Oregon TECH

Oregon Institute of Technology

2022 Annual Financial Report

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Oregon's Polytechnic University

Oregon Institute of Technology
2022 Annual Report

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About the University

Founded in 1947, originally as a vocational rehabilitation school for World War II veterans, Oregon Tech has grown immensely in size, scope, and service. Today, we're accredited by the Northwest Commission on Colleges and Universities, and our student population totals nearly 5,000, making our student-to-faculty ratio 16:1.

Officially recognized as Oregon's Polytechnic University, we specialize in engineering, technology, healthcare, business, communication, and applied sciences such as psychology and environmental sciences. Our faculty and industry partners work hard to ensure students have the resources and training to tackle the challenges of both today and tomorrow.

Oregon Tech's real-world focus produces real results, too: 96 percent of our students are either employed or enrolled in graduate school within six months of graduation, with average starting salaries of $60,000 per year.

Some of our students know what they want to pursue before they even step foot on campus. Others might have an inkling and find their path as they explore the options available at Oregon Tech. Either way, their time at Oregon Tech gives them the know-how to produce work that matters to them — and the world. Put another way, we provide hands-on education for real-world achievement. That's Oregon Tech's distinct commitment.

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.

Through our nearly 50 bachelor's and advanced degree programs, Oregon Tech offers a rigorous, experiential education that allows students to pursue their passions and professional opportunities in internships, externships, and field experiences.

Mission

Oregon Institute of Technology (Oregon Tech), Oregon's public 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.

Vision

Oregon Tech will be a student-centered, world-class polytechnic university that inspires students to become tomorrow's leaders.

Oregon Tech Strategic Plan

www.oit.edu/strategic-plan

*U.S. News and World Report

Message from the President

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

Oregon Tech has remained steadfast in fulfilling its mission to serve and educate students by providing hands-on, project-based applied learning experiences throughout the pandemic, thanks to the outstanding contributions of our faculty and staff. Emerging from the health and safety restrictions of the past two years, including returning to in-person extracurricular activities, Oregon Tech is reestablishing and creating new avenues to ensure student success. We are proud to share that once again, Oregon Tech celebrated awarding nearly 800 degrees in the 2021-22 year.

An Oregon Tech education is a world-class education that fosters well-rounded graduates who view challenges through a global lens. As Oregon's Polytechnic University, Oregon Tech offers rigorous courses in leading technologies such as engineering, healthcare, and management. Oregon Tech is a hub of innovation in our region and beyond, and our graduates excel as professionals in the international knowledge economy. Oregon Tech continues to provide world-class experiential education to tomorrow's industry leaders.

Below are some notable accomplishments Oregon Tech had in the 2021-22 fiscal year.

A Year of Milestones

The Oregon Tech community celebrated two major milestones in the 2021-22 fiscal year. In October, the Oregon Tech Foundation celebrated a special milestone in crossing the $10 million mark in total awarded scholarships for Oregon Tech students. Funds distributed through scholarships make a dramatic difference across Oregon Tech. These scholarships fill various needs for students, including supporting retention, assisting those with financial need, providing equipment and technology, supporting scholarly athletes, and ensuring a degree is earned by those close to graduation but with limited to no financial resources left.

In May, we kicked off a year of celebration in honor of 75 Years of Applied Learning at Oregon Tech. When Oregon Tech held its first class on Tuesday, July 15, 1947, it opened as the Oregon Vocational School, an 822-acre vocational rehabilitation school for World War II veterans. The Oregon Vocational School only held its name for about a year before being renamed the Oregon Technical Institute. This name recognized the university's primary goal after World War II to help veterans earn degrees in high-skill technical fields such as electronics, medical technology, and civil engineering. The university was renamed as the Oregon Institute of Technology (Oregon Tech) in 1973 in recognition of the expanded programming, and we are proud to have been designated as Oregon's Polytechnic University in 2021. It's an exciting time to look toward the future while remembering and respecting the past.

Transformation in Capital

Oregon Tech celebrated the official opening of the new Center for Excellence in Engineering and Technology (CEET) complex in May. The 2022 opening was more than five years in the making. This center is a game changer for the state, Oregon Tech students, faculty, researchers, and our industry partners. CEET is designed and built as an innovation ecosystem to help nurture a highly skilled professional engineering workforce and an entrepreneurial culture. This, in turn, has a direct and positive return in engineering, health technology, and business sectors for all Oregonians and across our nation.

Renovations to Boivin Hall began in January and are progressing well. Boivin was built in 1976 and has not had any substantial renovations since then. Boivin Hall is a core teaching, learning, and student services building. It houses most of the campus's chemistry and mathematics laboratories and art classrooms. This $20 million project will ensure this important academic building will receive appropriate safety and American Disabilities Act upgrades, structural and seismic retrofitting, and classroom and laboratory renovations. Boivin's classrooms will support project-based learning, hands-on experimentation, and contemporary teaching methods. The complete remodel will enable faculty to teach a 21st-century pedagogy in a 21st-century facility.

Financial Support

In April, Oregon Tech received an additional $200,000 for track and field renovations through the American Rescue Plan Act of 2021. The same act also awarded $200,000 to our Respiratory Care program for new equipment purchases.

The track and field award will help make additional progress with the track and field renovation, transforming it into a state-of-the-art intercollegiate track that will allow Oregon Tech to host future meets and conference championships. The renovated track will be an asset for our student-athletes, the Oregon Tech community, and the Klamath Basin community.

The new Respiratory Care program equipment will elevate our students' laboratory-based applied learning experiences and help them train on state-of-the-art equipment to seamlessly transition to healthcare careers. Given our students' demonstrated success, the respiratory program received continuing accreditation last year.

Our university's year-six accreditation study has been submitted to the Northwest Commission on Colleges and Universities. Following a preliminary review, the Year-Six Report Review Panel has sent its appreciation for an "exceptionally thorough and well-written self-report."

Our university's resilience is demonstrated in successes we have celebrated for our students and the greater Oregon Tech community, despite the challenges of the pandemic in recent years. We enthusiastically look forward to continuing this positive trajectory in the next fiscal year.

INDEPENDENT AUDITORS' REPORT

Members of the Board
Oregon Institute of Technology
Klamath Falls, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Oregon Institute of Technology, as of and for the year ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise Oregon Institute of Technology's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the reports 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 Oregon Institute of Technology, as of June 30, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component unit, Oregon Tech Foundation, which statements represent 100% of the assets, net position, and revenues of the discretely presented component unit in 2022 and 2021. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Southern Oregon University Foundation is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Oregon Institute of Technology and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Oregon Tech Foundation were not audited in accordance with *Government Auditing Standards*.

Emphasis of a Matters

Change in Accounting Principal

As discussed in Note 1 to the financial statements, effective July 1, 2021, the University adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Oregon Institute of Technology's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Oregon Institute of Technology's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of university's Public Employees Retirement System (PERS) contributions, schedule of university's proportionate share of the net pension asset/liability, the schedule of university's proportionate share of the total PEBB OPEB liability, the schedule of university PERS RHIA OPEB employer contributions, the schedule of university's proportionate share of the net PERS RHIA OPEB asset/liability, the schedule of university PERS RHIPA OPEB employer contributions, and the schedule of university's proportionate share of the net PERS RHIPA OPEB asset/liability be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 audits 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

Management is responsible for the other information included in the annual report. The other information comprises the Oregon Tech Board of Trustees and Oregon Tech Executive Officers and the Message from the President but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Members of the Board
Oregon Institute of Technology

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2023, on our consideration of Oregon Institute of Technology's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Oregon Institute of Technology'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 Oregon Institute of Technology's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Denver, Colorado
January 13, 2023

For the Year Ended June 30, 2022 (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, 2022 with comparative data for the fiscal years ended June 30, 2021 and June 30, 2020. 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:

2022	2021	2020	2019	2018
3,058	3,259	3,377	3,352	3,330

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, 2022 increased by $34,020 over 2021. Net Position as of June 30, 2021 increased by $20,194 over 2020.

The largest increase to Net Position in 2022 was to the Net Investment in Capital Assets, which increased by $22,917. Restricted Expendable Net Position increased $9,689.

The largest increase to Net Position in 2021 was to the Net Investment in Capital Assets, which increased by $17,943. The 2021 Unrestricted Net Position increased by $3,205 due largely to changes in University operations.

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

Statement of Net Position

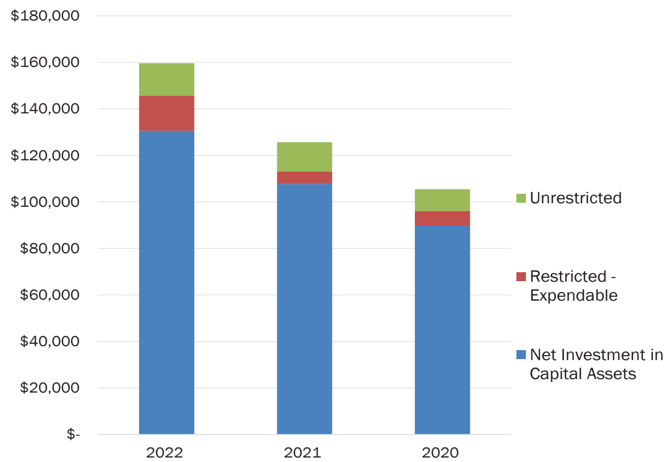
The term "Net Position" refers to the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources and is an indicator of Oregon Tech's current financial condition. Changes in net position that occur over time indicate improvement or deterioration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

As of June 30,	**2022**	2021	2020
Current Assets	**$ 40,498**	$ 35,400	$ 30,174
Noncurrent Assets	**29,544**	23,475	19,784
Capital Assets, Net	**170,262**	147,060	129,873
Total Assets	**$ 240,304**	$ 205,935	$ 179,831
Deferred Outflows of Resources	**$ 9,316**	$ 10,574	$ 7,830
Current Liabilities	**$ 20,214**	$ 18,905	$ 17,784
Noncurrent Liabilities	**54,947**	70,531	62,462
Total Liabilities	**$ 75,161**	$ 89,436	$ 80,246
Deferred Inflows of Resources	**$ 14,784**	$ 1,418	$ 1,954
Net Investment in Capital Assets	**$ 130,609**	$ 107,692	$ 89,749
Restricted - Expendable	**15,113**	5,424	6,378
Unrestricted	**13,953**	12,539	9,334
Total Net Position	**$ 159,675**	$ 125,655	$ 105,461

Total Net Position

As illustrated by the following graph, the make-up of net position changed between 2022, 2021, and 2020.



<u>Comparison of fiscal year 2022 to fiscal year 2021</u>

Net Investment in Capital Assets increased by $22,917, or 21 percent.

- The net value of Capital Assets increased by $23,202. 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 increased by $306 due primarily to the implementation of GASB Statement No. 87, *Leases*. Other changes included payments made on the associated debt and unspent bond proceeds in 2022 of $20. Please see Note 9. "Long-Term Liabilities" for additional information.

Restricted Expendable Net Position increased by $9,689, or 179 percent.

- Net position relating to funds reserved for debt service decreased by $16.
- Net position relating to the funding of capital projects increased by $5,407. The increase is primarily due to work on the applied computing and clinical lab, the Student Rec Center, and the track renovation project. Offsetting these increases was a decrease in fund balance dedicated to the work on the CEET/Cornett Hall Phase 2 project.
- Net position related to gifts, grants, and contracts increased by $3,982 due primarily to an increase in capital grant revenue for the ongoing OMIC construction project.
- Net position related to student loans decreased by $12.
- Net position related to the OPEB asset increased by $328. Restricted net position related to the OPEB asset is equal to the OPEB asset in the noncurrent assets. For additional information, see Note 15. "Other Post Employment Benefits (OPEB)".

Unrestricted Net Position increased by $1,414, or 11 percent, due largely to decreases in OPEB and Pension liabilities and their associated deferrals of $507, as well as a decrease in the liability for compensated absences of $147 and in the state and local government rate pool liability of $116. In addition, net position related to university operations increased $644. See Note 10. "Unrestricted Net Position" for further details.

<u>Comparison of fiscal year 2021 to fiscal year 2020</u>

Net Investment in Capital Assets increased by $17,943, or 20 percent.

- The net value of Capital Assets increased by $17,187. 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 by $755 due primarily to payments made on the associated debt. Please see Note 9. "Long-Term Liabilities" for additional information.

Restricted Expendable Net Position decreased by $954, or 15 percent.

- Net position relating to funds reserved for debt service decreased by $9.
- Net position relating to the funding of capital projects decreased by $731. The decrease is primarily due to continued work done on the Student Rec Center.
- Net position related to gifts, grants, and contracts increased by $254 due primarily to an increase in valuation reserves and the year-end balance of Oregon lottery graduate scholarship funding.
- Net position related to student loans decreased by $222 due primarily to decreased funds for institutional and federal student loans.
- Net position related to the OPEB asset decreased by $246. Restricted net position related to the OPEB asset is equal to the OPEB asset in the noncurrent assets. For additional information, see Note 15. "Other Post Employment Benefits (OPEB)".

Unrestricted Net Position increased by $3,205, or 34 percent, due largely to an increase in funds for normal university business activities of $7,034. This increase was primarily offset in by an increase in OPEB and Pension liabilities and their associated deferrals of $3,839. See Note 10. "Unrestricted Net Position" for further details.

Total Assets and Deferred Outflows of Resources

Total Assets increased by $34,369, or 17 percent, during fiscal year 2022. Total Assets increased by $26,104, or 15 percent, during the year ended June. 2021. Deferred Outflows of Resources decreased by $1,258 and increased by $2,744 in 2022 and 2021, respectively.

Comparison of fiscal year 2022 to fiscal year 2021

Current Assets increased by $5,098, or 14 percent.

- Current Cash and Cash Equivalents increased by $3,513. The increase is primarily due to increases in unrestricted cash, partially offset by decreases in cash for gifts, grants, and contracts and cash held for payments to payroll vendors.
- Accounts Receivable decreased by $904 primarily due to decreases in receivables associated with capital construction grants and contracts of $7,278, offset primarily by an increase of $6,614 in receivables for federal grants and contracts.
- Current Notes Receivable decreased by $1,149. This was primarily due to a decrease of $1,101 in notes receivable for construction reimbursements due from the State.
- Current Lease Receivables increased by $853 due to the implementation of GASB Statement No. 87, *Leases.* See Note 8. "Leases" for additional information.
- Other Assets increased by $2,750 primarily as the result of deposits made on the purchase of equipment, as well as an increase in prepaid expenses related to information technology contracts.

Noncurrent Assets, including Capital Assets, increased by $29,271, or 17 percent.

- Noncurrent Cash increased by $571 due mainly to an increase in cash held for capital construction.
- Investments increased by $4,355 due primarily an increase in the amount of cash balances reinvested.
- Noncurrent Notes Receivable decreased by $189 due primarily to a decrease in noncurrent notes receivable for Perkins federal student loans.
- Noncurrent Lease Receivables increased $1,004 due to the implementation of GASB Statement No. 87, *Leases.* See Note 8. "Leases" for additional information.
- The net OPEB asset increased by $328. See Note 15. "Other Postemployment Benefits" for additional information on this change.
- Capital Assets additions of $33,066 were offset by additions to accumulated depreciation of $9,864, which resulted in an increase in the net value of Capital Assets of $23,202. See "Capital Assets" in this MD&A and Note 5. "Capital Assets" for additional information relating to these variances.

