



Meeting of the Board of Trustees, Thursday, November 7, 2024, 2:30 p.m. Isadore A. Shrager Boardroom, M2-1/Hybrid

AGENDA

(1) Executive Session I

(2) Meeting Called to Order

The Goals for the November meeting in addition to routine matters are:

- Strategic Planning Update/Mosaic and Econsult Review
- Enrollment Update
- ACCT Feedback

(3) Public Comment

(4) Report of the President

- (a) Update on Strategic Planning/Mosaic Econsult Review
- (b) Update on Enrollment
- (c) Engage, Educate, and Empower Conference
- (d) Foundation Report (Dr. Mellissia Zanjani and Dr. Elynn Jo Waller)

(5) Business Affairs Committee, October 16, 2024

- 10-16-24 Business Affairs Committee Minutes 4
- (a) Resolution for Salary Increase for Administrators, Grant Administrators, and Confidential Employees (A)
 - Resolution for Salary Increase for Administrators and Confidential Employees 18

(6) Audit Committee, October 18, 2024

- 10.18.24 Audit Committee Meeting Minutes 19
- (a) 2024 Fiscal Year Audit Report (A)
 - Financial Statements 71

(7) Consent Agenda

- (a) Proceedings and Minutes of Decisions and Resolutions, Meeting of October 10, 2024
 - 10.10.24 Board of Trustees Proceedings 141

(b) Grants and Gifts

(c) HVAC for Center for Business and Industry

(8) Report of the Chair

(a) ACCT Board Member Reflections

(b) ACCT National Legislative Summit, February 9-12, 2025, Marriott Marquis Hotel, Washington, DC

(c) Public Comment Review

(9) Old Business

(10) New Business

(11) Next Meeting

The next meeting of the Board of Trustees is scheduled for Thursday, January 9, 2025, at 2:30 p.m. in the Isadore A. Shrager Boardroom, M2-1/Hybrid.

Committee Meetings

- Student Outcomes Committee, Thursday, November 7, 2024, 12:30 p.m. – Library & Learning Commons, L1-13/Hybrid
- Combined Meeting of the Business Affairs and Executive Committees, Wednesday, November 20, 2024, 9:00 a.m. – Isadore A. Shrager Boardroom, M2-1/Hybrid
- Workforce Subcommittee, Wednesday, November 20, 2024, 3:00 p.m. – Center for Business & Industry, C3-5/Hybrid

Upcoming Events

- Alumni Reunion Dinner, Thursday, November 7, 2024, 6:00 p. m. – Gilroy Roberts Rotunda, Mint Building
- Veterans Day, Monday, November 11, 2024, 11:00 a.m., Bonnell Building Lobby
- Donor Appreciation Reception, Friday, November 15, 2024, 5:30 p.m. – 7:00 p.m. Black Box Theater, Bonnell Building
- The Presidents and the Pastor Jazz Event, Friday, November 15, 2024, 7:00 p.m. - 8:30 p.m. Large Auditorium, BG-20
- Thanksgiving Luncheon, Tuesday, November 12, 2024, 11:00 a.m. - 1:00 p.m. Northeast Regional Center, 12901 Townsend Road, Room 124
- Thanksgiving Luncheon, Tuesday, November 19, 2024, 11:00 a.m. – 1:00 p.m. Career and Advanced

Technology Center, 4750 Market Street, Room 341

- Thanksforgiving Luncheon, Wednesday, November 20, 2024, 11:30 a.m. – 1:00 p.m. Main Campus, Winnet Building, Great Hall, S2-19

- Pennsylvania Commission for Community Colleges Statewide Virtual Trustee/Board Meeting, Wednesday, November 20, 2024, 6:00 p.m. – 7:30 p.m.

- Holiday Party, Wednesday, December 11, 2024, 11:00 a.m. – 1:00 p.m. Winnet Building, Great Hall, S2-19

- ACCT National Legislative Summit, February 9-12, 2025, Marriott Marquis, Washington, DC

Calendar of Events for November and December 2024

Calendar of Events for November and December 2024

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(12) Executive Session II

The Board will convene in Executive Session to discuss legal matters. The Board will not return.

**MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Thursday, October 16, 2024 – 9:00 AM**

Present for the Business Affairs Committee: Ms. Mindy Posoff, (presiding and via zoom), Mr. Harold Epps (via zoom), Mr. Rob Dubow (via zoom), Mr. Timothy Ford, Ms. Keola Harrington (via zoom), Mr. Jeremiah White (via zoom), Pastor Jonathan Mason (via zoom)

Present for the Administration: Dr. Donald Generals, Dr. Shannon Rooney, Mr. Jacob Eapen, Dr. David Thomas, Dr. Alycia Marshall (via zoom), Dr. Mellissia Zanjani, Ms. Carolyn Flynn, Esq., Mr. Derrick Sawyer, Mr. Gim Lim, Ms. Marsia Henley, Mr. John Wiggins, Dr. Darren Lipscomb, Ms. and Ms. Josephine DiGregorio

Guests: Dr. Judith Gay, Vice President Emerita (via zoom)

Ms. Posoff called the meeting to order at 9:01 AM. Ms. Posoff highlighted the agenda items, and asked Mr. Eapen to proceed with the first agenda item.

AGENDA
BUSINESS AFFAIRS COMMITTEE
PUBLIC SESSION

Please see Attachment A that contains a spreadsheet that lists the vendor/consultant, the amount, and the source of funding (i.e. Capital Budget, Operating Budget, Perkins Grant, or Bond Proceeds) which College Administration is seeking approval.

(1) HVAC for Center of Business & Industry (Action Item)

Discussion: Mr. Eapen stated that there are 8 heat pumps in the Center of Business & Industry (CBI) building that are not working. In an attempt to fix them, staff has found it difficult to find replacement parts. Manufacturers and retailers do not sell the parts or the refrigerant (R22) for these systems. Hence, the College has to replace the 8 heat pumps.

Mr. Eapen stated that CBI commissioned classes in Spring 2003. The average age of the heat pumps in CBI is 20 – 25 years. CCP requested pricing from PT Mechanical, Dewitt Mechanical, L&L Construction and Elliott-Lewis all under COSTAR. The responsible bidder was PT Mechanical at a cost of \$143,855. We received responses from all 4 vendors, however, we are not considering L&L Construction because they are not a Mechanical Contractor (See Attachment B).

Mr. Eapen asked MS. Henley to give the demographics on PT Mechanical. Ms. Henley

stated that PT Mechanical is out of Moorestown, NJ. They have 46 employees of which 21% are unrepresented minority groups. Mr. Eapen asked Mr. Wiggins to talk about the heat pumps. Mr. Wiggins that they have been addressing the heat pump issues stating that last year 6 heat pumps went down which were replaced this year. A few more broke down, and we are trying to get those replaced. When considering the age of the building and the equipment, and as time goes on, we will be looking to replacing pumps in the near future. Jacob stated that the funding for this project will be coming from the capital budget. Mr. Dubow asked that the heat pumps take up most of the \$200,000 for the 24-2025 budget (referring to the capital budget spreadsheet), and Mr. Eapen stated that if there are additional heat pumps that break, we may have to request a reallocation of the budget, to continue to stay within the budget. Pastor Mason asked how many heat pumps are in total that are used in the building? Mr. Wiggins responded that on average there are approximately 20 per floor (3 floors), for a total of 60-70 heat pumps in that building.

Staff requests that the Business Affairs Committee recommend to the full Board to award PT Mechanical to replace 8 heat pumps in the CBI building at the cost of \$143,855. These funds will be coming from the capital budget.

Action: Mr. White moved, and Mr. Dubow seconded the motion to recommend to the Board of Trustees to award PT Mechanical to replace 8 heat pumps in the CBI building at the cost of \$143,855. These funds will be coming from the capital budget. This motion passed unanimously.

(2) Capital Budget Plan - (Information Item)

Discussion: Mr. Eapen stated the Capital Budget plan is completed each September/October. This capital budget plan will take us through fiscal years 2024-2025, 2025-2026 and 2026-2027 (See Attachment C).

Mr. Eapen referred to spreadsheets starting with sources of funds, the uses of MEP funds, what monies were used last year, what projects has been rolled over summary requirement, debt service schedule, which includes the amount of principle and interest outstanding for the next several of years.

Mr. Eapen stated that the sources of funds are the money that are in the plant maintenance reserves of \$6,400,000, capital fees of \$1,300,000, PDE funding (two small projects) for \$690,000, West Philadelphia project \$5,200,000 in RACP, RACP for the Main Campus for \$3,000,000. The remaining money in BNY series 2019 of \$6,400,000, City Funding of \$7,100,000 for a total source of funds of \$30,226,695. The City is the remaining money of the \$15,000,000, spent approximately \$8,000,000 and we have approximately \$7,100,000 remaining for a total of \$30,226,695.

Mr. Eapen emphasized that projects over \$100,000 needs Board approval. Mr. Eapen stated that this is just a plan, and we are not asking for any approvals at this time.

Mr. Eapen referenced the spreadsheet that shows the Building Group, New/Carried Over, Facility Projects, and the total spending starting with the current year broken down by years. Mr. Eapen listed the Facility Projects to include Cooling Tower Dunnage & Pipping, Parking lot lighting, CBI Heat Pumps, Mint Building Front Doors, Mint Lighting,

Mint Façade Cleaning, Board Room Renovations & AV (already approved by the Board; however, the work has not begun yet), Office Moves to from 1500 Spring Garden to the main campus (lease ends in October 2025) will save \$300,000 on the operating budget once the moves are done. Mr. White asked if we were doing anything with the signage regarding the Mint building façade. Mr. Trazka responded that in the lighting package, there are enhancements to the existing signage. Mr. Trazka stated that as part of the Mint building lighting packing on Spring Garden Street is to put lighting on the Mint Building to highlight the architectural features on the Mint Building. The lighting on the on the bridge that connects the Mint Building and the West Building has been started, and also some lighting on the trees on Spring Garden Street as well as the columns. This lighting will make the College stand out from Spring Garden Street.

Mr. Eapen stated that at the NERC there are challenges with the heat pumps, and we are converting one of the labs into a Nursing Skills lab as requested by Dr. Marshall, also putting in a surgical tech lab, work needs to be done on the parking lot and bridge must be replaced.

Mr. Eapen stated the work has been done on the parking garage on the main campus over three phases. There is structural work that still needs to be done. The lighting has been completed. There is some additional work needed such as cameras and additional electrical work. Mr. White asked if all the water problems were taken care of in the garage. Mr. Wiggins responded that this will be some of the structural work that will be addressing in phase IV & V. Mr. Wiggins added there is no major water damage, but some of the structural work and enhancements of the expansion is where the water is coming from. Mr. Eapen stated that the simulation lab has been started in the West building. Mr. Eapen recommended to plan for a tour for the Business Affairs and other Trustees to see the facility improvements.

Mr. Eapen stated that the West Philadelphia Regional Center has challenges with the parking lot. There needs to do some fencing and lighting that will cost \$600,000. Mr. Eapen stated that we need to look the entrance to the West building from Ludlow street. There needs to be a new entrance, split air condition system, and reconfiguration of office spaces and classroom space at a cost of \$773,000.

Mr. Eapen stated that the Great Hall in the Winnet Building needs to be renovated. The Great Hall is old and requires substantial renovations and AV work to be done. That project will be completed in 2025-2026. The work in the old cafeteria project and moving offices such as Single Stop and KEYS has already started, and that cost is \$3,900,000. We need to replace a compressor in the Winnet Building at a cost of \$30,000. Once the cafeteria space conversion is complete, we will start the working on the front space \$2,600,000 primarily for CME and SGA offices.

Mr. Eapen stated there are several roof replacements. The generator needs replacing. The atrium/skylights connecting the Mint and Bonnell buildings needs to be replaced because there are leaks. This project has already been out to bid. The bathroom renovations need to be completed, and the sidewalk repair at \$75,000.

The total cost is \$30,226,695 split between three years (2024-2025, 2025-2026, 2026-2027). Mr. Eapen stated that we will come back to the Business Affairs Committee with any project over \$100,000.

Mr. Dubow asked what are the things that was working last year that fell off, and where are the things that were requested that were cut due to the level of resources? Mr. Eapen responded that last year approximately \$21,000,000 was approved over the 3-year plan. The projects that were completed, we spent approximately \$2,800,000. The projects that were dropped or moved into other funding sources was approximately \$1,100,000. The projects that we had to increase the scope, is approximately \$9,000,000. Mr. Dubow asked, of the \$1,100,000 how much were dropped, and how much were moved? Mr. Eapen responded that he will give Mr. Dubow a breakdown of what was dropped, and what was moved. Ms. Posoff asked, of the items that were carried forward or new, how much will get accomplished in 2024-2025? Mr. Eapen responded, that many of these projects go through a bidding process, the selection of a contractor, and the challenges of getting performance bonds, really extends the timeframes of the projects, and the cost of the projects. The projects that add up to \$9,000,000, the projects are in different stages of completion. Two examples are the Simulation Skills Lab (\$2,400,000), most of the initial work had to be done last year. The other example is the old Cafeteria renovation for Single Stop. Most of the work has been done, now we are preparing the project to get started. Mr. Eapen stated that the goal is to get that project done at the end of the fiscal year (\$2,800,000). Mr. Eapen stated that the time it takes from the moment we plan a project to the bid, to the selection of a contractor, and the contractors to respond to the needs under the regulations of the State takes a lot of time. Mr. Eapen stated that we are getting minimum bids, and many times we only receive one bid because the number of contractors that want to take public jobs have come down substantially after COVID.

Ms. Posoff requested to add at some point to highlight which is in the 60% done and which is in the starting phase. Mr. Eapen acknowledged Mindy's request.

Mr. Epps asked, to what degree do have we intentionally focused on local and diverse firms, do the size of these contracts fit the profile of their capability, and to what degree of being proactive incorporating Philadelphia Anchors for Growth & Equity (PAGE) learnings around these construction/engineering firms into your consideration? Mr. Wiggins responded that we have always put out our bids in PennBid that is part of the state regulations. We do reach out to minority vendors when we are putting bids out, but we are not getting the responses that we think we should be getting. Many of them are coming in higher than they should be coming in because 1) they are not familiar with public bidding, and 2) they don't want to front the cost up front. Some contractors want to get the money up front and they are asking on average 50% of the contract before we even give them a contract which put us in a difficult place in which we are not comfortable.

Mr. Wiggins also suggested that when we prepare the contracts we can always put in language that are looking to reach and meet some goals for minority sub-contractors to meet their targets because all they are going to do is find someone to say that it was submitted to their sub-contractor.

Mr. Epps asked, other than the City, are you utilizing PAGE's expertise in this area to remove barriers to get to the outcomes that is best for the City and for other diverse firms? Mr. Epps requested we do the same, because that is not using resources that are available to us.

Ms. Henley responded that she works a lot with Kenyatta, and she also stated that she could probably give some projects to him before hand, and get some ideas so he can rally folks who can participate on our bids. Ms. Henley stated that she has the quarterly meetings, and she lets him know what's coming up, and that we should be doing that on a regular basis.

Pastor Mason inquired about computer replacements and asked what is the timeline we used to make computer replacements, and what do we do with the hardware we replace? Mr. Eapen responded that we are primarily purchasing from Dell because we get the best price from Dell. The challenge we have is that we are unable to keep up with pace of the replacement given the dollars that we have. We have reached out to different vendors if they can come in and give us a price to take away old/used computers, and unfortunately, some computers are so old, they won't take them away. Mr. Eapen ask Pastor Mason if he had a contact, please let us know and we will reach out to them and ask if they are interested. Pastor Mason stated that he was thinking about Community Connections. Pastor Mason stated he was aware that universities get rid of computers after about 3 years. Pastor Mason mentioned that his church was able get some computers for their young people for a lab as the computers are still operational, it's just that it aged out of the use for the school. Pastor Mason asked what steps we take to get some of that hardware and give to schools/churches that are in need. Mr. Eapen stated that he will get a contact. Pastor Mason to follow-up.

Mr. White asked Mr. Eapen if the new Board members have seen a site maps of the various facilities? Mr. Eapen replied that that was something he and Mindy have spoken about. Mr. Eapen stated that they want to arrange a tour of the main campus, and the regional centers especially for the new Trustees. Mr. Epps noted that they will be meeting at the Northeast Regional Center in the near future. Mr. White suggested that site maps of the campus when talking about budgets would be helpful when looking at the different campuses.

Ms. Posoff stated that as it related to capital efforts, Ms. Posoff suggested that the full Board walk around main campus to see where our efforts are being expended.

Ms. Posoff summarized that the capital budget plan was discussed. Ms. Posoff stated than any project over \$100,000 will be presented to the Business Affairs Committee for discussion and approval.

Ms. Posoff asked Mr. Eapen to discuss the funds received from the City. Mr. Eapen

stated that we received \$15,000,000 from the City, and have spent \$8,000,000, and about \$7,000,000 remaining, and the goal is to spend that money within the 3-year plan.

Ms. Posoff stated that all Board members, especially those on the Business Affairs Committee, go back and look at the real estate study that the Mosaic did so everyone can get updated on the evaluations, and where the properties are, and any other recommendations. Ms. Posoff will work with Mr. Eapen to decide if there is a need for a special Business Affairs meeting, or a working group.

Mr. Eapen stated that CCP contracted for a study to look at the mechanical, electrical and plumbing systems college wide, and the life of the systems and a replacement strategy. The work that was done by Remington and Vermick shows the priority by tiers, the average by feet, the approximate area, and the estimated project cost and the estimated completed project time.

Mr. Traska stated that Remington and Vernick report that was done on the facilities is approximately a 300-page report. The consultants went through every building looking at all the equipment in each building. They wanted to know how old the equipment was, and what condition the equipment was in, and made recommendations on what tier it would fall in too. Tier one is the most immediate up to tier 6 is that the equipment is in fair condition, and it can be held off for a later time. Tier 1 is a life safety of controls. CCP does not have is a good control system that manages and monitors our building automation for the HVAC equipment. Tier 1 would be the Bonnell, Mint, and West buildings because they are main buildings when it come to the HVAC systems. Tier 2 would include more of the building automation in the other buildings as well as the aged-out equipment and equipment that needs to be replaced. Remington and Vernick made the recommendation based on their findings. Mr. Traska stated that he and Mr. Wiggins have been at the College for 4-5 years, things break and we want to get ahead of that and be proactive.

Mr. Eapen stated that from a funding standpoint, we have seen other community colleges have implemented GESA projects. Mr. Eapen had a conversation with Harrisburg Area Community College who did a GESA project, and phase 1 was above \$12,000,000 and they are starting to do phase 2. We need to think about how to fund this project, whether we finance through GESA or whether we want to do a bond issue. Mr. Dubow asked if any of this was reflected in the capital budget debt, or all above what we saw on the capital budget? Mr. Eapen responded that this is outside the capital budget plan that has been presented. Mr. Eapen also added that this is not life threatening, but this is all work that needs to be done. Mr. Dubow added that the City has a sustainability office does GESA projects to and added if its helpful you can talk to them.

Mr. Eapen explained the debt service that is still outstanding, the year it was issued, the balances, and the principle amount. We have broken that down the debt service by each of the years. The debt service goes down from about \$8,000,000 to about \$3,000,000 starting in 2029. As we look at new buildings or do a bond issue, there is a great opportunity for CCP to do some bond issues, and in the presentation by Dr. Generals, he talked about the Health & Life Sciences Building. Mr. Eapen stated there is a substantial reduction of the debit service going from \$8,900,000 to \$3,200,000 in 2029.

Mr. White asked what was our current bond rating? Mr. Eapen responded that the rating is Moody's A3 Stable. Mr. Dubow asked if we had a policy on where the debt service should be as a percent on overall costs? Mr. Eapen responded that there is no policy, we just have a policy on the reserves. Mr. Dubow asked if there is a level where we should start to worry that it is too high, and straining the budget? Mr. Eapen responded that with the overall budget we need to have a debt service that we can manage, and all the financial pieces have to tie together. Mr. Dubow asked if \$8,000,000 to \$9,000,000 million is in that range? Mr. Eapen stated that \$9,000,000 in debt service is manageable.

(3) Next Meeting – Combined Business Affairs and Executive Committees of the Board of Trustees (Information Item)

The next meeting of the Combined Business Affairs and Executive Committees of the Board of Trustees is scheduled for Wednesday, November 20, 2024 at 9:00 A.M.

The public session of the Business Affairs Committee meeting adjourned at 9:40 am.

The Business Affairs Committee of the Board of Trustees went into Executive Session.

Executive Session included discussions of negotiations, personnel, real estate, and litigation matters.

Business Affairs Committee returned to Public Session

Salary increases for Administrators, Grant Administrators, and Confidential employees.

The Business Affairs Committee recommends to the College Board of Trustees to approve a resolution that includes the language that subject to evaluation and performance, College Administrators, Grant Administrators, and Confidential staff are eligible to receive a raise up to 5% retroactive to September 1, 2024.

Action: Mr. Epps motioned, and Mr. Dubow seconded the motion to approve the resolution that includes the language that subject to evaluation and performance, College Administrators, Grant Administrators, and Confidential staff are eligible to receive a raise up to 5% retroactive to September 1, 2024.

ATTACHMENT A
FUNDING FOR ACTION ITEMS
MEETING OF THE BUSINESS AFFAIRS
COMMITTEE OF THE BOARD OF TRUSTEES

AGENDA: October 16, 2024

Agenda No.	Vendor/Consultant	Amount	Source
1	PT Mechanical	\$143,855	Capital Budget

ATTACHMENT B

Vendor Summary

**FURNISH AND INSTALL 8 NEW
FIVE-TON HEAT PUMPS AT CBI**

<u>VENDOR</u>	<u>AMOUNT</u>
PT Mechanical	\$143,855
Dewitt Mechanical	\$171,215
Elliott-Lewis	\$144,183
L & L Construction *	\$123,895

* Not a Mechanical Contractor

ATTACHMENT C

3-Year Capital Plan 2025-2027

Community College of Philadelphia	
Multi-Year Capital Plan	
Fiscal Year 2025-2027	
	Fiscal Year 2025-2027
<u>Source of Funds</u>	<u>Amount</u>
Plant Maintenance Reserves	6,400,000
Projected Capital Fees (FY 25-27)	1,371,467
PDE Funding	690,000
RACP West Philadelphia Project	5,250,000
RACP	3,000,000
BNY series 2019	6,359,248
City Funding	7,155,980
Total Source of Funds	30,226,695
<u>Use of Funds</u>	
3 Year spending plans	30,226,695

<u>Building Group</u>	<u>New or C/O</u>	<u>FACILITY PROJECTS</u>	<u>Total Spending</u>	<u>24-25</u>	<u>25-26</u>	<u>26-27</u>
Bonnell	C/O	Cooling Tower Dunnage & Piping	92,000	92,000		
Bonnell	C/O	Parking lot lighting	60,000	60,000		
Total Bonnell			152,000	152,000	-	-
Total CBI	C/O	CBI Heat Pumps (all)	300,000	200,000	100,000	
Mint	C/O	Mint Building Front Doors	800,000	800,000		
Mint	C/O	Mint Lighting	1,000,000	554,200	445,800	
Mint	C/O	Mint Façade Cleaning	300,000	300,000		
Mint	C/O	Board Room Renovation & AV	900,000	900,000		
Mint	C/O	Office Moves related to 1500SG	1,421,800	1,421,800		
Total Mint			4,421,800	3,976,000	445,800	-
NERC	C/O	NERC Heat Pumps	64,052	64,052		
NERC	New	Nursing Skills Lab	300,000		300,000	
NERC	New	Surgical Tech Lab	300,000	300,000		
NERC	C/O	Parking lot & Bridge repairs	500,000	200,000	300,000	
Total NERC			1,164,052	564,052	600,000	-
Parking	C/O	Main garage -Phase IV & V	1,040,000		1,040,000	
Parking	C/O	Main garage:Lighting, Cameras, electrical	932,143	332,143	600,000	
Total Parking			1,972,143	332,143	1,640,000	-
West	C/O	Simulation Lab for Nursing & Allied Health;Renovation of respiratory care Lab	2,979,305	1,724,305	1,255,000	
West	New	Nursing Skills Lab	700,000	700,000		
West	C/O	Dental Clinic Floor & Cabinetry	151,333	151,333		
Total West			3,830,638	2,575,638	1,255,000	-
WRC	C/O	CATC Parking Lot	600,000	600,000		
WRC	C/O	New entrance/split system/reconfig rooms	773,905		773,905	

<u>Building Group</u>	<u>New or C/O</u>	<u>FACILITY PROJECTS</u>	<u>Total Spending</u>	<u>24-25</u>	<u>25-26</u>	<u>26-27</u>
Total West Regional Center			1,373,905	600,000	773,905	-
Winnet	C/O	Great Hall Renovation	1,200,000		1,200,000	
Winnet	C/O	Old Cafeteria renovation to single stop office space, Keys, etc.,	3,957,069	3,957,069		
Winnet	C/O	Compressor	30,000	30,000		
Winnett	New	Front Offices	2,600,000	1,300,000	1,300,000	
Total Winnett			7,787,069	5,287,069	2,500,000	-
Various	C/O	Roof Replacements	3,100,000	1400000		1,700,000
Various	C/O	Electrical cost: Generator	740,000	150,000	295,000	295,000
Various	C/O	Replace Atrium Skylights - Mint/Bonnell	1,350,000	1,350,000		
Various	C/O	Bath rooms renovation	575,630		478,862	96,768
Various	C/O	Sidewalk repairs(div prioritities)	75,000	25,000	25,000	25,000
Various	C/O	Miscellaeous (Contingencies)	462,226	462,226		
Various	C/O	Multi Media auditorium	390,000	390,000		
Various	C/O	Rebranding	537,637	537,637		
Various	C/O	Math, Science & Health Careers	58,000	58,000		
Various	C/O	Divisional Priorities	1,003,876	1,003,876		
Various	C/O	Computers	450,000	450,000		
Various	C/O	Furniture & Fittings	230,719	230,719		
Various	C/O	Public Safety	52,000	52,000		
Mint	New	Heat Exchanger	200,000		200,000	
Total Various			9,225,088	6,109,458	998,862	2,116,768
Grand Total			30,226,695	19,796,360	8,313,567	2,116,768

Community College of Philadelphia

Resolution – Fiscal Year 2024-2025

Resolution for Board of Trustees Meeting, November 7, 2024, for Salary Increases for Administrators, Grant Administrators, and Confidential Employees

WHEREAS, on October 16, 2024, the Business Affairs Committee of the Community College of Philadelphia’s Board of Trustees approved a motion recommending that the Community College of Philadelphia’s Board of Trustees approve a salary increase for College Administrators, Grant Administrators, and Confidential Staff of up to five percent (5%), subject to satisfactory evaluation and performance, retroactive to September 1, 2024;

NOW THEREFORE, on this 7th day of November, 2024, the Board of Trustees hereby resolves that, subject to satisfactory evaluation and performance, College Administrators, Grant Administrators, and Confidential Staff are eligible to receive a salary increase of up to five percent (5%) retroactive to September 1, 2024.

