARES Act, the HEERF is comprised of multiple programs and distribution allocations.

As of June 30, 2020, the total CARES Act funding awarded to Oregon Tech was $1,808. Oregon Tech was awarded $904 for the student portion allocation, of which $346 was received and $47 was recorded as a receivable as of June 30, 2020. Of the student allocation, $393 was dispersed directly to students as emergency financial aid grants as of June 30, 2020 and $511 remains be dispersed in fiscal year 2021. Oregon Tech recognized nonoperating revenue and student aid operating expense for the total amount dispersed to students.

Oregon Tech was awarded a matching $904 for the institutional portion allocation. As of June 30, 2020, Oregon Tech has not drawdown any of the institutional portion funds and no amounts were accrued as receivables. As a result, revenue was not recognized for the institutional portion as of June 30, 2020. The full award amount of $904 remains available to Oregon Tech for reimbursement of eligible expenditures incurred in fiscal year 2021.

2. Cash and Investments

The majority of Oregon Tech's cash and investments were held in custody with the Oregon State Treasury (State Treasury) during the fiscal years ended June 30, 2020 and 2019. The State Treasury manages these invested assets through commingled investment pools. The operating funds of Oregon Tech are commingled with cash and investments from five other Oregon public universities and are referred to collectively as the Public University Fund (PUF). The investments held in the PUF are managed by the State Treasury and administered by the statutorily defined Designated University, currently Oregon State University. Each underlying investment pool has an investment policy and set of objectives identifying risk and return parameters for the respective investment pool. The State Treasury invests these deposits in high grade, dollar-denominated, short and intermediate-term fixed income securities. The Oregon Investment Council (OIC) provides oversight and counsel on the investment policies for each investment pool held in the PUF.

In general, deposits and investment securities as described below are exposed to various risks such as credit, concentration of credit, custodial credit, interest rate and foreign currency. Although the objective of each investment pool is to preserve capital within defined risk parameters, it is likely that the value of the investment securities will fluctuate during short periods of time, and it is possible that such changes could materially affect the amounts reported in the financial statements. For more information on the investment risk exposures, see Note 2.B. below.

For full disclosure regarding cash and investments managed by the State Treasury, a copy of the State Treasury audited annual financial report may be obtained by writing to the Oregon State Treasury, 350 Winter St. NE, Suite 100, Salem, OR 97301 or via the Internet at: www.oregon.gov/treasury/news-data/pages/treasury-news-reports.aspx#annualrep.

A. Cash and Cash Equivalents

Cash and Cash Equivalents are classified as current and noncurrent which include both restricted and unrestricted cash and are summarized at June 30, 2020 and 2019 as follows:

	June 30, 2020	June 30, 2019
Current		
Unrestricted	**$ 8,509**	$ 5,355
Restricted For:		
Gifts, Grants and Contracts	**436**	-
Debt Service	**2,063**	786
Student Aid	**912**	671
Payroll Vendor Payments	**3,517**	2,843
Student Groups and Campus Organizations	**19**	18
US Bank - Perkins	**911**	720
Petty Cash	**142**	101
Total Current	**16,509**	10,494
Noncurrent		
Unrestricted	**1,060**	646
Restricted For:		
Capital	**-**	228
Total Noncurrent	**1,060**	874
Total	**$ 17,569**	$ 11,368

Noncurrent, unrestricted cash consists primarily of student building fee funds, which were historically restricted for future debt service payments or other capital project expenses. The Board of Trustees now has spending authority over these funds, which are no longer restricted. Currently, the Board has no plans to spend these funds in the next fiscal year, as these funds will likely be used on future debt service payments or other capital project expenses. As such, the University has classified these amounts as noncurrent. The portion of the student building fee funds that will be used for debt service payable in fiscal year 2021 is reported as current cash.

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DEPOSITS WITH STATE TREASURY

Oregon Tech maintains the majority of its current cash balances on deposit with the State Treasury. These deposits are held, on a pooled basis as described above, in the Oregon Short-Term Fund (OSTF). The OSTF is a short-term cash and investment pool for use by all state agencies or, by agreement, for related public bodies, such as Oregon Tech. The State Treasurer invests these deposits in high-grade short-term investment securities. While the University is not required by statute to collateralize deposits, it does have a contractual obligation with the State Treasury to collateralize deposits within 24 hours of receipt. At the fiscal years ended June 30, 2020 and 2019, respectively, Oregon Tech cash and cash equivalents on deposit at State Treasury was $16,516 and $10,547.

CUSTODIAL CREDIT RISK—DEPOSITS

Custodial credit risk is the risk that, in the event of a financial institution failure, cash deposits will not be returned to a depositor. The University and State do not have formal policies regarding custodial credit risk for deposits. However, banking regulations and Oregon Revised Statute (ORS) Chapter 295 establish the insurance and collateral requirements for deposits in the OSTF. Oregon Tech cash balances held on deposit at the State Treasury are invested continuously, therefore, custodial credit risk exposure to the State Treasury is low. Additionally, cash balances on deposit with US Bank are collateralized, therefore invested continuously, resulting in low credit risk.

FOREIGN CURRENCY RISK—DEPOSITS

Deposits in foreign currency run the risk of changing value due to fluctuations in foreign exchange rates. State Treasury deposits are denominated in U.S. currency and therefore not exposed to foreign currency risk.

OTHER DEPOSITS

For the years ended June 30, 2020 and 2019, respectively, Oregon Tech had vault and petty cash balances of $142 and $101. Oregon Tech also had cash held at US Bank for Title IV Perkins funds of $911 at June 30, 2020 and $720 at June 30, 2019.

B. Investments

Oregon Tech's operating funds are invested in the PUF Core Bond Fund (CBF). The CBF invests primarily in intermediate-term fixed income securities and is managed with an investment objective to maximize total return (i.e., principal and income) over an intermediate time horizon within stipulated risk parameters. The CBF is actively managed to maintain an average duration of four to five years, through a diversified portfolio of quality, investment grade fixed income securities as defined in the portfolio guidelines.

The University has a board-designated quasi-endowment invested in the Oregon Intermediate-term Pool (OITP), managed by the State Treasury. The OITP is actively managed to maintain an average duration of three years, through a diversified portfolio of quality, investment grade fixed income securities.

At June 30, 2020, Oregon Tech had $16,555 in investments; of this, $8,387 was invested in the CBF managed by State Treasury, $7,664 was invested in the OITP, and $504 was invested in the Oregon Tech Foundation pooled endowment fund.

At June 30, 2019, Oregon Tech had $20,720 in investments; of this, $12,974 was invested in the CBF managed by State Treasury, $7,540 was invested in the OITP, and $206 was invested in the Oregon Tech Foundation pooled endowment fund.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities could occur in the near term and such changes could materially affect the amounts reported in the Statement of Net Position.

Significant events in domestic and international investment markets or aggressive action by the Federal Open Market Committee to influence both short and long-term interest rates contribute to price volatility. Consequently, the fair value of Oregon Tech's portion of PUF pooled investments is exposed to price volatility which could result in a substantial change in the fair value of certain investments from the amounts reported as of June 30, 2020.

Investments of the Oregon Tech discretely presented component unit are summarized at June 30, 2020 and 2019, respectively as follows:

COMPONENT UNIT

Fair Value at June 30,	2020	2019
Investment Type:		
Mutual Funds	$ 22,436	$ 25,049
Investment in Partnership	1,117	1,117
Alternative Investments	2,310	1,964
Money Market Funds	731	89
Total Investments	$ 26,594	$ 28,219

CREDIT RISK

Credit risk is the risk that the issuer of an investment fails to fulfill its obligations. Oregon Tech has an investment policy for its operating and endowment assets. The PUF Investment Pool totaled $192,396 and $338,348 at June 30, 2020 and 2019, respectively, of which Oregon Tech owned $8,387 or 4.4 percent and $12,974 or 3.8 percent. As of June 30, 2020 and 2019, approximately 91.5 percent and 93.3 percent, respectively, of investments in the PUF Pool are subject to credit risk reporting. Fixed income securities rated by the credit agencies as lower medium to high quality, indicating the issuer has a strong capacity to pay principal and interest when due, totaled $120,344 and $209,190 in fiscal year 2020 and 2019, respectively. Fixed income securities which have not been evaluated by the rating agencies totaled $55,753 and $106,502 in fiscal year 2020 and 2019, respectively.

CUSTODIAL CREDIT RISK

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the University will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The OIC has no formal policy regarding the holding of securities by a custodian or counterparty. For the years ended June 30, 2020 and 2019, the University's investments were exposed to custodial credit risk indirectly through the State Treasury.

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CONCENTRATION OF CREDIT RISK

Concentration of credit risk refers to potential losses if total investments are concentrated with one or few issuers. The PUF policy for reducing this risk for fixed income securities is that, with the exception of U.S. Government and Agency issues, no more than five percent of the bond portfolio, at par value, will be invested in securities of a single issuer and no more than three percent of an individual issue. Per policy, no total investments with any single issuer comprised more than five percent of PUF investments, excluding U.S. Government and Agency issues. The OITP fund has a similar policy guideline as the PUF policy regarding management of the credit concentration risk.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that investments may lose value due to fluctuations in foreign exchange rates. No Oregon Tech investments had reportable foreign currency risk at either June 30, 2020 or 2019.

Of the Oregon Tech endowments invested by the Oregon Tech Foundation, at June 30, 2020 and June 30, 2019, $112 and $48, or 22.2 and 23.1 percent, respectively, were held subject to foreign currency risk.

INTEREST RATE RISK

Investments in fixed income securities are subject to the risk that changes in interest rates will adversely affect the fair value of the investments. As of June 30, 2020 and 2019, respectively, securities in the PUF Investment Pool held subject to interest rate risk totaling $176,097 and $315,692 had an average duration of 3.77 and 3.39 years. Duration measures the change in the value of a fixed income security that will result from a one percent change in interest rates. At June 30, 2020 and June 30 2019, respectively, the total $7,664 and $7,540 of the Oregon Tech board designated quasi-endowment invested in the OITP were subject to interest rate risk and had an average duration of 3.14 and 3.15 years. Additionally, as of June 30, 2020 and June 30, 2019, respectively, securities in the Oregon Tech Foundation endowments held subject to interest rate risk totaling $112 and $48 had an average duration of 4.43 and 4.15 years.

FAIR VALUE MEASUREMENTS

Investments are reported at estimated fair value as determined by State Treasury, based on a fair value hierarchy which prioritizes the input techniques used to measure fair value. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements:

- Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted market prices that are observable for the asset, either directly or indirectly, including inputs in markets that are not considered to be active; and
- Level 3 – Inputs that are unobservable. These are only used if relevant Level 1 and Level 2 inputs are not available.