Deferred Outflows of Resources decreased by $1,258, or 12 percent, due to net decreases related to changes in the reporting of pension deferrals of $1,152 and to deferrals for OPEB of $106. Also see Note 6. "Deferred Inflows and Outflows of Resources" for additional detail on these changes.

Comparison of fiscal year 2021 to fiscal year 2020

Current Assets increased by $5,226, or 17 percent.

- Current Cash and Cash Equivalents decreased by $9,025. The decrease is primarily due to a reinvestment of cash balances, as well as decreases in unrestricted cash and cash held for debt service.
- Collateral from Securities Lending decreased by $168.
- Accounts Receivable increased by $13,867 primarily due to increases in receivables associated with capital construction grants and contracts of $14,324.
- Current Notes Receivable decreased by $572. This was primarily due to a decrease of $614 in notes receivable for construction reimbursements due from the State.
- Other Assets increased by $513 primarily as the result of a deposit made on the purchase of equipment as well as an increase of general prepaid expenses.

Noncurrent Assets, including Capital Assets, increased by $20,878, or 14 percent.

- Noncurrent Cash increased by $2,002 due mainly to an increase in cash held for capital construction.
- Investments increased by $2,578 due primarily to the reinvestment of cash balances held in the early part of fiscal year 2021. In the fourth quarter of fiscal year 2020, intermediate term investments had been sold in order to provide a liquidity cushion for fiscal year 2021 in the face of uncertainties related to the coronavirus pandemic.
- Noncurrent Notes Receivable decreased by $643. This was primarily due to a decrease of $293 in noncurrent notes receivable for institutional and other student loans as well as a decrease of $209 in noncurrent notes receivable for Perkins federal student loans.
- The net OPEB asset decreased by $246. See Note 15. "Other Postemployment Benefits" for additional information on this change.
- Capital Assets additions of $24,893 were offset by additions to accumulated depreciation of $7,706, which resulted in an increase in the net value of Capital Assets of $17,187. See "Capital Assets" in this MD&A and Note 5. "Capital Assets" for additional information relating to these variances.

Deferred Outflows of Resources increased by $2,744, or 35 percent, due to net increases related to changes in the reporting of pension deferrals of $2,606 and net increases to deferrals for OPEB of $138. 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 decreased by $14,275, or 16 percent, during fiscal year 2022. Total Liabilities increased by $9,190, or 11 percent, during fiscal year 2021. Deferred Inflows of Resources increased by $13,366 or 943 percent in 2022 and decreased by $536 or 27 percent in 2021.

Comparison of fiscal year 2022 to fiscal year 2021

Current Liabilities increased by $1,309, or 7 percent.

- The current portion of Long-Term Liabilities increased by $2,117 due primarily to an increase of $1,033 related to the current portion of liabilities for contracts payable to the State and an increase of $696 to the compensated absences liability. In addition, the implementation of GASB Statement No. 87, *Leases,* caused on increase in lease obligations reported as long term liabilities of $399. See Note 9. "Long-Term Liabilities" for additional information on these changes.
- Accounts Payable and Accrued Liabilities decreased by $130. The decrease was largely attributable to reductions in payables associated with payroll benefits and contract retainage. These decreases were primarily offset by increases in payables related to services and supplies. See Note 7. "Accounts Payable and Accrued Liabilities" for details.
- Unearned Revenues decreased by $846 due primarily to a decrease in unearned revenue associated with grants and contracts, particularly from an Oregon Business Development Department grant for OMIC, which was earned in the current year. In addition, there were decreases in unearned revenues for tuition and fees and other unearned revenues.
- Deposits increased by $133 primarily due to the recording of enrollment fee deposits.

Noncurrent Liabilities decreased by $15,584, or 22 percent.

- Long-Term Liabilities decreased by $2,231 mainly due to a net decrease in the noncurrent portion of contracts payable to the State of $1,769. In addition, there were decreases in the noncurrent portions of compensated absences of $843, Oregon Department of Energy loans of $106, PERS liabilities of $125, and liabilities associated with the Perkins loan program of $112. Theses decrease were offset by net lease obligation additions of $724 attributable to the implementation of GASB Statement No. 87, *Leases.* See "Debt Administration" in this MD&A and Note 9. "Long-Term Liabilities" for additional information on these changes.
- The Net Pension Liability decreased by $13,006. See Note 14. "Employee Retirement Plans" for further details.
- The OPEB Liability decreased by $347. See Note 15. "Other Postemployment Benefits" for additional information.

Deferred Inflows of Resources increased by $13,366, or 943 percent, due to net increases related to changes in the reporting of pension deferrals of $11,130 and to deferrals for OPEB of $458. In addition, there were deferrals of $1,778 added in fiscal year 2022 for leases due to the implementation of GASB Statement No. 87, *Leases.* Also see Note 6. "Deferred Inflows and Outflows of Resources" for additional detail on these changes.

Comparison of fiscal year 2021 to fiscal year 2020

Current Liabilities increased by $1,121, or 6 percent.

- The current portion of Long-Term Liabilities decreased by $2,036 due primarily to decreases to the current portion of liabilities for contracts payable to the State and compensated absences as well as payoff of the loan from the Oregon Tech Foundation. See Note 9. "Long-Term Liabilities" for additional information on these changes.
- Accounts Payable and Accrued Liabilities increased by $2,096. The increase was largely attributable to increases in payables related to payroll benefits of $1,349, payables for contract retainage of $562, and general services and supplies of $599. Accounts payable related to accrued interest decreased by $275. See Note 7. "Accounts Payable and Accrued Liabilities" for details.
- Unearned Revenues increased by $1,231 due primarily to an increase in unearned revenue associated with an Oregon Business Development Department grant for OMIC.
- Obligations Under Securities Lending decreased by $168.

Noncurrent Liabilities increased by $8,069, or 13 percent.

- Long-Term Liabilities increased by $950 mainly due to a net increase in the noncurrent portion of contracts payable to the State of $1,623 as well as increases in the noncurrent portion of compensated absences. These increases were offset by a payoff of the loan from the Foundation. See "Debt Administration" in this MD&A and Note 9. "Long-Term Liabilities" for additional information on these changes.
- The Net Pension Liability increased by $7,202. See Note 14. "Employee Retirement Plans" for further details.
- The OPEB Liability decreased by $84 due to a decrease to the OPEB liability for the PEBB plan of $6 and a decrease to the liability for the PERS RHIPA plan of $78. See Note 15. "Other Postemployment Benefits" for additional information.

Deferred Inflows of Resources decreased by $536, or 27 percent, due to net decreases related to changes in the reporting of pension deferrals of $533 and to deferrals for OPEB of $3. Also see Note 6. "Deferred Inflows and Outflows of Resources" for additional detail on these changes.

For the Year Ended June 30, 2022 (dollars in thousands)

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:

For the Years Ended June 30,	2022	2021	2020
Operating Revenues	$ 47,221	$ 48,200	$ 45,988
Operating Expenses	94,383	95,051	91,520
Operating Loss	(47,162)	(46,851)	(45,532)
Nonoperating Revenues, Net of Expenses	57,373	43,774	43,640
Other Revenues	23,809	23,271	16,865
Increase in Net Position	34,020	20,194	14,973
Net Position, Beginning of Year	125,655	105,461	90,488
Net Position, End of Year	$ 159,675	$ 125,655	$ 105,461

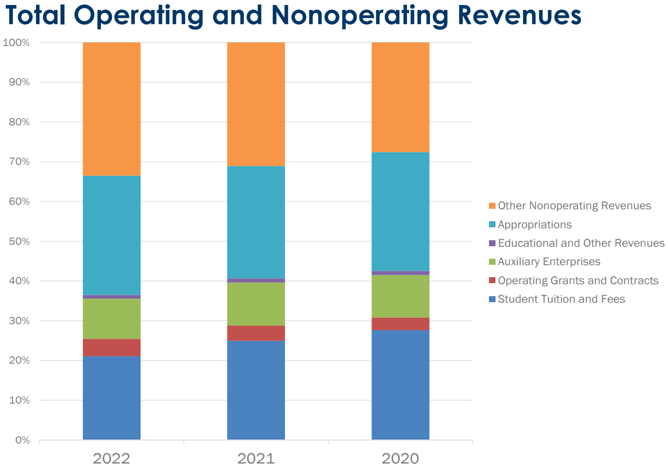
Total Revenues

Total Revenues increased by $10,888, or 9 percent, in 2022 over 2021.

Total Operating and Nonoperating Revenues

For the Years Ended June 30,	2022	2021	2020
Student Tuition and Fees	$ 27,302	$ 29,548	$ 29,911
Grants and Contracts	5,641	4,543	3,427
Auxiliary Enterprises	13,083	12,876	11,573
Educational and Other	1,195	1,233	1,077
Total Operating Revenues	47,221	48,200	45,988
Appropriations	38,837	33,490	32,379
Financial Aid Grants	6,829	7,331	7,061
Gifts	3,508	3,479	3,877
Investment Activity	(1,216)	915	1,764
HEERF Grants	10,554	1,968	393
Capital Grants and Gifts	23,675	23,137	16,731
Total Nonoperating and Other Revenues	82,187	70,320	62,205
Total Revenues	$ 129,408	$ 118,520	$ 108,193

Total Operating and Nonoperating Revenues



Operating Revenues

Operating Revenues decreased by $979, or 2 percent, in 2022 over 2021, to $47,221. Operating Revenues increased by $2,212, or 5 percent, in 2021 over 2020, to $48,200.

Comparison of fiscal year 2022 to fiscal year 2021

Student Tuition and Fees decreased by $2,246, or 8 percent.

- A decrease of $1,529 was primarily driven by decreased enrollment, which was partially offset by increased tuition rates.
- Fee remissions and scholarship allowances reduced tuition and fees by $717 more than in the prior year.

Federal, State and Nongovernmental Grants and Contracts increased by $1,098, or 24 percent, due to the following:

- Federal grant and contract revenue decreased by $398 due primarily to decreased grants through the Federal Emergency Relief Agency.
- State and local grant activity increased by $1,539 primarily due to increased grant funding received by OMIC.
- Nongovernmental grant activity decreased by $43 primarily due to decreased grants for scholarships funds from the Oregon Tech Foundation and other sources.

Auxiliary Enterprise revenues increased by $207, or 2 percent, due primarily to increased Housing and Dining revenues of $736 resulting from increased revenues from dining card sales and room and board fees. In addition there increases in athletics revenue of $250 and dental services income of $200. These increases were primarily offset by decreases in in-kind OMIC membership income of $848.

Educational Department Sales and Services revenues decreased by $93, while Other Operating revenues increased by $55.

Comparison of fiscal year 2021 to fiscal year 2020

Student Tuition and Fees decreased by $363, or 1 percent.

- An increase of $308 was primarily driven by tuition rate increases, partially offset by enrollment declines.
- Fee remissions and scholarship allowances reduced tuition and fees by $671 more than in the prior period.

Federal, State and Nongovernmental Grants and Contracts increased by $1,116, or 33 percent, due to the following:

- Federal grant and contract revenue increased by $370 due primarily to increased federal COVID-19 pass-through funding.
- State and local grant activity increased by $808 primarily due to increased grant funding from the Oregon Business Development Department for OMIC and grants from the Oregon Department of Education.
- Nongovernmental grant activity decreased by $62 primarily due to decreased grants from various foundations.

Auxiliary Enterprise revenues increased by $1,303, or 11 percent, due primarily to increased Housing and Dining revenues of $1,232 resulting from increased revenues from dining card sales and room and board fees.

For the Year Ended June 30, 2022 (dollars in thousands)

Educational Department Sales and Services revenues increased by $132, and Other Operating revenues increased by $23.

Nonoperating and Other Revenues

The increase of $11,867, or 17 percent, during 2022 in Nonoperating Revenues is primarily due to increases in government appropriations and Higher Education Emergency Relief Fund (HEERF) Grants. The increase of $8,115, or 13 percent, during 2021 in Nonoperating Revenues is primarily due to increases in government appropriations, Higher Education Emergency Relief Fund (HEERF) grants, and capital grants and gifts.

Comparison of fiscal year 2022 to fiscal year 2021

Government Appropriations increased by $5,347, or 16 percent, primarily due to an increase in state appropriations for Oregon Tech applied computing and rural health initiatives. See Note 13. "Government Appropriations" for additional information relating to changes in appropriations.

Financial Aid Grants decreased by $502, or 7 percent, due primarily to an decrease of $639 in Pell Grants, offset by an increase in the revenue associated with the Oregon Need Grant.

Investment Activity revenues decreased by $2,131, or 233 percent, due in large part to net depreciation of investments, losses on the sale of investments, and a reduction in investment earnings. See Note 11. "Investment Activity" as well as discussion of Investments in this MD&A for additional information relating to these changes.

Federal Higher Education Emergency Relief Fund Grants in support of the University and students in response to the coronavirus pandemic increased by $8,586, or 436 percent. See Note 1.Z. "Higher Education Emergency Relief Funding" for further information.

Capital Grants and Gifts increased by $538, or 2 percent, mainly due to increased capital grants for the OMIC facilities and equipment as well as state grants for the Boivin Hall renovation project. These increases were offset by decreased grants for the Center for Excellence in Engineering and Technology (CEET) - Cornett Hall Phase 2 Renovation as the project was completed during the year.

Comparison of fiscal year 2021 to fiscal year 2020

Government Appropriations increased by $1,111, or 3 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 $270, or 4 percent, due primarily to an increase of $223 in Oregon opportunity grants, an increase of $51 in Federal SEOG aid and $55 in new Governor's Emergency Education Relief funding in response to the COVID-19 pandemic.

Gifts decreased by $398, or 10 percent. The change can be largely attributed to the following:

- Gifts from the Oregon Tech Foundation increased by $401.
- Gifts from private individuals decreased by $749.
- Gifts from commercial businesses decreased by $50.

Investment Activity revenues decreased by $849, or 48 percent, due in large part to a decrease in investment earnings of $551. In addition, there was a loss on the sale of investments of $69 in fiscal year 2021, while there was a gain of $76 in fiscal year 2020 and a decrease in the net appreciation of investments of $141. See Note 11. "Investment Activity" as well as discussion of Investments in this MD&A for additional information relating to these changes.

Federal Higher Education Emergency Relief Fund Grants in support of the University and students in response to the coronavirus pandemic increased by $1,575, or 401 percent. OT distributed an additional $1,021 directly to students as emergency financial aid grants and expensed $554 in institutional aid.

Capital Grants and Gifts increased by $6,406, or 38 percent, due primarily to increased state funds for the Center for Excellence in Engineering and Technology (CEET) - Cornett Hall Renovation, partially offset by decreased capital funding from the OT Foundation.