Harold T. Epps, Chair

Ajeenah Amir, Secretary

Jacob Eapen, Treasurer

Donald Generals, President

MEETING OF AUDIT COMMITTEE (HYBRID)
Community College of Philadelphia
Friday, October 18, 2024 – 1:00 p.m.

Present for the Audit Committee: Mr. Anthony Simonetta (*via Zoom*), Mr. Rob Dubow (*via Zoom*), Mr. Timothy Ford (*via Zoom*) and Mr. Harold Epps (in-person)

Present for the Administration: Donald Generals, Ed.D., Mr. Jacob Eapen, Carolyn Flynn, Esq., Mr. Gim Lim, Mr. Robert Lucas, Dr. Mellissia Zanjani and Ms. Elly Jo Waller (*via Zoom*)

Representing Grant Thornton: Ms. Angelica Roiz and Ms. Gabriella D’Angelo

Guest: Dr. Judith Gay, Vice President Emerita (*via Zoom*)

AGENDA – PUBLIC SESSION

The Audit Committee meeting was held on-campus and also available *via Zoom* for those who could not attend in person.

1. Approve Minutes of Audit Committee Meeting on June 17, 2024 (Action Item):

Action: Mr. Tony Simonetta asked whether anybody has corrections or changes to the minutes. Hearing no changes, Mr. Simonetta asked for a motion to recommend acceptance of the June 17, 2024 Audit Committee meeting minutes (Attachment A). Mr. Harold Epps made the motion. Mr. Rob Dubow seconded the motion. The motion passed unanimously.

2. 2024 Fiscal Year Audit Report (Action Item):

Ms. Angelica Roiz introduced herself and Ms. Gabriella D’Angelo who was recently promoted to manager. Ms. D’Angelo has been the Senior Associate on the College's audit for a number of years. Ms. Roiz stated that Grant Thornton is here today to present the results of our 2024 Financial Statement Audit (Attachment B) for the College. Ms. Roiz stated if there are any questions or comments to please feel free to stop her as she goes along. Ms. Roiz stated it was a clean audit with no significant findings or issues or material misstatements. The audited financial statements have to be submitted to the City of Philadelphia by October 31st as the College is a component unit of the City. Grant Thornton will come back to the Committee in March 2025 to present the results of their compliance audit or the long form.

Ms. Roiz stated that Grant Thornton also work with Mr. Tony Scott's firm, the Meridian Group, a local minority-owned firm. Mr. Scott provides staffing for the audit as part of Grant Thornton’s contract with the College. Ms. Roiz stated that Grant Thornton’s work is complete and they are ready to issue the opinion as soon as they receive the signed Management Rep Letter and a few legal updates from external counsels as part of their final concluding procedures.

Ms. Roiz stated from a timeline and scope perspective, the audit is consistent with what Grant Thornton shared with the Committee back in June 2024. Grant Thornton started working in the spring and summer time as they do their planning and risk assessments, walk-throughs over the course of the summer and completing the final field work in the September/October time frame. Ms. Roiz stated that they will be performing a few Agreed-Upon Procedures for the College in December.

According to Ms. Roiz, Grant Thornton's significant risk is management override of controls. This is not due to any issues at the College but because audit standards require it to be identified as a significant risk. She stated that Grant Thornton conducted extensive testing on the design of systems, pervasive controls, and tone at the top, engaging with individuals both within and outside of Finance. She also mentioned that Grant Thornton performed substantial testing on journal entries for the year, and the results of their procedures did not reveal any identified or suspected instances of fraud or management override of controls. Revenue remains their main area of focus, examining all financial statement line items and disclosures, but certain items received more time and effort.

Ms. Roiz stated that Grant Thornton examined the tuition and fee revenues to ensure they were appropriately recorded and disclosed. This involved detailed testing of student account statements, billings, and collections. On the grant side, Grant Thornton conducted extensive testing on all Federal, State, and Local Grants received by the College to ensure funds were appropriately spent and financial statement disclosures were complete and accurate. Ms. Roiz mentioned that some funds are deferred if projects have yet to start, and sometimes there are receivables for completed work that have yet to be collected. All of these aspects were subject to their procedures, and they found no significant issues. Regarding investments, Grant Thornton confirmed and performed valuation testing on the investment holdings of both the College and the Foundation. Ms. Roiz noted no significant findings or issues and expressed confidence in the recorded values and the footnotes of the financial statements. Additionally, Grant Thornton reviewed appropriations to ensure that disclosed amounts were appropriate, whether for operating or capital purposes, and verified the various funding sources, all of which were subject to their procedures.

Ms. Roiz stated that GASB 75 has been around for several years and pertains to OPEB, the other post-employment benefits liability on the College's books. She explained that actuaries handle this work for the College, and Grant Thornton has their own actuaries who review it to ensure it's reasonable and appropriate. Grant Thornton is confident in these estimates and confirmed that management has not made any inappropriate or unusual adjustments. All financial disclosures are complete and accurate in accordance with GASB standards. Ms. Roiz noted that there were no significant new accounting pronouncements this year, so there weren't major changes in the financials related to GASB. However, they still performed a completeness check to ensure everything was recorded appropriately.

Ms. Roiz stated that Banner was in scope for Grant Thornton's IT audit, which included general ledger, financial aid and administrator access and password testing. Grant Thornton collaborated with the College's Finance and IT departments to ensure employees are added and removed in a timely manner, access is appropriate, and Finance personnel do not have inappropriate administrative access, thereby maintaining proper segregation of duties. This work also complements the financial aid testing to be conducted later in the year, ensuring that financial aid limits are integrated into the systems and the College complies with the Department of Education regulations. Ms. Roiz mentioned that Grant Thornton found no instances of fraud, significant findings, or issues with related party transactions. She added that all component unit dealings, including those involving the Foundation and CCP Development, LLC, are disclosed in the financial statements.

Ms. Roiz stated that Grant Thornton identified two immaterial past adjustments related to year-end cut-off items that management was aware of. The adjustments have negligible impact on the change in net position due to their immateriality. One adjustment was related to the implementation of a new leasing software, LeaseCrunch, which automates the tracking of all leases and SAAS for GASB 87 and GASB 96. During the conversion, a portion of interest receivable had to be adjusted. The second adjustment involved a Catto scholarship grant receivable. Once more accurate information was available, the College adjusted the estimate, and all corrections were made as part of the year-end testing.

Mr. Simonetta inquired about the grant receivables, mentioning that it was his understanding these receivables dated back a couple of years and should probably have been written off last fiscal year. He asked Ms. Roiz to elaborate on the situation. Ms. Roiz then invited Mr. Lim or Mr. Eapen to provide more details. Mr. Lim explained that the issue originated in 2021 when the Catto Scholarship fund was first established. At that time, the College booked a list of items related to furniture, fittings, and equipment as receivables. These items were billed the following year, but due to staff turnovers at the College, the entry was not reversed. Mr. Simonetta asked whether the College received the funds. Mr. Lim clarified that the College did indeed receive the funds. The \$505,252 in question was included on an invoice totaling about \$1.5 million.

Mr. Simonetta asked if there were any more questions before moving forward. Hearing none, Ms. Roiz stated that this concludes Grant Thornton's required communications of the audit. She welcomed any questions or comments from the Audit Committee regarding their presentation ([Attachment C](#)) or on the draft financial statement.

Ms. Roiz continued with the industry update, mentioning that there are headwinds in the sector that began before COVID, were exacerbated by the pandemic, and are still present. She noted significant differences between the public and private sectors. Ms. Roiz highlighted that the Department of Education has focused more on the liquidity of institutions in the private sector, where they lack the support, appropriations, and public funding that public institutions receive. Consequently, Grant Thornton has been working extensively with private clients on enhanced disclosures for the Department of Education. While the Department has not mandated these enhanced disclosures in the public sector, it remains a focus area due to precarious enrollment trends and changing student demographics. Despite pressures on tuition, Ms. Roiz noted that the College has maintained flat tuition rates over a number of years, and enrollment is moving in a positive direction.

Ms. Roiz stated that while the sector faces significant headwinds, the College is well-positioned in many ways compared to what Grant Thornton is observing elsewhere. She noted that schools are increasingly focusing on Enterprise Risk Management (ERM), strategic planning, and programming. With the end of HEERF funding and challenging demographics, the Department of Education appears to be emphasizing liquidity. This trend is evident in Philadelphia's higher education landscape.

Mr. Rob Dubow asked if these concerns affect all higher education institutions or specifically community colleges. Ms. Roiz confirmed it affects all higher education, but noted that the impact on community colleges is different. Community colleges benefit from state, local, and federal support, which buffers them compared to private institutions. Public sector enrollment has remained strong compared to other higher education sectors. Although community colleges are not immune to these issues, they are less severe assuming tuition remains flat, programs continue to develop, and demographic challenges are managed.

Mr. Harold Epps asked whether there were any discussions about the extent of excess capacity in the system, excluding private higher education. Ms. Roiz clarified if he meant within the community college system. Mr. Epps confirmed, adding that it could also apply to state-funded institutions in general. Ms. Roiz responded that it's challenging to quantify due to variables such as the system, geography, and specific institutions.

Dr. Generals noted that the focus on workforce development, which increasingly involves not just 17-year-olds but also four-year institutions, is seen as a response to declining youth demographics. This trend suggests a growing demand from various sectors for workforce development. Dr. Generals mentioned that Grant Thornton's observation about community colleges' enrollment outperforming four-year institutions aligns with broader demographic trends and cost factors, indicating a disruption in higher education.

Ms. Roiz agreed, emphasizing that while demographic factors are crucial, the Department of Education's evolving approaches to aid calculation, eligibility, and auditing reflect these changes. She noted that these factors would likely influence future statistics and reporting. Dr. Generals added that in Pennsylvania, the Governor is pushing for higher education reorganization, promising more revenue and a focus on performance-based funding, impacting all aspects of workforce development.

Mr. Simonetta stated that Colleges are experiencing a capacity issue. Penn State University is closing some of its suburban locations, the University of the Arts has shut down, and Cabrini University was acquired by Villanova University. These events clearly indicate a capacity issue which universities are trying to resolve. Dr. Generals noted that the Pennsylvania State System of Higher Education (PASSHE) consolidated six universities into three, yet they still face struggles, indicating that these measures are not enough.

Ms. Roiz mentioned that Grant Thornton is observing a decrease in capacity across the board, with an increase in mergers, consolidations, and partnerships between schools and programs to retain and attract students. Mr. Simonetta inquired if Dr. Generals had heard about additional funding targeted primarily at community colleges for students aiming for workforce training rather than pursuing a degree. Dr. Generals stated that is a significant part of the Governor's strategy and plan to focus on higher education on the workforce economic needs of the State. All indicators point to the fact that college is costly. At the same time, it does the least in terms of retaining students to stay and contribute to the local economy.

Dr. Generals stated that the Governor's original plan called for a thirteen percent increase in funding, which did not happen. The College received six percent and is still holding the State to the thirteen percent increase. The Higher Education Board has just formed and is scheduled to have a plan by 2025, which brings the Governor to year two or three of his term. Dr. Generals mentioned that the plan is to expand in areas such as workforce development and short-term certificates. The Governor is focusing on Applied Sciences like Nursing and Auto Tech, as these areas are expected to receive more funding through performance-based structures, with the State looking at graduation rates and contributions to the economy.

The Higher Education Board has met twice and is scheduled to have a plan by September 2025. This plan will encompass all higher education in the State except for Penn State and Carnegie Mellon University, but includes PASSHE and State-related institutions, all of which are represented. Community colleges have one representative on the board. Dr. Generals stated that the Governor's goal is to make a difference in higher education. Initially, he tried to include governance, but this time he is making it clear that governance is not part of it. Instead, authority will be placed with the Higher Education Board, which will have regulatory authority despite local governance. Dr. Generals acknowledged that this may sound confusing, but he believes it is changing the landscape of higher education.

Mr. Epps asked about the protections in place for the next steps and what to expect as the Governor reaches the halfway point of his administration in two months. He inquired about the speculation on what might happen between now and the end of the Governor's term. Dr. Generals responded that it is overly optimistic to expect a 13 percent increase and for the Higher Education Board to structure a performance-based model. With only two years left in his term, the Governor's ambitious plans are uncertain, which has always been a concern. Dr. Generals mentioned he is worried about the regulatory authority over colleges that will be passed on to the next administration.

The Higher Education Board had their second meeting, aiming to create performance-based funding. Efforts to revitalize articulation agreements have been ongoing for four months, but progress has stalled due to the election. Meanwhile, colleges are closing, and there is a sense of urgency in Harrisburg to address these issues carefully. The University of the Arts' closure, along with Pierce, Cabrini, and the University of the Sciences, highlights the severity of the situation in Philadelphia.

Dr. Generals mentioned that colleges are struggling with changes to financial aid and there are concerns about financial aid fraud. Ms. Roiz added that from a compliance testing perspective, the College is still awaiting results from the 2018 program review. She mentioned that Grant Thornton will be conducting more detailed compliance testing to ensure all requirements are met this winter. Although it is hard to predict the outcome, Grant Thornton's testing will increase, with a focus on more compliance and fraud testing due to the inherent risks.

Action: Mr. Simonetta asked whether anybody had any concerns or questions. Hearing no concerns or questions, Mr. Simonetta asked for a motion to recommend acceptance of the June 30, 2024 Financial Statements (Attachment C) to the full board. Mr. Dubow made the motion. Mr. Timothy Ford second the motion. The motion passed unanimously.

3. Internal Audit Plan (Information Item):

Mr. Bob Lucas provided an update on the 2022-2024 Internal Audit Plan. He provided a summary report of activities since the last Audit Committee meeting and a spreadsheet of the Internal Audit Plan by email in advance of the meeting. Mr. Lucas stated that, since the last Audit Committee meeting, two audits had been completed and the draft audit reports were issued to management. He also noted that five audits were in progress.

Mr. Lucas noted that the two completed were part of the proposed 2024-2026 Internal Audit Plan and that both audits were requested by senior management to be performed as soon as possible for logistical reasons. Mr. Lucas stated that the audit of purchasing cards had been performed previously and that, based on the turnover of a number of cardholders since the prior audit, it was recommended that another audit be performed to help ensure compliance with the existing policies and procedures.

Mr. Dubow asked Mr. Lucas whether there were planned cycles to perform certain audits. Mr. Lucas responded that with limited staff it was not practical to perform audits on a cycle basis, and that the timing of the audits, which may recur over time, were based on the professional judgment of the Internal Auditor to recommend them to senior management for inclusion in the Annual Audit Plan.

Mr. Lucas then reviewed the 2022-2024 Internal Audit Plan which was also provided to the members by email in advance of the meeting. He noted that certain audits were still in progress and that several had not started in that period, some of which are now included in the Proposed 2024-2026 Internal Audit Plan which was also included in the Internal Audit materials sent to Committee members. Mr. Lucas stated that the proposed plan had been provided to Dr. Generals for his review and that the new plan, once approved, would be shared with the Cabinet as well.

Mr. Lucas then reviewed with the Committee the Internal Audit Follow Up Matrix on which the audit comments, recommendations, and management's action plans are tracked. The matrix had also been distributed to the Committee members by email in advance of the meeting. Mr. Lucas noted that the target dates and action plans had been updated at the direction of the vice presidents who were responsible for those plans.

Mr. Lucas stated that the Internal Audit Committee (IAC) continues to meet at least quarterly. The most recent meeting of the IAC was in September.

Lastly, Ms. Carolyn Flynn, General Counsel, informed the Audit Committee that Mr. Lucas had resigned from his position with the College. The Committee members thanked Mr. Lucas for his work in Internal Audit and wished him well in his retirement.

Mr. Simonetta stated Grant Thornton's contract expires with the June 30, 2024 audit. The College was considering whether to seek proposals. Mr. Eapen and I decided we would instead consider a change of the engagement partner for the audit and continue our relationship with Grant Thornton. Mr. Eapen stated he will reach out to the Committee members to get their feedback and invite Committee members interested in interviewing from the pool of available engagement partners.

Mr. Simonetta asked for a motion to adjourn the meeting, Mr. Dubow motioned and Mr. Simonetta seconded. The motion passed unanimously.

4. March 2025 Meeting Date (Information Item):

The next meeting will be to discuss the results of the College's Uniform Guidance Audit. Typically, this meeting is scheduled for the month of March, since the deadline to submit the results to the Department of Education is March 31st of each year.

EXECUTIVE SESSION

During any audit committee meeting; Management, The Independent Auditors or the Internal Auditor may request an Executive Session to meet privately with the Audit Committee.

GSL/lmh
Attachments

cc: Dr. Donald Generals, Jr.
Mr. Jacob Eapen
Ms. Carolyn Flynn, Esq.
Mr. Robert Lucas
Mr. Derrick Sawyer
Mr. Barry Sulzberg
Representing Grant Thornton: Ms. Angelica Roiz
Representing Grant Thornton: Mr. Alex Ney

ATTACHMENT A
MINUTES FROM JUNE 17, 2024
AUDIT COMMITTEE MEETING

MEETING OF AUDIT COMMITTEE (HYBRID)
Community College of Philadelphia
Monday, June 17, 2024 – 9:30 a.m.

Present for the Audit Committee: *Via Zoom* - Mr. Anthony Simonetta and Mr. Rob Dubow

Present for the Administration: Donald Generals, Ed.D., Mr. Jacob Eapen, Carolyn Flynn, Esq., Mr. Gim Lim, Mr. Robert Lucas, Mr. Barry Sulzberg, Mr. Derrick Sawyer (*via Zoom*)

Representing Grant Thornton: Ms. Angelica Roiz and Mr. Alex Ney

Guest: Dr. Judith Gay, Vice President Emerita (*via Zoom*)

Absent: Mr. Harold Epps and Ms. Ajeenah Amir

AGENDA – PUBLIC SESSION

The Audit Committee meeting was held on-campus and also available *via Zoom* for those who could not attend in person.

5. Approve Minutes of Audit Committee Meeting on March 20, 2024 (Action Item):

Action: Mr. Anthony Simonetta asked for a motion to recommend acceptance of the March 20, 2024 Audit Committee meeting minutes (Attachment A). Mr. Simonetta made the motion. Mr. Rob Dubow seconded the motion. The motion passed unanimously.

6. 2023-2024 Audit Process (Information Item):

Ms. Angelica Roiz stated that she and Mr. Alex Ney of Grant Thornton will present the audit plan for the 2024 Financial Statement to the Audit Committee. Ms. Roiz also mentioned that Mr. Tony Scott, who leads the minority-owned Meridian Group, will be assisting with the audit, as Grant Thornton outsources a portion of the work to his firm

Ms. Roiz stated that Grant Thornton has already completed preliminary engagement procedures. Grant Thornton will be finalizing the risk assessment over the course of this month and through the summer. Ms. Roiz stated that Grant Thornton's final field work is expected to be completed in September/early October.

Ms. Roiz stated that the uniform guidance compliance work will be performed later in the year. The deadline to submit the Uniform Guidance Audit Report is March 31st, 2025. Grant Thornton will perform three agreed upon procedures reports for the College in December.

Mr. Simonetta asked Ms. Roiz if the College had heard from the City of Philadelphia regarding their deadline for this coming year. Mr. Roiz mentioned that historically, Grant Thornton issued reports in September, but this was extended to October 31st during the COVID disruptions. Ms. Roiz asked Mr. Gim Lim to confirm if the College had received any communication from the City. Mr. Lim stated that the City typically sends a memo to the College in early July, and if he doesn't receive it, he'll follow up with the City. Mr. Rob Dubow added that the City of Philadelphia's schedule would remain the same as last year.

Ms. Roiz asked Mr. Ney to take over the presentation. Mr. Ney stated that Grant Thornton's significant risk management focuses on control risks, which are inherent in all their audits. Grant Thornton will address this risk by understanding the College's controls, including those related to IT, with assistance from their IT audit specialists. This includes evaluating fraud risks, conducting management queries, and testing sample journal entries.

Mr. Ney explained that Grant Thornton will first value investments. They will perform confirmation procedures to test the existence of investments for both the College and the Foundation and verify the accuracy of the portfolio's fair value using independent fair value prices. Grant Thornton will also assess the appropriateness of investment income and investment-related disclosures. Next, they will test tuition revenues by performing reasonableness tests over recorded revenues, conducting detailed testing on a sample of transactions, and evaluating any deferred revenues to ensure that the allowance for doubtful accounts is reasonable.

Mr. Ney stated that Grant Thornton will test appropriations and grant revenues by confirming that they are recorded properly. Mr. Ney stated that for grants, Grant Thornton will obtain an understanding of the grant agreements in place during the year and the related accounting controls for these grants, and test significant revenues recognized during the year on a sample basis.

Mr. Ney stated that Grant Thornton will review GASB 75, the post-employment benefits standard, by testing participant data and utilizing their internal actuaries to assess the reasonableness of inputs and assumptions used in the valuation of accrued post-retirement benefits.

Mr. Ney also mentioned that Grant Thornton will evaluate the completeness and accuracy of financial statement disclosures and test material estimates, including investments in post-retirement plans.

For last year's single audit, Grant Thornton tested the student financial assistance cluster, HEEF funding, and the Career and Technical Education Program. Based on preliminary numbers, they will test the financial aid cluster this year and probably one other program. This involves understanding the requirements outlined in the 2024 Compliance Supplement for each in-scope program, focusing on student financial assistance, and testing both the controls and the College's compliance with these requirements on a sample basis.

Mr. Ney stated that Grant Thornton will use IT audit specialists to review the in-scope systems for the College. The procedures will include testing the financial aid module and reviewing administrative access and password controls.

Ms. Roiz then asked if there were any questions before Grant Thornton provided a quick industry update. Mr. Dubow inquired if the concerns were general to the industry, and Ms. Roiz confirmed this, stating that Grant Thornton's procedures are guided by industry standards and requirements, focusing on significant risk areas. She noted that specific grants received by the College vary year to year, depending on materiality and new extensions, leading to some unpredictability. As Mr. Ney mentioned, this year will focus on the student financial aid cluster, but does not exclude adding another program for review. Mr. Dubow thanked them.

Ms. Roiz then provided an update on the higher education sector trends but not necessarily specific to the private or public sector or to the college itself. Generally, these are type of areas that were emerging issues but remains as area of focus, specifically around strategic planning, internal reporting, looking at technology, and planning around student success. Technology appears to have contributed to supporting this environment and helping keep tuition and enrollment at healthy levels.

Based on According to rating agency reports, the outlook on the higher education industry is still mixed in terms of what they are seeing and what they are predicting. Although there is some stabilization, continued risks remain. Ms. Roiz stated that Grant Thornton is informing their clients th at the impact of higher education issues varies across the sector. The key point is that no single outloo k applies to the entire sector. These are the overall positives and negatives exerting pressure on the Hi gher Education sector.

Ms. Roiz asked if there were any questions. Referring back to Mr. Dubow's earlier question, she stated that from an audit perspective, nothing is exacerbated regarding what needs to be done in terms of testing. Instead, these are more big-picture, directional trends observed in the sector and shared by rating agencies. Mr. Dubow inquired whether any rating agencies have specifically focused on community colleges, rather than higher education as a whole. Ms. Roiz replied that while rating agencies typically assess the sector overall, there is some specific data on community colleges that Grant Thornton can further investigate. Additionally, Mr. Lim and Mr. Eapen may have information from their CFO Focus Groups

Dr. Generals asked if there is any expectation to take a deep dive into what happened at the University of the Arts regarding the recent tragedy. He noted that the entire region seems to be under extreme stress in higher education. He inquired if these scenarios are being examined. Ms. Roiz responded affirmatively, stating that Grant Thornton is indeed focusing on this issue from a community perspective, audit testing, and risk perspective. They are considering financial management, sustainability, and the ability to service debt, which are always top priorities in their audits. Specifically, regarding the University of the Arts, there is an ongoing effort to understand what happened, what caused it, and how to prevent such incidents in the future. Ms. Roiz added that while she doesn't have more specific information to share at the moment, there is a heightened focus on their audits, considering pressures like declining enrollment, managing net tuition, delivering programs, and timely reviewing program offerings. Mr. Simonetta thanked Ms. Roiz and Mr. Ney for their comprehensive explanation and asked if there were any further questions for them.

7. Internal Audit Plan (Information Item):

Mr. Robert Lucas provided an update on the 2022-2024 Internal Audit Plan. He provided a summary report of activities since the last Audit Committee meeting and a spreadsheet of the Internal Audit Plan by email in advance of the meeting. Mr. Lucas stated that, since the last Audit Committee meeting, one audit had been completed with the audit report finalized with management, and four audits were in various stages of progress.