Inputs are used in applying valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. In addition to the underlying reported net asset values (NAV), which generally serve as the primary valuation input, other inputs may include liquidity factors and broad credit data. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Oregon Tech's investments in the PUF are not required to be leveled per GASB Statement No, 72. Oregon Tech's investments invested with the Oregon Tech Foundation and investments in the OITP are all level 3 since the underlying inputs are unobservable.

COMPONENT UNIT INVESTMENTS BY LEVEL

The following tables present the component unit investments by level within valuation hierarchy as of June 30, 2020 and 2019:

Fair Value at June 30, 2020	Level I	Level II	Level III	Total
Money Market Funds	$ 731	$ -	$ -	$ 731
Mutual Funds	22,435	-	-	22,435
	$ 23,166	$ -	$ -	$ 23,166
Investments measured at NAV				$ 2,311
Investments with Nonrecurring Fair Value Measurements				1,117
			Total Investments	$ 26,594

Fair Value at June 30, 2019	Level I	Level II	Level III	Total
Money Market Funds	$ 89	$ -	$ -	$ 89
Mutual Funds	25,049	-	-	25,049
	$ 25,138	$ -	$ -	$ 25,138
Investments measured at NAV				$ 1,964
Investments with Nonrecurring Fair Value Measurements				1,117
			Total Investments	$ 28,219

C. Securities Lending

In accordance with the State investment policies, the State participates in securities lending transactions. The Treasury has, through a Securities Lending Agreement, authorized State Street Bank and Trust Company (State Street) to lend the State's securities pursuant to a form of loan agreement. Both the State and borrowers maintain the right to terminate all securities lending transactions on demand. Oregon Tech's cash on deposit with the State Treasury is subject to securities lending. There were no significant violations of the provisions of securities lending agreements during the years ended June 30, 2020 and 2019.

During the year, State Street had the authority to lend short-term, fixed income, and equity securities and receive as collateral U.S. dollar and foreign currency cash, U.S. government and agency securities, and foreign sovereign debt of Organization of Economic Cooperation and Development countries. Borrowers were required to deliver collateral for each loan equal to not less than 102 percent of the market value of the loaned U.S. security. The custodian did not have the ability to pledge or sell collateral securities absent a borrower default, and during the year the State did impose restrictions on the amount of the loans that the custodian made on its behalf. The State Treasury is fully indemnified by the custodian against losses due to borrower default. There were no losses during the year from the failure of borrowers to return loaned securities.

State Street, as lending agent, has created a fund to reinvest cash collateral received on behalf of the OSTF and Oregon state agencies and related agencies, including Oregon Tech. As permitted under the fund's Declaration of Trust (Declaration), participant purchases and redemptions are transacted at $1 per unit ("constant value") based on the amortized cost of the fund's investments. Accordingly, the securities lending collateral held and the obligation to the lending agent are both stated at constant value on the statement of net position.

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

The fair value of investments held by the fund is based upon valuations provided by a recognized pricing service. These funds are not registered with the Securities and Exchange Commission, but the custodial agent is subject to the oversight of the Federal Reserve Board and the Massachusetts Commissioner of Banks. No income from the funds was assigned to any other funds.

The maturities of investments made with the cash collateral generally do not match the maturities of the securities loaned. Since the securities loaned are callable on demand by either the lender or borrower, the life of the loans at June 30, 2020 and 2019, is effectively one day. As of June 30, 2020 and 2019, the state had no credit risk exposure to borrowers because the amounts owed to borrowers exceeded the amounts borrowers owed to the State.

The fair value of the University's share of securities lending balances on loan as of June 30, 2020 and 2019 comprised the following:

	June 30, 2020	June 30, 2019
Investment Type		
U.S. Treasury and Agency Securities	$ 545	$ 1,030
Domestic Fixed Income Securities	55	235
Total	$ 600	$ 1,265

The fair value of the University's share of total cash and securities collateral received as of June 30, 2020 and 2019 was $612 and $1,291, respectively. The fair value of the University's share of investments purchased with cash collateral as of June 30, 2020 and 2019 was $351 and $728, respectively.

3. Accounts Receivable

Accounts Receivable, including amounts due from the component unit, comprised the following:

	June 30, 2020	June 30, 2019
Student Tuition and Fees	$ 2,840	$ 2,633
Capital Construction Gifts, Grants, and Contracts	5,594	1,761
State, Other Government, and Private Gifts, Grants and Contracts	376	1,622
Federal Grants and Contracts	351	366
Auxiliary Enterprises and Other Operating Activities	209	389
Component Units	148	592
Other	1,446	599
	10,964	7,962
Less: Allowance for Doubtful Accounts	(541)	(502)
Accounts Receivable, Net	$ 10,423	$ 7,460

4. Notes Receivable

Oregon Tech Notes Receivable has three main components.

Receivables for construction reimbursements are due to Oregon Tech from the State of Oregon for construction projects that will be reimbursed from bond proceeds held by the state. These notes receivable are offset by loan agreements to the state, which are presented in Note 9. "Long-Term Liabilities".

Student loans made through the Federal Perkins Loan Program were funded through interest earnings and repayment of loans. Federal Perkins loans deemed uncollectible are assigned to the U.S. Department of Education for collection. Oregon Tech has provided an allowance for uncollectible loans which is calculated using the cohort default rate reported to the federal government.

Institutional and Other Student Loans include loans offered through the University itself and other various non-federal loan programs.

	June 30, 2020		
	Current	**Noncurrent**	**Total**
Receivable for Construction	$ 1,715	$ -	$ 1,715
Institutional and Other Student Loans	42	939	981
Component Unit	20	80	100
Federal Student Loans	210	947	1,157
	1,987	1,966	3,953
Less: Allowance for Doubtful Accounts	(20)	(93)	(113)
Notes Receivable, Net	$ 1,967	$ 1,873	$ 3,840

	June 30, 2019		
	Current	Noncurrent	Total
Receivable for Construction	$ 3,025	$ 1,412	$ 4,437
Institutional and Other Student Loans	38	903	941
Federal Student Loans	272	1,223	1,495
	3,335	3,538	6,873
Less: Allowance for Doubtful Accounts	(29)	(130)	(159)
Notes Receivable, Net	$ 3,306	$ 3,408	$ 6,714

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

5. Capital Assets

The following schedule reflects the changes in capital assets:

	Balance July 1, 2018	Additions	Transfer Completed Assets	Retire. And Adjust.	Balance June 30, 2019	**Additions**	**Transfer Completed Assets**	**Retire. And Adjust.**	**Balance June 30, 2020**
Capital Assets, Non-depreciable/Non-amortizable									
Land	$ 5,649	$ 601	$ -	$ -	$ 6,250	**$ -**	**$ -**	**$ -**	**$ 6,250**
Capitalized Collections	1,012	-	-	-	1,012	**-**	**-**	**-**	**1,012**
Construction in Progress	8,588	7,356	(7,610)	-	8,334	**13,362**	**(4,029)**	**-**	**17,667**
Perpetual Intangible Assets	420	-	-	-	420	**-**	**-**	**-**	**420**
Total Capital Assets, Non-depreciable/Non-amortizable	15,669	7,957	(7,610)	-	16,016	**13,362**	**(4,029)**	**-**	**25,349**
Capital Assets, Depreciable/ Amortizable:									
Equipment	14,686	1,919	63	(67)	16,601	**2,671**	**806**	**(343)**	**19,735**
Library Materials	9,508	49	-	(1)	9,556	**12**	**-**	**(377)**	**9,191**
Buildings	112,688	5,228	7,450	(6)	125,360	**3,903**	**214**	**-**	**129,477**
Land Improvements	5,297	662	49	-	6,008	**228**	**372**	**-**	**6,608**
Improvements Other Than Buildings	564	271	11	-	846	**322**	**-**	**-**	**1,168**
Infrastructure	22,941	841	37	42	23,861	**1,838**	**2,637**	**-**	**28,336**
Intangible Assets	1,970	-	-	-	1,970	**-**	**-**	**-**	**1,970**
Total Capital Assets, Depreciable/Amortizable	167,654	8,970	7,610	(32)	184,202	**8,974**	**4,029**	**(720)**	**196,485**
Less Accumulated Depreciation/ Amortization for:									
Equipment	(10,275)	(1,198)	-	1	(11,472)	**(1,636)**	**-**	**216**	**(12,892)**
Library Materials	(9,034)	(119)	-	-	(9,153)	**(99)**	**-**	**378**	**(8,874)**
Buildings	(46,748)	(2,905)	-	1	(49,652)	**(3,446)**	**-**	**-**	**(53,098)**
Land Improvements	(2,726)	(304)	-	-	(3,030)	**(368)**	**-**	**-**	**(3,398)**
Improvements Other Than Buildings	(364)	(46)	-	-	(410)	**(62)**	**-**	**-**	**(472)**
Infrastructure	(9,117)	(991)	-	(1)	(10,109)	**(1,147)**	**-**	**-**	**(11,256)**
Intangible Assets	(1,971)	-	-	-	(1,971)	**-**	**-**	**-**	**(1,971)**
Total Accumulated Depreciation/ Amortization	(80,235)	(5,563)	-	1	(85,797)	**(6,758)**	**-**	**594**	**(91,961)**
Total Capital Assets, Net	$ 103,088	$ 11,364	$ -	$ (31)	$ 114,421	**$ 15,578**	**$ -**	**$ (126)**	**$ 129,873**
Capital Assets Summary									
Capital Assets, Non-depreciable/ Non-amortizable	$ 15,669	$ 7,957	$ (7,610)	$ -	$ 16,016	**$ 13,362**	**$ (4,029)**	**$ -**	**25,349**
Capital Assets, Depreciable/ Amortizable	167,654	8,970	7,610	(32)	184,202	**8,974**	**4,029**	**(720)**	**- 196,485**
Total Cost of Capital Assets	183,323	16,927	-	(32)	200,218	**22,336**	**-**	**(720)**	**221,834**
Less Accumulated Depreciation/ Amortization	(80,235)	(5,563)	-	1	(85,797)	**(6,758)**	**-**	**594**	**(91,961)**
Total Capital Assets, Net	$ 103,088	$ 11,364	$ -	$ (31)	$ 114,421	**$ 15,578**	**$ -**	**$ (126)**	**$ 129,873**

One of Oregon Tech's geothermal power plants and related systems with a book value of $6,298 was idle as of June 30, 2020 due to repairs in progress.