Expenses

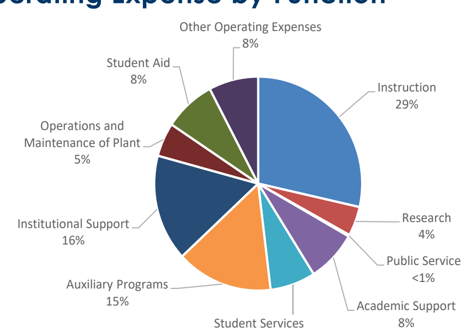
Operating Expenses

Operating expenses decreased by $668 in 2022 over 2021, to $94,383. Operating expenses increased by $3,531 in 2021, or 4 percent, over 2020, to $95,051. The following summarizes operating expenses by functional classification:

Operating Expense by Function

For the Years Ended June 30,	2022	2021	2020
Instruction	$ 26,921	$ 30,925	$ 31,331
Research	4,206	4,184	3,889
Public Service	218	161	400
Academic Support	7,395	7,110	6,240
Student Services	6,648	6,485	6,843
Auxiliary Programs	14,154	13,558	12,629
Institutional Support	15,213	14,910	14,430
Operations and Maintenance of Plant	4,825	4,770	4,408
Student Aid	7,531	6,692	5,454
Other Operating Expenses	7,272	6,256	5,896
Total Operating Expenses	$ 94,383	$ 95,051	$ 91,520

2022 Operating Expense by Function



For the Year Ended June 30, 2022 (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 decreased operating expenses by $725; while the changes associated with recording components of the OPEB Asset/Liability required by GASB 75 decreased operating expenses by $111. See Note 14. "Employee Retirement Plans" and Note 15. "Other Postemployment Benefits" for additional details.

For the Year Ended June 30, 2022	**As Reported**	**Without Adjustments**	**Difference**
Instruction	$ 26,921	$ 27,211	$ (290)
Research	4,206	4,226	(20)
Public Service	218	225	(7)
Academic Support	7,395	7,483	(88)
Student Services	6,648	6,730	(82)
Auxiliary Programs	14,154	14,226	(72)
Institutional Support	15,213	15,428	(215)
Operations & Maintenance of Plant	4,825	4,887	(62)
Student Aid	7,531	7,531	-
Other Operating Expenses	7,272	7,272	-
Total Operating Expenses	**$ 94,383**	**$ 95,219**	**$ (836)**

For the Year Ended June 30, 2021	As Reported	Without Adjustments	Difference
Instruction	$ 30,925	$ 29,232	$ 1,693
Research	4,184	4,018	166
Public Service	161	145	16
Academic Support	7,110	6,768	342
Student Services	6,485	6,109	376
Auxiliary Programs	13,558	13,241	317
Institutional Support	14,910	14,647	263
Operations & Maintenance of Plant	4,770	3,889	881
Student Aid	6,692	6,692	-
Other Operating Expenses	6,256	6,225	31
Total Operating Expenses	$ 95,051	$ 90,966	$ 4,085

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

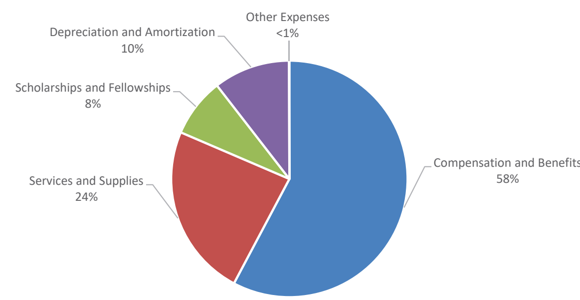
Due to the way in which expenses are incurred by Oregon Tech, variances are presented and explained by analyzing changes in the natural classification of expenses. Each natural classification analysis can be applied to many of the functional expense caption items.

The following summarizes operating expenses by natural classification:

Operating Expenses by Natural Classification

For the Years Ended June 30,	**2022**	2021	2020
Compensation and Benefits	**$ 54,527**	$ 58,681	$ 58,148
Services and Supplies	**22,342**	21,759	21,044
Scholarships and Fellowships	**7,604**	6,638	5,509
Depreciation and Amortization	**9,864**	7,706	6,758
Other Expenses	**46**	267	61
Total Operating Expenses	**$ 94,383**	$ 95,051	$ 91,520

2022 Operating Expenses by Natural Classification



Comparison of fiscal year 2022 to fiscal year 2021

Compensation and Benefits costs decreased by $4,154, or 7 percent, primarily due to the following:

- Unclassified salaries increased by $326; classified salaries increased by $505; and wages for students and graduate teaching assistants increased by $208. In addition, other personnel expenses increased by $80. These increases were primarily due to wage increases and a return to more normalized staffing levels following the pandemic.
- Adjustments made due to required reporting for the Net Pension Liability and related deferrals decreased by $4,789. 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 by $132. See Note 1.L. "Other Postemployment Benefits (OPEB) Asset/Liability" and Note 15. "Other Postemployment Benefits" for additional information.

Services and Supplies expense increased by $583, or 3 percent. The increase was primarily caused by increases to travel, advertising, utilities, and contract personnel services. The increases were primarily offset by a decrease in OMIC gifts-in-kind supply expense.

Scholarships and Fellowships expense increased by $966, or 15 percent, primarily due to an increase in awards given to students through the federal COVID-19 relief funding. These increases were mainly offset by decreases in the amount of federal Pell grant aid.

For the Year Ended June 30, 2022 (dollars in thousands)

Depreciation and Amortization expense increased by $2,158, or 28 percent, primarily due to the addition of new right of use assets added due to the implementation of GASB Statement No. 87, *Leases*. Also, the addition of new equipment, buildings, infrastructure, and improvements other than building assets increased the depreciation for the year.

Other Operating expense decreased by $221, or 83 percent, due primarily to a decrease in bad debt expense in various student loan funds.

Comparison of fiscal year 2021 to fiscal year 2020

Compensation and Benefits costs increased by $533, or 1 percent, primarily due to the following:

- Unclassified salaries decreased by $124; classified salaries decreased by $677; and wages for students and graduate teaching assistants decreased by $140. These decreases were primarily due to decreases in employee FTE.
- Adjustments made due to required reporting for the Net Pension Liability and related deferrals increased by $1,286. 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 increased by $43. See Note 1.L. "Other Postemployment Benefits (OPEB) Asset/Liability" and Note 15. "Other Postemployment Benefits" for additional information.

Services and Supplies expense increased by $715, or 3 percent. Increases in general services and supplies, medical and scientific services and supplies, and maintenance and utilities expenses were slightly offset by decreases in travel.

Scholarships and Fellowships expense increased by $1,129, or 20 percent, primarily due to an increase of $1,075 in awards given to students through the federal HEERF funding, an increase of $223 in the amount of Oregon Need grant, as well as an increase of $132 in student aid from the Oregon Tech Foundation. These increases were offset by decreases in general institutional aid, aid for athletics students, and federal Pell grant aid.

Depreciation and Amortization expense increased by $948, or 14 percent, primarily due to the addition of new equipment, buildings, and infrastructure assets.

Other Operating expense increased by $206, or 338 percent, due primarily to an increase in bad debt write off expense in various student loan funds.

Nonoperating Expenses and Other Nonoperating Items

Nonoperating expenses increased by $41, or 3 percent, in 2022, as compared to 2021, and decreased by $716, or 38 percent, in 2021, as compared to 2020. Other nonoperating items increased by $2,311 in 2022 while it decreased by $2,291, in 2021.

Nonoperating Expenses

For the Years Ended June 30,	**2022**	2021	2020
Loss on Sale of Assets, Net	**$ -**	$ -	$ (11)
Interest Expense	**(1,218)**	(1,177)	(1,882)
Total Nonoperating Expenses	**$ (1,218)**	$ (1,177)	$ (1,893)
Other Nonoperating Items	**$ 213**	$ (2,098)	$ 193

Comparison of fiscal year 2022 to fiscal year 2021

Interest Expense increased by $41 primarily due to an increase in the amount of interest associated with bond debt service and leases, offset be decreased interest due to the repayment of a loan from the Oregon Tech Foundation in 2021.

Comparison of fiscal year 2021 to fiscal year 2020

Interest Expense decreased by $705 primarily due to a decrease in the amount of interest associated with bond debt service, which was a result of a bond refunding in 2021.

Other Nonoperating Items

Comparison of fiscal year 2022 to fiscal year 2021

Other Nonoperating Items increased by $2,311 primarily due to a net loss on refunding of previously held debt in the form of contracts due to the State of Oregon which was recorded in fiscal year 2021.

Comparison of fiscal year 2021 to fiscal year 2020

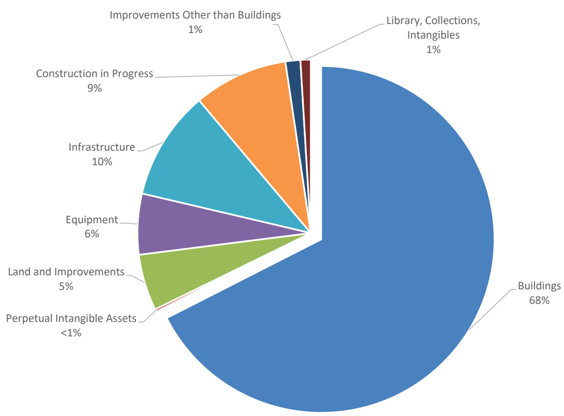
Other Nonoperating Items decreased by $2,291 primarily due to a net loss on refunding of previously held debt in the form of contracts due to the State of Oregon which occurred in fiscal year 2021.

Capital Assets and Related Financing Activities

Capital Assets

At June 30, 2022, Oregon Tech had $278,026 in capital assets, less accumulated depreciation of $107,764, for net capital assets of $170,262. At June 30, 2021, Oregon Tech had $244,960 in capital assets, less accumulated depreciation of $97,900, for net capital assets of $147,060.

2022 Capital Assets, Net - $170,262 thousand



Changes to Capital Assets

As of June 30,	2022	2021	2020
Capital Assets, Beginning of Year	**$ 244,960**	$ 221,834	$ 200,218
Add: Purchases/Construction	**33,066**	24,893	22,336
Less: Retirements/ Disposals/Adjustments	**-**	(1,767)	(720)
Total Capital Assets, End of Year	**278,026**	244,960	221,834
Accum. Depreciation, Beginning of Year	**(97,900)**	(91,961)	(85,797)
Add: Depreciation Expense	**(9,864)**	(7,706)	(6,758)
Less: Retirements/ Disposals/Adjustments	**-**	1,767	594
Total Accum. Depreciation, End of Year	**(107,764)**	(97,900)	(91,961)
Total Capital Assets, Net, End of Year	**$ 170,262**	$ 147,060	$ 129,873

Capital additions totaled $33,066 for 2022, $24,893 for 2021, and $22,336 for 2020.

Capital Asset additions for 2022 included primarily:

- $1,767 for equipment, CEET building and library furniture, OMIC manufacturing R&D equipment, food service equipment, technology, and classroom equipment, including imaging and other medical equipment. Additionally, there was an increase of $1,027 for equipment (primarily technology and classroom equipment) construction in progress (CIP) partially offset by a transfer from CIP to equipment of $421, as a result of completed projects.
- $4,514 for buildings, primarily driven by the OMIC renovation. Additionally, there was an increase of $18,477 in building CIP due to ongoing construction of OMIC building #2 and the Purvine Hall Elevator Modernization Project. CIP additions were offset by a transfer from CIP to buildings of $33,179, primarily as a result of the CEET building being placed into service and the completion of the Snell Hall Exterior and the DOW Department of Physical Therapy renovation projects during fiscal year 2022.
- $1,219 was added to CIP due to the ongoing renovation of the John Moehl Stadium Track, which was completed during 2022. Once placed into service, $1,908 was transferred from CIP to improvements other than buildings (IOTB) in fiscal year 2022.
- $1,024 for infrastructure, which includes the South Parking Lot Repair project and the Networking Upgrade project. Additionally, due to construction on ongoing projects, CIP increased $2,112, which was partially offset by the transfer of $1,877 from CIP to infrastructure primarily due to the completion of the Well 5 Rehabilitation project and electrical upgrades.
- $2,474 for ROU Equipment due to implementation of GASB 87. See Note 8. "Leases" for further information.

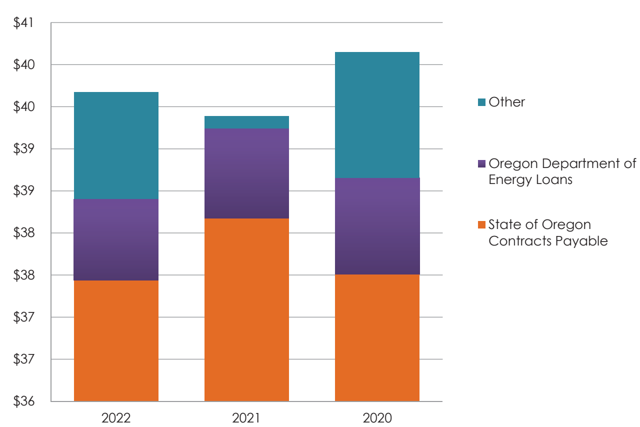
Net Capital Asset Retirements and Adjustments totaled $0 for 2022, $0 for 2021, and ($126) for 2020.

During 2022, accumulated depreciation increased by $9,864 due to depreciation of existing assets.

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

Debt Administration

Long-Term Debt (in millions)



During 2022, long-term debt held by Oregon Tech increased by $286, from $39,388 to $39,674.

- Long term debt decreased by $716 due to principal payments on contracts payable to the State of Oregon and a $20 payment for accreted interest.
- Long term debt also decreased by $101 due to principal payments on Oregon Department of Energy loans.
- Lease obligations increased by $3,375 due to the implementation of GASB Statement No. 87, *Leases*. They decreased by $2,252 due to payments, for a net increase of $1,123. See Note 8. "Leases" for further information.

During 2021, long-term debt held by Oregon Tech decreased by $763, from $40,151 to $39,388.

- Long term debt decreased by $1,421 due to principal payments on contracts payable to the State of Oregon. It was decreased by $8 for the addition of accreted interest.
- Long term debt increased by a net $2,092 due to refunding.
- Long term debt also decreased by $81 due to principal payments on Oregon Department of Energy loans.
- Long Term debt decreased by $1,470 due to a full payment of the loan with the Oregon Tech Foundation.
- Lease obligations increased by $187 for new leases and decreased by $62 due to payments for a net increase of $125.

Economic Outlook

Oregon Tech receives funding from a variety of sources, including student tuition and fees, financial aid programs, state and federal appropriations, state and federal 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 20.9 percent and 29.7 percent, respectively, and together comprise 50.6 percent of the combined operating and non-operating revenues during the fiscal year ended June 30, 2022. The third largest revenue source, capital grants and gifts, represents 18.1 percent of operating and nonoperating revenues. The fourth largest source, Auxiliary Enterprise revenues, net of allowances, represents 10.0 percent of operating and non-operating revenues and, like tuition, is strongly correlated with enrollment.

As in previous years, the financial outlook emphasizes Oregon Tech's relatively high dependence on state funding. This reliance continued during fiscal year 2022 and will likely extend into the next fiscal year and beyond. The initial and sustained impact from the COVID-19 pandemic, although significant, was somewhat moderated during fiscal year 2022 through several federal grant programs providing support to help ease the financial burden of the pandemic on the state's economy and through direct distributions to higher education institutions. The state was able to avoid reductions in funding to higher education for the 2021-23 biennium. In fact, the legislature passed, and the governor signed into law, legislation that increased the Public University Support Fund, which supports the seven public universities, by 8.0 percent from $837 million to $900 million for the 2021-23 biennium.