Mr. Lucas provided some additional information regarding the audit which was finalized, Return to Title IV. He provided the committee members with information related to the results of the audit noting that only one administrative comment was included in the report. Mr. Lucas stated there were no exceptions noted in the detailed testing of a sample of students whose accounts may have been subject to the Title IV rules. He noted that the recommendation and action plans were included in the Internal Audit Follow Up Matrix provided for this meeting. He also noted that he is working on an investigative audit at the request of General Counsel.

Mr. Lucas then reviewed the Internal Audit Plan which was also provided to the members by email in advance of the meeting. He noted the changes which had been made to the status of several audits on the plan since the last meeting and that the investigative audit had been added to the plan as well.

Mr. Lucas then reviewed with the Committee the Internal Audit Follow Up Matrix on which the audit comments, recommendations, and management's action plans are tracked. The matrix had also been distributed to the Committee members by email in advance of the meeting. Mr. Lucas noted that the action plans and target remained unchanged since that last meeting and that all items were noted as in progress (highlighted in yellow) or were still within their original target date (no highlighting). One item had been added to the matrix as communicated to the Committee members and noted above.

8. Internal Audit Committee (Information Item):

Mr. Lucas stated that the Internal Audit Committee (IAC) continues to meet with its last meeting on June 5, 2024.

Mr. Lucas stated that he is working on the development of the 2024-2026 Internal Audit Plan. He is currently soliciting the Cabinet members for suggested audit subjects in their own divisions.

Mr. Simonetta asked whether there were any questions before adjourning the meeting. If not, management has asked for an Executive Session with the Audit Committee. Hearing no other questions, Mr. Simonetta asked for a motion to adjourn the meeting. Mr. Rob Dubow motioned and Mr. Simonetta seconded. The motion passed unanimously.

EXECUTIVE SESSION

During any audit committee meeting; Management, The Independent Auditors or the Internal Auditor may request an Executive Session to meet privately with the Audit Committee.

GSL/lmh
Attachments

cc: Dr. Donald Generals, Jr.
Mr. Jacob Eapen
Ms. Carolyn Flynn, Esq.
Mr. Robert Lucas
Mr. Derrick Sawyer
Representing Grant Thornton: Ms. Angelica Roiz
Representing Grant Thornton: Mr. Alex Ney

ATTACHMENT B

2024 Grant Thornton Audit Presentation



2024 Annual Audit Presentation

Community College of Philadelphia

October 18, 2024

PRESENTATION TO THOSE CHARGED WITH GOVERNANCE

This communication is intended solely for the information and use of management and the Audit Committee of the Community College of Philadelphia and is not intended to be and should not be used by anyone other than these specified parties.

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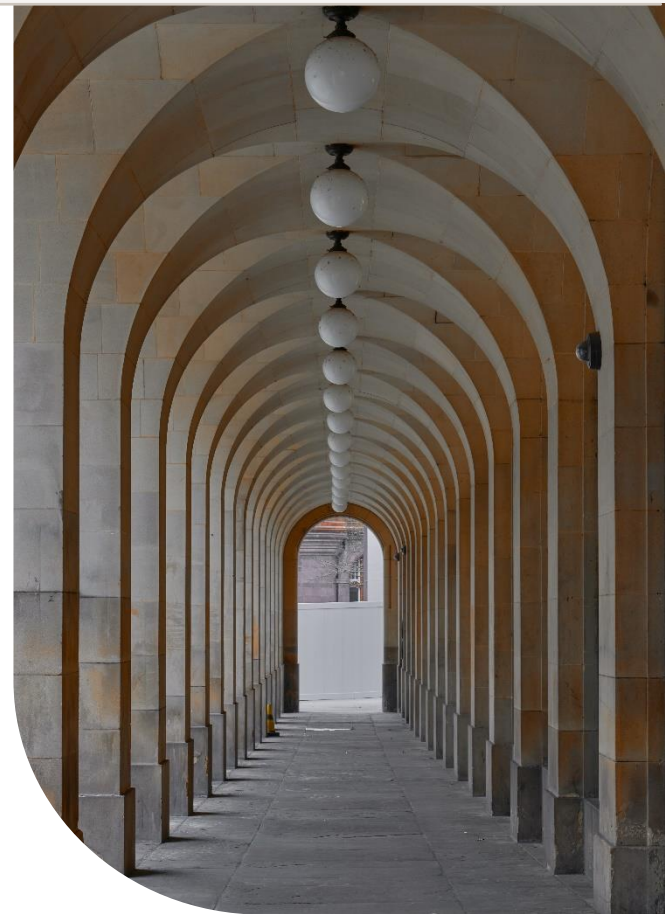


Gabriella D'Angelo
Audit Manager
Grant Thornton
Gabriella.DAngelo@us.gt.com



Agenda

- 01 Executive summary
- 02 Audit scope and results
- 03 Required communications
- 04 Appendix





Executive summary

October 18, 2024

On-track for delivery of short-form audited financial statements

On-budget

The base audit is tracking on-budget.

Industry Insights

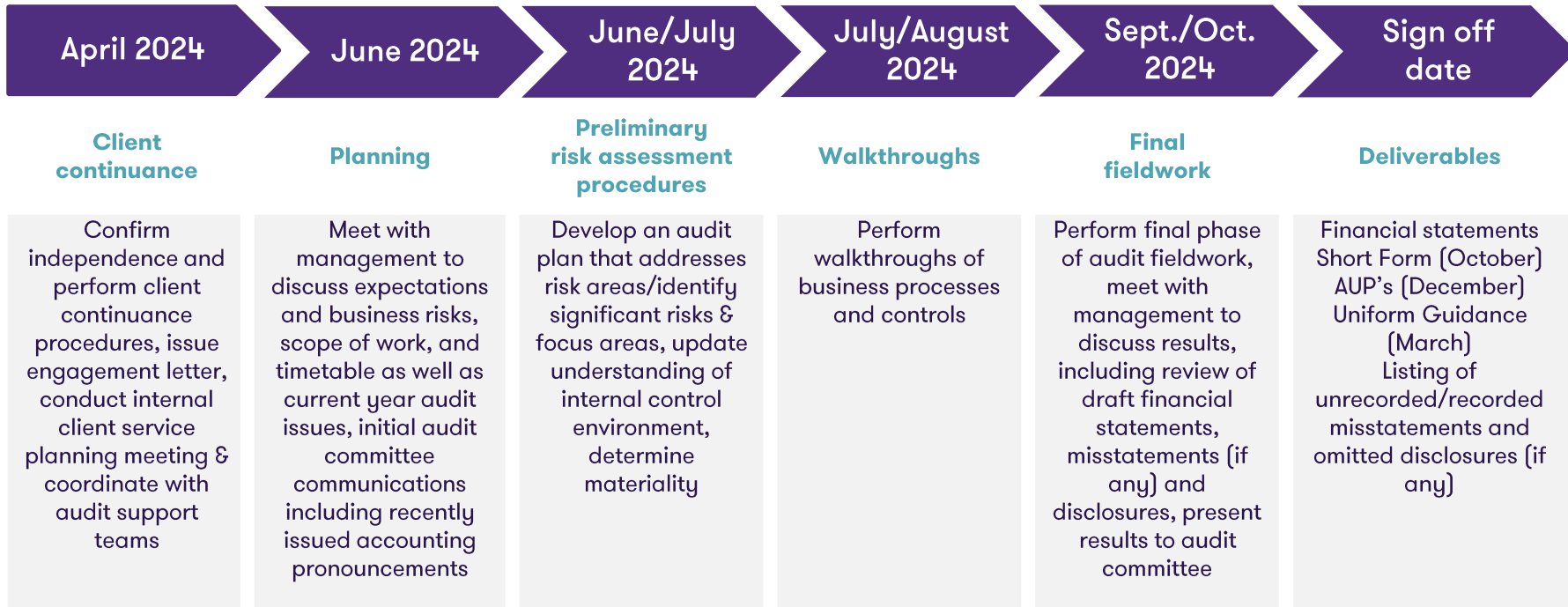
Providing industry insights on accounting and auditing developments as well as areas of risk

As of October 18, 2024 our audit procedures are ongoing. We are awaiting the following items from management.

- Signed management representation letter
- External counsel legal updates and confirmations prior to financial statement issuance



Audit timeline & scope





Significant risk

The following provides an overview of the significant risk based on our risk assessments

Significant risk area	Results
Management override of internal controls Presumed fraud risk and therefore significant risk in all audits.	<ul style="list-style-type: none">• Considered the design and implementation of entity-level controls, including information technology controls, designed to prevent/detect fraud.• Assessed the ability of the College to segregate duties in its financial reporting, information technology, and at the activity-level.• Conducted interviews of individuals involved in the financial reporting process to understand (1) whether they were requested to make unusual entries during the period and (2) whether they are aware of the possibility of accounting misstatements resulting from adjusting or other entries made during the period.• Performed risk assessment for journal entries and detail tested a sample of journal entries based on our risk assessments to ensure propriety of the entries.



Areas of audit focus

The following provides an overview of the other areas of audit focus based on our risk assessments.

Areas of focus	Results
Tuition and fees revenue and scholarship allowance	<ul style="list-style-type: none"> • Performed reasonableness test on tuition and fees revenue and student aid amounts. • Performed detail testing of a sample of transactions, agreeing to source documentation • Gained an understanding of the allowance methodology and assessed management's analysis of allowances for doubtful accounts for reasonableness, consistency with methodology and accuracy of inputs.
Grant revenue and related receivables/deferred revenue	<ul style="list-style-type: none"> • Obtained and documented an understanding of controls surrounding the grants process. • Inspected a sample of significant grants recognized as revenue by the College, including a review of grant agreements and other relevant supporting documentation. • Ensured that the College has properly classified such grants and that revenue recognition is appropriate. • Ensured grant revenue disclosures are complete and accurate.



Areas of audit focus

The following provides an overview of the other areas of audit focus based on our risk assessments.

Areas of focus	Results
Valuation of investments	<ul style="list-style-type: none">• Obtained independent investment valuation and monitoring reports from investment managers.• Confirmed existence of investment holdings directly with custodians.• Tested reasonableness of investment-related income, including unrealized appreciation/(depreciation) in fair values.• Obtained most recent independent auditors' reports for all non-marketable alternative investment positions. Reviewed auditors' reports to assess quality of financial reporting and type of opinion received.• Obtained SSAE16 reports from investment custodians.• Evaluated prioritization of inputs used to determine fair value investment assets is reasonable and in accordance with GASB 72, <i>Fair Value Measurements</i>, and review related disclosures.



Areas of audit focus

The following provides an overview of the other areas of audit focus based on our risk assessments.

Areas of focus	Results
<p>City, State, and Capital Appropriations</p>	<ul style="list-style-type: none"> • Obtained detail of appropriations received from the city of Philadelphia and state of Pennsylvania. • Confirmed amounts and agreed to revenue recorded in the general ledger. • Reviewed receivable balances and reconciled the cash received to amounts outstanding.
<p><i>GASB 75, Accounting and Financial Reporting for Postretirement Benefits Other Than Pensions</i></p>	<ul style="list-style-type: none"> • Reviewed the analysis of accrued postretirement benefit obligations. • Assessed the reasonableness of actuarial assumptions: discount factor, trend rates and cash flows, amongst others. • Tested participant census data.



Areas of audit focus

The following provides an overview of the other areas of audit focus based on our risk assessments.

Areas of focus	Results
<p>Accounting estimates</p>	<p>The preparation of the College’s financial statements requires management to make multiple estimates and assumptions that affect the reported amounts of assets and liabilities as well as the amounts presented in certain required disclosures in the notes to those financial statements. The most significant estimates relate to the allowance for doubtful accounts, useful lives of capital assets, assumptions related to self-insurance reserves, assumptions related to lease and SBITA discount rates, valuation of alternative investments, and assumptions related to pension and other post-employment benefit accruals, amongst others. Our procedures have been designed in part, to review these estimates and evaluate their reasonableness.</p>
<p>Financial statement disclosures</p>	<p>Our procedures also included an assessment as to the adequacy of the College’s financial statement disclosures to ensure they are complete, accurate and appropriately describe the significant accounting policies employed in the preparation of the financial statements and provide a detail of all significant commitments, estimates and concentrations of risk, amongst other relevant disclosures required by US GAAP.</p>

Technology support as part of the audit process



An important component of our audit approach is to understand how IT is used and deployed in supporting business operations and producing financial reports. Our technology specialists place particular emphasis on the risks relating to the use of technology and its associated controls, processes and practices. Our general controls review evaluates the design of controls that mitigate risk in areas such as organization and operations, protection of physical assets, application systems development and maintenance, access controls and computer operations.

In scope application: Banner

1. General Ledger
2. Financial Aid Module Review
3. Administrator Access and Password Testing



Required communications

Professional standards
require that we
communicate the
following matters to you,
as applicable

- Going concern matters
- Fraud and noncompliance with laws and regulations
- Significant deficiencies and material weaknesses in internal control over financial reporting
- Use of other auditors
- Use of internal audit
- Related parties and related party transactions
- Significant unusual transactions
- Disagreements with management
- Management's consultations with other accountants

- Significant issues discussed with management
- Significant difficulties encountered during the audit
- Other significant findings or issues that are relevant to you and your oversight responsibilities
- Modifications to the auditor's report
- Other information in documents containing audited financial statements



Quality of accounting practices

Topic

Discussion

Accounting policies

Accounting policies are consistently applied and appropriate.

Accounting estimates

Accounting estimates are reasonable and disclosed in the financial statements.

Disclosures

Financial statement disclosures are complete and accurate.

Other related matters

Overall financial statements and disclosures deemed to be clear and appropriate. We identified two immaterial reclassification adjustments which were posted in 2025 rather than 2024 due to immateriality of their impact on the 2024 financial statements:

- (1) The first entry is a result of the College's implementation of new leasing software, Lease Crunch. The proposed entry is a debit to interest receivable and a credit to revenue, both in the amount of \$768,155. Management has posted this adjustment in the fiscal year 2025 period.
- (1) The second entry is a write-off of a receivable from the City of Philadelphia that was deemed uncollectible at 6/30/2024. The proposed entry is a debit to bad debt expense and a credit to receivables from government agencies (specifically the account associated with the Catto scholarship), both in the amount of \$505,252. Management has posted this adjustment in the fiscal year 2025 period.

The proposed reclassification adjustments were deemed to be immaterial to the financial statements as a whole.

Auditor independence

Our firm maintains a robust quality control system supported by comprehensive policies and procedures that meets or exceeds regulatory requirements. Our system enables us to evaluate and maintain our independence and serve audit clients with requisite integrity, objectivity, and independence. As you exercise your oversight responsibilities, you should understand the more significant aspects of this system:

Accumulating and communicating relevant information, including a restricted-entity list and use of a tracking system to monitor the financial interests of our worldwide personnel

.....

Obtaining annual written confirmations of compliance from personnel and member firms

.....

Monitoring individual compliance, including periodic audits and disciplinary mechanisms

.....

Conducting a domestic or international relationship check through a robust Relationship Checking System

.....

Evaluating relationships and circumstances that create threats to independence, including relationships identified through a domestic or international check

Monitoring independence for new opportunities

Only permitted nonaudit services or business relationships are cleared, and such services or relationships are monitored for scope creep. As necessary, our firm applies appropriate safeguards to eliminate or mitigate independence threat(s) to an acceptable level. As necessary, or as required by a regulator, the engagement partner will discuss with management and/or the audit committee any potential independence threats or where additional input is needed in relation to our firm's independence evaluation.



Commitment to promote ethical and professional excellence

We are committed to promoting ethical and professional excellence. To advance this commitment, we have put in place a phone and internet-based hotline system.

The Ethics Hotline

(1.866.739.4134) provides individuals a means to call and report ethical concerns.

The EthicsPoint URL

link can be accessed from our external website or through this link:
https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=15191

Disclaimer: EthicsPoint is not intended to act as a substitute for a company's "whistleblower" obligations.

Industry Updates

Private Institutions: “Inflated Expenses, Deflated Support Contribute To Weaker Margins” Public Institutions: “Rising State Funding Offers Hope Amid Continued Demand Pressures”

Positive Developments

- Institutions with 'AAA' and 'AA' bond rating categories are showing stable enrollment demand
- Overall balance sheets remain stronger than pre-pandemic
- For public institutions, increases in state funding led to net operating results staying at close to pre-pandemic levels for most institutions

Risks to Monitor

- Fiscal 2023 showed median enrollment declines of 0.8% and 0.7% nationally for private and public institutions, respectively
- Concerns on debt levels at BBB and speculative-grade institutions with many increasing their borrowings to support their operations
- Enrollment challenges exist with “demographic cliff” now arriving and competition for students which increases discounts

Bottom line: Higher education sector is facing significant risks regarding future enrollment levels and rising costs, with lower rated institutions at risk of closure or merger, contrasted with highly selective institutions which are in as strong of a financial position as they have ever been.

*S&P issued two July 2024 Sector reports (separate reports for public and private institutions) based on their analysis of fiscal 2023 data available.

S&P sector reports - public colleges & universities

Overall stable outlook for 90% of public institutions with only 4% reporting a negative outlook, mainly driven by 0.7% FTE enrollment decline offset by 11.6% increase in median state appropriations per FTE.

However, freshman acceptance rates have risen 6.0% from Fall 2020 to Fall 2022, showing institutions are being less selective from lower applications and a need to hit enrollment targets.

U.S. public college and university medians: By the numbers



145 ratings
Across **44** states



90%

with a stable outlook

+ **6%** with a positive outlook

- **4%** with a negative outlook



5 Upgrades



0 Downgrades

June 1, 2023-June 1, 2024

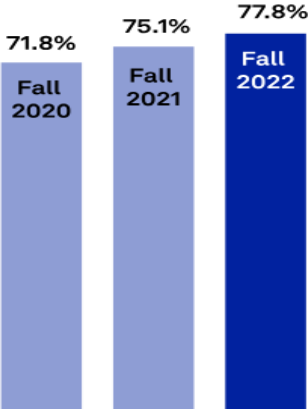
Median FTE enrollment decline

0.7%



Smaller than 1.9% decline in 2022

Median freshman acceptance rate:



Median operating margin in fiscal 2023

Down from 2.9% in fiscal 2022 but in line with pre-pandemic levels

0.3%

11.6%

Year-on-year increase in median state appropriations per FTE, the eighth consecutive year of growth

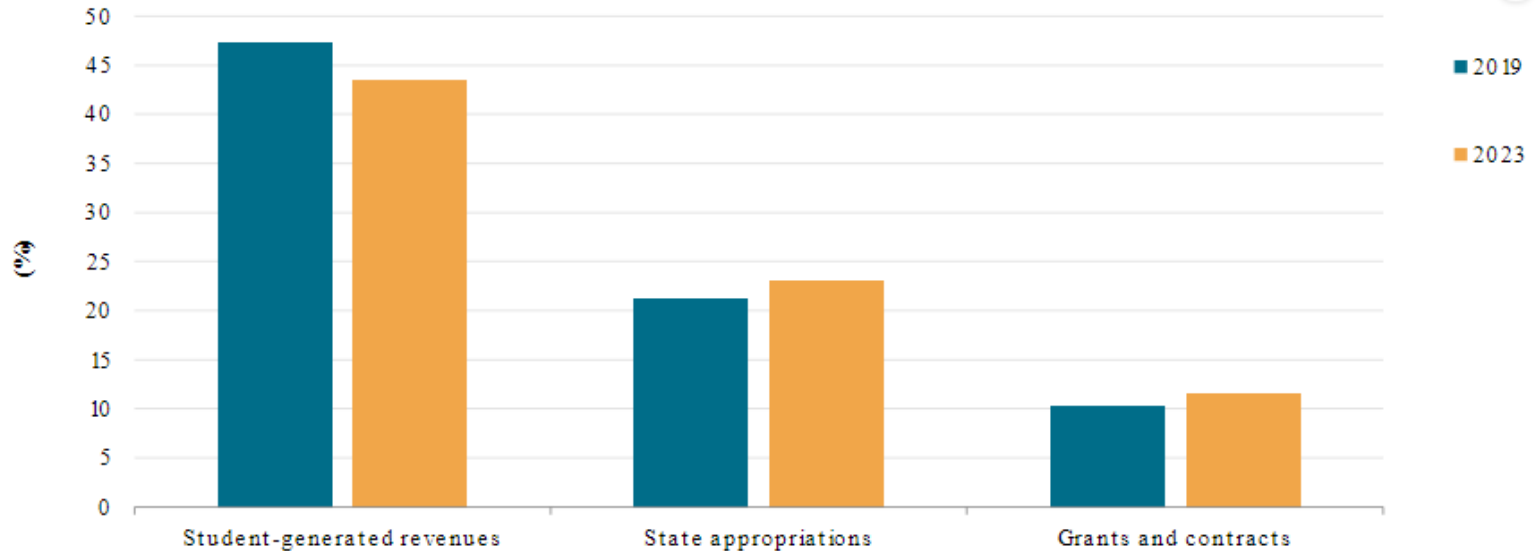


FTE--Full-time equivalent. Source: S&P Global Ratings. Copyright © 2024 by Standard & Poor's Financial Services LLC. All rights reserved.

S&P sector reports - public colleges & universities

Compared to 2019, fiscal 2023 student-generated revenues are declining, offset by increases in State appropriations and grants and contracts revenue.

Public colleges and universities -- Change in revenue mix



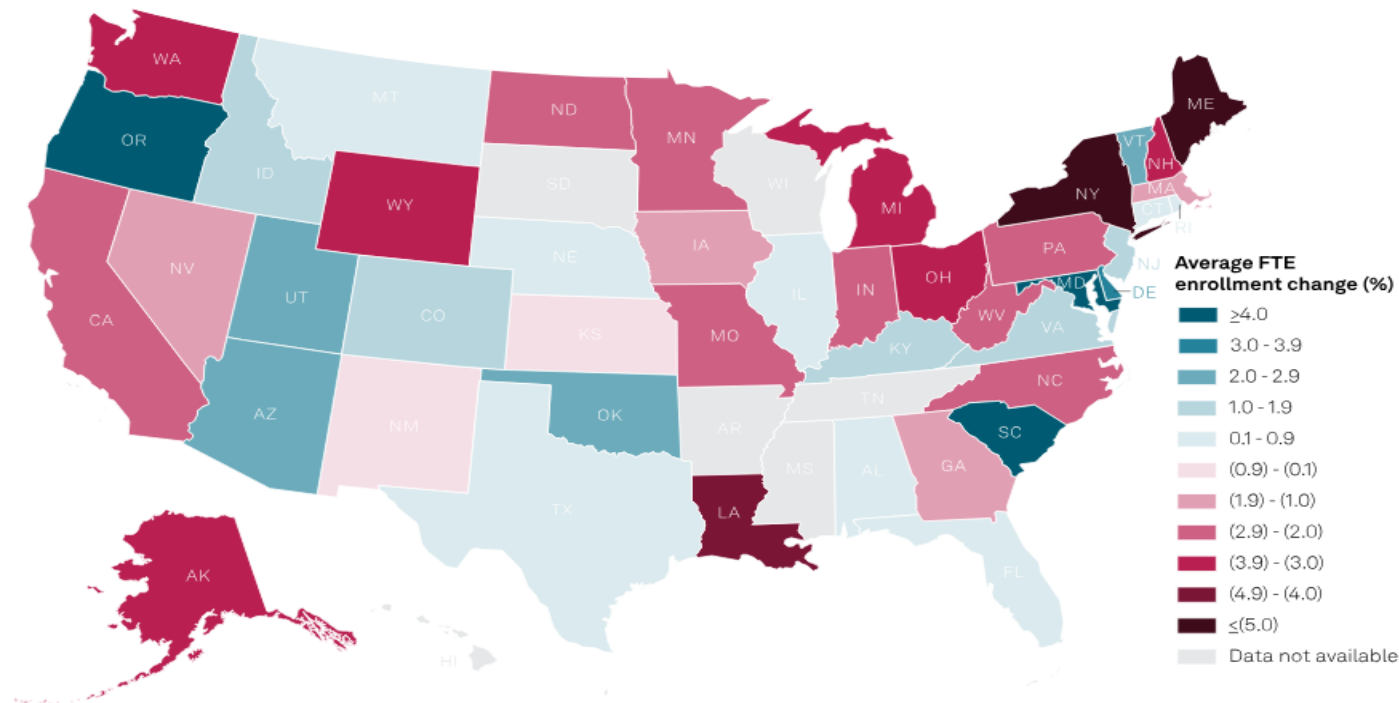
Source: S&P Global Ratings.

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S&P sector reports - public colleges & universities

While overall enrollment FTE is decreasing nationally, there are large variations in the impact by state or region.

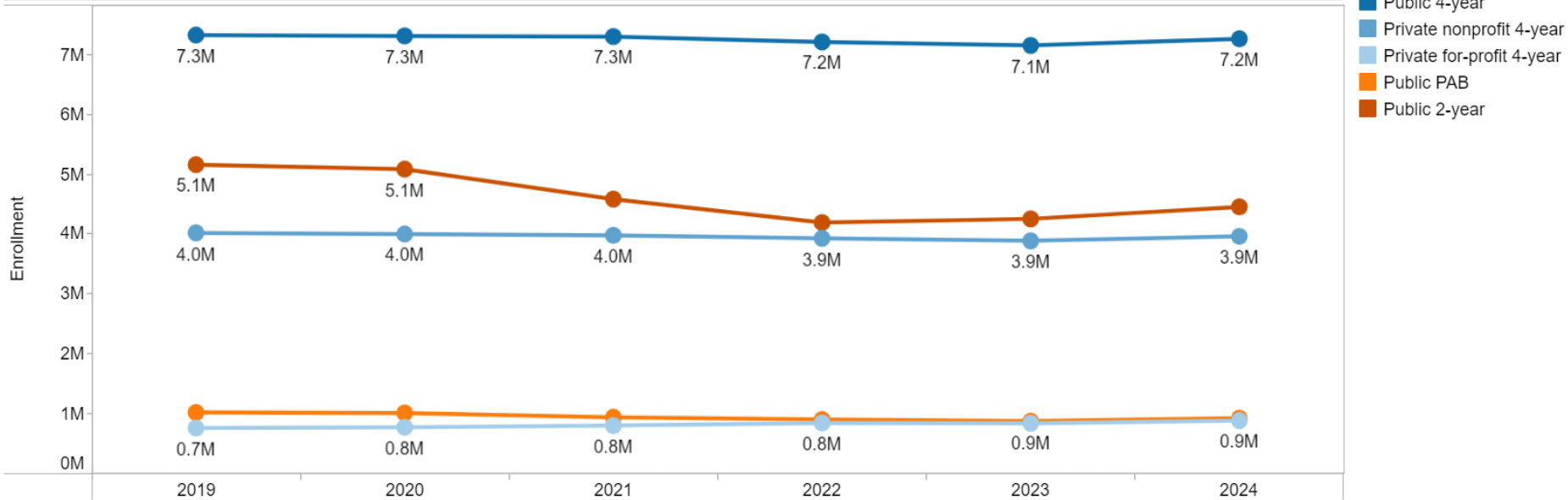
Average FTE enrollment change fall 2021-fall 2022 by state
Public colleges and universities



Based on public colleges and universities rated by S&P Global Ratings. FTE-- full-time-equivalent. Source: S&P Global Ratings. Copyright © 2024 by Standard & Poor's Financial Services LLC. All rights reserved.