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

6. Deferred Inflows and Outflows of Resources

Deferred Inflows and Outflows of Resources comprised the following:

	June 30, 2020	June 30, 2019
Deferred Outflows of Resources due to:		
Pension Obligations (See Note 14)	**$ 7,695**	$ 6,373
Other Post Employment Benefits (See Note 15)	**135**	219
Total Deferred Outflows of Resources	**$ 7,830**	$ 6,592
Deferred Inflows of Resources due to:		
Pension Obligations (See Note 14)	**$ 1,672**	$ 1,837
Other Post Employment Benefits (See Note 15)	**282**	79
Total Deferred Inflows of Resources	**$ 1,954**	$ 1,916

7. Accounts Payable and Accrued Liabilities

Accounts Payable and Accrued Liabilities comprised the following:

	June 30, 2020	June 30, 2019
Salaries and Wages	**$ 2,207**	$ 2,162
Payroll Benefits Related	**3,517**	2,843
Services and Supplies	**2,159**	2,967
Accrued Interest	**821**	818
Contract Retainage	**615**	102
2020 Employee Retirement Incentive Program	**162**	-
Other	**31**	159
Total	**$ 9,512**	$ 9,051

8. Operating Leases

A. Receivables/Revenues

Oregon Tech receives income for land, property and equipment that is leased to third parties. Rental income received from leases was $822 and $759 for the year ended June 30, 2020 and 2019, respectively. The original cost of assets leased, net of depreciation, was $4,365 and $4,500 for the years ended June 30, 2020 and 2019, respectively. Minimum future lease revenue for noncancelable operating leases at June 30, 2020 were:

For the year ending June 30,	
2021	$ 834
2022	834
2023	835
2024	835
2025	140
2026-2030	7
2031-2035	7
2036-2040	7
2041-2045	7
2046-2050	4
Total Minimum Operating Lease Revenues	$ 3,510

B. Payables/Expenses

Oregon Tech leases building and office facilities and other equipment under noncancelable operating leases. Total expense for such leases and rents were $709 and $749 for the year ended June 30, 2020 and 2019, respectively. Minimum future lease payments on operating leases at June 30, 2020 were:

For the year ending June 30,	
2021	$ 646
2022	439
2023	156
2024	21
Total Minimum Operating Lease Payments	$ 1,262

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

9. Long-Term Liabilities

Long-term liability activity was as follows:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Amount Due Within One Year	Long-Term Portion
Long-Term Debt						
Due to State of Oregon:						
Contracts Payable	$ 39,092	$ 2	$ (1,584)	$ 37,510	$ 1,696	$ 35,814
Oregon Department of Energy Loans (SELP)	1,238	-	(90)	1,148	94	1,054
Oregon Tech Foundation	-	1,800	(330)	1,470	344	1,126
Capital Leases	84	-	(61)	23	23	-
Total Long-Term Debt	40,414	1,802	(2,065)	40,151	2,157	37,994
Other Noncurrent Liabilities						
PERS pre-SLGRP pooled Liability	1,426	-	(137)	1,289	140	1,149
Compensated Absences	2,073	1,446	(1,208)	2,311	1,616	695
Early Retirement Liability	21	-	(18)	3	3	-
Perkins Loan Program Liability	1,680	-	(472)	1,208	220	988
Total Other Noncurrent Liabilities	5,200	1,446	(1,835)	4,811	1,979	2,832
Total Long-Term Liabilities	$ 45,614	$ 3,248	$ (3,900)	$ 44,962	$ 4,136	$ 40,826

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Amount Due Within One Year	Long-Term Portion
Long-Term Debt						
Due to State of Oregon:						
Contracts Payable	$ 36,324	$ 4,314	$ (1,546)	$ 39,092	$ 1,584	$ 37,508
Oregon Department of Energy Loans (SELP)	1,324	-	(86)	1,238	90	1,148
Capital Leases	145	-	(61)	84	60	24
Total Long-Term Debt	37,793	4,314	(1,693)	40,414	1,734	38,680
Other Noncurrent Liabilities						
PERS pre-SLGRP pooled Liability	1,545	-	(119)	1,426	135	1,291
Compensated Absences	1,812	1,513	(1,252)	2,073	1,232	841
Early Retirement Liability	59	-	(38)	21	18	3
Perkins Loan Program Liability	1,703	-	(23)	1,680	306	1,374
Total Other Noncurrent Liabilities	5,119	1,513	(1,432)	5,200	1,691	3,509
Total Long-Term Liabilities	$ 42,912	$ 5,827	$ (3,125)	$ 45,614	$ 3,425	$ 42,189

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

The schedule of principal and interest payments for Oregon Tech debt is as follows:

For the Year Ending June 30,	Contracts Payable	SELP	OTF Loan	Capital Leases	Total Payments	Principal	Interest
2021	$ 3,356	$ 151	$ 402	$ 23	$ 3,932	$ 2,148	$ 1,784
2022	3,343	155	402	-	3,900	2,190	1,710
2023	3,377	151	402	-	3,930	2,294	1,636
2024	3,325	151	402	-	3,878	2,335	1,543
2025	3,307	151	-	-	3,458	2,013	1,445
2026-2030	15,535	707	-	-	16,242	10,430	5,812
2031-2035	12,339	-	-	-	12,339	9,159	3,180
2036-2040	8,661	-	-	-	8,661	7,378	1,283
2041-2045	2,399	-	-	-	2,399	2,175	224
Accreted Interest						29	(29)
						$ 40,151	$ 18,588
Total Future Debt Service	**55,642**	**1,466**	**1,608**	**23**	**58,739**		
Less: Interest Component of Future Payments	(18,132)	(318)	(138)	-	(18,588)		
Principal Portion of Future Payments	$ 37,510	$ 1,148	$ 1,470	$ 23	$ 40,151		

The State of Oregon periodically issues bonded debt which it then loans to Oregon Tech for capital construction. Oregon Tech has entered into contract loan agreements with the State for the principal and interest amounts due. In addition, Oregon Tech also borrows funds from the Oregon Department of Energy through the Small Scale Energy Loan Program (SELP). The State may periodically issue new debt to refund previously held debt. Per the loan agreements, when this happens, the State is required to pass the savings on to the University.

A. Contracts Payable

Oregon Tech has entered into loan agreements with the State for repayment of bonds issued by the State on behalf of the University for capital construction and refunding of previously issued debt. The University makes loan payments (principal and interest) to the State in accordance with the loan agreements. Loans, with interest rates ranging from 2.03 percent to 5.33 percent, are due serially through 2044.

During the fiscal year ended June 30, 2020, the State did not issue any bonds which resulted in either an increase or decrease to Oregon Tech's contracts payable to the State. Changes to the University's contracts payable to the State include debt service payments for principal and accreted interest of $1,584 and the addition of $2 for the amortization of accreted interest applicable to zero coupon bonds sold prior to 2002.

During the fiscal year ended June 30, 2019, the State issued new XI-F(1) bonds for construction, with an effective rate of 3.00 percent, due serially through 2040, which resulted in an increase to Oregon Tech's contracts payable of $4,305. Other changes to the University's contracts payable to the State include debt service payments for principal and accreted interest of $1,546 and the addition of $9 for the amortization of accreted interest applicable to zero coupon bonds sold prior to 2002.

B. Oregon Department of Energy Loan

Oregon Tech has entered into a loan agreement with the State of Oregon Department of Energy (DOE) Small Scale Energy Loan Program (SELP) for energy conservation projects at Oregon Tech. Oregon Tech makes monthly loan payments (principal and interest) to the DOE in accordance with the loan agreement. The SELP loan has an interest rate of 5.08 percent and is due through 2030.

C. Oregon Tech Foundation Loan

Oregon Tech has entered into a loan agreement with the Oregon Tech Foundation for the purchase of equipment. Oregon Tech makes quarterly loan payments (principal and interest) to the Oregon Tech Foundation in accordance with the loan agreement. The loan has an interest rate of 4.26 percent and is due through 2024.

D. Capital Leases

Oregon Tech has acquired assets under capital lease agreements. The cost of Oregon Tech assets held under capital leases at June 30, 2020 and June 30, 2019 totaled $130 and $183, respectively. Accumulated depreciation of leased equipment totaled $108 and $81 at June 30, 2020 and 2019, respectively.

The lease purchase (capital lease) contract runs through fiscal year 2021. The capital lease is recorded at the present value of the minimum future lease payments at the inception date. The effective interest rates on the capitalized lease is 2.64 percent.

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

E. State and Local Government Rate Pool

Prior to the formation of the PERS State and Local Government Rate Pool (SLGRP), the state and community colleges were pooled together in the State and Community College Pool (SCCP), and local government employers participated in the Local Government Rate Pool (LGRP). These two pools combined to form the SLGRP effective January 1, 2002, at which time a transitional, pre-SLGRP liability was created. The pre-SLGRP liability is essentially a debt owed to the SLGRP by the SCCP employers. The balance of the pre-SLGRP pooled liability attributable to the State is being amortized over the period ending December 31, 2027. The liability is allocated by the State of Oregon, based on salaries and wages, to all public universities, state proprietary funds, and the government-wide reporting fund in the State Comprehensive Annual Financial Report. Interest expense was paid by Oregon Tech in the amount of $105 and $102 for June 30, 2020 and 2019, respectively. Principal payments of $137 and $119 were applied to the liability for June 30, 2020 and 2019, respectively.

F. Early Retirement Liability

Oregon Tech offered a tenure relinquishment plan that closed December 31, 2013. Faculty that accepted the plan retired by December 31, 2013 and are receiving a fixed subsidy amount for health benefits covering the term until the faculty member turns 65. Two faculty members continue to receive payments under this plan and a $3 liability will be paid out through fiscal year 2021.

10. Unrestricted Net Position

Unrestricted net position is comprised of the following:

	June 30, 2020	June 30, 2019
University Operations	**$ 28,694**	$ 23,076
Compensated Absences Liability (Note 9)	**(2,311)**	(2,073)
Other Postemployment Benefits Liability (Note 15)	**(1,412)**	(1,571)
State and Local Government Rate Pool (Note 9)	**(1,289)**	(1,426)
Net Pension Liability (Note 14)	**(20,224)**	(15,957)
Pension & OPEB Related Deferred Outflows (Note 6)	**7,830**	6,592
Pension & OPEB Related Deferred Inflows (Note 6)	**(1,954)**	(1,916)
Total Unrestricted Net Position	**$ 9,334**	$ 6,725

11. Investment Activity

Investment Activity detail is as follows:

	June 30, 2020	June 30, 2019
Investment Earnings	**$ 1,011**	$ 793
Temporarily Restricted Endowment Income	**297**	300
Interest Income (Expense)	**57**	(2)
Gain (Loss) on Sale of Investments	**76**	(353)
Net Appreciation (Depreciation) of Investments	**323**	898
Total Investment Activity	**$ 1,764**	$ 1,636

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

12. Operating Expenses by Natural Classification

The Statement of Revenues, Expenses and Changes in Net Position reports operating expenses by their functional classification. The table below displays operating expenses by both their functional classification and their natural classification. Both the Net Pension Liability and the OPEB Asset/Liability for fiscal years ended June 30, 2020 and June 30, 2019 affected the reported Compensation and Benefit Expenses of Oregon Tech. For the fiscal year ended June 30, 2020, changes in the Net Pension Liability, the OPEB Asset/Liability, and associated reporting requirements increased the reported Compensation and Benefit expenses of Oregon Tech by $2,757. For the fiscal year ended June 30, 2019, changes in the Net Pension Liability, the OPEB Asset/Liability, and associated reporting requirements increased the reported Compensation and Benefit expenses of Oregon Tech by $1,272. See page 18 of the Management's Discussion & Analysis section of this report for additional details and discussion of the impact of this change.