Recent state revenue forecasts have been encouraging, but the long-term impact of the COVID-19 pandemic to the local, state and national economies is not yet clear. Federal monetary policy maintained an aggressive tightening campaign with additional incremental interest rate hikes expected into the future. Inflation continues to rise and labor markets remain tight. Evolving social policies and changing state demographics could put a strain on the state's resources available to invest in higher education. There were also significant leadership changes in state government as a result of the November elections. The new governor was elected on a platform focused strongly on expanding social programs and funding community colleges. It is uncertain whether the new governor will emerge as a proponent for increased higher education funding. The election also resulted in substantial turnover in the Oregon congress as well. All of these factors combined create an environment with considerable uncertainty regarding policy and funding issues and how higher education initiatives will be prioritized under the new administration. If there are reductions in state funding, Oregon Tech will consider a combination of expenditure reductions and use of reserve funds as a temporary bridge to sustain operations and support the mission of the university.

The Oregon Higher Education Coordinating Commission (HECC) utilizes a structured funding allocation methodology, the Student Success and Completion Model (SSCM), to determine the amount of state resources to be distributed to each of the seven public universities. Since the implementation of the SSCM in 2015, Oregon Tech has performed relatively well under the model's degree completion, programmatic focus and enrollment proportional funding system. However, significant changes to the SSCM model were finalized in February 2021 and were implemented beginning with the 2021-23 biennium, with fiscal year 2022 being the first year under the revised model. Under the revised methodology, although the Public University Support Fund was increased by 8 percent, Oregon Tech was the only public university to have a reduction in funding. This was caused primarily by the diminished proportional value of the mission component of the formula in addition to modifications in program weights and the premium for science, technology engineering and mathematics (STEM) degree programs. As Oregon's Polytechnic University, Oregon Tech has higher instructional and institutional costs consistent with STEM-centric curriculums and degree programs. In response to the funding reduction for fiscal year 2022 Oregon Tech worked with HECC administration to secure a "hold-harmless" to keep funding flat for the year, thus avoiding a reduction. During fiscal year 2022 Oregon Tech administration discovered inconsistencies in the application of the revised SSCM funding model which in part contributed to the disproportionate reduction in Oregon Tech funding following the initial revision of the funding model. Oregon Tech leaders worked with HECC administration and leaders from the other public institutions to remedy most of the inconsistencies in the application of the SSCM. After the revisions were finalized and once an administrative rule is adopted by the HECC, Oregon Tech will receive $2.6 million more in funding through the model for fiscal year 2023 than originally anticipated.

The university and its staff continued to respond to the lingering effects of the COVID-19 pandemic. Fall term 2021 saw Oregon Tech welcoming students and staff back to campus. Total fall 2021 headcount was down 7.8 percent, or down 9.8 percent excluding ACP students, compared to the prior year. Many courses returned to in-person instruction, having been previously reconfigured to support remote learning. A significant portion of employees had been working remotely since the start of the pandemic but also returned to campus during the fall of 2021. The university continues to adapt to uncertainty in the revenue environment through continuing to reduce or cap personnel and non-personnel costs and by implementing programs to improve efficiencies over time.

Over the past several years, Oregon Tech has completed a phase-in of differential tuition for certain high-cost programs including engineering, management, and health related disciplines. These programs are in great demand and rates will continue to be evaluated annually as part of the tuition review process for market competitiveness and to recover programmatic costs while responding to evolving market demand. For academic year 2022-23, the Board approved a 4.9 percent increase in base tuition rates with no increase to differential tuition which will remain at 37.0 percentage points over the base rates. For the fiscal year ending June 30, 2022 overall student tuition and fees revenue, net of allowances, decreased by 7.6 percent over the prior year. This is primarily attributable to the enrollment shortfall. Oregon Tech has continued investment and innovation focused on strategic enrollment management to improve student success and boost overall enrollment and degree completions. This is an essential revenue strategy to support the university's mission. Despite record freshman numbers during Fall 2022, total enrollment was flat, but down 5.9 percent, excluding ACP students, compared to Fall 2021. These enrollment shortfalls are not dissimilar to those experienced by a number of Oregon's publicly funded universities.

During winter term 2022, Oregon Tech opened the new 70,000 square foot Center for Excellence in Engineering and Technology (CEET), a $35 million project. The CEET is a major center for education, small group and experiential learning. During the year, Oregon Tech also commenced a $20 million dollar renovation of Boivin Hall and its associated access improvement project. Future projects include the recently approved student housing project, a $35 million new construction that will provide an additional 500 student beds, with planning, architecture and engineering work expected to begin spring term 2023. This will be an important addition to campus, as existing on-campus housing has reached maximum occupancy during the past two years. Oregon Tech continues to feel the effects of rising inflation on construction costs and is committed to ensuring project goals are met. Smaller projects are on-going and continue to improve campus infrastructure, enhance the student experience, improve safety and reduce deferred maintenance at all campus locations.

Oregon Tech is working with an industry leader in developing a new university facilities master plan. The plan is expected to be complete by the summer of 2023 and will provide an important assessment and strategic guidance regarding where Oregon Tech should make capital investments, how the campus infrastructure should evolve, where there are operational untapped efficiencies and how the university can begin to develop a more strategic approach to energy management.

Looking forward, while Oregon Tech is well positioned in the Oregon higher education market, there are political and financial uncertainties that urge caution as management navigates an ever-changing horizon. The reality of escalating operational costs due to inflation and organized labor, changes in leadership in state government, national and regional economic pressures and changing state population demographics cause concern and if prevailing long-term may present fiscal challenges which could require strategy realignment or budget and operational adjustments to adjust to a dynamic and competitive environment. Oregon Tech remains steadfastly committed to its mission, the success of all students and strengthening workforce partnerships.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Statements of Net Position - Oregon Institute of Technology

As of June 30,		University 2022		2021
		(In thousands)		
ASSETS				
Current Assets				
Cash and Cash Equivalents (Note 2)	**$**	**10,997**	$	7,484
Collateral from Securities Lending (Note 2)		**218**		183
Accounts Receivable, Net (Note 3)		**23,386**		24,290
Notes Receivable, Net (Note 4)		**246**		1,395
Lease Receivable (Note 8)		**853**		-
Other Assets		**4,798**		2,048
Total Current Assets		**40,498**		35,400
Noncurrent Assets				
Cash and Cash Equivalents (Note 2)		**3,633**		3,062
Investments (Note 2)		**23,488**		19,133
Notes Receivable, Net (Note 4)		**1,041**		1,230
Lease Receivable (Note 8)		**1,004**		-
Net OPEB Asset (Note 15)		**378**		50
Capital Assets, Net of Accumulated Depreciation (Note 5)		**170,262**		147,060
Total Noncurrent Assets		**199,806**		170,535
Total Assets	**$**	**240,304**	$	205,935
DEFERRED OUTFLOWS OF RESOURCES (Note 6)	**$**	**9,316**	$	10,574
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Liabilities (Note 7)	**$**	**11,478**	$	11,608
Deposits		**275**		142
Obligations Under Securities Lending (Note 2)		**218**		183
Current Portion of Long-Term Liabilities (Note 9)		**4,217**		2,100
Unearned Revenues		**4,026**		4,872
Total Current Liabilites		**20,214**		18,905
Noncurrent Liabilities				
Long-Term Liabilities (Note 9)		**39,545**		41,776
Net Pension Liability (Note 14)		**14,420**		27,426
OPEB Liability (Note 15)		**982**		1,329
Total Noncurrent Liabilities		**54,947**		70,531
Total Liabilities	**$**	**75,161**	$	89,436
DEFERRED INFLOWS OF RESOURCES (Note 6)	**$**	**14,784**	$	1,418
NET POSITION				
Net Investment in Capital Assets	**$**	**130,609**	$	107,692
Restricted For:				
Expendable:				
Gifts, Grants, and Contracts		**5,602**		1,620
Student Loans		**1,088**		1,100
Capital Projects		**8,041**		2,634
Debt Service		**4**		20
OPEB Asset		**378**		50
Unrestricted (Note 10)		**13,953**		12,539
Total Net Position	**$**	**159,675**	$	125,655

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

Statements of Financial Position - Oregon Tech Foundation

As of June 30,		Component Unit 2022		2021
		(In thousands)		
ASSETS				
Current Assets				
Cash and Cash Equivalents	**$**	**2,749**	$	2,362
Accounts Receivable		**4**		164
Prepaid Expenses		**53**		56
Total Current Assets		**2,806**		2,582
Noncurrent Assets				
Investments		**31,161**		34,234
Split-Interest Agreements		**691**		779
Unconditional Promises to Give, Net		**2,940**		1,632
Other Assets		**362**		366
Total Noncurrent Assets		**35,154**		37,011
Total Assets	**$**	**37,960**	$	39,593
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Expenses	**$**	**181**	$	210
Liabilities Under Split-Interest Agreements		**19**		24
Refundable Advances		**493**		-
Funds Held for Distribution		**1,137**		1,221
Total Current Liabilities		**1,830**		1,455
Total Liabilities	**$**	**1,830**	$	1,455
NET ASSETS				
Without Donor Restrictions	**$**	**12,047**	$	14,039
With Donor Restrictions		**24,083**		24,099
Total Net Assets	**$**	**36,130**	$	38,138
Total Liabilities and Net Assets	**$**	**37,960**	$	39,593

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 2022	2021
	(In thousands)	
OPERATING REVENUES		
Student Tuition and Fees (Net of Allowances of $11,264 and $10,395, Note 1.T.)	**$ 27,302**	$ 29,548
Federal Grants and Contracts	**773**	1,171
State and Local Grants and Contracts	**4,622**	3,083
Nongovernmental Grants and Contracts	**246**	289
Educational Department Sales and Services	**719**	812
Auxiliary Enterprises Revenues (Net of Allowances of $575 and $369, Note 1.T.)	**13,083**	12,876
Other Operating Revenues	**476**	421
Total Operating Revenues	**47,221**	48,200
OPERATING EXPENSES		
Instruction	**26,921**	30,925
Research	**4,206**	4,184
Public Service	**218**	161
Academic Support	**7,395**	7,110
Student Services	**6,648**	6,485
Auxiliary Programs	**14,154**	13,558
Institutional Support	**15,213**	14,910
Operation and Maintenance of Plant	**4,825**	4,770
Student Aid	**7,531**	6,692
Other Operating Expenses	**7,272**	6,256
Total Operating Expenses (Note 12)	**94,383**	95,051
Operating Loss	**(47,162)**	(46,851)
NONOPERATING REVENUES (EXPENSES)		
Government Appropriations (Note 13)	**38,703**	33,356
Financial Aid Grants	**6,829**	7,331
Gifts	**3,508**	3,479
Investment Activity (Note 11)	**(1,216)**	915
Loss on Sale of Assets, Net	**-**	-
Interest Expense	**(1,218)**	(1,177)
Higher Education Emergency Relief Funding Grants (Note 1.Z.)	**10,554**	1,968
Other Nonoperating Items	**213**	(2,098)
Net Nonoperating Revenues	**57,373**	43,774
Income (Loss) Before Other Nonoperating Revenues	**10,211**	(3,077)
Capital and Debt Service Appropriations (Note 13)	**134**	134
Capital Grants and Gifts	**23,675**	23,137
Total Other Nonoperating Revenues	**23,809**	23,271
Increase In Net Position After Other Nonoperating Revenues	**34,020**	20,194
NET POSITION		
Beginning Balance	**125,655**	105,461
Ending Balance	**$ 159,675**	$ 125,655

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

Statements of Activities - Oregon Tech Foundation

For the Years Ended June 30,	Component Unit 2022	2021
	(In thousands)	
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES		
Contributions and Grants	**$ 187**	$ 372
In-Kind Donations	**150**	133
Investment Income	**(1,565)**	3,699
Other	**14**	6
Net Assets Released From Restrictions	**1,349**	1,170
Total Revenues	**135**	5,380
EXPENSES		
University Support	**380**	237
Student Support	**1,174**	1,093
Management and General	**530**	462
Fundraising	**45**	19
Total Expenses	**2,129**	1,811
Increase (Decrease) In Net Assets Without Donor Restrictions	**(1,994)**	3,569
Beginning Balance, Net Assets Without Donor Restrictions	**14,039**	10,470
Ending Balance, Net Assets Without Donor Restrictions	**$ 12,045**	$ 14,039
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
REVENUES		
Contributions and Grants	**3,987**	1,690
In-Kind Donations	**14**	19
Investment Income	**(2,602)**	4,079
Change in Value of Split - Interest Agreements	**(82)**	182
Other	**18**	95
Net Assets Released From Restrictions	**(1,349)**	(1,170)
Increase (Decrease) In Net Assets With Donor Restrictions	**(14)**	4,895
Beginning Balance, Net Assets With Donor Restrictions	**24,099**	19,204
Ending Balance, Net Assets With Donor Restrictions	**$ 24,085**	$ 24,099
Beginning Balance, Total Net Assets	**38,138**	29,674
Total Change in Net Assets	**(2,008)**	8,464
Ending Balance, Total Net Assets	**$ 36,130**	$ 38,138

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

Statements of Cash Flows - Oregon Institute of Technology

For the Years Ended June 30,	University 2022	2021
	(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees	**$ 27,639**	$ 30,495
Grants and Contracts	**4,294**	5,331
Educational Department Sales and Services	**719**	804
Auxiliary Enterprises Operations	**13,138**	12,829
Payments to Employees for Compensation and Benefits	**(57,007)**	(53,412)
Payments to Suppliers	**(20,835)**	(21,674)
Student Financial Aid	**(7,604)**	(6,638)
Other Operating Receipts (Disbursements)	**199**	1,075
Fiduciary Activities - Direct Student Loan Receipts	**18,285**	19,496
Fiduciary Activities - Direct Student Loan Disbursements	**(18,285)**	(19,496)
Net Cash Used by Operating Activities	**(39,457)**	(31,190)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Government Appropriations	**38,703**	33,356
Financial Aid Grants	**6,829**	7,331
Higher Education Emergency Relief Funding Receipts	**4,672**	1,969
Other Gifts and Private Contracts	**3,651**	3,325
Other Net Noncapital Financing Payments	**(182)**	(298)
Net Cash Provided by Noncapital Financing Activities	**53,673**	45,683
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Debt Service Appropriations	**134**	134
Capital Grants and Gifts	**28,904**	7,952
State Contracts for Capital Debt	**1,101**	714
Other Contracts for Capital Debt	**-**	187
Purchases of Capital Assets	**(31,273)**	(24,346)
Interest Payments on Capital Debt	**(1,238)**	(1,452)
Principal Payments on Capital Debt	**(2,189)**	(3,042)
Net Cash Used by Capital and Related Financing Activities	**(4,561)**	(19,853)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Purchases of Investments	**(6,211)**	(2,465)
Income on Investments and Cash Balances	**640**	802
Net Cash Used by Investing Activities	**(5,571)**	(1,663)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**4,084**	(7,023)
CASH AND CASH EQUIVALENTS		
Beginning Balance	**10,546**	17,569
Ending Balance	**$ 14,630**	$ 10,546

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

Statements of Cash Flows (Continued) - Oregon Institute of Technology

For the Years Ended June 30,	University 2022	2021
	(In thousands)	
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	**$ (47,162)**	$ (46,851)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	**9,864**	7,706
Changes in Assets and Liabilities:		
Accounts Receivable	**(635)**	601
Notes Receivable	**237**	501
Leases	**(79)**	-
Other Assets	**(701)**	(260)
Accounts Payable and Accrued Liabilities	**872**	1,809
Long-Term Liabilities	**(263)**	(13)
Deposits	**91**	1
Unearned Revenue	**(846)**	1,231
Net Pension Liability and Related Deferrals	**(724)**	4,064
Net OPEB Asset (Liability) and Related Deferrals	**(111)**	21
NET CASH USED BY OPERATING ACTIVITIES	**$ (39,457)**	$ (31,190)
NONCASH INVESTING, NONCAPITAL FINANCING, AND CAPITAL AND RELATED FINANCING TRANSACTIONS		
Contributed Capital Assets	**$ -**	$ 6
Increase (Decrease) in Fair Value of Investments Recognized as a Component of Investment Activity	**(1,485)**	182
Loss on Sale of Investments Recognized as a Component of Investment Activity	**(371)**	(69)

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 metropolitan 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 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 Annual Comprehensive Financial Report (ACFR).