Enrollment Changes – by sector

Figure 1.2 Spring Total Enrollment by Sector



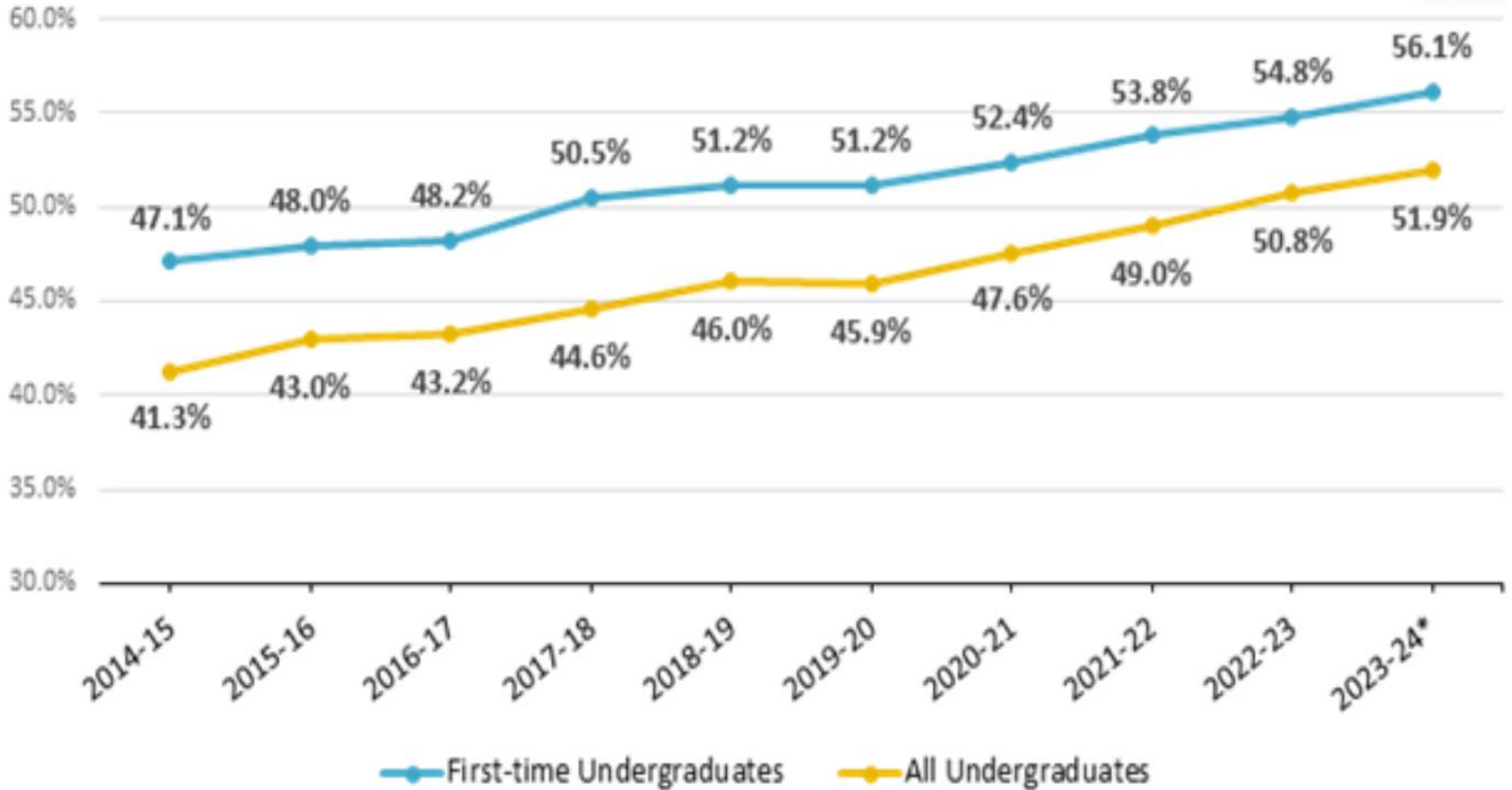
While enrollment has stabilized or increased from Fiscal 2022 to 2024 in the 3 largest sectors (public 4-yr, public 2-yr and private NFP 4-yr), they are still below 2019 levels with further decreases projected.

*** PABs are “primarily associate degree granting baccalaureate institutions“**

Trends in tuition discounting



Discount rates continue their steady climb to record highs projected for 2023-24 (*preliminary estimates).



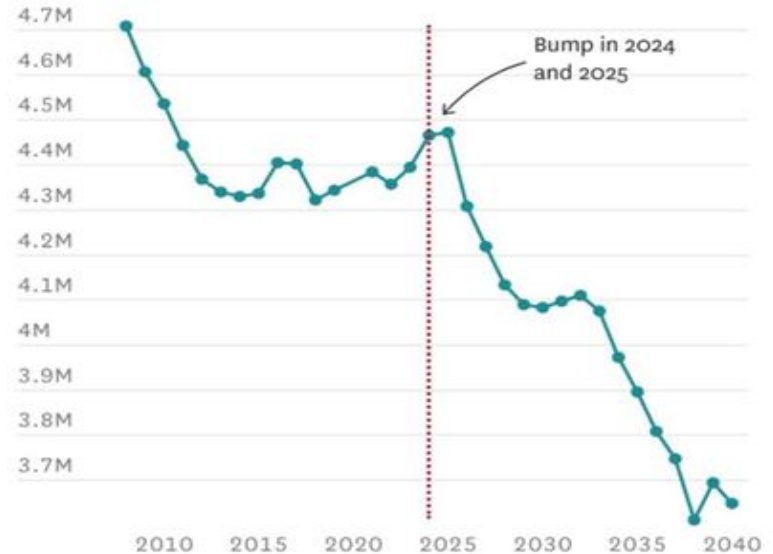
Enrollment declines expected in higher education as U.S. sees decline in projected number of 17-year olds

The so called “enrollment cliff” is essentially starting as demographic projections show in the chart to the right from the U.S. Census Bureau. The population of 17-year-olds is projected to decrease from 2025 to 2040, in turn decreasing the pool of potential college applicants.

While undergraduate enrollment has been on a downward slope since 2010, it has been relatively flat for the past decade and increased slightly with the high-school graduating class of 2025 in the U.S. expected to be the largest one for a long time.

Estimated number of 17-year-olds in the U.S., at the start of each school year

Projections based on current population, not accounting for immigration



Analysis for 2024 onwards includes the projected number of people who will be 17 years old on July 1 of each year, based on data from 2023.

Chart: Lydia Sidhom / The Chronicle - Source: United States Census Bureau

Thought leadership for Higher Education Institutions

Governance IQ – Strengthen your board and audit committee

Addressing today's higher education governance challenges to effectively advance your mission

- Monthly governance insights
- Comprehensive board guidebooks
- Dedicated to serving our clients



ARTICLE

6 actions to take to avoid conflicts of interest

Tax-exempt organizations can take our 6 actions to help avoid conflicts of interest. Protect your assets and tax-exempt status.



ARTICLE

3 legal duties every board member must follow

Make sure you understand and take the right actions.

Sign up at: <https://www.grantthornton.com/industries/nfp-higher-education/governance-ig>

Additional Higher Education resources



ARTICLE

Manage declines in college enrollment and revenue

Address the risks of declining college enrollment and revenue b...



ARTICLE

Not-for-profits must adapt tax plans for remote work

Many tax rules haven't changed, but your workplace has.



ARTICLE

When is a university no longer a university?

A university has a mission and benefits beyond a career.



SURVEY REPORT

CFOs juggle costs as they maintain confidence

CFOs aren't letting their optimism about the U.S. economy impeded...

Find all of these articles and more at: <https://grantthornton.com/nfp>

Higher Education Board and Audit Committee Guides



GUIDEBOOK

Higher Education Board Guidebook

Gain the knowledge you need to be an effective trustee at a higher education institution.



GUIDEBOOK

Higher Education Audit Committee Guidebook

Get an overview of the structure and duties of an audit committee at a higher education institution.

Download and share at: <https://www.grantthornton.com/industries/nfp-higher-education/governance-iq#guidebooks>

Webcast resources

Each year, we provide learning and CPE opportunities through our webcast series on a variety of trending topics and regulatory updates relevant to not-for-profit and higher education management and trustees.

On demand webcasts:



ON-DEMAND WEBCAST

**Not-for-Profit
Accounting and
Uniform Guidance
Compliance Update**



ON-DEMAND WEBCAST

**Not-for-profit reserves
— What's the right
amount for my
organization?**



ON-DEMAND WEBCAST

**Best practices for
effective board and
audit committee
governance webcast**

On demand and Registrations at: <https://www.grantthornton.com/industries/nfp-higher-education#events-and-webcasts>

ATTACHMENT D

2022-2024 Internal Audit Plan Status

COMMUNITY COLLEGE OF PHILADELPHIA

Date: October 10, 2024
To: Audit Committee Members
From: Robert Lucas, Internal Auditor
Subject: Internal Audit – Plan Status and Other Information
Copies: Donald Generals, Jacob Eapen, Carolyn Flynn

Since the last Audit Committee meeting, the following audit work has been performed:

- Audit report drafts issued to management:
 - Tuition Services Cash
 - Purchasing Cards – Phase 1

- Audits in progress:
 - Veterans' Benefits
 - Part-Time Faculty Medical Benefits
 - Other Accounts Receivable
 - Student Financial Aid Exit Counseling
 - Catto Scholarships

- Updated the Internal Audit Follow Up Matrix based on responses, updates, and target dates from senior management.

- Internal Audit Committee meetings are scheduled quarterly and continue to occur chaired by the Internal Auditor.

* * * * *

Community College of Philadelphia
Internal Audit Plan - July 1, 2022 to June 30, 2024

Functional Area	Risk Rating	Risk Explanation / Reason for Audit	Fiscal Year	Stage	Planned Quarter
Financial Audits					
403(b) Transactions *	L	Determine adequacy of controls and procedures over payments to retirement savings vendors	2024	**	4
Other Accounts Receivable	L	Determine adequacy of procedures and controls over A/R other than tuition	2024	2	4
Computer Loans	L	Determine adequacy of procedures and controls related to employee loans for computer purchases	2023	7	3
Lion Card	L	Determine adequacy over controls and procedures related to prepaid card program	2024	**	1
Operational Audits					
403(b) Administration *	L	Determine adequacy of controls and procedures related to employee requests related to retirement savings	2024	**	4
Part-Time Faculty Benefits	M	Determine controls and accuracy of medical coverage paid by eligible faculty members	2024	4	3
Vendor Management	L	Determine the controls, procedures and risk management in place to ensure vendors are meeting their stated levels of goods, services, timing and pricing	2023	**	2
Paid Time Off Recordkeeping	L	Determine adequacy of procedures and controls over PTO recordkeeping	2024	**	3
Compliance					
Veterans' Educational Benefits	M	Determine compliance procedures related to Veterans' Education Benefits Laws	2022	4	4
Catto Scholarship	M	Determine compliance with policies, procedures and scholarship documents	2023	**	4
State Recruiting Regulations	M	Determine compliance with associated regulations / restrictions	2023	**	2
Family Medical Leave Act	L	Determine compliance with policies, procedures and regulations	2023	**	4
Federal Student Loans / Return of Title IV Funds	H	Determine compliance with federal regulations and College policies, procedures and controls for such loans	2023	7	3

Functional Area	Risk Rating	Risk Explanation / Reason for Audit	Fiscal Year	Stage	Planned Quarter
Conferred Degrees	L	Determine related processes to ensure consistency in volumes of degrees across internal and external parties	2024	7	4
Pell Grants	H	Determine compliance with federal regulations and College policies, procedures and controls for such grants	2024	**	3
Exit Counseling	H	Determine compliance with federal regulations and College policies, procedures and controls for this required financial aid process	2024	4	4
Federal Work Study	H	Determine compliance with federal regulations and College policies, procedures and controls for such payments	2024	**	4
Iraq, Afghanistan Service / In the Line of Duty Grants	H	Determine compliance with federal regulations and College policies, procedures and controls for such grants	2023	**	4
ITS					
Alternate Audits					
Investigatory Audit at the Request of General Counsel	H	Perform investigative procedures to identify or determine conditions as requested by General Counsel	2024	6	4
Administrative					
Follow Up on Prior Issues			Ongoing		Ongoing
Committee Meetings (Grants, Data Breach, EMT, external audits/reviews)			Ongoing		Ongoing

Stage:

Audit deferred at the request of management	**
Risk Assessment / Planning	1
Announcement / Contact	2
Opening Meeting Held	3
Fieldwork	4
Draft Report Issued	5
Closing Meeting Held	6
Final Report Issued	7

Risk Ratings are Low (L), Medium (M), or High (H) based on a compilation of individually-rated risk factors including: financial statement impact; transaction volume; public relations/reputation; student satisfaction; legal/regulatory compliance; corporative initiatives; significant changes; known problems/issues; staff/faculty satisfaction; and executive override.

Community College of Philadelphia

Internal Audit Follow Up Matrix

Report Date	Area/ Responsible Party	Recommendation	Target Date	Update Date	Management Response / Follow up
77 5/24/2018	Disaster Recovery and Response Plan Bill Bromley Carolyn Flynn is coordinating updates with Cabinet members	Cyber Breach Committee should meet quarterly to determine the status of data which may not be sufficiently secured. The CIO should be empowered to direct actions to be taken to secure this data. Senior management should be informed of risk areas not secured in a timely manner.	9/30/18 5/31/21 8/31/21	 11/1/21 12/7/21 5/4/22 12/31/23 6/30/24 3/31/25	Data Breach Committee will begin meeting again prior to the end of the spring 2018 term. (Meeting was held on May 2.) The committee charge will be reviewed and refined during the first meeting. A meeting schedule will be presented to setup quarterly meetings. A survey for College units, similar to the 2016 survey, will be performed to determine the state of our PII data and the locations of such data. Will address this in the new Technology Plan which has been drafted. Waiting to review will all College-wide committees to seek approval. Will be completed by end-of-May 2021. The Cyber Breach Committee had its first meeting on October 27, 2021 under the leadership of the new CIO. The agenda included: review of CCP data security tools & applications. Committee advice will be sought and it will be results-oriented committee. Input and recommendations from all (27) members will be taken into consideration. We have a very robust set of tools and applications in place. We have the PII Survey Data from all departments and the above-mentioned tools address the required security. PII Information Sheet, Filled Sample Survey Form, and a blank Survey Form was sent to 60 individuals/department heads asking for the required PII information to updated and returned to ITS by 5/20/22. Reviews and updates of the SaaS matrix are currently being performed by Cabinet members for their respective divisions.
93A 9/7/2018	Non-ITS Administered Programs Bill Bromley Carolyn Flynn is coordinating updates with Cabinet members	Internal Audit recommends that the Cyber Breach Group establish goals and timetables to address education of department owners related to PII, as well as the security of PII within the College's physical areas and systems.	TBD 5/31/21 8/31/21	 11/1/21 12/7/21 3/29/22 5/4/22 8/31/23 3/31/25	A search for a new AVP of Information & Technology is in progress. As facilitator of the Cyber Breach Group, that person will be responsible for following up on any information still needed from the users departments of the SaaS programs based on the most recent survey. The new AVP will schedule another meeting of the Cyber Breach Group within 90 of his/her start date to review progress and next steps for this action. Cyber Breach Committee will be established and timetable and goals will be addressed in the next 90 days. Previously PII Survey was completed and will be revisited in our next Data Breach and Cyber Security Group meeting. See Item 77 response. Cyber Breach Committee has been established and to date (2) meetings have been facilitated. At the last meeting the importance of PII was discussed and an updated matrix of SaaS applications along with PII data and departmental ownership was reviewed. The data is 95% complete and is being shared with departments for validation and updates. Please see Item 77 response. Reviews and updates of the SaaS matrix are currently being performed by Cabinet members for their

Community College of Philadelphia Internal Audit Follow Up Matrix

Report Date	Area/ Responsible Party	Recommendation	Target Date	Update Date	Management Response / Follow up
96	9/7/2018 Non-ITS Administered Programs Bill Bromley Carolyn Flynn is coordinating updates with Cabinet members	Internal Audit recommends that ITS review the programs listed in the PII survey and determine if there are time sensitive programs for which downtime for any reason could interfere with the functionality required by staff to perform their duties and provide services to both staff, faculty and students. Since ITS is well versed in continuity planning for the programs they manage, it would be prudent for ITS to assist departments with time sensitive programs in developing procedures related to such downtime.	TBD 5/31/21 8/31/21	3/29/22 5/4/22 10/31/23 12/31/23 6/30/24 3/31/25	The new AVP, when hired, will solicit management's input for each of the programs to determine if any are considered critical to the mission and work of the College, both academic and as a business, such that downtime will quickly be problematic. For any such programs, ITS will offer to consult with management to help ensure that the department and/or vendor is sufficiently prepared to address interrupted access promptly. The target date to solicit this information from management is 120 days after the start date of the new AVP. See response to item 93A. ITS has taken the lead and updated the PII Data and SaaS Applications Matrix. ITS is working with departments in providing whatever support is needed. Please see Item 77 response. Reviews and updates of the SaaS matrix are currently being performed by Cabinet members for their respective divisions.
143	5/11/2022 Social Media Accounts Shannon Rooney	Internal Audit recommends that Policies #306 and #307 be reviewed and updated as appropriate or incorporated into another policy. Internal Audit also recommends management consider incorporating language into a policy which denotes that the same guidance and governance over the College's interactive systems applies to management and staff who are responsible for (1) the College's own social media accounts; and (2) all College affiliated social media accounts such as those for departments, groups and programs.	05/31/23	12/31/23 6/30/24 10/31/24	Vice President of Enrollment Management and Strategic Communications will be working to revise language in policies #306 and #307 to include all relevant accounts within the next year.
144	5/11/2022 Social Media Accounts Shannon Rooney	There are a small number of staff within Strategic Communications who have user access to the College's social media accounts. Internal Audit recommends documented procedures be developed for users of the current accounts to help ensure consistency among users and to reinforce security steps.	05/31/23	12/31/23 6/30/24 10/31/24	VP of Enrollment Management and Strategic Initiatives will work with the Director of Communications to create this document within the next year. Management is currently working on development of procedures for social media accounts.
145	5/11/2022 Social Media Accounts Shannon Rooney	Internal Audit suggests it may be prudent to establish certain protocols for review and approval processes of social media posts. Examples include posts which reference legal situations, the Federation, or employment situations in which it would be prudent for General Counsel to approve; or posts regarding ongoing emergency situations which should be approved by the Director of Public Safety.	05/31/23	12/31/23 6/30/24 10/31/24	VP of Enrollment Management and Strategic Communications and the Director of Communications will incorporate review policies into the above-referenced document over the next year. Management is currently working on development of protocols for social media posts.

Community College of Philadelphia Internal Audit Follow Up Matrix

<i>Report Date</i>	<i>Area/ Responsible Party</i>	<i>Recommendation</i>	<i>Target Date</i>	<i>Update Date</i>	<i>Management Response / Follow up</i>
148	5/11/2022 Social Media Accounts Shannon Rooney	Internal Audit recommends that a master list of such social media accounts be compiled to help ensure the groups and their designated users are aware of related College policies. It may be prudent to share procedures developed by Strategic Communications to help ensure prudent processes and security protocols are in place for these accounts. Training needs may also be identified for these users to help them ensure appropriate use of these accounts.	05/31/23	12/31/23 6/30/24 10/31/24	VP of Enrollment Management and Strategic Communications and Director of Communications will compile the list and establish a social media workgroup to conduct regular trainings and check-ins within the next year. Management is currently working to compile a master list of related social media accounts.
149	5/31/2022 CAN-SPAM Act Shannon Rooney	Internal Audit recommends a formal protocol be developed which clarifies that departments and groups that send such solicitations must be in compliance with the law, offering opt outs when appropriate, processing such elections on a timely basis, and doing so in a manner consistent across the College.	12/31/22	06/30/23 8/31/24 6/30/25	Strategic Communications will develop a protocol in which will document the procedures our group uses to help ensure compliance with the CAN-SPAM Act. Our protocol will reference the database we use and the process we use to ensure opt-out instructions are included as required by the Act. We plan to have the protocol completed by December 31, 2022. Draft protocol has been developed and should be finalized by June 30, 2023. General Counsel has reviewed the Act and does not believe it applies to the College. However, management believes it may be prudent to comply with the Act to help ensure unwanted emails can be stopped efficiently and timely for the benefit of the College-related recipients. Management continues to explore the functionality, timing and costs of utilizing a single database for all emails sent to its many affiliated groups.
150	5/31/2022 CAN-SPAM Act Shannon Rooney	Internal Audit recommends the Strategic Communications group work with other survey respondents to determine if any of their emails may be subject to the ACT, and if so, have procedures or processes which followed to help ensure compliance with the Act. Procedures should be developed and shared across these group to ensure consistency as well as compliance with the Act. Procedures should address opt-out/unsubscribe methods as well as database updates for those who request to be removed from future solicitations.	12/31/22	06/30/23 8/31/24 6/30/2025	As stated above, we plan to develop a CAN-SPAM Act protocol for our group by December 31, 2022. We will provide this protocol by the same date to the Cabinet which they may be able to use or modify for email communications in their respective divisions that may be covered by the Act. Draft protocol has been developed for Strategic Communications and will be used as a guide for other areas with expected finalization of the protocol by June 30, 2023. General Counsel has reviewed the Act and does not believe it applies to the College. However, management believes it may be prudent to comply with the Act to help ensure unwanted emails can be stopped efficiently and timely for the benefit of the College-related recipients. Management continues to explore the functionality, timing and costs of utilizing a single database for all emails sent to its many affiliated groups.

Community College of Philadelphia Internal Audit Follow Up Matrix

Report Date	Area/ Responsible Party	Recommendation	Target Date	Update Date	Management Response / Follow up
151	5/31/2022 CAN-SPAM Act Shannon Rooney	There are approximately six other databases in use by other departments and group which should have similar controls. Internal Audit recommends that similar procedures be used by all groups that send emails to help ensure compliance with the Act regarding review and approval of emails, opt-out/unsubscribe links when appropriate, and database updates as needed to reflect recipients' opt-out elections.	12/31/22	6/30/2024 6/30/2025	Strategic Communications is conferring with colleagues in the ITS Department to determine how to compile a single and comprehensive database of record. That project is ongoing and is expected to take approximately a year. In the meanwhile, Strategic Communications will work with the Cabinet to prepare a protocol on email communications that includes opt-out requirements. Management is discussing the implementation of a single database / product with other divisions which may help manage this process. General Counsel has reviewed the Act and does not believe it applies to the College. However, management believes it may be prudent to comply with the Act to help ensure unwanted emails can be stopped efficiently and timely for the benefit of the College-related recipients. Management continues to explore the functionality, timing and costs of utilizing a single database for all emails sent to its many affiliated groups.
156	5/31/2022 50th Anniversary Scholars Program Shannon Rooney	Internal Audit recommends that the program procedures be reviewed and updated as needed, and approved by appropriate management within the Enrollment Management.	12/31/22	12/31/2023 6/30/24 3/31/25	Management will update the procedures related to administering the 50th Anniversary Scholars Program and document them by December 31, 2022. The procedures will reflect the College's position on the residency requirement for this program to match that of the College's residency requirement.
159	1/17/2024 Conferred Degrees Shannon Rooney	It would be prudent to have documented procedures for these processes to generate and post data to the College Factbook and the website dashboards.	12/31/2024		The Office of Institutional Effectiveness will develop a procedures guide for reporting and posting data other than IPEDS by December 2024.
160	1/17/2024 Conferred Degrees Shannon Rooney	It would be prudent to ensure the College Factbook and website dashboards include sufficient footnotes or other details avoid any confusion by readers if any of the numerical data differs.	06/30/24	12/31/2024	The Office of Institutional Effectiveness will add appropriate descriptions and/or footnotesto future iterations of the College Factbook and the websites updates including the dashboards. Updates are expected to be performed by June 30, 2024.
161	1/17/2024 Conferred Degrees Shannon Rooney	Internal Audit recommends a new policy that any student data reports and materials must be verified by the Office of Institutional Effectiveness.	06/30/24	12/31/2024	Division management will develop a policy for review by the Cabinet. Finalization and approval is expected by June 30, 2024.
162	2/7/2024 Return to Title IV Shannon Rooney	Internal Audit requests management provide an expected target date for commencement of the QA function for R2T4.	06/30/25		Management will establish a system for continuous improvement, conduct periodic audits (QA) which will include a dual-review process where a second financial aid officer reviews each R2T4 calculation before finalization to ensure accuracy. The expected timeframe for these action plans is 12 months (June 30, 2025).