June 30, 2020	Compensation and Benefits	Services and Supplies	Scholarships and Fellowships	Depreciation and Amortization	Other	Total
Instruction	$ 29,057	$ 2,265	$ 9	$ -	$ -	$ 31,331
Research	2,199	1,637	40	-	13	3,889
Public Services	319	80	1	-	-	400
Academic Support	4,625	1,615	-	-	-	6,240
Student Services	5,010	1,738	95	-	-	6,843
Auxiliary Services	4,406	6,467	51	1,705	-	12,629
Institutional Support	2,648	1,760	-	-	-	4,408
Operation & Maintenance	9,764	4,666	-	-	-	14,430
Student Aid	137	(44)	5,313	-	48	5,454
Other	(17)	860	-	5,053	-	5,896
Total	$ 58,148	$ 21,044	$ 5,509	$ 6,758	$ 61	$ 91,520

June 30, 2019	Compensation and Benefits	Services and Supplies	Scholarships and Fellowships	Depreciation and Amortization	Other	Total
Instruction	$ 29,220	$ 3,344	$ 4	$ -	$ -	$ 32,568
Research	1,818	2,745	33	-	5	4,601
Public Services	104	49	1	-	-	154
Academic Support	4,653	5,417	-	-	-	10,070
Student Services	4,616	1,793	18	-	-	6,427
Auxiliary Services	4,614	5,308	66	1,710	-	11,698
Institutional Support	9,284	3,847	2	-	-	13,133
Operation & Maintenance	2,521	2,192	-	-	-	4,713
Student Aid	135	49	4,924	-	27	5,135
Other	(591)	214	-	3,853	43	3,519
Total	$ 56,374	$ 24,958	$ 5,048	$ 5,563	$ 75	$ 92,018

13. Government Appropriations

Oregon Tech receives support from the State of Oregon in the form of General Fund and Lottery appropriations. These appropriations are in support of the operations of the University. Appropriations for SELP debt service are dependent upon the loan agreements between the University and the Oregon Department of Energy. Government appropriations comprised the following:

	June 30, 2020	June 30, 2019
General Fund - Operations	$ 31,177	$ 28,812
General Fund - SELP Debt Service	134	133
Lottery Funding	1,068	456
Total Appropriations	$ 32,379	$ 29,401

14. Employee Retirement Plans

Oregon Tech offers various retirement plans to qualified employees as described below.

A. Public Employees Retirement Plan (PERS)

Organization

Oregon Tech participates with other state agencies in the Oregon Public Employees Retirement System (System), which is a cost-sharing multiple employer defined benefit plan. Plan assets may be used to pay the benefits of the employees of any employer that provides pensions through the plan. PERS is administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Code Section 401(a). The Oregon Legislature has delegated authority to the Public Employees Retirement Board (Board) to administer and manage the System.

Plan Membership

The 1995 Oregon Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which has been codified into ORS 238.435. This legislation created a second tier of benefits for those who established membership on or after January 1, 1996. Membership prior to January 1, 1996 are Tier One members. The second tier does not have the Tier One assumed earnings rate guarantee and has a higher normal retirement age of 60, compared to 58 for Tier One. Both Tier One and Tier Two are defined benefit plans.

The 2003 Legislature enacted HB 2020, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program (defined benefit, DB) and the Individual Account Program (IAP). The IAP is a defined contribution plan. Membership includes public employees hired on or after August 29, 2003.

Beginning January 1, 2004, PERS active Tier One and Tier Two members became members of IAP of OPSRP. PERS members retain their existing Defined Benefit Plan accounts, but member contributions are now deposited into the member's IAP account, not into the member's Defined Benefit Plan account. Accounts are credited with earnings and losses net of administrative expenses. OPSRP is part of PERS and is administered by the Board.

Pension Plan Report

The PERS defined benefit and defined contribution retirement plans are reported as pension trust funds in the fiduciary funds combining statements and as part of the Pension and Other Employee Benefit Trust in the State of Oregon Comprehensive Financial Report. PERS issues a separate, publicly available financial report that includes an audit opinion that may be obtained by writing to the Public Employees Retirement System, Fiscal Services Division, PO Box 23700, Tigard, OR 97281-3700. The report may also be accessed online at:

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

Summary of Significant Accounting Policies

Employers participating in the Plan are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions.*

The requirements of this Statement incorporate provisions intended to reflect the effects of transactions and events related to pensions in the measurement of employer liabilities for pensions and recognition of pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.

Basis of Accounting

Contributions for employers are recognized on the accrual basis of accounting by the Plan. Employer contributions to PERS are calculated based on creditable compensation for active members reported by employers by the Plan. Employer contributions are accrued when due pursuant to legal requirements. These are amounts normally included in the employer statements cut off as of the fifth of the following month.

Proportionate Share Allocation Methodology for the Plan

The basis for the employer's proportion is actuarially determined by comparing the employer's projected long-term contribution effort to the Plan with the total projected long-term contribution effort of all employers. The contribution rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

Collective Pension Plan Liability:

The components of the Plan's collective net pension liability as of the measurement dates of June 30, 2019 and 2018 are as follows (dollars in millions):

	June 30, 2019	June 30, 2018
Total Pension Liability	**$ 87,501**	$ 84,476
Plan Fiduciary Net Position	**70,204**	69,327
Plan Net Pension Liability	**$ 17,297**	$ 15,149

Changes Subsequent to the Measurement Date

The PERS Board reviews the discount rate in odd-numbered years as part of the Board's adoption of actuarial methods and assumptions. That rate is then adopted in an administrative rule at the time the Board sets the new rate. The University is unaware of any changes made subsequent to the measurement date of June 30, 2019.

OREGON PERS PENSION (CHAPTER 238) PROGRAM

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 percent 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. Monthly payments must be a minimum of $200 per month or the member will receive a lump-sum payment of the actuarial equivalence of benefits to which he or she is entitled. 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.
- 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 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.

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

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 adjustments (COLAs). The COLA is capped at 2.0 percent.

OREGON PUBLIC SERVICE RETIREMENT PLAN (OPSRP DB) PENSION PROGRAM

Pension Benefits

The OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: 1.5 percent 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 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 percent 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 percent 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 COLAs. The cap on the COLAs will vary based on 1.25 percent on the first $60 of annual benefit and 0.15 percent on annual benefits above $60.

OREGON PUBLIC SERVICE RETIREMENT PLAN (OPSRP IAP) PENSION PROGRAM

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. Upon retirement, a member of the OPSRP 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. 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 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.

Pension Plan Contributions

PERS and OPSRP employee contribution requirements are established by ORS 238.200 and ORS 238A.330, respectively, and are credited to an employee's account in the Individual Account Program and may be amended by an act of the Oregon Legislature. 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 for the fiscal year ended June 30, 2020 were based on the December 31, 2017 actuarial valuation, while the contribution rates for the fiscal year ended June 30, 2019 were based on the December 31, 2015 actuarial valuation. The employer contribution rates for the PERS and OPSRP are as follows:

	2020	2019
Base Tier One/Two Rate	**19.05%**	15.09%
SLGRP Rate	**1.71%**	1.76%
RHIA/RHIPA OPEB Rate	**0.45%**	0.99%
Total PERS Tier One/Two Rate	**21.21%**	17.84%
Base OPSRP Rate	**12.77%**	8.21%
SLGRP Rate	**1.71%**	1.76%
RHIA/RHIPA OPEB Rate	**0.27%**	0.81%
Total OPRSP Rate	**14.75%**	10.78%

Employer required contributions for the years ended June 30, 2020 and June 30, 2019 were $2,756 and $2,007, respectively, including amounts to fund employer specific liabilities. (See Note 9.D. for additional information).

Net Pension Liability

At June 30, 2020 and 2019, the University reported a liability of $20,224 and $15,957, respectively, for its proportionate share of the PERS net pension liability. The net pension liability as of June 30, 2020 was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The net pension liability as of June 30, 2019 was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The PERS system does not provide Oregon Tech an audited proportionate share as a separate employer; the University is a proportionate share of PERS employer state agencies which includes all state agencies. The State of Oregon Department of Administrative Services calculated Oregon Tech's proportional share of all state agencies internally based on actual contributions by Oregon Tech compared to the total for employer state agencies. The State of Oregon Audits Division reviewed this internal calculation. At June 30, 2020 and 2019, Oregon Tech's proportion was 0.12 and 0.11 percent, respectively, of the statewide pension plan.

For the years ended June 30, 2020 and 2019, Oregon Tech recorded total net pension expense of $5,240 and $2,977 due to the increase in net pension liability and changes to deferred inflows and outflows.

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

Deferred Items

Certain deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. Other deferred items are calculated at the University level. For fiscal years ending June 30, 2020 and 2019, deferred items include:

- Difference between expected and actual experience
- Changes in assumptions
- Net difference between projected and actual earnings
- Changes in employer proportion since the prior measurement date
- Difference between employer contributions and proportionate share of contributions
- Contributions subsequent to the measurement date

Differences between expected and actual experience, changes in assumption, and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period are as follows:

- Measurement period ended June 30, 2019 – 5.2 years
- Measurement period ended June 30, 2018 – 5.2 years
- Measurement period ended June 30, 2017 – 5.3 years
- Measurement period ended June 30, 2016 – 5.3 years
- Measurement period ended June 30, 2015 – 5.4 years
- Measurement period ended June 30, 2014 – 5.6 years

The difference between projected and actual earnings attributable to each measurement period is amortized over a closed five-year period.

One year of amortization is recognized in the University's total pension expense for fiscal years 2020 and 2019.