B. Financial Statement Presentation

Oregon Tech financial accounting records are maintained in accordance with accounting principles generally accepted in the United States of America (GAAP) 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, 2022 and 2021 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. 87, *Leases*, in Fiscal Year 2022. The new standard requires a restatement of the 2021 financial statements to provide consistency with the 2022 financial statements. However, Oregon Tech determined it was not practical due to resource constraints to restate the originally issued 2021 financial statements and consequently elected to record the impacts of the implementation exclusively in Fiscal Year 2022. GASB Statement No. 87 improves the accounting and financial reporting for leases. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, while a lessor is required to recognize a lease receivable and a deferred inflow of resources. This Statement substantially impacts the University's lease accounting and reporting. Previously, the University reported capital leases as a capital asset and a long-term liability in the Statement of Net Position (SNP). Additionally, operating lessee leases were recorded as operating expenses and operating lessor leases as operating revenue in the Statement of Revenue, Expenses, and Changes in Net Position (SRE).

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. GASB Statement No. 98 establishes the term annual comprehensive financial report and its acronym, ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments and is effective for the fiscal year ended June 30, 2022. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. Oregon Tech implemented this Statement effective for fiscal year 2022 and has changed all references of comprehensive annual financial report to annual comprehensive financial report throughout this document.

UPCOMING ACCOUNTING STANDARDS

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 users and is effective for the fiscal year ended June 30, 2023. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in an intangible right-to-use subscription 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.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. GASB Statement No. 99 aims to enhance comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practices addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for the fiscal year ended June 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the fiscal year ended June 30, 2024. Not all sections of the Statement will be applicable to the University. The Statement is being reviewed for applicability and impact on the University's financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. This Statement defines four categories of accounting changes and error corrections and related accounting and financial reporting requirements: (1) Changes in accounting principle must be reported retroactively by restating prior periods. (2) Changes in accounting estimate must be reported prospectively by recognizing the change in the current period. (3) Changes to and within the financial reporting entity must be reported by adjusting beginning balances of the current period. (4) Error corrections resulting from mathematical mistakes, misuse of information, or misapplication of accounting principle should be reported retroactively by restating prior periods. This Statement will apply to the University if any of the above fact patterns exist. This Statement will be effective for the fiscal year ended June 30, 2024.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This statement will impact the University's calculation of the compensated absences liability and is currently being reviewed. This statement will be effective for the fiscal year ended June 30, 2025.

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

Receivables consist of accounts receivable and notes receivable. Accounts receivable consists 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. GAAP.

Accounts receivable also includes receivables for grants and contracts as well as capital construction. Grants and contracts receivable include amounts due from federal, state and local governments, and 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.

Notes receivable consist of amounts receivable from student loans related to the Federal Perkins Loan Program and other loans administered by the University and construction reimbursement loans. Student loans receivable can be current or noncurrent depending on the estimated timing of repayment. Construction reimbursement loans receivable are amounts receivable from the State of Oregon for construction projects that will be reimbursed from bond proceeds held by the state. Construction reimbursements can be current or noncurrent depending on the estimated timing of completion of construction projects.

G. Other Assets

Other assets consists of miscellaneous deposits for equipment, prepaid expenses, and inventories. Deposits paid by the University are predominantly for capital equipment. Prepaid expenses are primarily related to prepayments for information technology contracts. 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 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

The University reports their proportionate share of the State's net PERS RHIA OPEB asset, net PERS RHIPA OPEB asset/ liability, and the total PEBB OPEB liability along with the associated deferred outflows of resources and deferred inflows of resources, as actuarially determined at the system-wide Plan level and allocated to State employers. The OPEB asset and OPEB liabilities are 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, 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. Deferred outflows of resources for Oregon Tech are related to defined benefit pension plans and other post employment benefits (OPEB). Deferred inflows of resources for Oregon Tech are related to defined benefit pension plans, OPEB, and lessor arrangements.

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, and 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 2023 is estimated to be $295.

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, 2022 and June 30, 2021 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 2022 and 2021, Oregon Tech recorded $549 and $1,829, respectively, for in-kind dues in Auxiliary Revenues. 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, renovations, 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 statements. 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 $5,837 and $5,313 for the fiscal years ended 2022 and 2021, 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 $5,689 and $5,285 for the fiscal year ended 2022 and 2021, respectively. Bad debt expense is included as an allowance to operating revenues and is estimated to be $313 and $166 for the fiscal years ended 2022 and 2021, respectively.

U. Federal Student Loan Programs

Oregon Tech receives proceeds from the Federal Direct Student Loan Program (FDSLP) and from Alternative

Loans. GASB Statement No. 84 *Fiduciary Activities* allows 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 and FFELP meet this exception and are reported as such. Federal student loans received by Oregon Tech students through the FDSLP, but not reported in operations was $15,726 and $16,399 for the fiscal years ended 2022 and 2021, respectively. Federal student loans received by Oregon Tech students through Alternative Loans, but not reported in operations was $2,558 and $3,097 for the fiscal years ended 2022 and 2021, 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. GAAP 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, 2021 financial statements for both the University and the Foundation have been reclassified to conform to the June 30, 2022 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. 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. Higher Education Emergency Relief Funding

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.

The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) was approved by Congress in December 2020 as part of the Consolidated Appropriations Act of 2021. The law authorized $23 billion through the Education Stabilization Fund specifically for higher education. These funds were allocated to institutions using the HEERF in the CARES Act and this portion of relief funding is commonly referred to as HEERF II. The CRRSA Act requires institutions to provide the same amount in emergency aid to students as they received under the CARES Act, but may spend any additional funds on institutional expenses such as to reimburse themselves for expenses occurred due to continuing operations during the pandemic; defray losses due to decreased revenue; implement information technology infrastructure and distance learning capacity for current and future students; fund payroll; and faculty and staff professional development.

In March 2021, Congress passed additional COVID-19 relief funding in the American Rescue Plan (ARP). This law authorized $39.6 billion to higher education through the Higher Education Emergency Relief Fund (known as HEERF III). Similar to the CARES Act, institutions must spend at least 50 percent of their allocation on emergency financial aid grants directly to students. Institutions are required to spend a "reasonable and necessary" amount of institutional funds on monitoring and controlling the spread of COVID-19 on their campus and on outreach to students alerting them of opportunities to receive a financial aid adjustment due to lost income as a result of the pandemic. Additionally, institutions may use remaining funds to replace lost revenue, fund emergency expenses, or meet payroll costs, among other expenses. Institutions who received HEERF I or HEERF II funds are automatically awarded HEERF III funds.

As of June 30, 2022, total COVID-19 relief funding awarded to Oregon Tech under all iterations of HEERF funding was $13,287. Oregon Tech was awarded $5,542 for the student portion allocation, of which $5,093 was received and dispersed directly to students as emergency financial aid grants as of June 30, 2022 and $449 remains to be received and dispersed in fiscal year 2023. Oregon Tech recognized nonoperating financial aid grant revenue and student aid operating expense for the receipt and disbursement of these funds. Oregon Tech was awarded $7,745 for the institutional portion allocation, all of which had been expended as of June 30, 2022. As of June 30, 2022, Oregon Tech had received $1,904 and recorded accounts receivable of $5,841 for the institutional portion. Oregon Tech recognized other nonoperating revenue for the total amount recognized. Expenditures identified as allowable related to cleaning, personal protective equipment, information technology, additional student support initiatives, and claims for lost revenues.

For the Years Ended June 30, 2022 and 2021 (dollars in thousands)

As of June 30, 2021, Oregon Tech had expended $1,807 of the student portion awarded through the HEERF funding. These funds were dispersed directly to students as emergency financial aid grants. Oregon Tech recognized nonoperating financial aid grant revenue and student aid operating expense for the receipt and disbursement of these funds. Oregon Tech had expended $554 for the institutional portion allocation. Oregon Tech recognized other nonoperating revenue for the total amount recognized. Expenditures identified as allowable relate to cleaning, and personal protective equipment.

Oregon Tech was also awarded $150 through the Governor's Emergency Education Relief (GEER) Fund. As of June 30, 2022, $142 had been dispersed and $8 remains to be expended during fiscal year 2023. During the fiscal year ended June 30, 2022, GEER funds were used for student financial aid, software maintenance contracts, and conference registration. As of June 30, 2021, $55 had been expended for student financial aid.

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, 2022 and 2021. 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 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.

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, 867 Hawthorne Avenue SE, 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, 2022 and 2021 as follows:

	June 30, 2022	June 30, 2021
Current		
Unrestricted	$ 6,470	$ 1,384
Restricted For:		
Gifts, Grants, and Contracts	-	416
Debt Service	147	48
Student Aid	241	118
Payroll Vendor Payments	3,424	4,866
Student Groups and Campus Organizations	17	18
US Bank - Perkins	533	534
US Bank - Paycom	-	10
Petty Cash	165	90
Total Current	**10,997**	7,484
Noncurrent		
Unrestricted	581	869
Restricted For:		
Capital	3,052	2,193
Total Noncurrent	**3,633**	3,062
Total Cash and Cash Equivalents	**$ 14,630**	$ 10,546

Noncurrent, unrestricted cash consists primarily of student building fee funds. The Board of Trustees 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 2023 is reported as current cash.

For the Years Ended June 30, 2022 and 2021 (dollars in thousands)

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, 2022 and 2021 respectively, Oregon Tech cash and cash equivalents on deposit at State Treasury was $13,932 and $9,912.

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, 2022 and 2021, respectively, Oregon Tech had vault and petty cash balances of $165 and $90. Oregon Tech had cash held at US Bank for Title IV Perkins funds of $533 at June 30, 2022 and $534 at June 30, 2021. Oregon Tech also had cash held at US Bank for their Paycom project of $10 during the year ended June 30, 2021. This account was closed during the fiscal year ended June 30, 2022.

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 a short-term duration, through a diversified portfolio of quality, investment grade fixed income securities.

At June 30, 2022, Oregon Tech had $23,488 in investments; of this, $16,112 was invested in the CBF managed by State Treasury, $6,788 was invested in the OITP, and $588 was invested in the Oregon Tech Foundation pooled endowment fund.

At June 30, 2021, Oregon Tech had $19,133 in investments; of this, $10,865 was invested in the CBF managed by State Treasury, $7,583 was invested in the OITP, and $685 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, 2022.

Investments of the Oregon Tech discretely presented component unit are summarized at June 30, 2022 and 2021, respectively as follows:

COMPONENT UNIT

Fair Value at June 30,	**2022**	2021
Investment Type:		
Mutual Funds	**$ 24,133**	$ 28,810
Investment in Partnership	**1,117**	1,117
Alternative Investments	**5,779**	3,849
Money Market Funds	**132**	458
Total Investments	**$ 31,161**	$ 34,234

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. Funds invested through the OITP are allocated to fixed income investments which have not been evaluated by the rating agencies and totaled $6,788 and $7,583 at June 30, 2022 and 2021, respectively. The PUF Investment Pool totaled $326,008 and $270,091 at June 30, 2022 and 2021, respectively, of which Oregon Tech owned $16,112, or 4.9 percent, and $10,865, or 4.0 percent. As of June 30, 2022 and 2021, approximately 100.0 and 94.5 percent, respectively, of investments in the PUF Pool are subject to credit risk reporting. Within the PUF Investment Pool, 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 $311,294 and $223,564 in fiscal year 2022 and 2021, respectively. Additionally, fixed income securities in the PUF Investment Pool which have not been evaluated by the rating agencies totaled $14,714 and $31,546 in fiscal year 2022 and 2021, 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, 2022 and 2021, the University's investments were exposed to custodial credit risk indirectly through the State Treasury.

CONCENTRATION OF CREDIT RISK

Concentration of credit risk refers to potential losses if total investments are concentrated with one or few issuers. To mitigate the concentration of credit risk in the PUF, 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, unless U.S. Government and Agency issues. 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, 2022 or 2021.

Of the Oregon Tech endowments invested by the Oregon Tech Foundation, at June 30, 2022 and June 30, 2021, $149 and $408, or 25.4 and 59.5 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, 2022 and 2021, respectively, securities in the PUF Investment Pool held subject to interest rate risk totaling $326,008 and $255,110 had an average duration of 3.70 and 4.04 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, 2022 and June 30, 2021, respectively, the total $6,788 and $7,583 of the Oregon Tech board designated quasi-endowment invested in the OITP were subject to interest rate risk and had an average duration of 3.70 and 3.89 years. Additionally, as of June 30, 2022 and June 30, 2021, respectively, securities in the Oregon Tech Foundation endowments held subject to interest rate risk totaling $149 and $108 had an average duration of 5.33 and 4.58 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 *Fair Value Measurement and Application*. 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.

For the Years Ended June 30, 2022 and 2021 (dollars in thousands)

COMPONENT UNIT INVESTMENTS BY LEVEL

The following tables present the component unit investments by level within valuation hierarchy as of June 30, 2022 and 2021:

Fair Value at June 30, 2022	**Level I**	**Level II**	**Level III**	**Total**
Money Market Funds	$ 132	$ -	$ -	$ 132
Mutual Funds	24,133	-	-	24,133
	$ 24,265	$ -	$ -	$ 24,265
Investments measured at NAV				$ 5,779
Investments with Nonrecurring Fair Value Measurements				1,117
		Total Investments		**$ 31,161**

Fair Value at June 30, 2021	Level I	Level II	Level III	Total
Money Market Funds	$ 458	$ -	$ -	$ 458
Mutual Funds	28,810	-	-	$ 28,810
	$ 29,268	$ -	$ -	$ 29,268
Investments measured at NAV				$ 3,849
Investments with Nonrecurring Fair Value Measurements				1,117
		Total Investments		$ 34,234

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, 2022 and 2021.

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.

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, 2022 and 2021, is effectively one day. As of June 30, 2022 and 2021, 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, 2022 and 2021 comprised the following:

Investment Type	**June 30, 2022**	June 30, 2021
U.S. Treasury and Agency Securities	**$ 28**	$ 224
Domestic Fixed Income Securities	**208**	175
Total	**$ 236**	$ 399

The fair value of the University's share of total cash and securities collateral received as of June 30, 2022 and 2021 was $239 and $407, respectively. The fair value of the University's share of investments purchased with cash collateral as of June 30, 2022 and 2021 was $218 and $183, respectively.