Action plans are complete and will be moved to the Completed Items file

Community College of Philadelphia

Internal Audit Follow Up Matrix

<i>Report Date</i>	<i>Area/ Responsible Party</i>	<i>Recommendation</i>	<i>Target Date</i>	<i>Update Date</i>	<i>Management Response / Follow up</i>
Actions plans are in progress					
Action plans are over 1 year past the original target date; limited progress has been made; and/or no update was received					

Community College of Philadelphia
PROPOSED Internal Audit Plan - July 1, 2024 to June 30, 2026

Functional Area	Risk Rating	Risk Explanation / Reason for Audit	Fiscal Year	Stage	Planned Quarter
Financial Audits					
403(b) Transactions	M	Determine adequacy of controls and procedures over payments to retirement savings vendors	2026		2
Employee Check Requests	M	Determine compliance with, and adequacy of, controls and procedures related to reimbursement requests submitted by employees	2025		2
Purchasing Cards - Several Phases	M	Determine compliance with, and adequacy of, controls and procedures related to the use of purchasing cards use by various College managers	2025	4	1
Tuition Services Cash Management	M	Determine compliance with, and adequacy of, controls and procedure related to cash management	2025	5	1
Other Accounts Receivable	M	Determine compliance with, and adequacy of, controls and procedures related to accounts receivable classified as Other	2026		1
Operational Audits					
Vendor Management	M	Determine the controls, procedures and risk management in place to ensure vendors are meeting their stated levels of goods, services, timing and pricing	2026		4
Paid Time Off Recordkeeping	L	Determine adequacy of procedures and controls over PTO recordkeeping	2026		3
Compliance					
Catto Scholarship	M	Determine compliance with policies, procedures and scholarship documents	2025	4	1
Guidance for Grant Applications	L	Determine whether sufficient protocols and processes exist to instruct and assist staff applying for grants	2025		2
State Recruiting Regulations	M	Determine compliance with associated regulations / restrictions	2026		1
Family Medical Leave Act	L	Determine compliance with policies, procedures and regulations	2025		3

Functional Area	Risk Rating	Risk Explanation / Reason for Audit	Fiscal Year	Stage	Planned Quarter
TRIO Upward Bound	H	Determine compliance with policies, procedures and related grant requirements	2025		3

Federal Work Study	H	Determine compliance with federal regulations and College policies and procedures	2025		4
Iraq, Afghanistan Service / In the Line of Duty Grants	H	Determine compliance with federal regulations and College policies, procedures and controls for such grants	2026		2
Federal Student Financial Aid TBD	H	Determine compliance with federal regulations and College policies and procedures	2026		4
ITS					
ITS Disaster Recovery Plan	M	Determine DRP is reviewed and updated at least annually; accuracy of current version; exercises are performed and documented	2026		3
Alternate Audits					
Administrative					
Follow Up on Prior Issues			Ongoing		Ongoing
Committee Meetings (Grants, Data Breach, EMT, external audits/reviews)			Ongoing		Ongoing

2

4

3

Stage:

- Audit deferred at the request of management **
- Risk Assessment / Planning 1
- Announcement / Contact 2
- Opening Meeting Held 3
- Fieldwork 4
- Draft Report Issued 5
- Closing Meeting Held 6
- Final Report Issued 7

Risk Ratings are Low (L), Medium (M), or High (H) based on a compilation of individually-rated risk factors including: financial statement impact; transaction volume; public relations/reputation; student satisfaction; legal/regulatory compliance; corporative initiatives; significant changes; known problems/issues; staff/faculty satisfaction; and executive override.

Financial Statements and
Supplementary Information with Report
of Independent Certified Public
Accountants

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

June 30, 2024

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Trustees
Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

Report on the financial statements**Opinions**

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Community College of Philadelphia (“the College”), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the College’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the College as of June 30, 2024, 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.

Basis for opinions

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

Responsibilities of management for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US 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 US GAAS and *Government Auditing Standards*, we:

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

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

Required supplementary information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis included on pages 7 through 14 and the required supplementary information on pages 52 through 54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required 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 US GAAS. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The other supplementary information, comprised of the reformatted schedule of net position, reformatted schedule of activities, and the schedule of changes in capital asset balances on pages 56 through 58 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

Management is responsible for the other information included in the annual report. The other information comprises the statistical section and demographic statistics on pages 60 through 68 and is presented for purposes of additional analysis, but does not include the basic financial statements and our auditor's 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.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Grant Thornton LLP

Philadelphia, Pennsylvania
October 24, 2024

**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2024

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") is based upon facts, decisions, and conditions known as of the date of the audit report. The MD&A should be read in conjunction with the financial statements and accompanying notes that follow this section.

Community College of Philadelphia (the "College") has prepared its financial statements in accordance with Governmental Accounting Standards Board ("GASB") principles, which establish standards for external financial reporting for public colleges and universities and require the financial statements presented to focus on the College as a whole.

The financial results of Community College of Philadelphia Foundation (the "Foundation") and CCP Development, LLC are reported as discrete component units. The Foundation was incorporated exclusively to secure philanthropic funding to benefit academic and student success. CCP Development, LLC was organized as a qualified active low-income community business ("QALICB") to secure new market tax credit funding for the construction of the College's Career and Advanced Technology Center at 4750 Market Street, Philadelphia, Pennsylvania.

Financial and Institutional Highlights

- The College continued its commitment to keep higher education affordable for all Philadelphia residents. Tuition has remained unchanged at \$159 per credit since fall of 2017.
- The College continued its efforts to set the trajectory for greater student success guided by the collective efforts of faculty, staff, and students. Student intake and onboarding now includes intentional advising and individually designed support.
- The College distributed more than \$100,000 in emergency funds directly to students experiencing crises who would have otherwise withdrawn from the College.
- The College continued its successful pilot program where students with more than 30 credits receive additional time to satisfy outstanding balances without fear of being dropped for nonpayment. Over 1,000 students were able to continue taking classes, contributing to retention and revenue growth.
- The new Food Pantry was established to address food insecurity among the College's students. Students can receive Snack Packs and Family Foodie Bags from the Food Pantry. The Food Pantry is funded by internal and external donations.
- The City of Philadelphia (the "City"), under its new Mayor, is funding a first-in-the nation City College for Municipal Employment. This new initiative at the College began with the first cohort in fall 2024. The goal is to develop talent and create pathways to jobs at the City.
- The Catto Scholarship was offered for the fourth year with 1,820 students receiving free tuition, books, and monthly stipends. The Catto Scholarship is a bold anti-poverty initiative sponsored by the City of Philadelphia. The Scholarship provides comprehensive wraparound services including individualized success coaching, last-dollar tuition funding, and financial support to cover the cost of student basic needs such as food, transportation, and books. The enrollment in Catto has reached maximum capacity and has a steady waitlist. For the 2023-2024 academic year, the City allocated \$11.7 million to the College to support the Catto Scholarship program.

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024

- The College continued supporting high school students to enroll in college level courses via contracts with the School District of Philadelphia. High school students enrolled in Gateway to College or Parkway Center City Middle College High School will graduate with a high school diploma and College credits up to an Associate's degree.
- In Spring 2024, the Toyota T-TEN program certified the College's Career and Advanced Technology Center ("CATC") at West Philadelphia as one of 36 national certified technicians training sites. This site is the only one of its kind in the region.
- In Spring 2024, a new partnership was established between College and Lincoln University to allow qualified Lincoln graduates to earn a post-baccalaureate associate's degree in nursing from the College. The healthcare programs continue to have over 90% passing rate in licensure exams, with programs like Nursing and Diagnostic Medical Imaging having 100% passing rates for all the students.
- During the year the College offered new certificate programs in Insurance and Interdisciplinary Analysis and Critical Reasoning, Restorative Justice, and Video Game Audio. Other notable new degree and certificate programs approved for Fall 2024 include Community Health and Wellness Proficiency Certificate; the Pre-Doctorate in Pharmacy Proficiency Certificate ("PAPC") and Real Estate Proficiency Certificate ("REPC").
- Over 300 classrooms (more than 95%) are now outfitted with large interactive display monitors. Each classroom is also equipped with a web camera. The College also offered Hybrid Flexible (or HyFlex) model allowing students to choose how to attend class on any given day. Students have the option to attend classes either face-to-face or synchronous via Zoom, or completely asynchronously.
- Additional software and hardware are being implemented to support teaching and learning, including a 24/7 helpdesk chatbot with knowledgebase and extended reality (virtual reality, mixed reality, and augmented reality) platforms.
- A student equity initiative was launched two years ago with the goal of closing the achievement gap of underrepresented populations. Last year the focus was on supporting students with invisible disabilities. This year the focus of the equity initiative included learning opportunities for faculty in the areas of: grading for equity; Critical Race Theory; using data to guide equity work; and ensuring equity and inclusion in the online environment.
- The Jr. STEM Academy at CATC continued to offer after school and summer programming in robotics; drone building, programming, and operation; app development; and advanced manufacturing to students from West Philadelphia middle schools.
- Enrollment continues to trend upwards. Total enrollment increased 4.6% from 16,769 students to 17,537 students while total credit hours increased 6.7% from 227,709 credit hours to 243,045 credit hours.
- In April 2024, the College launched a comprehensive new brand, visual identity, and website aimed directly at increasing student enrollment and affiliation. Messaging, look, and feel were developed based on extensive research and interviews with current and prospective students.
- Moody's affirmed the College A3 issuer and revenue bond ratings, maintaining a stable outlook. This rating is a positive indicator for the College, suggesting confidence in its financial practices and stability.

**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024

Overview of Financial Statements

The College's financial statements focus on the College as a whole, rather than upon individual funds or activities. The GASB reporting model is designed to provide readers with a broad overview of the College's finances and is comprised of three basic statements:

- The *Statement of Net Position* presents information on the College's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets serve as one indicator of how the financial position of the College is changing.
- The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the College's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.
- The *Statement of Cash Flows* is reported using the direct method. The direct method of cash flow reporting portrays net cash flows from operations, financing, and investing receipts and disbursements.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes contain details on both the accounting policies and procedures that the College has adopted, as well as additional information about amounts reported in the financial statements.

Net Position

At June 30, 2024, the College's net position was \$56.9 million, with liabilities of \$253.6 million and assets of \$339.6 million. Net position increased by \$42.5 million in 2024 prior to recording the impact of the post-employment benefit liability. Unrestricted net position improved from a negative \$82.0 million to a negative \$42.5 million. Absent the cumulative impact of the post-employment benefit liability ("GASB 75 and 68") reporting requirements, unrestricted net position would currently be at a level of positive \$116.0 million. The other factor contributing to the change in the unrestricted net position value was unfunded depreciation expense for 2024 in the amount of \$8.8 million.

**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024

	Summary of Net Position	
	June 30,	
	2024	2023
	(in millions)	
Assets:		
Current assets	\$ 88.8	\$ 84.8
Noncurrent assets:		
Loan receivable	19.9	19.9
Bond proceeds available for campus construction	6.9	6.5
Other long-term investments	29.6	27.2
Long-term lease receivable	19.0	19.3
Capital assets, net	175.4	174.8
Total assets	339.6	332.5
Deferred outflows of resources	7.7	15.1
Liabilities:		
Current liabilities	35.9	47.9
Noncurrent liabilities	217.8	220.2
Total liabilities	253.7	268.1
Deferred inflows of resources	36.8	60.8
Net position:		
Net investment in capital assets	93.4	94.5
Restricted: expendable	5.9	6.2
Unrestricted	(42.5)	(82.0)
Total net position	\$ 56.8	\$ 18.7

Assets

Current assets increased by \$4.0 million during 2024. Short-term investments, accounts receivable and other assets decreased due to timing differences offset by increase in receivable from government agencies.

Noncurrent assets increased by \$3.1 million. This is primarily attributable to the increase in value of long-term investments. Bond proceeds available for campus construction decreased as construction of the Library and Learning Commons and the Center for Advanced Technology progressed towards completion. The College's capital assets as of June 30, 2024 net of accumulated depreciation were \$175.4 million, an increase of \$0.6 million over the amount reported for 2023 of \$174.8 million. The increase in the net value of capital assets is related to the increase in the value of capital additions exceeding the accumulated depreciation. Total current liabilities decreased by \$12.0 million in 2024. Accounts payable and accrued liabilities decreased by \$4.6 million primarily due to timing. Unearned revenue decreased by \$8.3 million due to the College's receipt of \$15.0 million from the City for future capital projects in 2023 which were completed in 2024.

**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024

The College's outstanding long-term debt was \$55.3 million as of June 30, 2024, a decrease of \$6.2 million from June 2023. This decrease is due to the debt service payments made during the year. The pension liability amount of \$5.1 million related to GASB 68, which requires the College to record its relative proportion of the net funded status of certain state cost sharing pension plans. The cumulative estimated value for the accrued other post-employment benefit liability in 2024 and 2023 was \$158.5 million and \$154.2 million, respectively. Absent this reporting requirement, the College's net assets as of June 30, 2024 would have been at a level of \$215.3 million.

Statements of Revenues, Expenses and Changes in Net Position

The change in net position for 2024 and 2023 was a positive \$38.1 million and \$22.3 million, respectively. The following table quantifies the changes:

	Revenues, Expenses and Changes in Net Position	
	Year ended June 30,	
	2024	2023
	(in millions)	
Operating revenues:		
Net tuition and fees	\$ 20.6	\$ 23.2
Auxiliary enterprises and other sources	1.0	0.9
Total	21.6	24.1
Operating expenses	152.2	141.1
Operating loss	(130.6)	(117.0)
Net non-operating revenues	144.0	124.8
Change in net position before other revenues	13.4	7.8
Capital appropriations	24.7	14.5
Total change in net position	\$ 38.1	\$ 22.3

Operating Revenues

The largest sources of operating revenue for the College are student tuition and fees and auxiliary enterprises revenues. In 2024, tuition charge was unchanged at \$159 per credit. The Technology Fee, General College Fee, and Course Fee also remained unchanged from prior year. The College charges course fees for selected high-cost courses. Course fees range from \$70 to \$690. Average total tuition and fee revenue per credit for 2024 was \$235.

Tuition and fee revenue totaled \$57.3 million in 2024 and \$55.0 million in 2023, an increase of 4.2%. Total enrolled credit headcount increased 6.2% for the same period.

**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024

Scholarship allowance amounts for 2024 and 2023 totaled \$36.7 million and \$31.8 million, respectively. The scholarship allowance represents tuition and fee payments made using public and private grants and scholarships. The increase in scholarship allowance amounts between 2024 and 2023 is reflective of the 1% increase in overall credit enrollment and maximum Pell award increasing from \$6,895 in 2022-2023 to \$7,395 in 2023-2024.

Non-operating Revenues

Commonwealth appropriations in 2024, excluding capital appropriations, totaled \$34.3 million, an increase of \$0.7 million or 2.1% over the \$33.6 million received in 2023.

Total 2024 City funding was \$48.0 million. Of the funding appropriation, \$38.6 million was used for operating budget purposes in 2024 and \$9.4 million was used for CATTO Scholarships. In 2023, \$33.9 million of the total appropriation was used for operating purposes and \$6.7 million was used for CATTO Scholarships. Net investment income was \$6.9 million in 2024 and \$3.8 million in 2023.

As shown above, non-operating revenues increased by 15.4% from \$124.8 million in 2023 to \$144.0 million in 2024 primarily due to the increase of \$7.4 million in City funding and \$2.9 million of other non-operating revenues.

Capital Appropriations

The Commonwealth provided capital funding for debt service and capital purchases in the amount of \$5.7 and \$4.7 for 2024. The College used \$4.6 million of the total City of Philadelphia appropriation of \$49.3 million in 2024 for debt service. In 2023, City of Philadelphia appropriations used for debt service were \$5.4 million. An additional \$10 million of funding was received from the City of Philadelphia in 2024. \$4.0 million was for operations and \$6.0 million was deferred for the City College Municipal Employment Project (“CCME”).

	Expenses by Function Year ended June 30,	
	2024	2023
	(in millions)	
Instruction	\$ 56.2	\$ 49.9
Public service	0.0	0.1
Academic support	18.1	15.3
Student services	21.9	19.8
Institutional support	22.3	21.1
Physical plant operations	13.7	15.7
Depreciation and amortization	8.8	7.2
Student aid	10.8	11.5
Auxiliary enterprises	0.4	0.5
	<hr/>	<hr/>
Total operating expenses	\$ 152.2	\$ 141.1

Exclusive of student aid and depreciation expenses, the College’s operating expenses totaled \$132.6 million in 2024 and \$122.4 million in 2023. On October 25, 2021, the College and the Faculty and Staff Federation (“Federation”) agreed to extend the Collective Bargaining Agreements through August 31, 2024. The College and the Federation are currently negotiating the terms of successor Collective Bargaining Agreements.

**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024

In accordance with GASB 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* ("OPEB"), the College reports the Net OPEB Liability ("NOL") on the statement of net position. Changes to the NOL are recognized either in OPEB Expense and/or as deferred inflows/outflows. The value of the expense for 2024 and 2023 was a credit of \$12.1 million and \$19.2 million, respectively.

	Expenses by Natural Classification	
	Year ended June 30,	
	2024	2023
	(in millions)	
Salaries	\$ 77.8	\$ 77.0
Benefits	31.8	35.5
Contracted services	7.4	10.9
Supplies	1.4	2.0
Depreciation	8.8	7.2
Student aid	10.8	11.5
Other post-employment benefits	(12.0)	(19.2)
Other	26.2	16.2
	<u>152.2</u>	<u>141.1</u>
Total operating expenses		
Interest on capital asset-related debt service	<u>1.9</u>	<u>2.9</u>
Total nonoperating expenses	<u>1.9</u>	<u>2.9</u>
Total expenses	<u>\$ 154.1</u>	<u>\$ 144.0</u>

Schedule of Fund Balances

The 2024 and 2023 amounts reported for unrestricted operating funds were reduced by the impact of accrued expense liability for post-employment benefits GASB 75. The impact of GASB 75 reporting in 2024 was a negative \$153.4 million while the impact of GASB 68 reporting was a negative \$5.1 million.

	June 30,	
	2024	2023
	(in millions)	
Net investment in capital assets	\$ 93.4	\$ 94.5
Restricted expendable:		
Capital projects	5.9	5.8
Scholarships, awards, and faculty chair	-	0.4
Unrestricted	<u>(42.5)</u>	<u>(82.0)</u>
Total net position	<u>\$ 56.8</u>	<u>\$ 18.7</u>

**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2024

Community College of Philadelphia Foundation

The Foundation was established in 1985 for the exclusive purpose of raising friends and funds to support student scholarships, programs, and facility needs. Total assets for 2024 and 2023 were \$22.9 million and \$20.7 million, respectively. Total unrestricted net position for 2024 and 2023 for the Foundation was \$3.6 million and \$3.2 million, respectively. The remaining net position is restricted based upon donor intent.

CCP Development, LLC

CCP Development, LLC, is a Pennsylvania limited liability company established in 2020 for purposes of obtaining New Market Tax Credit ("NMTC") financing for the construction of the Career and Advanced Technology Center at 4750 Market Street, Philadelphia, Pennsylvania. Total assets for 2024 and 2023 were \$32.8 million and \$33.2 million, respectively, and total net position for 2024 and 2023 was \$6.7 million and \$7.0 million, respectively.

Future Impacts

The Mayor's City Budget Plan for 2024-2025 includes appropriations of \$39.8 million for operating funds and \$4.5 million for debt service. An additional \$11.7 million appropriation for the Octavius Catto Scholarship program, which includes \$0.5 million dedicated for dual enrollment programs is being finalized-

The Governor's Budget Plan for 2024-2025 includes an appropriation of \$36.1 million for operating funds, which is an increase of \$2.0 million or 5.9% over prior's year's appropriation of \$34.1 million.

Requests for information

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Controller's Office, Community College of Philadelphia, 1700 Spring Garden Street, M1-7, Philadelphia, PA 19130.

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

STATEMENT OF NET POSITION

June 30, 2024

	<u>Business-Type Activities</u> <u>Community College</u> <u>of Philadelphia</u>	<u>Component Unit</u> <u>Community College</u> <u>of Philadelphia Foundation</u>	<u>Component Unit</u> <u>CCP</u> <u>Development, LLC</u>
ASSETS			
Current assets			
Cash and cash equivalents (Note B)	\$ 64,532,038	\$ 3,038,032	\$ 3,101,333
Short-term investments (Note B)	13,296,750	3,271,095	-
Accounts receivable, net (Note C)	3,621,520	6,858	137,500
Receivable from government agencies (Note I)	6,064,986	-	-
Interest receivable	301,107	-	-
Other assets	1,007,712	-	-
Total current assets	<u>88,824,113</u>	<u>6,315,985</u>	<u>3,238,833</u>
Non-current assets			
Endowment investments (Note B)	-	16,607,286	-
Loan receivable (Note O)	19,880,421	-	-
Bond proceeds available for campus construction (Note B)	6,901,647	-	-
Other long-term investments (Note B)	29,614,738	-	-
Long-term lease receivable (Note E)	19,017,335	-	-
Capital assets, net (Note D)	175,405,961	-	29,605,452
Total non-current assets	<u>250,820,102</u>	<u>16,607,286</u>	<u>29,605,452</u>
Total assets	<u>\$ 339,644,215</u>	<u>\$ 22,923,271</u>	<u>\$ 32,844,285</u>
Deferred outflows of resources			
Deferred outflows	<u>\$ 7,675,274</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

STATEMENT OF NET POSITION - CONTINUED

June 30, 2024

	<u>Business-Type Activities</u> <u>Community College</u> <u>of Philadelphia</u>	<u>Component Unit</u> <u>Community College</u> <u>of Philadelphia Foundation</u>	<u>Component Unit</u> <u>CCP</u> <u>Development, LLC</u>
LIABILITIES AND NET POSITION			
Current liabilities			
Accounts payable and accrued liabilities (Note G)	\$ 16,534,451	\$ 188,259	\$ 186,411
Payable to government agencies (Note I)	329,876	-	-
Deposits	238,297	1,931	-
Unearned revenue	9,706,086	800,153	-
Current portion of lease obligation (Note E)	391,982	-	-
Current portion of subscription obligation (Note F)	1,381,272	-	-
Current portion of long-term debt (Note H)	6,550,000	-	-
Unamortized bond premium	728,918	-	-
	<u>35,860,882</u>	<u>990,343</u>	<u>186,411</u>
Total current liabilities			
Non-current liabilities			
Accrued liabilities (Note G)	2,472,942	-	-
Payable to government agencies (Note I)	941,336	-	-
Annuity payable	-	31,474	-
Deposits	250,000	-	-
Lease obligation (Note E)	547,947	-	-
Subscription obligation (Note F)	2,550,391	-	-
Long-term debt (Note H)	48,715,000	-	-
Notes payable (Note O)	-	-	25,945,000
Unamortized bond premium	3,796,071	-	-
Other post-employment benefits liability (Note J)	158,495,848	-	-
	<u>217,769,535</u>	<u>31,474</u>	<u>25,945,000</u>
Total non-current liabilities			
Total liabilities			
	<u>\$ 253,630,417</u>	<u>\$ 1,021,817</u>	<u>\$ 26,131,411</u>
Deferred inflows of resources			
Deferred inflows	<u>\$ 36,837,939</u>	<u>\$ 7,538</u>	<u>\$ -</u>
Net position			
Net investment in capital assets	\$ 93,434,624	\$ -	\$ 1,115,060
Restricted:			
Nonexpendable:			
Scholarships, awards and faculty chair	-	14,161,648	-
Annuities	-	9,277	-
Expendable:			
Scholarships, awards and faculty chair	-	3,795,063	-
Capital projects	5,937,483	376,044	6,473,136
Unrestricted	(42,520,974)	3,551,884	(875,322)
	<u>\$ 56,851,133</u>	<u>\$ 21,893,916</u>	<u>\$ 6,712,874</u>
Total net position			

The accompanying notes are an integral part of this financial statement.

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year ended June 30, 2024

	<u>Business-Type Activities</u> <u>Community College</u> <u>of Philadelphia</u>	<u>Component Unit</u> <u>Community College</u> <u>of Philadelphia Foundation</u>	<u>Component Unit</u> <u>CCP</u> <u>Development, LLC</u>
Operating revenues			
Student tuition	\$ 43,275,175	\$ -	\$ -
Student fees	14,005,439	-	-
Less: scholarship allowance	<u>(36,662,363)</u>	<u>-</u>	<u>-</u>
Net student tuition and fees	20,618,251	-	-
Auxiliary enterprises	933,921	-	-
Gifts	-	2,482,975	-
Other sources	<u>94,114</u>	<u>-</u>	<u>-</u>
Total operating revenues	<u>21,646,286</u>	<u>2,482,975</u>	<u>-</u>
Operating expenses			
Educational and general:			
Instruction	56,195,710	218,927	-
Public service	35,650	-	-
Academic support	18,087,046	1,536,142	-
Student services	21,931,275	380,664	-
Institutional support	22,274,373	472,877	-
Physical plant operations	13,752,781	-	157,756
Depreciation	8,836,208	-	1,346,508
Student aid	10,751,090	1,794,501	-
Auxiliary enterprises	<u>381,300</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>152,245,433</u>	<u>4,403,111</u>	<u>1,504,264</u>
OPERATING LOSS	<u>\$ (130,599,147)</u>	<u>\$ (1,920,136)</u>	<u>\$ (1,504,264)</u>

The accompanying notes are an integral part of this financial statement.