At June 30, 2020, Oregon Tech reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,115	$ -
Changes of assumptions	2,744	-
Net difference between projected and actual earnings on pension plan investments	-	573
Change in proportionate share	1,369	691
Difference between contributions and proportionate share of contributions	6	408
Total	$ 5,234	$ 1,672
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ 3,562	
Contributions Subsequent to the MD	2,461	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 6,023	

At June 30, 2019, Oregon Tech reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 543	$ -
Changes of assumptions	3,710	-
Net difference between projected and actual earnings on pension plan investments	-	709
Changes in Proportion	461	906
Difference between contributions and proportionate share of contributions	12	222
Total	$ 4,726	$ 1,837
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ 2,889	
Contributions Subsequent to the MD	1,647	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 4,536	

Of the amount reported as deferred outflows of resources, $2,461 is related to pensions resulting from Oregon Tech contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflow/(Inflow) of Resources
Year Ended June 30:	
2021	$ 2,026
2022	235
2023	589
2024	638
2025	74
	$ 3,562

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

Actuarial Methods and Assumptions

The following methods and assumptions were used in the development of the total pension liability:

Actuarial Methods:		
As of:	June 30, 2020	June 30, 2019
Valuation Date	December 31, 2017	December 31, 2016
Measurement Date	June 30, 2019	June 30, 2018
Experience Study Report	2016, published July 2017	
Actuarial Cost Method	Entry Age Normal	
Actuarial Assumptions:		
Inflation Rate	2.50 percent	
Long-Term Expected Rate of Return	7.20 percent	
Discount Rate	7.20 percent	
Projected Salary Increases	3.50 percent	
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with *Moro* decision; blend based on service.	
Mortality	*Healthy retirees and beneficiaries:*	
	RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.	
	Active members:	
	RP-2014 employees, sex-distinct, generational with unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.	
	Disabled retirees:	
	RP-2014 Disabled Retirees, sex-distinct, generational with unisex, Social Security Data Scale.	

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.

Discount Rate

The discount rate used to measure the total pension liability at both June 30, 2020 and June 30, 2019 was 7.20 percent. 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 was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The sensitivity analysis shows the sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate. The following presents the University's proportionate share of the net pension liability calculated using the current discount rate as well as what the University's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Oregon Tech's proportionate share of the net pension liability	
	June 30, 2020	June 30, 2019
1 % Decrease 6.20%	$ 32,387	$ 26,668
Current Discount Rate 7.20%	$ 20,224	15,957
1 % Increase 8.20%	$ 10,045	7,117

Depletion Date Projection

GASB No. 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB No. 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB No. 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- Oregon PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB No. 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is the independent actuary's opinion that the detailed depletion date projections outlined in GASB No. 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses. As such, and as discussed above, the long-term expected rate of return was used to discount the liability.

Assumed Asset Allocation

Asset Class/ Strategy	Low Range	High Range	OIC Target
Debt Securities	15.00 %	25.00 %	20.00 %
Public Equity	32.50	42.50	37.50
Private Equity	14.00	21.00	17.50
Real Estate	9.50	15.50	12.50
Alternative Investments	0.00	12.50	12.50
Opportunity Portfolio	0.00	3.00	0.00
Total			100.00 %

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 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset 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. The table on the following page 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. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00	3.38
Bank/Leveraged Loans	3.00	5.09
High Yield Bonds	1.00	6.45
Large/Mid Cap US Equities	15.75	6.30
Small Cap US Equities	1.31	6.69
Micro Cap US Equities	1.31	6.80
Developed Foreign Equities	13.13	6.71
Emerging Market Equities	4.13	7.45
Non-US Small Cap Equities	1.88	7.01
Private Equity	17.50	7.82
Real Estate (Property)	10.00	5.51
Real Estate (REITS)	2.50	6.37
Hedge Fund of Funds - Diversified	2.50	4.09
Hedge Fund - Event-driven	0.63	5.86
Timber	1.88	5.62
Farmland	1.88	6.15
Infrastructure	3.75	6.60
Commodities	1.88	3.84
Assumed Inflation – Mean		2.50%

Bond Debt

The Retirement Bond Debt Service Assessment was authorized by the State of Oregon Legislature in 2003 to sell general obligation bonds in the amount of $2 billion to pay a PERS unfunded actuarial liability. This action reduced the PERS contribution rate for PERS covered employers in the State actuarial pool in November 2003.

The Oregon Department of Administrative Services coordinates the debt service assessments to PERS employers to cover the bond debt service payments. PERS employers are assessed a percentage of PERS-subject payroll to fund the payments. The assessment rate is adjusted periodically over the life of the twenty-four year debt repayment schedule.

The payroll assessment for the pension obligation bond began May 2004. The assessment rate for fiscal year 2020 was 6.20 percent through October 31, 2019. The 2020 rate was decreased to 5.60

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percent effective November 1, 2019. The assessment rate for fiscal year 2019 was 6.20 percent. Payroll assessments paid by Oregon Tech for the fiscal years ended June 30, 2020 and 2019 were $1,002 and $1,020, respectively.

B. Other Retirement Plans

OPTIONAL RETIREMENT PLAN

The 1995 Oregon Legislature enacted legislation that authorized Oregon Tech to offer a defined contribution retirement plan as an alternative to PERS. The Board appointed a Retirement Plan Committee to administer the Optional Retirement Plan (ORP) and named trustees to manage plan assets placed with mutual funds and insurance companies. Beginning April 1, 1996, the ORP was made available to University academic and administrative faculty. Employees choosing the ORP may invest the employee and employer contributions in one of two investment companies, either Fidelity or TIAA.

The ORP consists of four tiers. Membership under ORP Tier One and Tier Two is determined using the same date of entry criteria as PERS. The third tier is determined by the date of entry applicable to the OPSRP. Employees hired on or after July 1, 2014 who elected the ORP are Tier Four members. The first contributions for Tier Four were payable January 2015 after six-months of qualifying service. Tier Four is a departure from the other three tiers. The employee is entitled to an employer contribution plus a "match" contribution based on the employee's participation in the voluntary 403(b) investment plan. The employer contribution is fixed at 8 percent by plan rules and is unaffected by PERS rates, unlike the other tiers. The employer provides an ORP match contribution equal to 403(b) deferrals up to a 4 percent maximum. Under the ORP Tiers One, Two and Three, the employee's contribution rate is 6 percent and is paid by the employer.

The employer contribution rates for the ORP are as follows:

	2020	2019
Tier One/Two	**27.20%**	23.68%
Tier Three	**9.85%**	9.29%
Tier Four	**8.00%**	8.00%

OREGON PUBLIC UNIVERSITIES 401(A) DEFINED CONTRIBUTION PLAN

Eligible ranked faculty participate in the Teacher's Insurance and Annuity Association (TIAA) retirement program, a defined contribution plan, on all salary in excess of forty-eight hundred dollars per calendar year. Employee and employer contributions are directed to PERS on the first forty-eight hundred dollars. The contribution to TIAA annuities are supplemental to PERS. To participate in this retirement option, employees must have been hired on or before September 9, 1995. The legacy plan, Oregon University System 401(a) Defined Contribution Plan, document was amended and restated July 1, 2015 and the Plan Sponsor is now the Board of Trustees for the University of Oregon.

SUMMARY OF OTHER PENSION PAYMENTS

Oregon Tech total payroll for the year ended June 30, 2020 was $36,586, of which $13,108 was subject to optional retirement plan contributions. Employer contributions for the year totaled $1,672 or 12.76 percent of covered payroll. Employee contributions for the year totaled $1,050, or 8.01 percent of covered payroll. Oregon Tech paid all of the ORP employee contribution amounts on behalf of their employees during the fiscal year ended June 30, 2020.

Oregon Tech total payroll for the year ended June 30, 2019 was $36,586, of which $13,094 was subject to optional retirement plan contributions. Employer contributions for the year totaled $1,429, or 10.92 percent of covered payroll. Employee contributions for the year totaled $1,188, or 9.07 percent of covered payroll. Oregon Tech paid all of the ORP employee contribution amounts on behalf of their employees during the fiscal year ended June 30, 2019.

15. Other Postemployment Benefits (OPEB)

A. Public Employees Retirement System (PERS)

Plan Descriptions

The Public Employees Retirement System (PERS) Board contracts for health insurance coverage on behalf of eligible PERS members. Eligible retirees pay their own age-adjusted premiums. To help retirees defray the cost of these premiums, PERS also administers two separate defined benefit other postemployment benefit (OPEB) plans: the Retirement Health Insurance Account (RHIA) and the Retiree Health Insurance Premium Account (RHIPA). Only Tier One and Tier Two PERS members are eligible to participate in the RHIA and RHIPA plans. (Refer to Note 14 for details concerning Tier One and Tier Two membership in PERS.)

The RHIA is a cost-sharing multiple-employer defined benefit OPEB plan in which the university participates. Established under Oregon Revised Statute (ORS) 238.420, the plan provides a payment of up to $60 toward the monthly cost of health insurance for eligible PERS members. To be eligible to receive the RHIA subsidy, the member must (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991. The Legislature has sole authority to amend the benefit provisions and employer obligations for the RHIA plan.

Established under ORS 238.415, the RHIPA is considered a cost-sharing multiple-employer defined benefit OPEB plan for financial reporting purposes. The plan provides payment of the average difference between the health insurance premiums paid by retired state employees under contracts entered into by the PERS Board and health insurance premiums paid by state employees who are not retired. PERS members are qualified to receive the RHIPA subsidy if they have eight or more years of qualifying service in PERS at the time of retirement or receive a disability pension calculated as if they had eight or more years of qualifying service, but are not eligible for federal Medicare coverage. A surviving spouse or dependent of a deceased retired state employee 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 on or after September 29, 1991. The Legislature has sole authority to amend the benefit provisions and employer obligations of the RHIPA plan.

Both RHIA and RHIPA are closed to employees hired on or after August 29, 2003, who had not established PERS membership prior to that date.

OPEB Plans Report

The RHIA and RHIPA defined benefit OPEB plans are reported separately under Other Employee Benefit Trust Funds in the fiduciary funds combining statements and as part of the Pension and Other Employee Benefit Trust in the state's Comprehensive Annual financial Report. PERS issues a separate, publicly available financial report that includes audited financial statements and required supplementary information. The report may be obtained by writing to the Public Employees Retirement System, Fiscal Services Division, PO Box 23700, Tigard, OR 97281-3700. The report may also be accessed online at: www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

Summary of Significant Accounting Policies

Employers participating in RHIA and RHIPA plans are required to report OPEB information in their financial statements for fiscal periods beginning on or after June 15, 2017, in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The requirements of this Statement incorporate provisions intended to reflect the effects of transactions and events related to OPEB in the measurement of employer liabilities for OPEB and recognition of OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB.

Basis of Accounting

The financial statements for the PERS OPEB plans are prepared using the accrual basis of accounting. Employer contributions to PERS are calculated based on creditable compensation for active members reported by employers. Employer contributions are accrued when due pursuant to legal requirements.