For the Years Ended June 30, 2022 and 2021 (dollars in thousands)

3. Accounts Receivable

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

	June 30, 2022	June 30, 2021
Student Tuition and Fees	$ 2,221	$ 2,299
Capital Construction Gifts, Grants, and Contracts	12,640	19,918
State, Other Government, and Private Gifts, Grants, and Contracts	571	464
Federal Grants and Contracts	7,459	845
Auxiliary Enterprises and Other Operating Activities	178	286
Component Units	159	302
Other	942	780
	24,170	24,894
Less: Allowance for Doubtful Accounts	(784)	(604)
Accounts Receivable, Net	$ 23,386	$ 24,290

4. Notes Receivable

Oregon Tech Notes Receivable has three main components.

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

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.

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".

	June 30, 2022		
	Current	Noncurrent	Total
Institutional and Other Student Loans	$ 141	$ 577	$ 718
Federal Student Loans	125	561	686
	266	1,138	1,404
Less: Allowance for Doubtful Accounts	(20)	(97)	(117)
Notes Receivable, Net	$ 246	$ 1,041	$ 1,287

	June 30, 2021		
	Current	Noncurrent	Total
Receivable for Construction	$ 1,101	$ -	$ 1,101
Institutional and Other Student Loans	162	646	808
Federal Student Loans	164	738	902
	1,427	1,384	2,811
Less: Allowance for Doubtful Accounts	(32)	(154)	(186)
Notes Receivable, Net	$ 1,395	$ 1,230	$ 2,625

For the Years Ended June 30, 2022 and 2021 (dollars in thousands)

5. Capital Assets

The following schedule reflects the changes in capital assets:

	Balance July 1, 2020	Additions	Transfer Completed Assets	Retire. And Adjust.	Balance June 30, 2021	**Additions**	**Transfer Completed Assets**	**Retire. And Adjust.**	**Balance June 30, 2022**
Capital Assets,									
Non-depreciable/Non-amortizable									
Land	$ 6,250	$ -	$ -	$ -	$ 6,250	**$ -**	**$ -**	**$ -**	**$ 6,250**
Capitalized Collections	1,012	-	-	-	1,012	**167**	**164**	**-**	**1,343**
Construction in Progress	17,667	20,671	(8,823)	-	29,515	**23,094**	**(37,638)**	**-**	**14,971**
Perpetual Intangible Assets	420	-	-	-	420	**-**	**-**	**-**	**420**
Total Capital Assets, Non-depreciable/ Non-amortizable	25,349	20,671	(8,823)	-	37,197	**23,261**	**(37,474)**	**-**	**22,984**
Capital Assets, Depreciable/ Amortizable:									
Equipment	19,735	2,854	218	-	22,807	**1,767**	**421**	**-**	**24,995**
Library Materials	9,191	6	-	(57)	9,140	**17**	**-**	**-**	**9,157**
Buildings	129,477	1,191	8,413	(1,025)	138,056	**4,514**	**33,179**	**-**	**175,749**
Land Improvements	6,608	15	-	(680)	5,943	**9**	**89**	**-**	**6,041**
Improvements Other Than Buildings	1,168	92	-	(5)	1,255	**-**	**1,908**	**-**	**3,163**
Infrastructure	28,336	64	99	-	28,499	**1,024**	**1,877**	**-**	**31,400**
Intangible Assets	1,970	-	93	-	2,063	**-**	**-**	**-**	**2,063**
ROU Equipment	-	-	-	-	-	**2,474**	**-**	**-**	**2,474**
Total Capital Assets, Depreciable/Amortizable	196,485	4,222	8,823	(1,767)	207,763	**9,805**	**37,474**	**-**	**255,042**
Less Accumulated Depreciation/ Amortization for:									
Equipment	(12,892)	(1,807)	-	-	(14,699)	**(1,919)**	**-**	**-**	**(16,618)**
Library Materials	(8,874)	(79)	-	57	(8,896)	**(53)**	**-**	**-**	**(8,949)**
Buildings	(53,098)	(4,059)	-	1,025	(56,132)	**(4,679)**	**-**	**-**	**(60,811)**
Land Improvements	(3,398)	(345)	-	680	(3,063)	**(299)**	**-**	**-**	**(3,362)**
Improvements Other Than Buildings	(472)	(93)	-	5	(560)	**(240)**	**-**	**-**	**(800)**
Infrastructure	(11,256)	(1,323)	-	-	(12,579)	**(1,464)**	**-**	**-**	**(14,043)**
Intangible Assets	(1,971)	-	-	-	(1,971)	**(9)**	**-**	**-**	**(1,980)**
ROU Equipment	-	-	-	-	-	**(1,201)**	**-**	**-**	**(1,201)**
Total Accumulated Depreciation/Amortization	(91,961)	(7,706)	-	1,767	(97,900)	**(9,864)**	**-**	**-**	**(107,764)**
Total Capital Assets, Net	$ 129,873	$ 17,187	$ -	$ -	$ 147,060	**$ 23,202**	**$ -**	**$ -**	**$ 170,262**
Capital Assets Summary									
Capital Assets, Non-depreciable/ Non-amortizable	$ 25,349	$ 20,671	$ (8,823)	$ -	$ 37,197	**$ 23,261**	**$ (37,474)**	**$ -**	**$ 22,984**
Capital Assets, Depreciable/ Amortizable	196,485	4,222	8,823	(1,767)	207,763	**9,805**	**37,474**	**-**	**255,042**
Total Cost of Capital Assets	221,834	24,893	-	(1,767)	244,960	**33,066**	**-**	**-**	**278,026**
Less Accumulated Depreciation/ Amortization	(91,961)	(7,706)	-	1,767	(97,900)	**(9,864)**	**-**	**-**	**(107,764)**
Total Capital Assets, Net	$ 129,873	$ 17,187	$ -	$ -	$ 147,060	**$ 23,202**	**$ -**	**$ -**	**$ 170,262**

One of Oregon Tech's geothermal power plants and related systems was idle as of June 30, 2022 and June 30, 2021 due to repairs in progress. The book value was $5,424 and $5,861 at June 30, 2022 and June 30, 2021, respectively.

For the Years Ended June 30, 2022 and 2021 (dollars in thousands)

6. Deferred Inflows and Outflows of Resources

Deferred Inflows and Outflows of Resources comprised the following:

	June 30, 2022	June 30, 2021
Deferred Outflows of Resources due to:		
Pension Obligations (Note 14)	**$ 9,149**	$ 10,301
Other Post Employment Benefits (Note 15)	**167**	273
Total Deferred Outflows of Resources	**$ 9,316**	$ 10,574
Deferred Inflows of Resources due to:		
Pension Obligations (Note 14)	**$ 12,269**	$ 1,139
Other Post Employment Benefits (Note 15)	**737**	279
Leases (Note 8)	**1,778**	-
Total Deferred Inflows of Resources	**$ 14,784**	$ 1,418

7. Accounts Payable and Accrued Liabilities

Accounts Payable and Accrued Liabilities comprised the following:

	June 30, 2022	June 30, 2021
Salaries and Wages	**$ 2,277**	$ 2,217
Payroll Benefits Related	**3,424**	4,866
Services and Supplies	**4,977**	2,758
Accrued Interest	**526**	546
Contract Retainage	**195**	1,177
Other	**79**	44
Total Accounts Payable and Accrued Liabilites	**$ 11,478**	$ 11,608

8. Leases

A. Lessee Arrangements

Oregon Tech leases equipment from external parties for various terms under long-term non-cancelable lease agreements. The leases expire at various dates through 2026. In accordance with GASB Statement No. 87, the University records right-to-use assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. The expected payments are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using the University's incremental borrowing rate. The University does not have any leases subject to a residual value guarantee. See "Note 5. Capital Assets" for information on right-to-use assets and associated accumulated depreciation. See "Note 9. Long-Term Liabilities" for future payments schedule.

B. Lessor Arrangements

Oregon Tech leases building space to external parties. The University records lease receivables and deferred inflows of resources based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using the interest rate charged on the lease or using the University's incremental borrowing rate. Oregon Tech booked lease revenue in the amount of $1,702 and interest revenue of $74 for the fiscal year ended June 30, 2022.

For the Years Ended June 30, 2022 and 2021 (dollars in thousands)

9. Long-Term Liabilities

Long-Term Liability activity is as follows:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Amount Due Within One Year	Long-Term Portion
Long-Term Debt						
Due to State of Oregon:						
Contracts Payable	$ 38,173	$ -	$ (736)	$ 37,437	$ 1,769	$ 35,668
Oregon Department of Energy Loans (SELP)	1,067	-	(101)	966	104	862
Lease Obligations	148	2,475	(1,352)	1,271	444	827
Total Long-Term Debt	39,388	2,475	(2,189)	39,674	2,317	37,357
Other Noncurrent Liabilities						
PERS pre-SLGRP pooled Liability	1,128	-	(116)	1,012	157	855
Compensated Absences	2,462	1,376	(1,523)	2,315	1,605	710
Perkins Loan Program Liability	898	-	(137)	761	138	623
Total Other Noncurrent Liabilities	4,488	1,376	(1,776)	4,088	1,900	2,188
Total Long-Term Liabilities	$ 43,876	$ 3,851	$ (3,965)	$ 43,762	$ 4,217	$ 39,545

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Amount Due Within One Year	Long-Term Portion
Long-Term Debt						
Due to State of Oregon:						
Contracts Payable	$ 37,510	$ 22,447	$ (21,784)	$ 38,173	$ 736	$ 37,437
Oregon Department of Energy Loans (SELP)	1,148	-	(81)	1,067	99	968
Oregon Tech Foundation	1,470	-	(1,470)	-	-	-
Lease Obligations	23	187	(62)	148	45	103
Total Long-Term Debt	40,151	22,634	(23,397)	39,388	880	38,508
Other Noncurrent Liabilities						
PERS pre-SLGRP pooled Liability	1,289	-	(161)	1,128	148	980
Compensated Absences	2,311	1,014	(863)	2,462	909	1,553
Early Retirement Liability	3	-	(3)	-	-	-
Perkins Loan Program Liability	1,208	-	(310)	898	163	735
Total Other Noncurrent Liabilities	4,811	1,014	(1,337)	4,488	1,220	3,268
Total Long-Term Liabilities	$ 44,962	$ 23,648	$ (24,734)	$ 43,876	$ 2,100	$ 41,776

For the Years Ended June 30, 2022 and 2021 (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	Leases	Total Payments	Principal	Interest
2023	$ 2,841	$ 151	$ 458	$ 3,450	$ 2,317	$ 1,133
2024	3,295	151	356	3,802	2,744	1,058
2025	3,273	151	281	3,705	2,712	993
2026	3,266	151	205	3,622	2,684	938
2027	3,204	151	-	3,355	2,474	881
2028-2032	14,311	413	-	14,724	11,303	3,421
2033-2037	11,099	-	-	11,099	9,340	1,759
2038-2042	5,394	-	-	5,394	4,965	429
2043-2047	1,163	-	-	1,163	1,135	28
					$ 39,674	$ 10,640
Total Future Debt Service	**47,846**	**1,168**	**1,300**	**50,314**		
Less: Interest Component of Future Payments	(10,409)	(202)	(29)	(10,640)		
Principal Portion of Future Payments	$ 37,437	$ 966	$ 1,271	$ 39,674		

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 (DOE) 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. In the event of default, the State may withhold future disbursements of state general fund appropriations up to the amount of the default. Loans, with interest rates ranging from 0.12 percent to 5.33 percent, are due serially through 2044.

During the fiscal year ended June 30, 2022, 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 $736.

During the fiscal year ended June 30, 2021, 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 State also issued $360 of Series 2021H XI-F(1) Tax Exempt bonds and $10,350 of Series 2021I 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 2037. The new issuances and refunding of previously held debt resulted in a net increase of $2,092 in contracts payable. The refunding of previously held debt will ultimately save the University $3,277 over the next 24 years, with 83 percent of the savings front loaded to the first four years of debt service payments. 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 COVID-19 pandemic.

Other changes to the University's contracts payable to the State include debt service payments for principal of $1,421 and the addition of $2 and the deduction of $10 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 DOE through the 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. Upon event of default, the lender may accelerate the due date and declare the balance due immediately. The projects funded by the loan serve as security for the loan. The SELP loan has an interest rate of 5.08 percent and is due through 2030.

For the Years Ended June 30, 2022 and 2021 (dollars in thousands)

C. Oregon Tech Foundation Loan

Oregon Tech entered into a loan agreement with the Oregon Tech Foundation for the purchase of equipment during the fiscal year ended June 30, 2020. This loan was paid in full during the fiscal year ended June 30, 2021.

D. 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 Annual Comprehensive Financial Report. Interest expense was paid by Oregon Tech in the amount of $121 and $94 for June 30, 2022 and 2021, respectively. Principal payments of $117 and $161 were applied to the liability for June 30, 2022 and 2021, respectively.

10. Unrestricted Net Position

Unrestricted Net Position is comprised of the following:

	June 30, 2022	June 30, 2021
University Operations	**$ 36,372**	$ 35,728
Compensated Absences Liability (Note 9)	**(2,315)**	(2,462)
Other Postemployment Benefits Liability (Note 15)	**(982)**	(1,329)
State and Local Government Rate Pool (Note 9)	**(1,012)**	(1,128)
Net Pension Liability (Note 14)	**(14,420)**	(27,426)
Pension & OPEB Related Deferred Outflows (Note 6)	**9,316**	10,574
Pension & OPEB Related Deferred Inflows (Note 6)	**(13,006)**	(1,418)
Total Unrestricted Net Position	**$ 13,953**	$ 12,539

11. Investment Activity

Investment Activity detail is as follows:

	June 30, 2022	June 30, 2021
Investment Earnings	**$ 341**	$ 460
Temporarily Restricted Endowment Income	**298**	298
Interest Income	**7**	50
Gain (Loss) on Sale of Investments	**(371)**	(69)
Net Appreciation (Depreciation) of Investments	**(1,485)**	182
Other	**(6)**	(6)
Total Investment Activity	**$ (1,216)**	$ 915

For the Years Ended June 30, 2022 and 2021 (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 natural classification. Both the Net Pension Liability and the OPEB Asset/Liability for fiscal years ended June 30, 2022 and June 30, 2021 affected the reported Compensation and Benefit Expenses of Oregon Tech. For the fiscal year ended June 30, 2022, changes in the Net Pension Liability, the OPEB Asset/Liability, and associated reporting requirements decreased the reported Compensation and Benefit expenses of Oregon Tech by $836. For the fiscal year ended June 30, 2021, 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 $4,085. See page 16 of the Management's Discussion & Analysis section of this report for additional details and discussion of the impact of this change.