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - CONTINUED

Year ended June 30, 2024

	<u>Business-Type Activities</u> <u>Community College</u> <u>of Philadelphia</u>	<u>Component Unit</u> <u>Community College</u> <u>of Philadelphia Foundation</u>	<u>Component Unit</u> <u>CCP</u> <u>Development, LLC</u>
Non-operating revenues (expenses)			
Commonwealth appropriations (Note M)	\$ 34,343,287	\$ -	\$ -
City appropriations (Note M)	48,042,033	-	-
Federal grants and contracts	43,187,004	-	-
Commonwealth grants and contracts	6,280,382	-	-
Nongovernmental grants and contracts	3,036,321	2,217,840	-
Net investment gain	6,947,434	2,203,190	-
Interest on capital asset-related debt service	(1,881,355)	-	(483,356)
Other nonoperating revenues	4,058,710	442,307	1,650,011
	<u>144,013,816</u>	<u>4,863,337</u>	<u>1,166,655</u>
Net non-operating revenues			
	144,013,816	4,863,337	1,166,655
Gain (loss) before other revenues, expenses, gains or losses	13,414,669	2,943,201	(337,609)
Capital appropriations	<u>24,688,807</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>38,103,476</u>	<u>2,943,201</u>	<u>(337,609)</u>
Net position, beginning of the year	<u>18,747,657</u>	<u>18,950,715</u>	<u>7,050,483</u>
Net position, end of the year	<u>\$ 56,851,133</u>	<u>\$ 21,893,916</u>	<u>\$ 6,712,874</u>

The accompanying notes are an integral part of this financial statement.

**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

STATEMENT OF CASH FLOWS

**Year ended June 30, 2024
(Business-Type Activities - College Only)**

Cash flows from operating activities:	
Tuition and fees	\$ 15,095,431
Payments to suppliers	(39,859,943)
Payments to employees	(95,804,729)
Payments for employee benefits	(12,949,786)
Payments for student aid	(10,751,090)
Auxiliary enterprises	933,921
Other cash receipts	401,278
	<hr/>
Net cash used in operating activities	(142,934,918)
Cash flows from non-capital financing activities:	
Commonwealth appropriations	34,343,287
City appropriations	48,042,033
Gifts and grants	52,503,707
Other nonoperating	6,589,443
	<hr/>
Net cash provided by non-capital financing activities	141,478,470
Cash flows from capital and related financing activities:	
Commonwealth capital appropriations	4,729,382
City capital appropriations	19,959,425
Change in bond proceeds available for campus construction	(350,121)
Purchases of capital assets	(11,916,011)
Loss on disposal of capital assets	2,461,857
Principal payments on long-term debt and amortization of leases	(6,287,735)
Interest payments on long-term debt and leases	(2,185,363)
	<hr/>
Net cash provided by capital and related financing activities	6,411,434
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	896,000
Purchases of investments	(1,379,356)
Lease receivable	(470,818)
Income on investments	3,442,029
	<hr/>
Net cash provided by investing activities	2,487,855
	<hr/>
INCREASE IN CASH AND CASH EQUIVALENTS	7,442,841
Cash and cash equivalents, beginning	57,089,197
	<hr/>
Cash and cash equivalents, ending	\$ 64,532,038
	<hr/> <hr/>

The accompanying notes are an integral part of this financial statement.

**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

STATEMENT OF CASH FLOWS - CONTINUED

**Year ended June 30, 2024
(Business-Type Activities - College Only)**

Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (130,599,147)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	8,836,208
Changes in assets and liabilities:	
Accounts receivable	2,409,081
Other assets	307,164
Accounts payable and accrued liabilities	(3,570,189)
Unearned revenue	(8,290,564)
Other post-employment benefits	<u>(12,027,471)</u>
Net cash used in operating activities	<u><u>\$ (142,934,918)</u></u>

The accompanying notes are an integral part of this financial statement.

**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Community College of Philadelphia (the “College”) operates in accordance with the provisions of Commonwealth of Pennsylvania (the “Commonwealth”) legislation and through the sponsorship of the City of Philadelphia (the “City”). For financial reporting purposes, the College has been determined to be a component unit of the City, and, as such, has adopted the applicable provisions of the GASB.

Component Units

In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units - an Amendment of GASB Statement No. 14*, GASB Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*, and GASB Statement No. 14, *The Financial Reporting Entity*, the College has determined that the Community College of Philadelphia Foundation (the “Foundation”) and CCP Development LLC should be included in the College’s financial statements as discretely presented component units. A component unit is a legally separate organization for which the primary institution is financially accountable or to which the primary institution is closely related.

The Foundation was established to serve as an organization responsible for college fundraising activities. The bylaws of the Foundation give the College’s board of trustees the authority to amend the Articles of Incorporation of the Foundation at any time. Although the College does not control the timing or amount of receipts from the Foundation, the resources, or income thereon, the Foundation holds investments that are used exclusively for the benefit, support, and promotion of the College for its educational activities. Because these resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is discretely presented in the College’s financial statements.

CCP Development, LLC was established on October 20, 2020 under the Limited Liability Company Law of the Commonwealth of Pennsylvania and organized as a Qualified Active Low Income Community Business (“QALICB”) to secure NMTC to finance the construction of a career-based education and training facility at 4750 Market Street, Philadelphia, Pennsylvania. The facility creates jobs and provides training for the low-income community where it is located. CCP Development, LLC is 90% owned by the College and 10% owned by Career and Advanced Technology Center, Inc., a 501(c)3 corporation. Because of its relationship with the College, CCP Development, LLC is considered a component unit of the College and is discretely presented in the College’s financial statements.

Measurement Focus, Basis of Accounting, and Basis of Presentation

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“US GAAP”), as prescribed by the GASB. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The College has determined that it functions as a Business-Type Activity, as defined by the GASB. The effect of interfund activity has been eliminated from these financial statements.

**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

The College's policy is to define operating activities in the statement of revenues, expenses and changes in net position as those that generally result from exchange transactions such as the payment received for services and payment made for the purchase of goods and services. Certain other transactions are reported as non-operating activities. These non-operating activities include the College's operating and capital appropriations from the Commonwealth and the City; federal, Commonwealth, and private grants; net investment income; gifts; interest expense; and gains/losses on disposals of capital assets.

Government Appropriations

Revenue from the Commonwealth and the City is recognized in the fiscal year during which the funds are appropriated to the College. The College is fiscally dependent upon these appropriations. Specific accounting policies with regard to government appropriations are as follows:

Commonwealth of Pennsylvania

General Commonwealth legislation establishing community colleges provides for the reimbursement of certain college expenses from Commonwealth funds appropriated for this purpose. Act 46 enacted in July 2005 changed the original basis of allocating operating funds to Commonwealth community colleges from a formula approach based upon full-time equivalent ("FTE") students taught in the current fiscal year to a Commonwealth-wide community college appropriation. Under Act 46, the Commonwealth-wide operating budget appropriation for community colleges is to be distributed among each of the 14 colleges in three parts: base funding, growth funding and high-priority (economic development) program funding. The provisions of Act 46 are intended to ensure that base operating funding for each college will at least equal the amount of funds received in the prior year. Annually, 25% of any new dollars in the operating funding granted community colleges is to be distributed proportionally among the colleges experiencing growth in the prior year based upon their share of the FTE growth. Colleges whose enrollments are stable, or decline, do not receive any increase from the growth funding.

The other significant operating funding change as a result of Act 46 was the establishment of Economic Development (high priority) program funding. High-priority program funding is based upon prior year enrollments in program areas defined by the Commonwealth to contribute to trained worker growth in critical employment areas. Using prior year FTE enrollments in targeted programs as the allocation mechanism, each college is to receive a proportionate share of the available funds allocated to high-priority programs.

For 2024, the provisions of Act 46 were not followed in allocating operational funds to Pennsylvania community colleges. Instead, the 2023-24 operating allocations for community colleges were based on the General Appropriation Act of 2021, Act 1A.

Previously, under the provisions of Act 46, a separate revolving pool was established for community college capital funding. Capital funding, which may include major equipment and furniture purchases, capital improvements to buildings and grounds, debt service on major capital projects, and net rental costs for eligible capital leases, is reimbursed at the rate of 50%. Capital costs not previously approved for annual funding are subject to a competitive application process, with the allocation of available funds made by the Pennsylvania Department of Education using Commonwealth-wide criteria.

Any excesses or deficiencies between provisional payments and the final annual reimbursement calculation of annual Commonwealth funding are reflected as a payable or receivable from the Commonwealth.

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

Net Position

The College classifies its net position into the following four net position categories:

Net investment in capital assets: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repair, or improvement of those assets.

Restricted - nonexpendable: Net position subject to externally imposed conditions that the College must maintain them in perpetuity.

Restricted - expendable: Net position whose use is subject to externally imposed conditions that can be fulfilled by the actions of the College or by the passage of time.

Unrestricted: All other categories of net position. Unrestricted net position may be designated by actions of the College's Board of Trustees.

The College has adopted a policy of generally utilizing restricted - expendable funds, when available, prior to unrestricted funds.

Cash and Cash Equivalents

The College considers all cash accounts and demand deposits with financial banking institutions to be cash. The College considers all short-term investments (primarily certificates of deposit) with a maturity of 90 days or less to be cash equivalents.

Investments

Investments in marketable securities are stated at fair value. Valuations for non-marketable securities are provided by external investment managers and are based upon net asset value ("NAV") as provided by investment managers.

Dividends, interest and net gains or losses on investments of endowments and similar funds are reported in the statement of revenues, expenses and changes in net position. Any net earnings not expended are included in net position categories as follows:

1. As increases in restricted - nonexpendable net position if the terms of the gift require that they be added to the principal of a permanent endowment fund;
2. As increases in restricted - expendable net position if the terms of the gift or the College's interpretation of relevant Commonwealth law impose restrictions on the current use of the income or net gains; and
3. As increases in unrestricted net position in all other cases.

The College policy permits investments in obligations of the U.S. Treasury, certificates of deposit, commercial paper rated A1 by Standard and Poor's Corporation or P1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, and the Commonfund's Intermediate Term Fund and Multi-Strategy Bond Fund, and specifically approved fixed income securities.

**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

Lease Receivables

Lease receivables are recorded by the College as the present value of lease payments expected to be received under all leases other than short-term. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. Short-term leases, those with a maximum period of 12 months, are recognized as collected.

Capital Assets

Real estate assets, including improvements, are generally stated at cost. Furnishings and equipment are stated at cost at date of acquisition or, in the case of gifts, at fair value at date of donation.

Assets are depreciated using the straight-line method. The range of estimated useful lives by asset categories is summarized as follows:

Asset Category	Years
Buildings and improvements	10 to 50
Equipment and furniture	3 to 10
Library books	10
Microforms	5
Software	3
System software	10

The costs of normal maintenance and repairs that do not increase the value of the asset or materially extend assets' lives are not capitalized.

Right-to-Use Lease Assets and Lease Liability

Right-to-use ("ROU") assets are recognized at the lease commencement date and represent the College's right to use an underlying asset for the lease term. ROU assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement and initial direct costs. These assets are included within capital assets, net, on the statement of net position.

Lease liabilities represent the College's obligation to make lease payments arising from leases other than short-term leases. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments is discounted at the College's incremental borrowing rate. Short-term leases, those with a maximum period of 12 months, are expensed as incurred.

Right-to-Use Subscription Assets and Subscription Liability (SBITAs)

ROU SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, and plus any ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related contract. These assets are included within capital assets, net, on the statement of net position.

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

SBITA liabilities represent the College's obligation to make SBITA payments arising from contracts other than short-term SBITAs. SBITA liabilities are recognized at the SBITA commencement date based on the present value of future SBITA payments over the remaining SBITA term. Present value of SBITA payments is discounted at the College's incremental borrowing rate. Short-term SBITAs, those with a maximum period of 12 months, are expensed as incurred. SBITAs which are based on variable payments (or user seats) are not recorded as subscription assets or liabilities and are expensed as incurred.

Compensated Absences

Employees earn the right to be compensated during absences for vacation leave and sick leave. Accrued vacation is the amount earned by all eligible employees through the statement of net position date. Upon retirement, these employees are entitled to receive payment for this accrued balance as defined in the College policy and collective bargaining agreements.

Deposits and Unearned Revenue

Deposits and advance payments received for tuition and fees related to certain summer programs and tuition received for the following academic year are deferred and are recorded as revenues when instruction is provided. Grant funds collected in advance of the College incurring eligible expenditures are recorded as unearned revenue in the statement of net position.

Student Fees

Student fees for the year ended June 30, 2024 are general college fees of \$991,972, which have been designated for use by the various student organizations and activities.

Tax Status

The College generally is exempt from federal and Commonwealth taxes due to its status as an unincorporated association established by the Pennsylvania Community College Act of 1963 ("the Act"). Under the Act, community colleges are activities of the Commonwealth.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, useful lives of capital assets, assumptions related to self-insurance reserves, assumptions related to lease and SBITA discount rates, and assumptions related to pension and other post-employment benefit accruals. Actual results could differ from those estimates.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statements of revenues, expenses and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the College and the amount that is paid by students and/or third parties making payments on students' behalf. Certain governmental grants are recorded as either operating or non-operating revenues in the College's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the College has recorded a scholarship discount and allowance.

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

Self-Insurance

The College participates in a self-insurance medical plan with a reinsurance limit of \$250,000 to limit institutional financial exposure for individuals with extraordinarily large claims in a policy year. The College has established a self-insurance accrued liability account for incurred claims, as well as an estimate of claims incurred but not reported. The College's self-insurance liability at June 30, 2024 was \$1,600,500 based upon an actuarial calculation based upon historical claim experience.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources until that time. In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of a net position that applies to future periods and will not be recognized as an inflow of resources until that time. The College's deferred outflow/inflow relates to amounts recorded in connection with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68), amounts recorded in connection with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* (GASB 75), GASB Statement No. 87, *Leases*, as well as the advance refunding of the 2008 Series Community College Revenue Bonds in September 2015. See Notes E, H, and J for additional details.

Pensions

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

Pending Accounting Pronouncement

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for periods beginning after December 15, 2023, and all reporting periods thereafter. The College has not yet determined the impact of the Statement on the financial statements.

**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

NOTE B - DEPOSITS AND INVESTMENTS

The College invests its funds in accordance with the Board of Trustees' investment policy, which authorizes the College to invest in cash equivalents which consist of treasury bills, money market funds, commercial paper, bankers' acceptances, repurchase agreements and certificates of deposit; fixed income securities including U.S. government and agency securities, corporate notes and bonds, asset-backed bonds, floating rate securities and Yankee notes and bonds; stock equities and mutual funds including the Commonfund Multi-Strategy Bond Fund, Commonfund Intermediate Fund and Core Equity Fund. Regardless of fund classifications, certain general tenets apply. Investments in all classifications seek to maintain significant liquidity and maximize annual income for the College while avoiding excessive risk. Specific objectives include maintaining sufficient liquidity to meet anticipated cash needs and the preservation of principal. The College recognizes that it may be necessary to forego opportunities for potential large gains to achieve a reasonable risk posture. Certain investments are prohibited, including commodities and futures contracts, private placements, options, limited partnerships, venture capital, tangible personal property, direct real estate, short-selling, margin transactions and certain derivative instruments. Diversification, insofar as it reduces portfolio risk, is required. The Investment Subcommittee of the Business Affairs Committee meets quarterly to oversee the College's investment portfolio, guidelines, and to consider any recommended changes. At least annually, the Business Affairs Committee will report to the Executive Committee on the performance of the investments and recommended changes, if any.

Fixed-income portfolio must be of investment grade overall (equivalent of Moody's credit rating of Baa3 rating or higher). The average quality rating for the corporate bond portfolio should not fall below Moody's rating of AA3.

Deposits are comprised of demand deposit accounts with financial institutions. At June 30, 2024, cash on hand was \$4,000. At June 30, 2024, the carrying amount of deposits was \$64,528,038 and the bank balance was \$57,868,928. The differences were caused primarily by items in transit.

**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

The following is the fair value of deposits and investments at June 30, 2024:

	Component Units		
	College	Foundation	CCP Development, LLC
Deposits:			
Demand deposits	\$ 64,532,038	\$ 3,038,032	\$ 3,101,333
Investments:			
U.S. equity funds	7,277,200	-	-
International equity funds	-	4,288,716	-
U.S. Treasury obligations	5,919,543	-	-
U.S. government agency obligations	251,721	-	-
Corporate and foreign bonds	3,285,096	-	-
Long-term fixed income mutual funds	-	3,598,886	-
Intermediate fixed income mutual fund	5,376,979	822,782	-
Short-term fixed income mutual funds	-	1,311,723	-
Investment in subsidiary	6,474,136	-	-
Multi-strategy bond mutual fund	5,370,514	-	-
Core equity fund	7,669,772	6,585,146	-
Money market mutual funds	1,286,527	3,271,095	-
Private real estate fund	-	33	-
	<u>\$ 107,443,526</u>	<u>\$ 22,916,413</u>	<u>\$ 3,101,333</u>

In addition to the deposits and investments listed above, the College also has bond proceeds available for campus construction held by State Public School Building Authority, and the Bank of New York (the trustees), under the terms of various bond indentures. Bond proceeds available for campus construction are carried in the financial statements at fair value and consist of short-term investments and government securities. As of June 30, 2024, bond proceeds available for campus construction were \$6,901,647.

The College's investments are subject to various risks. Among these risks are custodial credit risk, credit risk, and interest rate risk. Each one of these risks is discussed in more detail below.

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to the College. The College does not have a deposit policy for custodial credit risk. Commonwealth of Pennsylvania Act 72 of 1971, as amended, allows banking institutions to satisfy the collateralization requirement by pooling eligible investments to cover total public funds on deposit in excess of federal insurance. Such pooled collateral is pledged with the financial institutions' trust departments.

At June 30, 2024, the College's bank balance was exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging bank's trust department not in the College's name	<u>\$ 64,528,038</u>
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**Community College of Philadelphia
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June 30, 2024

The College participates in the Certificate of Deposit Account Registry Service (“CDARS”) for its certificates of deposit and Insured Cash Sweep (“ICS”). CDARS and ICS allow the College to access Federal Deposit Insurance Corporation insurance on multi-million-dollar certificates of deposit and money market deposit accounts to earn rates that compare favorably to treasuries and money market mutual funds. Custodial credit risk has been eliminated for the College’s certificates of deposit as a result of its participation in the CDARS program.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody’s.

The multi-strategy bond mutual fund and the intermediate fixed income mutual fund are mutual funds managed by the Commonfund. The credit quality of the investments that comprise these funds at June 30, 2024 are:

	Multi-Strategy Bond	Intermediate Fixed Income
Government	21%	32%
Agency	22	21
AAA	12	22
AA	2	4
A	8	17
BBB	16	4
Below BBB	15	-
Non-rated/other	4	-
	100%	100%

The credit quality of the fixed income investments in which the College directly invests, including U.S. Treasury obligations, U.S. government agency obligations and corporate and foreign bonds, at June 30, 2024, is as follows:

	Fixed Income Investments
Aaa	62%
Aa	12
A	18
Baa	8
	100%

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

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Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of fixed income investments. The College's investment policy does not specifically address limitations in the maturities of investments. The weighted average maturities of the College's fixed income investments at June 30, 2024 are as follows:

	Weighted-Average Maturity (Years)
U.S. Treasury obligations	3.89
U.S. government agency obligations	3.17
Corporate and foreign bonds	4.33

The College categorizes its fair value measurements within the fair value hierarchy established by US GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

The College has the following recurring fair value measurements as of June 30, 2024:

Demand deposits, U.S. Treasury obligations, U.S. government agency obligations, equity mutual funds and money market mutual funds of \$86,936,801 are valued using quoted market prices (Level 1 inputs).

Corporate and foreign bonds of \$3,285,096 are valued using a matrix pricing model (Level 2 inputs), while the intermediate fixed income mutual fund and the multi-strategy bond mutual fund totaling \$10,747,493 are valued at the NAV per share (or its equivalent) of the investments (Level 2 inputs).

The Foundation has the following recurring fair value measurements as of June 30, 2024:

Demand deposits, equity mutual fund, and money market mutual funds of \$17,183,022 are valued using quoted market prices (Level 1 inputs).

The fixed income mutual funds of \$5,733,391 are valued at the NAV per share (or its equivalent) of the investments (Level 2 inputs).

CCP Development, LLC has the following recurring fair value measurements as of June 30, 2024:

Demand deposits \$3,101,333 are valued using quoted market prices (Level 1 inputs).

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June 30, 2024

The valuation method for investments measured at the NAV per share (or its equivalent) at June 30, 2024 are presented in the following table:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Intermediate term fixed income mutual fund ⁽¹⁾	\$ 5,376,979	-	Monthly	30 days
Multi-strategy bond mutual fund ⁽²⁾	<u>5,370,514</u>	-	Weekly	7 days
Total investments measured at NAV	<u>\$ 10,747,493</u>			

⁽¹⁾ *Intermediate Fixed Income Mutual Fund.* The investment objective of the Intermediate Term Fund is to produce a total return in excess of its benchmark, the Bank of America Merrill Lynch one to three Year Treasury Index but attaches greater emphasis to its goal of generating a higher current yield than short-term money market investments in a manner that mitigates the chances of a negative total return over any 12-month period. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

⁽²⁾ *Multi-Strategy Bond Mutual Fund.* The investment objective of the Multi-Strategy Bond Fund is to offer an actively managed, multi-manager investment program that will provide broad exposure to global debt markets. The fund seeks to add value above the return of the broad U.S. bond market as measured by the Barclays Capital U.S. Aggregate Bond Index, net of fees, and to provide competitive returns relative to the Russell U.S. Core Plus Fixed Income Universe. The fund's risk characteristics will vary from those of the index due to its diversified exposures to sectors outside of the index, including below investment grade debt and international bond and currency markets. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments.

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June 30, 2024

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivable include the following at June 30, 2024:

	Component Units		
	College	Foundation	CCP Development, LLC
Tuition and fee receivables	\$ 5,138,076	\$ -	\$ -
Grants receivable	115,576	6,858	-
Other receivables	1,156,167	-	137,500
	6,409,819	6,858	137,500
Less: allowance for doubtful accounts	(2,788,299)	-	-
Total	\$ 3,621,520	\$ 6,858	\$ 137,500

The College anticipates that all of its net accounts receivable will be collected within one year.

Accounts receivable, tuition and fees and other are reported as net realizable value. Accounts are written off when they are determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful accounts is estimated based on the College's historical losses and periodic review of individual accounts.

NOTE D - CAPITAL ASSETS

The College's capital assets consist of the following at June 30, 2024:

	Balance July 1, 2023	Additions	Retirements and Adjustments	Transfer to CCP Development, LLC	Balance June 30, 2024
Capital assets not depreciated:					
Land and improvements	\$ 37,844,976	\$ -	\$ -	\$ -	\$ 37,844,976
Construction in progress	1,493,222	613,834	(1,280,676)	-	826,380
Works of art	902,620	39,802	-	-	942,422
	40,240,818	653,636	(1,280,676)	-	39,613,778
Capital assets being depreciated:					
Buildings and improvements	267,810,883	5,779,441	-	(484,342)	273,105,982
Equipment and furniture	21,333,629	3,343,432	(137,169)	(356,673)	24,183,219
Library books	6,222,462	203,131	-	-	6,425,593
Microforms	1,669,831	-	-	-	1,669,831
Leases	30,991,592	636,881	(29,906,337)	-	1,722,136
Software	4,095,294	53,754	-	(26,877)	4,122,171
System software	6,918,606	6,963	-	-	6,925,569
SBITAs	5,049,133	1,233,844	(91,687)	-	6,191,290
Total before depreciation	344,091,430	11,257,446	(30,135,193)	(867,892)	324,345,791
	\$ 384,332,248	\$ 11,911,082	\$ (31,415,869)	\$ (867,892)	\$ 363,959,569

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June 30, 2024

Accumulated depreciation/amortization by asset categories is summarized as follows:

	Balance July 1, 2023	Additions	Retirements and Adjustments	Transfer to CCP Development, LLC	Balance June 30, 2024
Buildings and improvements	\$ 147,049,197	\$ 5,711,082	\$ -	\$ -	\$ 152,760,279
Equipment and furniture	13,390,027	1,247,212	(99,792)	-	14,537,447
Library books	5,427,252	128,850	-	-	5,556,102
Microforms	1,669,832	-	-	-	1,669,832
Leases	30,131,315	314,131	(29,630,428)	-	815,018
Software	4,045,162	18,800	-	-	4,063,962
System software	6,885,940	12,035	-	-	6,897,975
SBITAs	945,511	1,404,098	(96,616)	-	2,252,993
Total accumulated depreciation and amortization	\$ 209,544,236	\$ 8,836,208	\$ (29,826,836)	\$ -	\$ 188,553,608
					\$ 175,405,961

CCP Development's capital assets consist of the following at June 30, 2024:

	Balance July 1, 2023	Additions	Retirements and Adjustments	Transfer from CCP	Balance June 30, 2024
Capital assets not depreciated:					
Land and improvements	\$ 246,600	-	-	-	\$ 246,600
	246,600	-	-	-	246,600
Capital assets being depreciated:					
Buildings and improvements	27,520,136	-	-	484,342	28,004,478
Equipment and furniture	3,225,279	-	-	356,673	3,581,952
Software	207,112	-	-	26,877	233,989
Total before depreciation	30,952,527	-	-	867,892	31,820,419
	\$ 31,199,127	\$ -	\$ -	\$ 867,892	\$ 32,067,019

Accumulated depreciation/amortization by asset categories is summarized as follows:

	Balance July 1, 2023	Additions	Retirements and Adjustments	Transfer from CCP	Balance June 30, 2024
Buildings and improvements	\$ 679,284	\$ 816,998	\$ -	\$ -	\$ 1,496,282
Equipment and furniture	378,244	459,727	-	-	837,971
Software	57,531	69,783	-	-	127,314
Total accumulated depreciation and amortization	\$ 1,115,059	\$ 1,346,508	\$ -	\$ -	\$ 2,461,567
					\$ 29,605,452

NOTE E - LEASES

Leases Where College is the Lessor

On May 17, 2017, the College entered into a ground lease agreement with RPG Hamilton. The lease term is for 75 years with an option to extend the lease for an additional 24 years. Annual lease rental is payable to the College every quarter. The agreement allows RPG Hamilton to develop, operate and manage a mixed-use development to be built in two phases. Phase 1 consists of 2,000 square feet of retail space, 47,800 square feet of parking, and 290 apartments. Phase 1 was completed on April 5, 2019. Phase 2 consists of 297 apartment units. Phase 2 was completed on October 18, 2021. The addition of housing,

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June 30, 2024

retail space, and parking adjacent to the College provides an important marketing advantage for recruiting students, especially international and out of state students by providing a safe and secure environment while providing additional revenue to the College.