Proportionate Share Allocation Methodology

The basis for the employer's proportion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers.

OPEB Plan (Asset)/Liability

The components of the total PERS Net OPEB liability (asset) for the OPEB plans as of the measurement date of June 30, 2019 and 2018 are as follows (in millions):

Net OPEB - RHIA (Asset)	June 30, 2019	June 30, 2018
Total OPEB - RHIA Liability	$ 435.6	$ 465.2
Plan Fiduciary Net Position	628.9	576.8
Plan Net OPEB - RHIA (Asset)	$ (193.3)	$ (111.6)

Net OPEB - RHIPA Liability	June 30, 2019	June 30, 2018
Total OPEB - RHIPA Liability	$ 72.0	$ 70.3
Plan Fiduciary Net Position	46.7	35.0
Plan Net OPEB - RHIA Liability	$ 25.3	$ 35.3

Changes Subsequent to the Measurement Date

The PERS Board reviews the discount rate in odd-numbered years as part of the Board's adoption of actuarial methods and assumptions. That rate is then adopted in an administrative rule at the time the Board sets the new rate. The University is not aware of any changes made subsequent to the measurement date of June 30, 2019.

Assumed Asset Allocation

Asset Class/ Strategy	Low Range	High Range	OIC Target
Debt Securities	15.00 %	25.00 %	20.00 %
Public Equity	32.50	42.50	37.50
Private Equity	14.00	21.00	17.50
Real Estate	9.50	15.50	12.50
Alternative Investments	0.00	12.50	12.50
Opportunity Portfolio	0.00	3.00	0.00
Total			100 %

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

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 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the OIC investment advisors. Each asset 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. The table below shows a summary of long-term expected rate of return by asset class. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS' audited financial statements at: www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00	3.38
Bank/Leveraged Loans	3.00	5.09
High Yield Bonds	1.00	6.45
Large/Mid Cap US Equities	15.75	6.30
Small Cap US Equities	1.31	6.69
Micro Cap US Equities	1.31	6.80
Developed Foreign Equities	13.13	6.71
Emerging Market Equities	4.13	7.45
Non-US Small Cap Equities	1.88	7.01
Private Equity	17.50	7.82
Real Estate (Property)	10.00	5.51
Real Estate (REITS)	2.50	6.37
Hedge Fund of Funds - Diversified	2.50	4.09
Hedge Fund - Event-driven	0.63	5.86
Timber	1.88	5.62
Farmland	1.88	6.15
Infrastructure	3.75	6.60
Commodities	1.88	3.84
Assumed Inflation – Mean		2.50%

Depletion Date Projection

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, generally requires that a blended discount rate be used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB Statement No. 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB Statement No. 75 (paragraph 82) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- Oregon PERS has a formal written policy to calculate an actuarially determined contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.
- GASB Statement No. 75 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience that might impact the plan's funded position.

Based on these circumstances, it is the independent actuary's opinion that the detailed depletion date projections outlined in GASB Statement No. 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses. As such, and as discussed on pages 53 and 55, the long-term expected rate of return was used to discount the liability.

i. RHIA

Contributions

The RHIA plan is funded through actuarially determined employer contributions.

For the fiscal year ended June 30, 2020 and 2019, the University contributed 0.06 and 0.07 percent, respectively, of PERS-covered payroll for Tier One and Tier Two plan members to fund the normal cost portion of RHIA benefits. In addition, for the fiscal years ended June 30, 2020 and 2019, the University contributed 0.00 and 0.43 percent, respectively, of all PERS-covered payroll to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities amortized over 20 years. The required employer contribution was approximately $2 and $73 for the years ended June 30, 2020 and June 30, 2019, respectively. The actual contribution equaled the annual required contribution for the fiscal year.

Net OPEB Asset

At June 30, 2020, the University reported an asset of $296 for its proportionate share of the RHIA net OPEB asset. The net OPEB asset as of June 30, 2020 was measured as of June 30, 2019, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017.

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

At June 30, 2019, the University reported an asset of $145 for its proportionate share of the RHIA net OPEB asset. The net OPEB asset as of June 30, 2019 was measured as of June 30, 2018, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2016.

The PERS system does not provide Oregon Tech an audited proportionate share as a separate employer; the University is allocated a proportionate share of PERS employer state agencies. The state Department of Administrative Services (DAS) calculated Oregon Tech's proportionate share of all state agencies internally based on actual contributions by the University as compared to the total for employer state agencies. The Oregon Audits Division reviewed this internal calculation. At June 30, 2020, Oregon Tech's proportion was 0.15 percent of the statewide OPEB plan, while at June 30, 2019, it was 0.13 percent.

For the years ended June 30, 2020 and June 30, 2019, respectively, Oregon Tech recorded total OPEB expense of ($44) and ($12) due to the change in the net RHIA OPEB asset, changes to deferred outflows and deferred inflows, and amortization of deferred amounts.

Deferred Items

Certain deferred inflows of resources and deferred outflows of resources are calculated at the system-wide level and are allocated to employers based on their proportionate share. Other deferred items are calculated at the University level. For the measurement period ended June 30, 2019, there were:

- A difference between expected and actual experience
- A difference due to changes in assumptions
- Changes in employer proportion since the prior measurement date
- A difference between employer contributions and proportionate share of contributions
- A difference between projected and actual earnings
- Contributions subsequent to the measurement date

Differences between expected and actual experience, changes in assumption, and changes in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period is as follows:

- Measurement period ended June 30, 2019 – 3.1 years
- Measurement period ended June 30, 2018 – 3.3 years
- Measurement period ended June 30, 2017 – 3.7 years

The difference between projected and actual OPEB plan investment earnings attributable to each measurement period is amortized over a closed five-year period.

One year of amortization is recognized in the university's total OPEB expense for fiscal year 2020.

At June 30, 2020, Oregon Tech reported deferred outflows of resources and deferred inflows of resources related to RHIA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 39
Net difference between projected and actual earnings on pension plan investments	-	18
Change in proportionate share	1	13
Difference between contributions and proportionate share of contributions	-	2
Total	$ 1	$ 72
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ (71)	
Contributions Subsequent to the MD	2	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ (69)	

At June 30, 2019, Oregon Tech reported deferred outflows of resources and deferred inflows of resources related to RHIA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 8
Changes of assumptions	-	1
Net difference between projected and actual earnings on pension plan investments	-	31
Change in proportionate share	1	-
Difference between contributions and proportionate share of contributions	2	-
Total	$ 3	$ 40
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ (37)	
Contributions Subsequent to the MD	73	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 36	

Of the amount reported as deferred outflows of resources, $2 are related to contributions subsequent to the measurement date and will be recognized as an increase of the net OPEB asset in the year ended June 30, 2021.

As of June 30, 2020, other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIA OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2021	$ (36)
2022	(33)
2023	(4)
2024	2
	$ (71)

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

Actuarial Methods and Assumptions

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.

RHIA Actuarial Methods and Assumptions:		
	June 30, 2020	June 30, 2019
Valuation Date	December 31, 2017	December 31, 2016
Measurement Date	June 30, 2019	June 30, 2018
Experience Study Report	2016, published July 2017	
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	
Inflation Rate	2.50 percent	
Long-Term Expected Rate of Return	7.20 percent	
Discount Rate	7.20 percent	
Projected Salary Increases	3.50 percent	
Retiree Healthcare Participation	Healthy retirees: 35%; Disabled retirees: 20%	Healthy retirees: 38%; Disabled retirees: 20%
Healthcare Cost Trend Rate	Not applicable	
Mortality	*Healthy retirees and beneficiaries:*	
	RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation	RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.
	Active members:	
	RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation	Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.
	Disabled retirees:	
	RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale	Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per scale BB, disabled mortality table.

Discount Rate

The discount rate used to measure the total OPEB liability at both June 30, 2019 and June 30, 2018 was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the OPEB Plans was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity Analysis

The sensitivity analysis below shows the sensitivity of the University's proportionate share of the net OPEB liability/(asset) calculated using the appropriate discount rate, as well as what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate:

Discount Rate	June 30, 2020	June 30, 2019
1% Decrease 6.20%	$ (230)	$ (84)
Current Discount Rate 7.20%	(296)	(145)
1% Increase 8.20%	(353)	(196)

The sensitivity analysis below shows the sensitivity of the University's proportionate share of the net OPEB liability/(asset) calculated using the current healthcare cost trend rates, as well as what the net OPEB liability/(asset) would be if it were calculated using healthcare trend rates that are one percentage point lower, or one percentage point higher than the current rates:

Healthcare Cost Rate	June 30, 2020	June 30, 2019
1% Decrease	$ (296)	$ (145)
Current Trend Rate	(296)	(145)
1% Increase	(296)	(145)

ii. RHIPA

Contributions

The RHIPA plan is funded through actuarially determined employer contributions.

For the fiscal years ended June 30, 2020 and June 30, 2019, the University contributed 0.12 and 0.11 percent, respectively, of PERS-covered payroll for Tier One and Tier Two plan members to fund the normal cost portion of RHIPA benefits. In addition, for the years ended June 30, 2020 and 2019, respectively, the University contributed 0.27 and 0.38 percent of all PERS-covered payroll to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities amortized over 20 years. The required employer contribution was approximately $50 for the year ended June 30, 2020 and $66 for the year ended June 30, 2019. The actual contribution equaled the annual required contribution for the fiscal year.

Net OPEB Asset/Liability

At June 30, 2020, the University reported a liability of $122 for its proportionate share of the PERS RHIPA net OPEB liability. The net OPEB liability as of June 30, 2020 was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017.

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

At June 30, 2019, the University reported a liability of $154 for its proportionate share of the PERS RHIPA net OPEB liability. The net OPEB liability as of June 30, 2019 was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016.

The PERS system does not provide Oregon Tech an audited proportionate share as a separate employer; the University is allocated a proportionate share of PERS employer state agencies. DAS calculated Oregon Tech's proportionate share of all state agencies internally based on actual contributions by the University as compared to the total for employer state agencies. The Oregon Audits Division reviewed this internal calculation. Oregon Tech's proportion was 0.48 percent of the statewide OPEB plan as of June 30, 2020 and 0.43 percent as of June 30, 2019.

For both the years ended June 30, 2020 and 2019, Oregon Tech recorded total OPEB expense of $20 due to the increase in the net PERS RHIPA OPEB liability, changes to deferred outflows and deferred inflows, and amortization of previously deferred amounts.