June 30, 2022	**Compensation and Benefits**	**Services and Supplies**	**Scholarships and Fellowships**	**Depreciation and Amortization**	**Other**	**Total**
Instruction	**$ 25,181**	**$ 1,139**	**$ -**	**$ 601**	**$ -**	**$ 26,921**
Research	**2,404**	**1,789**	**13**	**-**	**-**	**4,206**
Public Services	**146**	**72**	**-**	**-**	**-**	**218**
Academic Support	**5,395**	**1,999**	**1**	**-**	**-**	**7,395**
Student Services	**4,558**	**2,069**	**21**	**-**	**-**	**6,648**
Auxiliary Services	**4,729**	**7,628**	**62**	**1,735**	**-**	**14,154**
Institutional Support	**9,584**	**5,040**	**-**	**589**	**-**	**15,213**
Operation & Maintenance	**2,459**	**2,366**	**-**	**-**	**-**	**4,825**
Student Aid	**70**	**(92)**	**7,507**	**-**	**46**	**7,531**
Other	**1**	**332**	**-**	**6,939**	**-**	**7,272**
Total	**$ 54,527**	**$ 22,342**	**$ 7,604**	**$ 9,864**	**$ 46**	**$ 94,383**

June 30, 2021	Compensation and Benefits	Services and Supplies	Scholarships and Fellowships	Depreciation and Amortization	Other	Total
Instruction	$ 29,176	$ 1,749	$ -	$ -	$ -	$ 30,925
Research	2,633	1,485	66	-	-	4,184
Public Services	149	12	-	-	-	161
Academic Support	4,966	2,143	1	-	-	7,110
Student Services	4,669	1,793	23	-	-	6,485
Auxiliary Services	4,558	7,405	38	1,557	-	13,558
Institutional Support	9,719	5,191	-	-	-	14,910
Operation & Maintenance	2,505	1,855	-	410	-	4,770
Student Aid	56	(141)	6,510	-	267	6,692
Other	250	267	-	5,739	-	6,256
Total	$ 58,681	$ 21,759	$ 6,638	$ 7,706	$ 267	$ 95,051

For the Years Ended June 30, 2022 and 2021 (dollars in thousands)

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 DOE. Government appropriations comprised the following:

	June 30, 2022	June 30, 2021
General Fund - Operations	**$ 37,274**	$ 31,983
General Fund - SELP Debt Service	**134**	134
Lottery Funding	**1,429**	1,373
Total Government Appropriations	**$ 38,837**	$ 33,490

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 Annual 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 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 of the statewide plan 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, 2021 and 2020 are as follows (dollars in millions):

	June 30, 2021	June 30, 2020
Total Pension Liability	**$96,298**	$90,143
Plan Fiduciary Net Position	**84,331**	68,319
Plan Net Pension Liability	**$11,967**	$21,824

The Plan's fiduciary net position has been determined on the same basis used by the pension plan.

Changes Subsequent to the Measurement Date

The University is unaware of any changes made subsequent to the measurement date of June 30, 2021.

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.

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 DB 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.

For the Years Ended June 30, 2022 and 2021 (dollars in thousands)

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

Benefit Terms

The OPSRP IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. The accounts fall under Internal Revenue Code Section 401(a).

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. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution option must result in a $200 minimum distribution amount, or the frequency of the installments will be adjusted to reach that minimum.

Death Benefits

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

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. Effective January 1, 2020, Senate Bill 1049 requires employers to pay contributions on re-employed PERS retirees' salaries as if they were active members, excluding IAP (6 percent) contributions.

Employer contribution rates for the fiscal year ended June 30, 2022 and June 30, 2021 were based on the December 31, 2019 actuarial valuation. The employer contribution rates for the PERS and OPSRP are as follows:

	2022	2021
Base Tier One/Two Rate	**19.51%**	19.05%
SLGRP Rate	**1.52%**	1.71%
RHIA/RHIPA OPEB Rate	**0.33%**	0.45%
Total PERS Tier One/Two Rate	**21.36%**	21.21%
Base OPSRP Rate	**15.60%**	12.77%
SLGRP Rate	**1.52%**	1.71%
RHIA/RHIPA OPEB Rate	**0.17%**	0.27%
Total OPRSP Rate	**17.29%**	14.75%

Employer required contributions for the years ended June 30, 2022 and June 30, 2021 were $3,076 and $2,733, respectively, including amounts to fund employer specific liabilities. (See Note 9.D. for additional information).

Net Pension Liability

At June 30, 2022 and 2021, the University reported a liability of $14,420 and $27,426, respectively, for its proportionate share of the PERS net pension liability. The net pension liability as of June 30, 2022 was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The net pension liability as of June 30, 2021 was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. 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, 2022 and 2021, Oregon Tech's proportion was 0.12 and 0.13 percent, respectively, of the statewide pension plan.

For the years ended June 30, 2022 and 2021, Oregon Tech recorded total net pension expense of $2,080 and $6,491 due to the change in net pension liability and changes to deferred inflows and outflows.

For the Years Ended June 30, 2022 and 2021 (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, 2022 and 2021, 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, 2021 – 5.4 years
- Measurement period ended June 30, 2020 – 5.3 years
- 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

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 2022 and 2021.

At June 30, 2022, 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	$ 1,350	$ -
Changes of assumptions	3,610	38
Net difference between projected and actual earnings on pension plan investments	-	10,675
Changes in Proportion	1,383	983
Difference between contributions and proportionate share of contributions	1	573
Total	$ 6,344	$ 12,269
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ (5,925)	
Contributions Subsequent to the MD	2,805	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ (3,120)	

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:	
2023	$ (985)
2024	(939)
2025	(1,516)
2026	(2,731)
2027	246
Total	$ (5,925)

Of the amount reported as deferred outflows of resources, $2,805 is related to pensions resulting from Oregon Tech contributions subsequent to the measurement date and are recognized as a reduction of the net pension liability in the year ended June 30, 2023.

At June 30, 2021, 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	$ 1,207	$ -
Changes of assumptions	1,472	52
Net difference between projected and actual earnings on pension plan investments	3,225	-
Changes in Proportion	1,966	475
Difference between contributions and proportionate share of contributions	4	612
Total	$ 7,874	$ 1,139
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ 6,735	
Contributions Subsequent to the MD	2,427	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 9,162	

For the Years Ended June 30, 2022 and 2021 (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, 2022**	June 30, 2021
Valuation Date	December 31, 2019	December 31, 2018
Measurement Date	June 30, 2021	June 30, 2020
Experience Study Report	2018, published July 2019	
Actuarial Cost Method	Entry Age Normal	
Actuarial Assumptions:		
Inflation Rate	2.40 percent	2.50 percent
Long-Term Expected Rate of Return	6.90 percent	7.20 percent
Discount Rate	6.90 percent	7.20 percent
Projected Salary Increases	3.40 percent	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:*	
	Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.	
	Active members:	
	Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.	
	Disabled retirees:	
	Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.	

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years.

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2022 and June 30, 2021 was 6.90 and 7.20 percent, respectively. 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, 2022	June 30, 2021
1 % Decrease 5.90% / 6.20%	$ 28,317	$ 40,726
Current Discount Rate 6.90% / 7.20%	14,420	27,426
1 % Increase 7.90% / 8.20%	2,793	16,274

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.

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

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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.

Assumed Asset Allocation

Asset Class/ Strategy	Low Range	High Range	OIC Target
Debt Securities	15.00 %	25.00 %	20.00 %
Public Equity	27.50	37.50	32.50
Private Equity	14.00	21.00	17.50
Real Estate	9.50	15.50	12.50
Alternatives Portfolio	7.50	17.50	15.00
Opportunity Portfolio	0.00	5.00	0.00
Risk Parity	0.00	2.50	2.50
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 June 2021, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. 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 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)
Global Equity	30.62%	5.85%
Private Equity	25.50	7.71
Core Fixed Income	23.75	2.73
Real Estate	12.25	5.66
Master Limited Partnerships	0.75	5.71
Infrastructure	1.50	6.26
Commodities	0.63	3.10
Hedge Funds of Funds - Multistrategy	1.25	5.11
Hedge Fund Equity - Hedge	0.63	5.31
Hedge Fund - Macro	5.62	5.06
US Cash	-2.50	1.76
Assumed Inflation – Mean		2.40%

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 both fiscal year

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2022 and 2021 was 5.60 percent. Payroll assessments paid by Oregon Tech for the fiscal years ended June 30, 2022 and 2021 were $955 and $973, 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:

	2022	2021
Tier One/Two	**26.30%**	27.20%
Tier Three	**9.63%**	9.85%
Tier Four	**8.00%**	8.00%

SUMMARY OF OTHER PENSION PAYMENTS

Oregon Tech total payroll for the year ended June 30, 2022 was $36,707, of which $8,299 was subject to optional retirement plan contributions. Employer contributions for the year totaled $1,358 or 16.37 percent of covered payroll. Employee contributions for the year totaled $1,070, or 12.89 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, 2022.

Oregon Tech total payroll for the year ended June 30, 2021 was $35,587, of which $13,872 was subject to optional retirement plan contributions. Employer contributions for the year totaled $1,674 or 12.07 percent of covered payroll. Employee contributions for the year totaled $1,109, or 7.99 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, 2021.

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 Annual Comprehensive 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 of the statewide plan 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, 2021 and 2020 are as follows (in millions):

Net OPEB - RHIA (Asset)	**June 30, 2021**	June 30, 2020
Total OPEB - RHIA Liability	**$ 409.5**	$ 406.9
Plan Fiduciary Net Position	**752.9**	610.7
Plan Net OPEB - RHIA (Asset)	**$ (343.4)**	$ (203.8)

Net OPEB - RHIPA Liability	**June 30, 2021**	June 30, 2020
Total OPEB - RHIPA Liability	**$ 62.9**	$ 64.3
Plan Fiduciary Net Position	**78.4**	54.3
Plan Net OPEB - RHIPA Liability/(Asset)	**$ (15.5)**	$ 10.0

Changes Subsequent to the Measurement Date

The University is not aware of any changes made subsequent to the measurement date of June 30, 2021.

Assumed Asset Allocation

Asset Class/ Strategy	Low Range	High Range	OIC Target
Debt Securities	15.00 %	25.00 %	20.00 %
Public Equity	27.50	37.50	32.50
Private Equity	14.00	21.00	17.50
Real Estate	9.50	15.50	12.50
Alternative Investments	7.50	17.50	15.00
Opportunity Portfolio	0.00	5.00	0.00
Risk Parity	0.00	2.50	2.50
Total			100 %

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Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the 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)
Global Equity	30.62%	5.85%
Private Equity	25.50	7.71
Core Fixed Income	23.75	2.73
Real Estate	12.25	5.66
Master Limmited Partnerships	0.75	5.71
Infrastructure	1.50	6.26
Commodities	0.63	3.10
Hedge Funds of Funds - Multistrategy	1.25	5.11
Hedge Fund Equity - Hedge	0.63	5.31
Hedge Fund - Macro	5.62	5.06
US Cash	-2.50	1.76
Assumed Inflation – Mean		2.40%

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 50 and 53, 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 years ended June 30, 2022 and June 30, 2021, the University contributed 0.05 and 0.06 percent, respectively, of PERS-covered payroll for Tier One and Tier Two plan members to fund the normal cost portion of RHIA benefits. The required employer contribution was approximately $1 for the year ended June 30, 2022 and $2 for the year ended June 30, 2021. The actual contribution equaled the annual required contribution for the fiscal year.

Net OPEB Asset

At June 30, 2022, the University reported an asset of $310 for its proportionate share of the RHIA net OPEB asset. The net

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OPEB asset as of June 30, 2022 was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019.

At June 30, 2021, the University reported an asset of $50 for its proportionate share of the RHIA net OPEB asset. The net OPEB asset as of June 30, 2021 was measured as of June 30, 2020, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018.

The 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's 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, 2022, Oregon Tech's proportion was 0.09 percent of the statewide OPEB plan, while at June 30, 2021, it was 0.02 percent.

For the years ended June 30, 2022 and June 30, 2021, respectively, Oregon Tech recorded total OPEB expense of ($36) and $55 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 periods ended June 30, 2021 and June 30, 2020, 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, 2021 – 2.7 years
- Measurement period ended June 30, 2020 – 2.9 years
- Measurement period ended June 30, 2019 – 3.1 years
- Measurement period ended June 30, 2018 – 3.3 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 years 2022 and 2021.

At June 30, 2022, 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	$ -	$ 9
Changes of assumptions	6	4
Net difference between projected and actual earnings on pension plan investments	-	74
Change in proportionate share	62	81
Difference between contributions and proportionate share of contributions	-	1
Total	$ 68	$ 169
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ (101)	
Contributions Subsequent to the MD	1	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ (100)	

Of the amount reported as deferred outflows of resources, $1 is 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, 2023.

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As of June 30, 2022, 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:

Deferred Outflow/(Inflow) of Resources		
Year Ended June 30:		
2023	$	(12)
2024		(49)
2025		(17)
2026		(23)
2027		-
Total	$	(101)

At June 30, 2021, 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	$ -	$ 5
Changes of assumptions	-	3
Net difference between projected and actual earnings on pension plan investments	6	-
Change in proportionate share	131	7
Difference between contributions and proportionate share of contributions	-	1
Total	$ 137	$ 16
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ 121	
Contributions Subsequent to the MD	2	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 123	

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2022 and June 30, 2021 was 6.90 and 7.20 percent, respectively. 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 plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the OPEB Plan was applied to all periods of projected benefit payments to determine the total OPEB 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, 2022	June 30, 2021
1% Decrease 5.90% / 6.20%	$ (274)	$ (40)
Current Discount Rate 6.90% / 7.20%	(310)	(50)
1% Increase 7.90% / 8.20%	(341)	(58)

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, 2022	June 30, 2021
1% Decrease	$ (310)	$ (50)
Current Trend Rate	(310)	(50)
1% Increase	(310)	(50)

For the Years Ended June 30, 2022 and 2021 (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, 2022	June 30, 2021
Valuation Date	December 31, 2019	December 31, 2018
Measurement Date	June 30, 2021	June 30, 2020
Experience Study Report	2018, published July 2019	
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	
Inflation Rate	2.40 percent	2.50 percent
Long-Term Expected Rate of Return	6.90 percent	7.20 percent
Discount Rate	6.90 percent	7.20 percent
Projected Salary Increases	3.40 percent	3.50 percent
Retiree Healthcare Participation	Healthy retirees: 32%; Disabled retirees: 20%	
Healthcare Cost Trend Rate	Not applicable	
Mortality	*Healthy retirees and beneficiaries:*	
	Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation	
	Active members:	
	Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation	
	Disabled retirees:	
	Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation	

ii. RHIPA

Contributions

The RHIPA plan is funded through actuarially determined employer contributions.

For the fiscal years ended June 30, 2022 and June 30, 2021, the University contributed 0.11 and 0.12 percent of PERS-covered payroll for Tier One and Tier Two plan members to fund the normal cost portion of RHIPA benefits, respectively. In addition, for the years ended June 30, 2022 and 2021, the University contributed 0.17 and 0.27 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, respectively. The required employer contribution was approximately $32 and $50 for the years ended June 30, 2022 and June 30, 2021, respectively. The actual contribution equaled the annual required contribution for the fiscal year.

Net OPEB (Asset)/Liability

At June 30, 2022, the University reported an asset of $68 for its proportionate share of the PERS RHIPA net OPEB asset. The net OPEB asset as of June 30, 2022 was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019.