Under GASB 87, the College as a lessor, reports receivables for all leases of land, buildings, and equipment (except for short-term leases and contracts that transfer ownership). As of June 30, 2024, the College had a lease receivable \$19,017,335 and deferred inflow \$18,432,686. For the year ended June 30, 2024, the College received \$450,000 in lease interest revenue.

Leases Where College is the Lessee

The College leases certain equipment and property under lease arrangements through 2029. The principal and interest for the next five years and beyond are projected below for lease obligations:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 391,982	\$ 24,298	\$ 416,280
2026	218,213	14,045	232,258
2027	128,643	9,326	137,969
2028	132,953	5,016	137,969
2029	68,138	846	68,984
	<u>\$ 939,929</u>	<u>\$ 53,531</u>	<u>\$ 993,460</u>

NOTE F - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The College has entered into SBITAs for finance, reporting, communication, and learning software through 2028. The principal and interest for the next five years and beyond are projected below for SBITAs:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,381,272	\$ 113,270	\$ 1,494,542
2026	1,314,963	75,166	1,390,129
2027	1,007,487	37,673	1,045,160
2028	227,941	7,100	235,041
	<u>\$ 3,931,663</u>	<u>\$ 233,209</u>	<u>\$ 4,164,872</u>

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June 30, 2024

NOTE G - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2024:

Category:	College	Component Unit Foundation	Component Unit CCP Development LLC
Vendors and others	\$ 7,475,966	\$ 62,160	\$ 186,411
Accrued salaries	2,893,531	126,099	-
Accrued benefits	3,687,171	-	-
Compensated absences	4,106,499	-	-
Retirement incentive payments	656,792	-	-
Accrued interest	187,434	-	-
	<u>\$ 19,007,393</u>	<u>\$ 188,259</u>	<u>\$ 186,411</u>

Long-term liability activity for the year ended June 30, 2024 was as follows:

	Beginning Balance July 1, 2023	Additions	Deductions	Total Ending Balance June 30, 2024	Current Portion
Long-term liabilities:					
Accounts payable and accrued liabilities	\$ 22,939,146	\$ -	\$ (3,931,753)	\$ 19,007,393	\$ 16,534,451
Payable to government agencies	912,549	358,663	-	1,271,212	329,876
Lease liability	623,448	637,387	(320,906)	939,929	391,982
SBITA liability	4,140,707	1,233,844	(1,442,888)	3,931,663	1,381,272
Long-term debt	61,505,000	-	(6,240,000)	55,265,000	6,550,000
Unamortized bond premium	5,253,907	-	(728,918)	4,524,989	728,918
Other post- employment benefits	154,213,535	4,282,313	-	158,495,848	-
	<u>\$249,588,292</u>	<u>\$ 6,512,844</u>	<u>\$ (12,664,465)</u>	<u>\$243,436,034</u>	<u>\$ 25,916,499</u>

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June 30, 2024

NOTE H - DEBT

The College's debt financing is primarily provided through Community College Revenue Bonds issued by the Hospitals and Higher Education Facilities Authority and the State Public School Building Authority.

Debt consisted of the following at June 30, 2024:

	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance June 30, 2024</u>	<u>Current Portion</u>
2015 Series	\$ 26,660,000	\$ -	\$ (5,325,000)	\$ 21,335,000	\$ 5,590,000
2018 Series	12,320,000	-	(575,000)	11,745,000	600,000
2019 Series	7,945,000	-	(340,000)	7,605,000	360,000
2020 Series	14,580,000	-	-	14,580,000	-
	<u>\$ 61,505,000</u>	<u>\$ -</u>	<u>\$ (6,240,000)</u>	<u>\$ 55,265,000</u>	<u>\$ 6,550,000</u>

Future annual principal and interest payments at June 30, 2024 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30:			
2025	\$ 6,550,000	\$ 2,366,534	\$ 8,916,534
2026	6,000,000	2,039,034	8,039,034
2027	6,305,000	1,739,034	8,044,034
2028	7,565,000	1,423,784	8,988,784
2029	2,135,000	1,071,450	3,206,450
2030	2,220,000	990,192	3,210,192
2031	2,305,000	903,848	3,208,848
2032	2,395,000	812,343	3,207,343
2033	2,495,000	715,876	3,210,876
2034	2,595,000	614,002	3,209,002
2035	2,705,000	506,661	3,211,661
2036	2,805,000	405,660	3,210,660
2037	2,900,000	310,502	3,210,502
2038	3,000,000	212,120	3,212,120
2039	1,950,000	108,950	2,058,950
2040	1,340,000	45,413	1,385,413
	<u>\$ 55,265,000</u>	<u>\$ 14,265,403</u>	<u>\$ 69,530,403</u>

2015 Series

Under a loan agreement dated September 10, 2015, between the Authority and the College, the College borrowed \$52,075,000 of 2015 Series Community College Revenue Bonds to advance refund a portion of the Authority's Community College Revenue Bonds (Community College of Philadelphia Project), Series of 2008 and additional 2015 Capital Projects. The 2015 Capital Projects consist of the following: (1) renovating the College's biology labs; (2) replacing certain escalators located in the College's West Building; and (3) various other renovations, repairs and capital improvements. All of the foregoing components of the 2015 Capital Projects will be used in connection with the College's operation of its community college buildings in furtherance of its educational mission. The 2015 Series Bonds are payable over 12½ years at rates from 2.00% to 5.00%, with an average debt service payment of \$6,000,437 from 2025 through 2028.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

Remaining principal payments for the 2015 Series Bonds required by the loan agreement are as follows:

	Principal
2025	\$ 5,590,000
2026	4,995,000
2027	5,245,000
2028	5,505,000
	\$ 21,335,000

2018 Series

Under a loan agreement dated May 1, 2018, between the Authority and the College, the College borrowed \$24,155,000 of 2018 Series Community College Revenue Bonds to refund the outstanding Authority's Community College Revenue Bonds (Community College of Philadelphia Project), Series of 2017 and the additional 2018 Capital Projects. The 2018 Capital Projects consist of the renovation and improvements of the Library Learning Commons facility at the main campus. All of the foregoing components of the 2018 Capital Projects will be used in connection with the College's operation of its community college buildings in furtherance of its educational mission. The 2018 Series Bonds are payable over 20½ years at rates from 3.63% to 5.00%, with average debt service principal and interest payments of \$1,146,218 from 2025 through 2038.

	Principal
2025	\$ 600,000
2026	630,000
2027	665,000
2028	695,000
2029	730,000
2030-2038	8,425,000
	\$ 11,745,000

2019 Series

Under a loan agreement dated May 2019, between the Authority and the College, the College borrowed \$9,155,000 College Revenue Bonds (Community College of Philadelphia Project), Series A of 2019. The 2019 Capital Projects consist of (a) the development, construction, improvement, furnishing, equipping and outfitting of a new, approximately 75,500 square foot, building on land owned by the College in West Philadelphia, with a facility that will be used to house the College's Career and Advanced Technology Center, (b) the demolition of an existing building on such site, and (c) other miscellaneous capital improvements at such site including parking, landscaping and related improvements. All of the foregoing components of the 2019 Capital Projects will be used in connection with the College's operation of its community college buildings in furtherance of its educational mission. The 2019 Series A Bonds are payable over 21 years at rates from 3.00% to 5.00%, with average debt service principal and interest payments of \$676,560 from 2025 through 2040.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

Principal payments required by the loan agreement are as follows:

	Principal
2025	\$ 360,000
2026	375,000
2027	395,000
2028	415,000
2029	435,000
2030-2040	5,625,000
	\$ 7,605,000

2020 Series

Under a loan agreement dated December 8, 2020, between the Authority and the College, the College borrowed \$14,580,000 College Revenue Bonds (Community College of Philadelphia Project), Series of 2020 (Federally Taxable). The 2020 Capital Project is completion funding for the 2019 Capital Project and consists of:

- (a) the development, construction, improvement, furnishing, equipping, and outfitting of a new, approximately 75,000 square foot building on land owned by the College in West Philadelphia, which facility will be used to house the College's Career and Advanced Technology Center, and
- (b) other miscellaneous capital improvements at such site, including parking, landscaping and related improvements.

The 2020 Series Bonds were issued prior to the closing of the new market tax credit transaction which occurred on December 9, 2020. A portion of the proceeds of the 2020 Series Bonds was used as a leveraged loan to an investment fund which in turn, through three community development entities, lent such proceeds to CCP Development, LLC, which is 90% owned by the College and 10% owned by Career and Advanced Technology Center, Inc., a 501(c)(3) tax-exempt nonprofit corporation. CCP Development, LLC will use the proceeds and net new market tax credit equity received to construct the Career and Advanced Technology Center. The loan to CCP Development, LLC is secured by a first priority mortgage and lien on the Career and Advanced Technology Center. All of the foregoing components of the 2020 Capital Project will be used in conjunction with College's operation of its community college buildings in furtherance of its educational mission. Refer to Note O for additional details.

Remaining principal payments required by the loan agreement are as follows:

	Principal
2028	\$ 950,000
2029	970,000
2030	995,000
2031	1,020,000
2032	1,045,000
2033	1,075,000
2034-2040	8,525,000
	\$ 14,580,000

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June 30, 2024

NOTE I - (PAYABLE TO) RECEIVABLE FROM GOVERNMENT AGENCIES

(Payable to) receivable from government agencies includes the following at June 30, 2024:

	(Payable)	Receivable
Commonwealth of Pennsylvania:		
Provision for potential audit findings and reimbursement calculation	\$ (259,406)	\$ -
Grants and special projects	-	1,098,217
Pennsylvania Higher Education Assistance Agency for grants	(70,470)	-
	(329,876)	1,098,217
City of Philadelphia:		
Grants receivable	-	3,662,036
Federal:		
Financial aid programs	-	124,865
Grants and special projects	-	1,179,868
Other	(941,336)	-
	(941,336)	4,966,769
Total	\$ (1,271,212)	\$ 6,064,986

NOTE J - EMPLOYEE BENEFITS

Retirement benefits are provided for substantially all employees through payments to one of the board authorized retirement programs. Although the College does not offer participation in the Pennsylvania State Employees' Retirement System ("SERS") or the Public School Employees' Retirement System ("PSERS"), it has grandfathered continued participation for those employees currently enrolled. The College has 12 employees participating in the SERS and 23 employees in the PSERS.

Defined Benefit Plans

The PSERS and SERS are cost-sharing multiple employer-defined benefit plans and are administered by the Commonwealth as established under legislative authority. The financial statements for PSERS and SERS can be obtained from the following: Commonwealth of Pennsylvania, Public School Employees' Retirement System, 5 North Fifth Street, P.O. Box 125, Harrisburg, PA 17108 0125; and Commonwealth of Pennsylvania, State Employees' Retirement System, 30 North Third Street, P.O. Box 1147, Harrisburg, PA 17108-1147.

Benefits Provided

PSERS and SERS provide retirement, disability, and death benefits. For PSERS, retirement benefits are determined as 2.00% or 2.50% (depending on membership class), of the individual's final average salary multiplied by the number of years of credited service. After completion of five years of service, an individual's right to defined benefits is vested, and early retirement may be elected. Individuals are eligible for disability retirement benefits after completion of five years of credited service. Such disability benefits are generally equal to 2.00% to 2.50% (depending on membership class) of the member's final average salary multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Death benefits are payable upon the death

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of an active member who has reached age 62 with at least one year of credited service. Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

For SERS, retirement benefits are determined at 2.00% or 2.50% (depending on membership date) of the highest three-year average salary times the number of years of service. The vesting period is either five or 10 years (depending on membership date) of credited service.

Contributions

For PSERS, the contribution policy is set by Commonwealth statutes and requires contributions by active members, employers and the Commonwealth of Pennsylvania. Funding percentages are determined by the plan in accordance with actuarial calculations and are based on covered payroll. Currently, for full time faculty, administrators and other staff, the College contributes 34.00% of all earnings as long as contributions are adequate to accumulate assets to pay retirement benefits when due. Employee contributions are 6.50% of all earnings for members prior to July 22, 1983 and 7.50% of all earnings for members after July 22, 1983.

For SERS, the contribution policy is set by Commonwealth statutes and requires contributions by active members, employers and the Commonwealth of Pennsylvania. Funding percentages are determined by the plan in accordance with actuarial calculations and are based on covered payroll. Currently, for full-time faculty, administrators and other staff, the College contributes 27.60%, 32.24%, and 41.09% of all earnings as long as contributions are adequate to accumulate assets to pay retirement benefits when due. Employee contributions are 6.25% of all earnings.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources

At June 30, 2024, the College reported a liability of \$1,957,000 and \$3,128,332 within other post-employment benefits liability on the statements of net position, for its proportional share of the net pension liability for PSERS and SERS, respectively. The net pension liability was measured as of June 30, 2023 for PSERS and December 31, 2023 for SERS, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability is based on a projection of the College's long-term share of contributions to the pension plan relative to the projected contributions of all participating institutions, actuarially determined. At June 30, 2023 and December 31, 2023, the College's proportion of PSERS and SERS was 0.0044% and 0.0148%, respectively.

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For the year ended June 30, 2024, the College recognized proportional pension expense for PSERS and SERS of \$339,000 and \$246,414, respectively, as provided by the plans' actuarial schedules. At June 30, 2024, the College reported deferred outflows and inflows of resources related to pensions from the following sources:

PSERS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 27,000
Changes in assumptions	29,000	-
Net difference between projected and actual earnings on pension plan investments	55,000	-
Changes in proportion and differences between College contributions and proportionate share of contributions	460,000	-
Total	\$ 544,000	\$ 27,000

SERS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 88,326	\$ 6,359
Changes in assumptions	134,816	-
Net difference between projected and actual earnings on pension plan investments	245,789	-
Changes in proportion	180,503	384,952
Changes in proportion and differences between College contributions and proportionate share of contributions	-	199,484
Total	\$ 649,434	\$ 590,795

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June 30, 2024

Actuarial Assumptions

The following methods and assumptions were used in the actuarial valuations for the year ended June 30, 2024, unless otherwise stated. These methods and assumptions were applied to all periods included in the measurement:

PSERS

Actuarial cost method	entry age normal level % of pay
Investment rate of return	7.00%, includes inflation at 2.50%
Salary increases	effective average of 4.50%, which reflects an allowance for inflation of 2.50%, real wage growth of 2.00% for real wage growth and for merit or seniority increases
Mortality rates	Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for males and females, adjusted to reflect PSERS experience and projected using a modified version of the MP-2020 Improvement Scale

SERS

Actuarial cost method	entry age
Amortization method	straight-line amortization of investments over five years and amortization of assumption changes and noninvestment gains/losses over the average expected remaining service lives of all employees that are provided benefits
Investment rate of return	6.875% net of manager fees including inflation
Projected salary increases	average of 4.55% with range of 3.30% - 6.95% including inflation
Inflation	2.50%
Mortality rate	projected PubG-2010 and PubNS-2010 Mortality Tables adjusted for actual plan experience and future improvement for retirees, beneficiaries, and survivors and rates determined by SERS actuaries using actual SERS experience for pre-retirement active members
Cost of living adjustments	none (ad hoc)

**Community College of Philadelphia
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

PSERS

The long-term expected real rate of return on pension investments is determined using a building-block method in which best estimates of ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return are summarized at June 30, 2024, in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Public Equity	30.00%	5.20%
Private Equity	12.00%	7.90%
Fixed Income	33.00%	3.20%
Commodities	7.50%	2.70%
Absolute Return	4.00%	4.10%
Infrastructure/MLPs	10.00%	5.40%
Real Estate	11.00%	5.70%
Cash	3.00%	1.20%
Financing (LIBOR)	(10.50)%	1.20%
	<u>100.00%</u>	

SERS

Some of the methods and assumptions mentioned above are based on the 17th Investigation of Actuarial Experience, which was published in January 2011 and analyzed experience from 2006 through 2010. The long-term expected real rate of return on pension investments is determined using a building-block method in which best estimates of ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return are summarized, at June 30, 2024, in the following table:

<u>Asset Class</u>	<u>Total Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Private equity	16.00%	6.00%
Real estate	7.00%	4.80%
U.S. equity	31.00%	4.85%
International developed markets equity	14.00%	4.75%
Emerging markets equity	5.00%	4.95%
Fixed income - core	22.00%	1.75%
Inflation protection (TIPS)	3.00%	1.50%
Cash	2.00%	0.25%
	<u>100.00%</u>	

Community College of Philadelphia
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

For both PSERS and SERS, the discount rate used to measure total pension liability was 7.00% and 6.875%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at actuarially determined rates as set by statute. Based on those assumptions, the Defined Benefit 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 investment rate of return on Defined Benefit Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Position Liability

For PSERS, the College's net pension liability at June 30, 2024 is \$1,957,000 using a 7.00% discount rate. The College's net pension liability would have been \$2,537,000 assuming a 1%-point decrease (6.00%) in the discount rate and would have been \$1,468,000 assuming a 1%-point increase (8.00%) in the discount rate.

For SERS, the College's net pension liability at June 30, 2024 is \$3,128,332 using a 6.875% discount rate. The College's net pension liability would have been \$4,023,036 assuming a 1%-point decrease (5.875%) in the discount rate and would have been \$2,372,701 assuming a 1%-point increase (7.875%) in the discount rate.

Defined Contribution Plans

The College also sponsors one defined contribution plan, and as such, benefits depend solely on amounts contributed to the plan plus investment earnings. Full-time faculty and administrative employees are eligible to participate from the date of employment, and clerical employees have a one year waiting period. Participation is mandatory for full-time faculty and administrative employees upon reaching the age of 30 or after two years of employment, whichever is the later date. Participation is mandatory for full-time classified and confidential employees upon reaching the age of 30 or after four years of employment, whichever is the later date. Part-time faculty may participate after earning four seniority units, as defined in the collective bargaining agreement. College policy and collective bargaining agreements require that both the employee and the College contribute amounts, as set forth below, based on the employee's earnings.

The College's contributions for each employee (and interest allocated to the employee's accounts) are fully vested. Death benefits for value of accumulation are provided to the beneficiary of a participant who dies prior to retirement. Various payment options are available. The College has 977 employees participating in this program.

The payroll for employees covered by the three plans was \$78,504,296 and the College's total payroll is \$79,190,152 at June 30, 2024. Contributions made by the College for the year ended June 30, 2024 are \$6,210,013, representing 7.91% of covered payroll. College employees contributed \$4,681,461 for the year ended June 30, 2024.

**Community College of Philadelphia
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

A summary of retirement benefits follows:

Type of Employee:

Full-time faculty	10% of base contract
Visiting lecturers	5% of base contract
Part-time faculty	5% of all earnings
Administrators and other staff	10% of base contract
Others	10% of annual salary
Employee contribution	5% of base salary

Post-Employment Benefits (OPEB)

Program Description

The College provides OPEB to eligible retirees of the College and their spouses. Health benefits include medical, prescription drug and dental coverage. Retirees and spouses are eligible to continue coverage for life as long as the retiree premium rates are paid. Life insurance benefit continues until age 65. Spouses are not covered. Life insurance benefit is determined as follows: Administrators = 2.5 times last annual salary, rounded up to next \$1,000; Faculty, Classified, Confidential = 2 times last annual salary, rounded up to next \$1,000; Faculty on Pre-Retirement Half-Time Workload Option = 4 times last annual salary, rounded up to next \$1,000. These healthcare benefits are funded by a single employer plan.

Eligibility

Participants must be at least age 62 with 10 years of full-time service and have attained age plus service being greater than or equal to 77.

Funding Policy

Post-employment benefits other than pensions stem from the College's three collective bargaining agreements. For the year ended June 30, 2024, the College paid \$3,881,292 on behalf of the retirees and spouses. The College pays 100% of the premium for coverage for retirees until the end of the contract year in which the retiree attains age 65. Thereafter, the retiree pays 50% of the total premium, less the Medicare Part B premium. Pre-65 and post-65 retirees pay 50% of active medical benefits for pre-65 spouses. Post-65 retirees pay 50% of the premium for the coverage of post-65 spouses, less their Medicare Part B premium. Pre-65 retirees pay 0% of the premium for the coverage of post-65 spouses (the College pays 100% of their premium). Surviving spouses must pay 100% of the premium for coverage without getting reimbursed for Medicare Part B premium if over 65. Retirees on Medicare disability are given the Medicare Part B reimbursement regardless of age. The College pays 100% of the premium for retired post-65 part-time teachers and their spouses.

<u>Employees/Retirees/Beneficiaries</u>	<u>Number of Participants as of July 1, 2023</u>
Actives	789
Inactives currently receiving benefit payments	698
	1,487

**Community College of Philadelphia
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

The following table provides a summary of the changes in the College's total OPEB liability for fiscal year ended June 30, 2024. The valuation date was July 1, 2023 and the measurement date was June 30, 2024.

Change in Total OPEB Liability ("TOL")

TOL, beginning of year – July 1, 2023	\$ 148,665,760
Service cost	3,258,749
Interest	5,515,241
Difference between expected and actual experience	5,405,508
Benefits paid	(4,919,987)
Changes in assumptions	<u>(4,514,755)</u>
 TOL, end of year – June 30, 2024	 <u>\$ 153,410,516</u>

The following summarizes the development of benefit for the year ended June 30, 2024:

	<u>2024</u>
Service cost	\$ 3,258,749
Interest	5,515,241
Changes in assumptions	(10,138,703)
Amortization of:	
Total OPEB liability and assumption gain	<u>(5,811,956)</u>
 Total benefit	 <u>\$ (7,176,669)</u>

	<u>2024</u>
Weighted-average assumptions to determine expense:	
Actual benefit payments	\$ 4,919,987
Discount rate	3.86%
Expected return on assets	N/A
Salary scale	4.00%
Current rate	7.50%
Ultimate rate/year reached	4.50%/2044

Deferred inflows of resources reported by the College at June 30, 2024 are as follows:

<u>Date Amortization Base Set</u>	<u>Net Amount</u>	<u>Amortization Period Remaining</u>
June 30, 2024	\$ (17,787,458)	2 years

**Community College of Philadelphia
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

Deferred outflows of resources reported by the College at June 30, 2024 are as follows:

<u>Date Amortization Base Set</u>	<u>Net Amount</u>	<u>Amortization Period Remaining</u>
June 30, 2024	\$ 3,603,572	2 years

Deferred Inflows Projection

Amounts reported as deferred inflows of resources will be recognized in expense as follows:

<u>Years Ending June 30:</u>	
2025	\$ (14,480,703)
2026	296,917

Actuarial Assumptions

Mortality Table: The Pub-2011 Public Retirement Plans Teachers mortality table projected generationally with Scale MP-2021 for faculty participants and Pub-2011 Public Retirement Plans General mortality projected generationally with Scale MP-2021 for all other participants.

Discount Rate: 3.86% for determining June 30, 2024 disclosure and estimated 2025 expense.

Discount Rate Determination Method: Under GASB 75, the discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. Rates were taken from the Fidelity 20-year GO AA Bond index as of the measurement dates.

A one-percentage point change in the discount rate and assumed health care cost trend rates would have the following impact on the liability for post-employment benefits obligations at June 30, 2024:

<u>Discount Rate Change</u>	<u>1% Decrease</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 177,599,588	\$ 133,860,202
Net OPEB Liability Healthcare Trend Rate	\$ 133,068,803	\$ 178,840,455

Retirement Incentive Program

Effective September 1, 2014, the collective bargaining agreement provides for a retirement incentive for full-time employees at age 63, 64 or 65 with at least 20 years of service. The incentive payment is a percentage of final pay based on years of service. 17 employees will receive the incentive payment during fiscal year 2024-25. The present value of these payments is \$1,318,842.

**Community College of Philadelphia
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

NOTE K - COMMITMENTS AND CONTINGENCIES

The use of grant monies received is subject to compliance audits by the disbursing governmental agency. The College believes it is in compliance with all significant grant requirements.

The nature of the educational industry is such that, from time to time, the College is exposed to various risks of loss related to torts; alleged negligence; acts of discrimination; breach of contract; labor disputes; disagreements arising from the interpretation of laws or regulations; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. While some of these claims may be for substantial amounts, they are not unusual in the ordinary course of providing educational services. The College addresses these risks by purchasing commercial insurance. The College's retention of risk is limited to the deductibles on its insurance policies, which range from \$0 to \$150,000 per claim depending on the nature of the claim.

There have been no significant reductions in insurance coverage from the prior year. There have been no instances where a settlement amount exceeded the insurance coverage for each of the last three years. It is not expected that the resolution of any outstanding claims and litigation will have a material adverse effect on the accompanying financial statements.

The College's Collective Bargaining Agreement with Faculty and Classified employee unions expired on August 31, 2024. The College and the Federation are currently negotiating the terms of successor Collective Bargaining Agreements.