Deferred Items

Certain deferred inflows of resources and deferred outflows of resources are calculated at the system-wide level and are allocated to employers based on their proportionate share. Other deferred items are calculated at the University level. For the measurement period ended June 30, 2019, there were:

- A difference due to changes in assumptions
- A difference between expected and actual experience
- Changes in employer proportion since the prior measurement date
- Difference between employer contributions and proportionate share of contributions
- Net difference between projected and actual OPEB plan investment earnings
- Contributions subsequent to the measurement date

Differences between expected and actual experience, changes in assumption, and change in employer proportion are amortized over the average remaining service lives of all plan participants, including retirees, determined as of the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period. The average remaining service lives determined as of the beginning of each measurement period is as follows:

- Measurement period ended June 30, 2019 – 6.7 years
- Measurement period ended June 30, 2018 – 6.9 years
- Measurement period ended June 30, 2017 – 7.2 years

The difference between projected and actual OPEB plan investment earnings attributable to each measurement period is amortized over a closed five-year period.

One year of amortization is recognized in the University's total OPEB expense for fiscal year 2020.

At June 30, 2020, Oregon Tech reported deferred outflows of resources and deferred inflows of resources related to RHIPA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 12
Changes of assumptions	2	-
Change in proportionate share	19	-
Difference between contributions and proportionate share of contributions	1	1
Total	$ 22	$ 13
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ 9	
Contributions Subsequent to the MD	50	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 59	

At June 30, 2019, Oregon Tech reported deferred outflows of resources and deferred inflows of resources related to RHIPA OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 11
Changes of assumptions	2	-
Net difference between projected and actual earnings on pension plan investments	-	3
Change in proportionate share	5	-
Difference between contributions and proportionate share of contributions	2	-
Total	$ 9	$ 14
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ (5)	
Contributions Subsequent to the MD	66	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 61	

Of the amount reported as deferred outflows of resources, $50 are related to contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021.

As of June 30, 2020, other amounts reported as deferred outflows of resources and deferred inflows of resources related to RHIPA OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2021	$ 1
2022	1
2023	2
2024	2
2025	1
Thereafter	2
	$ 9

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

Actuarial Methods and Assumptions

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.

RHIPA Actuarial Methods and Assumptions:		
	June 30, 2020	**June 30, 2019**
Valuation Date	December 31, 2017	December 31, 2016
Measurement Date	June 30, 2019	June 30, 2018
Experience Study Report	2016, published July 2017	
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	
Inflation Rate	2.50 percent	
Long-Term Expected Rate of Return	7.20 percent	
Discount Rate	7.20 percent	
Projected Salary Increases	3.50 percent	
Retiree Healthcare Participation	Varies by service at decrement, increasing from 10% at eight years of service to 38% at 30 years of service	Healthy retireees: 38%; Disabled Retirees: 20%
Healthcare Cost Trend Rate	Applied at beginning of plan year, starting with 7.5% for 2017, decreasing to 5.2% for 2024, increasing to 6.2% for 2029, and decreasing to an ultimate rate of 4.2% for 2093 and beyond.	Applied at beginning of plan year, starting with 6.5% for 2018, decreasing to 5.9% for 2019, increasing to 6.2% for 2029, and decreasing to an ultimate rate of 4.2% for 2093 and beyond.
Mortality	*Healthy retirees and beneficiaries:*	
	RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation	
	Active members:	
	RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.	
	Disabled retirees:	
	RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale.	

Discount Rate

The discount rate used to measure the total OPEB liability at both June 30, 2019 and June 30, 2018 was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the OPEB Plans was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity Analysis

The sensitivity analysis below shows the sensitivity of the University's proportionate share of the net OPEB liability/(asset) calculated using the current discount rate as well as what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate:

Discount Rate	**June 30, 2020**	June 30, 2019
1% Decrease 6.20%	$ 145	$ 172
Current Discount Rate 7.20%	122	154
1% Increase 8.20%	100	132

The sensitivity analysis below shows the sensitivity of the University's proportionate share of the net OPEB liability/(asset) calculated using the current healthcare cost trend rates, as well as what the net OPEB liability/(asset) would be if it were calculated using healthcare trend rates that are one percentage point lower, or one percentage point higher than the current rates:

Healthcare Cost Rate	**June 30, 2020**	June 30, 2019
1% Decrease	$ 92	$ 124
Current Trend Rate	122	154
1% Increase	156	182

B. Public Employees' Benefit Board (PEBB)

Plan Description

Oregon Tech participates in a defined benefit postemployment healthcare plan administered by the Public Employees Benefit Board (PEBB). This plan offers healthcare assistance to eligible retired employees and their beneficiaries. Chapter 243 of the Oregon Revised Statutes (ORS) gives PEBB the authority to establish and amend the benefit provisions of the PEBB Plan. The PEBB Plan is considered a cost-sharing multiple-employer plan for financial reporting purposes and has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. PEBB does not issue a separate, publicly available financial report.

The PEBB Plan allows qualifying retired employees to continue their "active" health insurance coverage on a self-pay basis until they are eligible for Medicare. Participating retirees pay their own monthly premiums. However, the premium amount is based on a blended rate that is determined by pooling the qualifying retirees with active employees, thus, creating an “implicit rate subsidy".

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

Summary of Significant Accounting Policies

Employers participating in PEBB are required to report OPEB information in their financial statements for fiscal periods beginning on or after June 15, 2017, in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The requirements of this Statement incorporate provisions intended to reflect the effects of transactions and events related to OPEB in the measurement of employer liabilities and recognition of OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB.

Proportionate Share Allocation Methodology

The basis for the employer’s proportion is determined by comparing the employer’s actual contributions made during the fiscal year with the total actual contributions made in the fiscal year of all employers.

Total OPEB Liability

At June 30, 2020, the University reported a liability of $1,290 for its proportionate share of the total PEBB OPEB liability. The total OPEB liability as of June 30, 2020 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019.

At June 30, 2019, the University reported a liability of $1,417 for its proportionate share of the total PEBB OPEB liability. The total OPEB liability as of June 30, 2019 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2017.

PEBB does not provide Oregon Tech an audited proportionate share as a separate employer; the University is allocated a proportionate share of PEBB participating employers. DAS calculated Oregon Tech’s proportionate share of all participating employers internally based on actual contributions by the University as compared to the total for participating employers. The Oregon Audits Division reviewed this internal calculation. At both June 30, 2020 and June 30, 2019, Oregon Tech's proportion was 0.88 percent of participating employers.

For the years ended June 30, 2020 and June 30, 2019, Oregon Tech recorded total OPEB expense of $123 and $138, respectively, due to the changes to the total OPEB liability, deferred inflows, and amortization of deferred amounts.

Deferred Items

Certain deferred inflows of resources and deferred outflows of resources are calculated at the system-wide level and are allocated to employers based on their proportionate share. Other deferred items are calculated at the University level. For the measurement period ended June 30, 2020, there were:

- A difference due to changes in assumptions
- A difference between expected and actual experience
- Changes in employer proportion since the prior measurement date
- Difference between employer contributions and proportionate share of contributions

Changes in assumption and changes in proportion are amortized over the closed period equal to the average expected remaining service lives of all covered active and inactive participants. Employers are required to recognize OPEB expense based on the balance of the closed period “layers” attributable to each measurement period. The weighted average expected remaining service lives, assuming zero years for all retirees, determined as of the beginning of each measurement period are as follows:

- Measurement period ended June 30, 2020 - 8.6 years
- Measurement period ended June 30, 2019 - 8.2 years
- Measurement period ended June 30, 2019 - 8.2 years

One year of amortization is recognized in the University’s total OPEB expense for fiscal years 2020 and 2019.

At June 30, 2020, Oregon Tech reported deferred outflows of resources and deferred inflows of resources related to PEBB OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 6
Changes of assumptions	34	190
Change in proportionate share	26	-
Difference between contributions and proportionate share of contributions	-	1
Total	$ 60	$ 197
Net Deferred Outflow/(Inflow) of Resources	$ (137)	

At June 30, 2019, Oregon Tech reported deferred outflows of resources and deferred inflows of resources related to PEBB OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	$ 39	$ 25
Change in proportionate share	29	-
Total	$ 68	$ 25

As of June 30, 2020, other amounts reported as deferred outflows of resources and deferred inflows of resources related to PEBB OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2021	$ (17)
2022	(17)
2023	(17)
2024	(17)
2025	(18)
Thereafter	(51)
	$ (137)

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

Actuarial Methods and Assumptions

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.

Actuarial Methods and Assumptions:		
Valuation Date	July 1, 2019	July 1, 2017
Measurement Date	June 30, 2020	June 30, 2019
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	
Inflation Rate	2.50 percent	
Discount Rate	2.21 percent	3.50 percent
Projected Salary Increases	3.50 percent	
Withdrawal, retirement, and mortality rates	December 31, 2018 Oregon PERS valuation	December 31, 2016 Oregon PERS valuation
Healthcare Cost Trend Rate	Pursuant to ORS 243.135(8), growth in per-member expenditures under self-insured plans and premium amounts is assumed to be 3.40% per year.	*Medical and vision cost increases:* 0.80% in the first year; 5.10% in the second year; 5.30% in the third year; varying from 6.20% to 4.20% over the remainder of the projection period *Dental cost changes:* decrease 1.10% in the first year; increase 3.10% in the second year; increase 4.00% per year thereafter
Election and lapse rates	30% of eligible employees	
	60% spouse coverage for males, 35% for females	
	7% annual lapse rate	

Discount Rate

Unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The Bond Buyer 20-Year General Obligation Bond Index was used to determine the discount rate for the OPEB liability. The discount rate in effect for the June 30, 2020 and June 30, 2019 reporting dates were 2.21 and 3.50 percent, respectively.

Sensitivity Analysis

The following sensitivity analysis shows the sensitivity of the University's proportionate share of the total OPEB liability calculated using the discount rate in effect at the measurement date, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher than the current rate:

Discount Rate	June 30, 2020	June 30, 2019
1% Decrease 1.21/2.50%	$ 1,383	$ 1,542
Current Discount Rate 2.21/3.50%	1,290	1,417
1% Increase 3.21/4.50%	1,203	1,302

The sensitivity analysis below shows the sensitivity of the University's proportionate share of the total OPEB liability calculated using the current healthcare cost trend rates, as well as what the net OPEB liability would be if it were calculated using healthcare trend rates that are one percentage point lower, or one percentage point higher than the current rates:

Healthcare Cost Rate	June 30, 2020	June 30, 2019
1% Decrease	$ 1,161	$ 1,235
Current Trend Rate	1,290	1,417
1% Increase	1,443	1,636

16. Risk Financing

Oregon Tech is a member of the Public Universities Risk Management and Insurance Trust (Trust). The Trust is a separate legal entity which operates for the benefit of the member universities (Member). The Trust is governed by a Board of Trustees comprised of a representative of each Member of the Trust. The Trustees administer an insurance program wherein the Members share risk by pooling their losses and claims and jointly purchasing insurance and administrative services through the Trust. In exchange, Members pay annual assessments and provide the Trustees with information or assistance as necessary for the Trustees to determine annual assessments and to purchase insurance or reinsurance. By participating, Oregon Tech transfers the following risk to the Trust:

- Real property loss for a university owned building, equipment, automobiles and other types of property
- Tort liability claims brought against a university, its officers, employees, or agents
- Workers' compensation and employers liability
- Cyber Insurance
- Crime, Fiduciary
- Specialty lines of business including marine, medical practicums, international travel, fine art, aircraft, camps, clinics and other items.