At June 30, 2021, the University reported a liability of $45 for its proportionate share of the PERS RHIPA net OPEB liability. The net OPEB liability as of June 30, 2021 was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018.

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 0.44 percent of the statewide OPEB plan as of both June 30, 2022 and June 30, 2021.

For the year ended June 30, 2022 and 2021, Oregon Tech recorded total OPEB expense of ($10) and $10, respectively, due to the change 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, 2021 and 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
- Net difference between projected and actual OPEB plan investment earnings
- Contributions subsequent to the measurement date

Differences between expected and actual experience, changes in assumptions, 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:

For the Years Ended June 30, 2022 and 2021 (dollars in thousands)

- Measurement period ended June 30, 2021 – 6.2 years
- Measurement period ended June 30, 2020 – 6.4 years
- 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 2022 and 2021.

At June 30, 2022, 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	$ -	$ 30
Changes of assumptions	5	24
Net difference between projected and actual earnings on pension plan investments	-	34
Change in proportionate share	12	8
Difference between contributions and proportionate share of contributions	1	1
Total	$ 18	$ 97
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ (79)	
Contributions Subsequent to the MD	32	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ (47)	

Of the amount reported as deferred outflows of resources, $32 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, 2023.

As of June 30, 2022, 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:	Deferred Outflow/(Inflow) of Resources
2023	$ (17)
2024	(17)
2025	(18)
2026	(20)
2027	(6)
Thereafter	(1)
Total	$ (79)

At June 30, 2021, 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	$ -	$ 17
Changes of assumptions	1	30
Net difference between projected and actual earnings on pension plan investments	10	-
Change in proportionate share	16	8
Difference between contributions and proportionate share of contributions	2	1
Total	$ 29	$ 56
Net Deferred Outflow/(Inflow) of Resources before Contributions Subsequent to the Measurement Date (MD)	$ (27)	
Contributions Subsequent to the MD	50	
Net Deferred Outflow/(Inflow) of Resources after Contributions Subsequent to the MD	$ 23	

For the Years Ended June 30, 2022 and 2021 (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, 2022	June 30, 2021
Valuation Date	December 31, 2019	December 31, 2018
Measurement Date	June 30, 2021	June 30, 2020
Experience Study Report	2018, published July 2019	
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	
Inflation Rate	2.40 percent	2.50 percent
Long-Term Expected Rate of Return	6.90 percent	7.20 percent
Discount Rate	6.90 percent	7.20 percent
Projected Salary Increases	3.40 percent	3.50 percent
Retiree Healthcare Participation	8-14 Years of Service: 10% 15-19 Years of Servie: 15% 20-24 Years of Service: 19% 25-29 Years of Service: 26% 30+ Years of Service: 34%	
Healthcare Cost Trend Rate	Applied at beginning of plan year, starting with 7.1% for 2019, decreasing to 4.9% for 2025, increasing to 5.0% for 2036, and decreasing to an ultimate rate of 4.0% for 2074 and beyond.	Applied at beginning of plan year, starting with 7.1% for 2019, decreasing to 5.0% for 2022, increasing to 5.9% for 2031, and decreasing to an ultimate rate of 4.1% for 2094 and beyond.
Mortality	*Healthy retirees and beneficiaries:* Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation *Active members:* Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation *Disabled retirees:* Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation	

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2022 and June 30, 2021 was 6.90 and 7.20 percent, respectively. 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 plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the OPEB Plan was applied to all periods of projected benefit payments to determine the total OPEB 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, 2022	June 30, 2021
1% Decrease 5.90%/6.20%	$ (51)	$ 62
Current Discount Rate 6.90%/7.20%	(68)	45
1% Increase 7.90%/8.20%	(84)	28

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, 2022	June 30, 2021
1% Decrease	$ (91)	$ 31
Current Trend Rate	(68)	45
1% Increase	(42)	61

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, 2022 and 2021 (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, 2022, the University reported a liability of $982 for its proportionate share of the total PEBB OPEB liability. The total OPEB liability as of June 30, 2022 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021.

At June 30, 2021, the University reported a liability of $1,284 for its proportionate share of the total PEBB OPEB liability. The total OPEB liability as of June 30, 2021 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2019.

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 June 30, 2022 and June 30, 2021, Oregon Tech's proportion was 0.80 and 0.85 percent, respectively, of participating employers.

For the years ended June 30, 2022 and June 30, 2021, Oregon Tech recorded total OPEB expense of $46 and $93, 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, 2022 and June 30, 2021, 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, 2022 - 7.8 years
- Measurement period ended June 30, 2021 - 8.6 years
- Measurement period ended June 30, 2020 - 8.6 years
- Measurement period ended June 30, 2019 - 8.2 years
- Measurement period ended June 30, 2018 - 8.2 years

One year of amortization is recognized in the University's total OPEB expense for fiscal years 2022 and 2021.

At June 30, 2022, 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	$ -	$ 122
Changes of assumptions	24	231
Change in proportionate share	17	116
Difference between contributions and proportionate share of contributions	6	1
Total	$ 47	$ 470
Net Deferred Outflow/(Inflow) of Resources	$ (423)	

As of June 30, 2022, 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:	Deferred Outflow/(Inflow) of Resources
2023	$ (64)
2024	(64)
2025	(64)
2026	(63)
2027	(68)
Thereafter	(100)
Total	$ (423)

For the Years Ended June 30, 2022 and 2021 (dollars in thousands)

At June 30, 2021, 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	$ -	$ 5
Changes of assumptions	31	158
Change in proportionate share	21	43
Difference between contributions and proportionate share of contributions	3	1
Total	$ 55	$ 207
Net Deferred Outflow/(Inflow) of Resources	$ (152)	

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, 2021	July 1, 2019
Measurement Date	June 30, 2022	June 30, 2021
Actuarial Assumptions:		
Actuarial Cost Method	Entry Age Normal	
Inflation Rate	2.00 percent	2.50 percent
Discount Rate	3.54 percent	2.16 percent
Projected Salary Increases	3.00 percent	3.50 percent
Withdrawal, retirement, and mortality rates	December 31, 2019 Oregon PERS valuation	December 31, 2018 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.	
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, 2022 and June 30, 2021 reporting dates was 3.54 and 2.16 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, 2022	June 30, 2021
1% Decrease 2.54/1.21%	$ 1,053	$ 1,377
Current Discount Rate 3.54/2.21%	982	1,284
1% Increase 4.54/3.21%	916	1,198

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, 2022	June 30, 2021
1% Decrease	$ 873	$ 1,156
Current Trend Rate	982	1,284
1% Increase	1,111	1,436

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

For the Years Ended June 30, 2022 and 2021 (dollars in thousands)

- 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.

17. Commitments and Contingent Liabilities

Outstanding commitments on partially completed and planned but not initiated construction projects totaled approximately $26,847 and $49,507 at June 30, 2022 and 2021, 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, 2022.

Construction Commitments as of June 30, 2022

	Total Commitment	Completed to Date	Outstanding Commitment
Center for Excellence in Engineering and Technology - Cornett Hall Renovation - Phase 2	$ 42,000	$ 40,239	$ 1,761
Capital Improvement & Renewal	3,549	130	3,419
Boivin Hall Renovation	20,300	5,140	15,160
OMIC Education Lab	3,200	1,129	2,071
OMIC R&D Rapid Toolmaking Center - Research Equipment	3,000	2,033	967
OMIC R&D Rapid Toolmaking Center - Sinter HIP Equipment	3,000	-	3,000
Integrated Student Health Center Renovation	641	172	469
Total Construction Commitments	$ 75,690	$ 48,843	$ 26,847

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, 2022.

18. Subsequent Events

University Management has reviewed events and transactions that occurred subsequent to the financial statement ending date of June 30, 2022 and have found none that required disclosure in the statements.

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, 2022.

During the years ended June 30, 2022 and June 30, 2021 gifts of $566 and $672, 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 23 and 25 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 TECH
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,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 2,805	$ 2,427	$ 2,461	$ 1,647	$ 1,475	$ 1,044	$ 1,004	$ 838	$ 780	$ 710
Contributions in relation to the contractually required contribution	2,805	2,427	2,461	1,647	1,475	1,044	1,004	838	780	710
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Oregon Tech's covered payroll	$ 17,168	$ 17,505	$ 17,424	$ 16,513	$ 14,443	$ 13,833	$ 12,912	$ 11,891	$ 10,803	$ 10,215
Contributions as a percentage of covered payroll	16.3%	13.9%	14.1%	10.0%	10.2%	7.5%	7.8%	7.0%	7.2%	7.0%

SCHEDULE OF OREGON TECH'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)[1]
Public Employees Retirement System

As of the Measurement Date June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013
Oregon Tech's proportion of the net pension liability/(asset)	0.12%	0.13%	0.12%	0.11%	0.12%	0.11%	0.10%	0.09%	0.09%
Oregon Tech's proportionate share of the net pension liability/(asset)	$ 14,420	$ 27,426	$ 20,224	$ 15,957	$ 15,678	$ 16,969	$ 6,027	$ (2,133)	$ 4,803
Oregon Tech's covered payroll	$ 17,505	$ 17,424	$ 16,513	$ 14,443	$ 13,833	$ 12,912	$ 11,891	$ 10,803	$ 10,215
Oregon Tech's proportionate share of the net pension liability/(asset)	82.38%	157.40%	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 liability	87.57%	75.79%	80.23%	82.07%	83.12%	80.53%	91.88%	103.59%	91.97%

[1] This schedule will eventually contain 10 years' worth of data. Only the data shown was available at this time.

Changes in Benefit Terms and Assumptions

Benefit Terms: The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in Moro v. State of Oregon, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

Assumptions: The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was changed to 7.20 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated. For June 30, 2021, the long-term expected rate of return was lowered to 6.90 percent, while the assumed inflation rate was lowered to 2.40 percent and the projected salary increases were lowered to 3.40 percent.

SCHEDULE OF OREGON TECH'S PROPORTIONATE SHARE[1]
Total PEBB OPEB Liability

As of June 30,	2022	2021	2020	2019	2018	2017
Oregon Tech's allocation of the total OPEB liability	0.80%	0.85%	0.88%	0.88%	0.87%	0.86%
Oregon Tech's proportionate share of the total OPEB liability	$ 982	$ 1,284	$ 1,290	$ 1,417	$ 1,285	$ 1,239
Oregon Tech's covered payroll	$ 30,049	$ 27,991	$ 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	3.27%	4.59%	4.39%	4.92%	4.89%	5.01%
Total OPEB liability as a % of total covered payroll	2.76%	3.72%	3.77%	4.31%	4.42%	4.45%

[1] This schedule will eventually contain 10 years' worth of data. Only the data shown was available at this time.

Required Supplementary Information (dollars in thousands)

SCHEDULE OF OREGON TECH'S PROPORTIONATE SHARE[1]
Net PERS RHIA OPEB Liability/(Asset)

As of the Measurement Date of June 30,	2021	2020	2019	2018	2017	2016
Oregon Tech's allocation of the net OPEB liability/(asset)	0.09%	0.02%	0.15%	0.13%	0.13%	0.12%
Oregon Tech's proportionate share of the net OPEB liability/(asset)	$ (310)	$ (50)	$ (296)	$ (145)	$ (55)	$ 34
Oregon Tech's covered payroll	$ 17,505	$ 17,424	$ 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	1.77%	0.29%	1.79%	1.00%	0.40%	0.27%
Plan fiduciary net position as a percentage of the total OPEB liability/(asset)	183.86%	150.09%	144.38%	123.99%	108.88%	94.15%

[1] This schedule will eventually contain 10 years' worth of data. Only the data shown was available at this time.

SCHEDULE OF OREGON TECH PERS RHIA OPEB EMPLOYER CONTRIBUTION

For Fiscal Years Ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contributions[1]	$ 1	$ 2	$ 2	$ 73	$ 64	$ 65	$ 61	$ 62	$ 57	$ 53
Contributions in relation to the actuarially determined contributions	1	2	2	73	64	65	61	62	57	53
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 17,168	$ 17,505	$ 17,424	$ 16,513	$ 14,443	$ 13,705	$ 12,787	$ 11,769	$ 10,693	$ 9,738
Contributions as a percentage of covered payroll	0.01%	0.01%	0.01%	0.44%	0.44%	0.47%	0.48%	0.53%	0.53%	0.54%

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

Changes in Benefit Terms and Assumptions

Assumptions: The PERS Board adopted assumption changes that were used to measure the June 30, 2018 and 2019 total OPEB liability. The changes include the lowering of the long-term expected rate of return from 7.50 to 7.20 percent. In addition, healthy retiree participation and healthy mortality assumptions were changed to reflect an updated trends and mortality improvement scale for all groups. For the June 30, 2021 measurement date, the assumed inflation rate was lowered to 2.40 percent, the long-term, expected rate of return was lowered to 6.90 percent, and the projected salary increases were lowered to 3.40 percent.

Required Supplementary Information (dollars in thousands)

SCHEDULE OF OREGON TECH'S PROPORTIONATE SHARE[1]
Net PERS RHIPA OPEB Liability

As of the Measurement of June 30,	2021	2020	2019	2018	2017	2016
Oregon Tech's allocation of the net OPEB liability	0.44%	0.44%	0.48%	0.43%	0.43%	0.42%
Oregon Tech's proportionate share of the net OPEB liability	$ (68)	$ 45	$ 122	$ 154	$ 199	$ 226
Oregon Tech's covered payroll	$ 17,505	$ 17,424	$ 16,513	$ 14,443	$ 13,705	$12,787
Oregon Tech's proportionate share of the net OPEB liability as a percentage of covered payroll	-0.39%	0.26%	0.74%	1.07%	1.45%	1.77%
Plan fiduciary net position as a percentage of the total OPEB liability	124.64%	84.45%	64.86%	49.79%	34.25%	21.87%

[1] This schedule will eventually contain 10 years' worth of data. Only the data shown was available at this time.

SCHEDULE OF OREGON TECH PERS RHIPA OPEB EMPLOYER CONTRIBUTION

For Fiscal Years Ended June 30,	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contributions[1]	$ 32	$ 50	$ 50	$ 66	$ 59	$ 52	$ 49	$ 27	$ 25	$ 13
Contributions in relation to the actuarially determined contributions	32	50	50	66	59	52	49	27	25	13
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 17,168	$ 17,505	$ 17,424	$ 16,513	$ 14,443	$ 13,705	$ 12,787	$ 11,769	$ 10,693	$ 9,738
Contributions as a percentage of covered payroll	0.19%	0.29%	0.29%	0.40%	0.41%	0.38%	0.38%	0.23%	0.23%	0.13%

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

Changes in Benefit Terms and Assumptions

Assumptions: The PERS Board adopted assumption changes that were used to measure the June 30, 2018 and 2019 total OPEB liability. The changes include the lowering of the long-term expected rate of return from 7.50 to 7.20 percent. In addition, the healthy healthcare participation and cost trend rates, and healthy mortality assumptions were changed to reflect an updated trends and mortality improvement scale for all groups. For the June 30, 2021 measurement date, the assumed inflation rate was lowered to 2.40 percent, the long-term, expected rate of return was lowered to 6.90 percent, and the projected salary increases were lowered to 3.40 percent. In addition, the healthcare cost trend rates were changed to reflect updated trends.


OREGON TECH


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