Oregon Tech retains risk for losses under $5, and in certain cases, up to $25, which is the deductible per claim for insurance purchased through the Trust.

Oregon Tech is charged an assessment to cover the Trust's cost of servicing claims and payments based on the Risk Allocation Model and actuarial estimates of the amounts needed to pay prior and current-year claims. The amount of settlements has not exceeded insurance coverage over the past three years.

In addition, Oregon Tech purchases various commercial insurance policies to cover the deductible amounts of intercollegiate athletics insurance provided through the National Association of Intercollegiate Athletics, and to provide coverage for special events and student liability.

For the Years Ended June 30, 2020 and 2019 (dollars in thousands)

17. Commitments and Contingent Liabilities

Outstanding commitments on partially completed and planned but not initiated construction projects totaled approximately $39,683 and $53,290 at June 30, 2020 and 2019, respectively. These commitments will be primarily funded from gifts and grants, bond proceeds, and other Oregon Tech funds. Refer to the table accompanying this note for projects relating to construction commitments as of June 30, 2020.

CONSTRUCTION COMMITMENTS AS OF JUNE 30, 2020

	Total Commitment	Completed to Date	Outstanding Commitment
Center for Excellence in Engineering and Technology - Cornett Hall Renovation - Phase 2	$ 40,000	$ 14,493	$ 25,507
Capital Repair & Renewal	5,352	2,951	2,401
Student Recreation Facilities Renovation	5,000	3,765	1,235
OMIC R&D Building Renovation	3,875	457	3,418
OMIC R&D Rapid Toolmaking Center	3,500	13	3,487
OMIC R&D Rapid Toolmaking Center - Research Equipment	3,000	-	3,000
Integrated Student Health Center Renovation	641	6	635
	$ 61,368	$ 21,685	$ 39,683

Oregon Tech is contingently liable in connection with certain other claims and contracts, including those currently in litigation, arising in the normal course of its activities. Management is of the opinion that the outcome of such matters will not have a material effect on the financial statements.

Oregon Tech participates in certain federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor for expenditures disallowed under terms of the grant. Management believes that disallowances, if any, will not have a material effect on the financial statements.

Unemployment compensation claims are administered by the Oregon Employment Division pursuant to ORS Chapter 657. Oregon Tech reimburses the Oregon Employment Division on a quarterly basis for actual benefits paid. Each year resources are budgeted to pay current charges. The amount of future benefit payments to claimants and the resulting liability to Oregon Tech cannot be reasonably determined at June 30, 2020.

RISKS AND UNCERTAINTIES

During the fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Subsequent to year end, the COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to Oregon Tech, COVID-19 may impact various parts of its 2021 operations and financial results, including, but not limited to, loss of auxiliary revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Management believes Oregon Tech is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

18.Subsequent Events

DEBT REFUNDING

In July 2020, the State issued $355 of Series 2020N XI-F(1) Tax Exempt bonds and $11,380 of Series 2020O XI-F(1) Taxable bonds on behalf of Oregon Tech for the refunding of previously held debt. The bonds have an effective rate of 1.94 percent, and are due serially through 2044. The refunding of previously held debt will ultimately save the University $2,254 over the next 24 years, with 74 percent, or $1,665, of the savings front loaded to the first three years of debt service payments, beginning with fiscal year 2021. Savings were front loaded by the State in order to assist the University with cash flow and liquidity during uncertain times in light of the Coronavirus pandemic.

19. University Foundation

Under policies approved by the Board, individual university foundations may be established to provide assistance in fund raising, public outreach and other support for the mission of Oregon Tech. The Oregon Tech Foundation (Foundation) is a legally separate, tax-exempt entity with an independent governing board. Although Oregon Tech does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of Oregon Tech and is discretely presented in the financial statements. The financial activity is reported for the year ended June 30, 2020.

During the years ended June 30, 2020 and June 30, 2019 gifts of $1,296 and $3,712, respectively, were transferred from the Foundation to Oregon Tech. The Foundation is audited annually and received an unmodified audit opinion.

Please see the financial statements for the Oregon Tech component unit on pages 25 and 27 of this report.

Complete financial statements for the Foundation may be obtained by writing to the following:

Oregon Tech Foundation, 3201 Campus Drive, Klamath Falls, OR 97601-8801


Oregon Institute of Technology

Required Supplementary Information (dollars in thousands)

SCHEDULE OF OREGON TECH'S CONTRIBUTIONS *
Public Employees Retirement System

For Fiscal Years Ended June 30,	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 2,461	$ 1,647	$ 1,475	$ 1,044	$ 1,004	$ 838	$ 780	$ 710	$ 688
Contributions in relation to the contractually required contribution	2,461	1,647	1,475	1,044	1,004	838	780	710	688
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Oregon Tech's covered payroll	$ 17,424	$ 16,513	$ 14,443	$ 13,833	$ 12,912	$ 11,891	$ 10,803	$ 10,215	$ 9,967
Contributions as a percentage of covered payroll	14.1%	10.0%	10.2%	7.5%	7.8%	7.0%	7.2%	7.0%	6.9%

SCHEDULE OF OREGON TECH'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)*
Public Employees Retirement System

As of the Measurement Date June 30,	2019	2018	2017	2016	2015	2014	2013
Oregon Tech's proportion of the net pension asset/liability	0.12%	0.11%	0.12%	0.11%	0.10%	0.09%	0.09%
Oregon Tech's proportionate share of the net pension asset/(liability)	$ (20,224)	$ (15,957)	$ (15,678)	$ (16,969)	$ (6,027)	$ 2,133	$ (4,803)
Oregon Tech's covered payroll	$ 16,513	$ 14,443	$ 13,833	$ 12,912	$ 11,891	$ 10,803	$ 10,215
Oregon Tech's proportionate share of the net pension asset/liability as a percentage of its covered payroll	122.47%	110.48%	113.34%	131.42%	50.69%	19.74%	47.02%
Plan fiduciary net postion as a percentage of the total pension asset /liability	80.23%	82.07%	83.12%	80.53%	91.88%	103.59%	91.97%

SCHEDULE OF OREGON TECH'S PROPORTIONATE SHARE*
Total PEBB OPEB Liability

As of June 30,	2020	2019	2018	2017
Oregon Tech's allocation of the total OPEB liability	0.88%	0.88%	0.87%	0.86%
Oregon Tech's proportionate share of the total OPEB liability	$ 1,290	$ 1,417	$ 1,285	$ 1,239
Oregon Tech's covered payroll	29,384	28,829	26,281	24,752
Oregon Tech's proportionate share of the total OPEB liability as a percentage of its covered payroll	4.39%	4.92%	4.89%	5.01%
Total OPEB liability as a % of total covered payroll	3.77%	4.31%	4.42%	4.45%

*These schedules will eventually contain 10 years' worth of data. Only the data shown above was available at this time.

Required Supplementary Information (dollars in thousands)

SCHEDULE OF OREGON TECH'S PROPORTIONATE SHARE*

Net PERS RHIA OPEB Liability/(Asset)

As of the Measurement Date of June 30,	2019	2018	2017	2016
Oregon Tech's allocation of the net OPEB liability/(asset)	0.15%	0.13%	0.13%	0.12%
Oregon Tech's proportionate share of the net OPEB liability/(asset)	(296)	(145)	$ (55)	$ 34
Oregon Tech's covered payroll	$ 16,513	$ 14,443	$ 13,705	$ 12,787
Oregon Tech's proportionate share of the net OPEB liability/(asset) as a percentage of covered payroll	1.79%	1.00%	0.40%	0.27%
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	144.38%	123.99%	108.88%	94.15%

SCHEDULE OF OREGON TECH PERS RHIA OPEB EMPLOYER CONTRIBUTION

For Fiscal Years Ended June 30,	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contributions[1]	$ 2	$ 73	$ 64	$ 65	$ 61	$ 62	$ 57	$ 53	$ 52	$ 22
Contributions in relation to the actuarially determined contributions	2	73	64	65	61	62	57	53	52	22
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 17,424	$ 16,513	$ 14,443	$ 13,705	$ 12,787	$ 11,769	$ 10,693	$ 9,738	$ 9,530	$ 8,950
Contributions as a percentage of covered payroll	0.01%	0.44%	0.44%	0.47%	0.48%	0.53%	0.53%	0.54%	0.55%	0.25%

SCHEDULE OF OREGON TECH'S PROPORTIONATE SHARE*

Net PERS RHIPA OPEB Liability

As of the Measurement of June 30,	2019	2018	2017	2016
Oregon Tech's allocation of the net OPEB liability	0.48%	0.43%	0.43%	0.42%
Oregon Tech's proportionate share of the net OPEB liability	$ 122	$ 154	$ 199	$ 226
Oregon Tech's covered payroll	$ 66	$ 14,443	$ 13,705	$ 12,787
Oregon Tech's proportionate share of the net OPEB liability as a percentage of covered payroll	184.85%	1.07%	1.45%	1.77%
Plan fiduciary net position as a percentage of the total OPEB liability	64.86%	49.79%	34.25%	21.87%

SCHEDULE OF OREGON TECH PERS RHIPA OPEB EMPLOYER CONTRIBUTION

For Fiscal Years Ended June 30,	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contributions[1]	$ 50	$ 66	$ 59	$ 52	$ 49	$ 27	$ 25	$ 13	$ 13	$ 5
Contributions in relation to the actuarially determined contributions	50	66	59	52	49	27	25	13	13	5
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 17,424	$ 16,513	$ 14,443	$ 13,705	$ 12,787	$ 11,769	$ 10,693	$ 9,738	$ 9,530	$ 8,950
Contributions as a percentage of covered payroll	0.29%	0.40%	0.41%	0.38%	0.38%	0.23%	0.23%	0.13%	0.14%	0.06%

[1]For Actuarial Assumptions and Methods, see table in Note 15.

*These schedules will eventually contain 10 years' worth of data. Only the data shown above was available at this time.

For information about the financial data included in this report, contact:

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