NOTE L - OPERATING EXPENSES

The College's and component unit operating expenses, on a natural-classification basis, were comprised of the following for the year ended June 30, 2024:

	<u>College</u>	<u>Component Unit Foundation</u>	<u>Component Unit CCP Development</u>
Salaries	\$ 77,783,715	\$ 1,116,430	\$ -
Benefits	31,811,616	421,237	-
Contracted services	7,401,950	4,312	117,345
Supplies	1,387,989	79,586	-
Depreciation	8,836,208	-	1,346,508
Student aid	10,751,090	1,794,501	-
Other post-retirement benefits	(12,027,469)	-	-
Other	26,300,334	987,045	40,411
	<u>\$ 152,245,433</u>	<u>\$ 4,403,111</u>	<u>\$ 1,504,264</u>

**Community College of Philadelphia
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

NOTE M - CITY AND COMMONWEALTH APPROPRIATIONS

Appropriations from the Commonwealth and the City for the year ended June 30, 2024 were as follows:

	Operations	Capital
Commonwealth of Pennsylvania	\$ 34,343,287	\$ 4,729,382
City of Philadelphia	48,042,033	19,959,425
	\$ 82,385,320	\$ 24,688,807

NOTE N - PASS-THROUGH GRANTS

The College distributed \$25,009,712 during the year ended June 30, 2024 for student loans through the U.S. Department of Education Federal Direct Loan Program. These distributions and related funding sources are not included as expenses and revenues, nor as cash disbursements and cash receipts in the accompanying financial statements.

NOTE O - NEW MARKET TAX CREDITS (CAREER AND ADVANCED TECHNOLOGY CENTER PROJECT)

On April 5, 2018, the Board of Trustees of the College approved a Resolution authorizing the West Regional Center Expansion. The West Regional Center Expansion is a capital project consisting of the development, construction, improvement, furnishing, equipping and fit out of a new building of approximately 75,000 square foot on land owned by the College in West Philadelphia. The building is being referred to as the Career and Advanced Technology Center (the "CATC").

The construction of CATC is supported by several mechanisms that include tax-exempt and taxable municipal bonds, Pennsylvania Department of Education capital funding, Redevelopment Assistance Capital Program grants and NMTC. On August 15, 2018, the Pennsylvania Department of Education approved the College's application for State assistance for the construction of community college facilities to expand the West Regional Center. The Department provided \$10,000,000 towards the capital expense of this Project in the form of debt service for the Series 2019 bonds, with the remainder to be financed by local sponsorship and other sources.

On May 8, 2019, the College successfully issued \$9,155,000 Series 2019 bonds with a premium of \$1,028,784 for total proceeds of \$10,183,784. The Series 2019 bonds were issued to assist with the construction of the CATC.

For additional funding of the CATC, the College utilized NMTC by which investors provide capital to community development entities ("CDEs"), and in exchange are awarded credits against their federal tax obligations. The NMTC program offers credits against federal income taxes over a seven-year period for Qualified Equity Investments in designated CDEs pursuant to Section 45D of the Internal Revenue Code in order to assist eligible businesses in making investments in certain low-income communities.

The CATC is located at 4750 Market Street, Philadelphia, Pennsylvania, within a census tract that constitutes a "low-income community" and therefore qualified for the NMTC program. CCP Development, LLC (the "LLC") was established as a QALICB and serves as the leveraged loan lender for the NMTC transaction. The LLC was allocated \$25,945,000 of NMTC's from three separate CDEs which invested in the CATC.

**Community College of Philadelphia
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2024

As part of the NMTC transaction, an investment fund (“the Fund”) was established and funded through an investment of NMTC equity from an investor (“Fund Investor”). The Fund invested in the three CDEs which made loans to the LLC on December 9, 2020 in the aggregate amount of \$25,945,000.

The construction of the CATC building was completed in August 2022 and leased to the College per the Master Lease Agreement between the LLC and the College. The College is responsible for all operating and maintenance costs of the CATC since completion. The base rent of \$137,500 is due quarterly on the first day of February, May, August and November. The College plans to exercise its option to terminate the lease arrangement at the end of the seven-year tax credit investment period at which time a one-time base rent payment in the amount of \$90,000 shall be made on December 9, 2027. A one-time base rent payment in the amount of \$66,000 shall be made on February 1, 2028. Quarterly payments due on payment dates occurring during the period beginning May 1, 2028 and ending on November 1, 2028, shall be in the amount of \$156,000.

Interest on the three loans is paid by the LLC, commencing on February 5, 2021, at 1.836% per annum. The notes all mature on November 1, 2050 with interest only payments through October 31, 2028 and principal and interest payments from February 5, 2029 and continuing each annual payment date thereafter through and including August 5, 2050. The College provided a limited payment guaranty and completion guaranty to the CDEs to secure the loans.

The loan receivable and related interest receivable from the Fund to the College are recorded as a loan receivable within the statement of net position. The LLC recorded the three loan obligations owed to the CDEs as notes payable within the statement of net position.

NOTE P - SUBSEQUENT EVENTS

The College has evaluated subsequent events through October 24, 2024, noting no items which would require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

SCHEDULES OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS - LAST 10 YEARS* (UNAUDITED)

Years ended June 30,
(Amounts are in thousands)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service cost	\$ 3,259	\$ 4,973	\$ 5,707	\$ 3,923	\$ 5,863	\$ 6,425	\$ 10,624
Interest cost	5,515	4,128	3,974	4,952	6,925	5,696	6,234
Difference between expected and actual experience	5,406	-	2,021	-	(33,487)	-	(47,379)
Changes in assumptions	(4,515)	(44,333)	4,711	31,764	617	-	(19,251)
Changes in benefit terms	-	-	-	-	(11,026)	(9,920)	-
Benefit payments	(4,920)	(4,488)	(4,303)	(3,874)	(4,929)	(4,449)	(4,934)
Net change in total OPEB liability	4,745	(39,720)	12,110	36,765	(36,037)	(2,248)	(54,706)
Total OPEB liability - beginning	148,666	188,386	176,276	139,511	175,548	177,796	232,502
Total OPEB liability - ending (a)	<u>\$ 153,411</u>	<u>\$ 148,666</u>	<u>\$ 188,386</u>	<u>\$ 176,276</u>	<u>\$ 139,511</u>	<u>\$ 175,548</u>	<u>\$ 177,796</u>
Plan Fiduciary Net Position							
Contribution - employer	\$ 4,920	\$ 4,488	\$ 4,303	\$ 3,874	\$ 4,929	\$ 4,449	\$ 4,934
Benefit payments	(4,920)	(4,488)	(4,303)	(3,874)	(4,929)	(4,449)	(4,934)
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 153,411</u>	<u>\$ 148,666</u>	<u>\$ 188,386</u>	<u>\$ 176,276</u>	<u>\$ 139,511</u>	<u>\$ 175,548</u>	<u>\$ 177,796</u>
Covered-employee payroll	\$ 57,856	\$ 59,397	\$ 56,145	\$ 55,279	\$ 53,434	\$ 51,546	\$ 54,241
Total OPEB liability as a percentage of covered-employee payroll	265%	250%	336%	319%	261%	341%	328%

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying report of independent certified public accountants.

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

SCHEDULES OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - LAST 10 YEARS* (UNAUDITED)

Years ended June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
PSERS										
College's proportion of the net pension liability	0.0044%	0.0035%	0.0028%	0.0028%	0.0030%	0.0034%	0.0034%	0.0035%	0.0032%	0.0026%
College's proportionate share of the net pension liability	\$ 1,957,000	\$ 1,556,000	\$ 1,150,000	\$ 1,379,000	\$ 1,403,000	\$ 1,632,000	\$ 1,679,000	\$ 1,734,000	\$ 1,386,000	\$ 1,030,000
College's covered employee payroll	\$ 228,783	\$ 215,604	\$ 268,640	\$ 244,157	\$ 407,745	\$ 456,911	\$ 455,779	\$ 454,763	\$ 413,104	\$ 335,800
Plan fiduciary net position as a percentage of the total pension liability	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%
SERS										
College's proportion of the net pension liability	0.0148%	0.0174%	0.0173%	0.0155%	0.0149%	0.0148%	0.0160%	0.0147%	0.0110%	0.0120%
College's proportionate share of the net pension liability	\$ 3,128,332	\$ 3,991,775	\$ 2,528,564	\$ 2,831,037	\$ 2,710,432	\$ 3,083,795	\$ 2,758,923	\$ 2,827,306	\$ 1,998,201	\$ 1,784,684
College's covered employee payroll	\$ 1,039,018	\$ 1,179,551	\$ 1,165,438	\$ 1,021,917	\$ 958,066	\$ 930,394	\$ 979,992	\$ 894,293	\$ 653,759	\$ 692,779
Plan fiduciary net position as a percentage of the total pension liability	65.30%	61.50%	76.00%	67.00%	63.10%	56.40%	63.00%	57.80%	58.90%	64.80%

*This schedule is intended to show information for 10 years.

See accompanying report of independent certified public accountants.

Community College of Philadelphia
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SCHEDULES OF EMPLOYER CONTRIBUTIONS - LAST 10 YEARS* (UNAUDITED)

Years ended June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
PSERS										
Contractually required contribution	\$ 105,815	\$ 92,170	\$ 95,000	\$ 175,000	\$ 134,000	\$ 144,000	\$ 130,000	\$ 111,000	\$ 83,000	\$ 52,000
Contribution in relation to the contractually required contribution	105,815	92,170	95,000	175,000	134,000	144,000	130,000	111,000	83,000	52,000
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 228,783	\$ 215,604	\$ 268,640	\$ 244,157	\$ 407,745	\$ 456,911	\$ 455,779	\$ 454,763	\$ 413,104	\$ 335,800
Contributions as a % of covered employee payroll	46.2513%	42.7497%	35.3633%	71.6752%	32.8637%	31.5160%	28.5226%	24.4083%	20.0918%	15.4854%
SERS										
Contractually required contribution	\$ 298,005	\$ 263,580	\$ 229,696	\$ 352,495	\$ 334,491	\$ 323,944	\$ 325,667	\$ 301,735	\$ 202,576	\$ 98,248
Contribution in relation to the contractually required contribution	298,005	263,580	229,696	352,495	334,491	323,944	325,667	301,735	202,576	98,248
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,039,018	\$ 880,309	\$ 1,165,438	\$ 1,021,917	\$ 958,066	\$ 930,394	\$ 979,992	\$ 894,293	\$ 653,759	\$ 692,779
Contributions as a % of covered employee payroll	28.6814%	29.9418%	19.7090%	34.4935%	34.9131%	34.8179%	33.2316%	33.7401%	30.9863%	14.1817%

See accompanying report of independent certified public accountants.

OTHER SUPPLEMENTARY INFORMATION

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

REFORMATTED SCHEDULE OF NET POSITION

June 30, 2024
(In thousands)

	Community College of Philadelphia	Community College of Philadelphia Foundation	CCP Development, LLC
Cash on deposit and on hand	\$ 64,532	\$ 3,038	\$ 3,101
Investments	42,911	19,878	-
Accounts receivable	6,410	7	138
Allowance for doubtful accounts	(2,788)	-	-
Due from other governments	6,065	-	-
Restricted assets	46,101	-	-
Other assets	1,008	-	-
Property, plant and equipment	175,405	-	29,605
Total assets	\$ 339,644	\$ 22,923	\$ 32,844
Deferred outflows of resources:			
Deferred outflows	\$ 7,675	\$ -	\$ -
Liabilities:			
Vouchers and accounts payable	\$ 7,476	\$ 222	\$ 186
Salaries and wages payable	11,344	-	-
Accrued expenses	187	-	-
Funds held in escrow	488	-	-
Due to other governments	1,271	-	-
Deferred revenue	9,706	800	-
Current portion of long-term obligations	9,052	-	-
Noncurrent portion of long-term obligations	55,609	-	-
Notes payable	-	-	25,945
Other post-employment benefits (GASB 75)	158,496	-	-
Total liabilities	\$ 253,630	\$ 1,022	\$ 26,131
Deferred inflows of resources:			
Deferred inflows	\$ 36,838	\$ 7	\$ -
Net position:			
Net investment in capital assets	\$ 93,435	\$ -	\$ 1,115
Restricted for:			
Nonexpendable scholarships, awards, and faculty chair	-	14,162	-
Nonexpendable annuities	-	9	-
Capital projects	5,937	376	6,473
Expendable scholarships, awards, and faculty chair	-	3,795	-
Unrestricted	(42,521)	3,552	(875)
Total net position	\$ 56,851	\$ 21,894	\$ 6,713

See accompanying report of independent certified public accountants.

**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

REFORMATTED SCHEDULE OF ACTIVITIES

Year ended June 30, 2024
(In thousands)

Programs/Functions	Expenses	Program Revenues			Net Expense and Changes in Net Position
		Charge for Services	Grants and Contributions	Capital Grants and Contributions	Education Activities
Community college services	\$ 158,530	\$ 21,552	\$ 54,722	\$ -	\$ 82,256
				General revenues:	
				Grants and contributions*	109,557
				Interest and investment earnings	9,151
				Miscellaneous	4,595
				Total general revenues	<u>123,303</u>
				Change in net assets	41,047
				Net position - beginning	<u>37,698</u>
				Net position - ending	<u>\$ 78,745</u>

* Includes Commonwealth appropriations of \$34,343,287 and City of Philadelphia appropriations of \$48,042,033.

Programs/Functions	Expenses	Program Revenues			Net Expense and Changes in Net Position
		Charge for Services	Grants and Contributions	Capital Grants and Contributions	Education Activities
CCP Development, LLC services	\$ 1,987	\$ -	\$ -	\$ -	\$ 1,987
				General revenues:	
				Grants and contributions	-
				Interest and investment earnings	-
				Miscellaneous	1,650
				Total general revenues	<u>1,650</u>
				Change in net assets	(337)
				Net position - beginning	<u>7,050</u>
				Net position - ending	<u>\$ 6,713</u>

See accompanying report of independent certified public accountants.

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

SCHEDULE OF CHANGES IN CAPITAL ASSET BALANCES

Year ended June 30, 2024

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements & Adjustments</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 37,844,976	\$ -	\$ -	\$ 37,844,976
Works of art	902,620	39,802	-	942,422
Construction in process	1,493,222	613,834	(1,280,676)	826,380
Total capital assets not being depreciated	<u>40,240,818</u>	<u>653,636</u>	<u>(1,280,676)</u>	<u>39,613,778</u>
Capital assets being depreciated:				
Buildings	267,810,883	5,779,441	(484,342)	273,105,982
Other improvements	18,906,193	263,848	(26,877)	19,143,164
Equipment & furniture	21,333,629	3,343,432	(493,842)	24,183,219
Leases	30,991,592	636,881	(29,906,337)	1,722,136
SBITAs	5,049,133	1,233,844	(91,687)	6,191,290
Total capital assets being depreciated	<u>344,091,430</u>	<u>11,257,446</u>	<u>(31,003,085)</u>	<u>324,345,791</u>
Less accumulated depreciation for:				
Buildings	147,049,197	5,711,082	-	152,760,279
Other improvements	18,028,186	159,685	-	18,187,871
Equipment & Furniture	13,390,027	1,247,212	(99,792)	14,537,447
Leases	30,131,315	314,131	(29,630,428)	815,018
SBITAs	945,511	1,404,098	(96,616)	2,252,993
Total accumulated depreciation	<u>209,544,236</u>	<u>8,836,208</u>	<u>(29,826,836)</u>	<u>188,553,608</u>
Total capital assets being depreciated, net	<u>134,547,194</u>	<u>2,421,238</u>	<u>(1,176,249)</u>	<u>135,792,183</u>
Business-type activities capital assets, net	<u>\$ 174,788,012</u>	<u>\$ 3,074,874</u>	<u>\$ (2,456,925)</u>	<u>\$ 175,405,961</u>

See accompanying report of independent certified public accountants.

OTHER INFORMATION (UNAUDITED)

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

STATISTICAL SECTION - SCHEDULE OF REVENUES BY SOURCE (UNAUDITED)

Years ended June 30,
(Amounts expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Student tuition and fees (net of scholarship allowances)	\$ 20,618	\$ 23,247	\$ 24,759	\$ 28,424	\$ 30,536	\$ 32,753	\$ 33,234	\$ 32,992	\$ 31,643	\$ 31,973
Sales of auxiliary enterprises	934	827	113	408	1,413	1,599	1,523	1,737	1,740	1,786
Other operating revenues	94	35	13	23	38	42	46	62	87	196
Total operating revenues	21,646	24,109	24,885	28,855	31,987	34,394	34,803	34,791	33,470	33,955
State appropriations	34,343	33,561	32,341	32,389	32,408	31,820	30,892	30,868	30,128	28,632
City appropriations	48,042	40,637	37,172	34,451	29,847	25,549	23,310	24,189	23,272	21,271
Federal grants and contracts	43,187	40,560	105,571	65,187	52,337	46,098	49,026	48,888	53,551	57,871
Gifts from the Community College of Philadelphia Foundation	-	67	375	12	95	160	242	835	225	141
State grants and contracts	6,280	5,722	5,718	6,061	6,621	5,989	7,953	8,126	8,278	7,343
Nongovernmental grants and contracts	3,036	2,260	1,948	2,884	2,522	2,115	1,582	1,528	1,456	1,521
Net investment (loss) income	6,947	3,813	(3,894)	451	1,691	1,577	36	75	815	365
Interest on capital asset-related debt service	(1,881)	(2,928)	-	-	-	-	-	-	-	-
Other nonoperating revenue	4,059	1,149	950	509	578	410	399	378	2,579	1,087
Total nonoperating revenues	144,013	124,841	180,181	141,944	126,099	113,718	113,440	114,887	120,304	118,231
Capital appropriations	24,689	14,517	11,548	12,990	12,032	11,797	12,450	11,050	12,354	10,859
Total revenues	\$ 190,348	\$ 163,467	\$ 216,614	\$ 183,789	\$ 170,118	\$ 159,909	\$ 160,693	\$ 160,728	\$ 166,128	\$ 163,045

See accompanying report of independent certified public accountants.

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

STATISTICAL SECTION - SCHEDULE OF REVENUES BY SOURCE (UNAUDITED) - CONTINUED

Years ended June 30,
(Amounts expressed in percentages)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Student tuition and fees (net of scholarship allowances)	10.83%	14.22%	11.43%	15.47%	17.95%	20.48%	20.68%	20.53%	19.05%	19.61%
Sales of auxiliary enterprises	0.49	0.51	0.05	0.22	0.83	1.00	0.95	1.08	1.05	1.10
Other operating revenues	0.05	0.02	0.10	0.01	0.02	0.03	0.03	0.04	0.05	0.12
Total operating revenues	11.37	14.75	11.49	15.70	18.80	21.51	21.66	21.65	20.15	20.83
State appropriations	18.05	20.53	14.93	17.62	19.05	19.90	19.22	19.21	18.14	17.56
City appropriations	25.23	24.86	17.16	18.74	17.54	15.98	14.51	15.04	14.01	13.05
Federal grants and contracts	22.68	24.81	48.74	35.47	30.77	28.83	30.51	30.42	32.23	35.49
State grants and contracts	3.30	3.50	2.64	3.30	3.89	3.75	4.95	5.06	4.98	4.50
Gifts from the Community College of Philadelphia Foundation	-	0.04	0.17	0.01	0.06	0.10	0.15	0.52	0.14	0.09
Nongovernmental grants and contracts	1.60	1.38	0.90	1.57	1.48	1.32	0.98	0.95	0.88	0.93
Net investment (loss) income	3.65	2.33	(1.80)	0.25	0.99	0.99	0.02	0.05	0.49	0.22
Interest on capital asset-related debt service	(0.99)	(1.79)	-	-	-	-	-	-	-	-
Other nonoperating revenue	2.14	0.70	0.44	0.28	0.34	0.25	0.25	0.24	1.55	0.67
Total nonoperating revenues	75.66	76.37	83.18	77.24	74.12	71.12	70.59	71.49	72.42	72.51
Capital appropriations	12.97	8.88	5.33	7.06	7.08	7.37	7.75	6.86	7.43	6.66
Total revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

See accompanying report of independent certified public accountants.

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

STATISTICAL SECTION - SCHEDULE OF EXPENSES BY USE (UNAUDITED)

Years ended June 30,
(Amounts expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:										
Salaries	\$ 77,784	\$ 76,982	\$ 75,891	\$ 74,041	\$ 77,819	\$ 77,462	\$ 76,986	\$ 78,629	\$ 77,931	\$ 77,161
Benefits	31,812	35,525	36,603	32,570	34,790	34,979	36,259	36,417	36,978	36,140
Contracted services	7,402	10,901	10,983	9,247	9,276	8,045	7,859	6,512	6,458	8,331
Supplies	1,388	1,988	2,927	5,564	4,467	3,060	3,549	3,376	3,857	3,073
Depreciation	8,836	7,198	7,610	7,464	7,783	7,939	8,133	8,204	8,861	9,698
Student aid	10,751	11,552	36,951	12,644	12,052	6,250	7,213	8,770	8,739	8,211
Other	26,300	16,117	23,848	10,231	11,376	13,375	12,092	12,959	13,167	12,815
GASB 75 (Other post-employment benefits) accrual	(12,027)	(19,154)	(6,274)	(8,754)	(24,590)	(5,426)	12,309	11,703	11,686	8,016
Total operating expenses	152,246	141,109	188,539	143,007	132,973	145,684	164,400	166,570	167,677	163,445
Interest on capital asset-related debt service	1,881	2,929	3,320	3,882	3,604	3,602	3,413	3,263	3,315	4,225
Total nonoperating expenses	1,881	2,929	3,320	3,882	3,604	3,602	3,413	3,263	3,315	4,225
Total expenses	\$ 154,127	\$ 144,038	\$ 191,859	\$ 146,889	\$ 136,577	\$ 149,286	\$ 167,813	\$ 169,833	\$ 170,992	\$ 167,670

See accompanying report of independent certified public accountants.

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

STATISTICAL SECTION - SCHEDULE OF EXPENSES BY USE (UNAUDITED) - CONTINUED

Years ended June 30,
(Amounts expressed in percentages)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:										
Salaries	50.47%	53.45%	39.56%	50.41%	56.98%	51.89%	45.88%	46.30%	45.57%	46.02%
Benefits	20.64	24.66	19.08	22.17	25.47	23.43	21.61	21.44	21.63	21.55
Contracted services	4.80	7.57	5.72	6.30	6.79	5.39	4.68	3.83	3.78	4.97
Supplies	0.90	1.38	1.53	3.79	3.27	2.05	2.11	1.99	2.26	1.83
Depreciation	5.73	5.00	3.97	5.08	5.70	5.32	4.85	4.83	5.18	5.78
Student aid	6.98	8.02	19.26	8.61	8.82	4.19	4.30	5.16	5.11	4.90
Other	17.06	11.19	12.43	6.97	8.33	8.96	7.21	7.63	7.70	7.64
GASB 75 (Other post-employment benefits) accrual	(7.80)	(13.30)	(3.27)	(5.96)	(18.00)	(3.63)	7.33	6.89	6.83	4.78
Total operating expenses	98.78	97.97	98.27	97.37	97.36	97.60	97.97	98.07	98.06	97.47
Interest on capital asset-related debt service	1.22	2.03	1.73	2.63	2.64	2.40	2.03	1.93	1.94	2.53
Total nonoperating expenses	1.22	2.03	1.73	2.63	2.64	2.40	2.03	1.93	1.94	2.53
Total expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

See accompanying report of independent certified public accountants.

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

STATISTICAL SECTION - SCHEDULE OF EXPENSES BY FUNCTION (UNAUDITED)

Years ended June 30,
(Amounts expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses by function:										
Instruction	\$ 56,196	\$ 49,897	\$ 54,725	\$ 50,333	\$ 49,333	\$ 56,715	\$ 64,578	\$ 65,509	\$ 66,018	\$ 65,046
Public service	36	21	39	38	104	97	145	124	183	86
Academic support	18,087	15,324	16,437	14,763	13,749	16,405	19,182	18,880	18,824	18,372
Student services	21,931	19,818	20,964	18,891	16,673	20,529	24,212	24,405	25,142	23,494
Institutional support	22,274	21,147	36,592	28,428	19,176	22,640	25,111	24,854	24,429	24,371
Operation and maintenance of plant	13,753	15,675	14,805	10,105	13,445	14,424	15,093	15,013	14,913	13,336
Depreciation	8,836	7,197	7,610	7,464	7,783	7,939	8,133	8,204	8,861	9,698
Student aid	10,751	11,553	36,951	12,644	12,052	6,250	7,213	8,770	8,739	8,211
Auxiliary enterprises	381	477	416	342	658	685	733	811	567	831
Interest on capital debt	1,881	2,929	3,320	3,882	3,604	3,602	3,413	3,263	3,315	4,225
Total expenses by function	\$ 154,126	\$ 144,038	\$ 191,859	\$ 146,890	\$ 136,577	\$ 149,286	\$ 167,813	\$ 169,833	\$ 170,991	\$ 167,670

(Amounts expressed in percentages)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses by function:										
Instruction	36.45%	34.64%	28.52%	34.27%	36.12%	37.99%	38.48%	38.57%	38.61%	38.79%
Public service	0.02	0.01	0.02	0.03	0.08	0.06	0.09	0.07	0.11	0.05
Academic support	11.74	10.64	8.57	10.05	10.07	10.99	11.43	11.12	11.01	10.96
Student services	14.23	13.76	10.93	12.86	12.21	13.75	14.43	14.37	14.70	14.01
Institutional support	14.45	14.68	19.07	19.35	14.04	15.17	14.96	14.63	14.29	14.54
Operation and maintenance of plant	8.92	10.88	7.72	6.88	9.84	9.66	8.99	8.84	8.72	7.95
Depreciation	5.73	5.00	3.97	5.08	5.70	5.32	4.85	4.83	5.18	5.78
Student aid	6.99	8.02	19.26	8.61	8.82	4.19	4.30	5.16	5.11	4.90
Auxiliary enterprises	0.25	0.33	0.22	0.23	0.48	0.46	0.44	0.48	0.33	0.50
Interest on capital debt	1.22	2.03	1.73	2.64	2.64	2.41	2.03	1.92	1.94	2.52
Total expenses by function	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

See accompanying report of independent certified public accountants.

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

STATISTICAL SECTION - SCHEDULE OF NET POSITION AND CHANGES IN NET POSITION (UNAUDITED)

Years ended June 30,
(Amounts expressed in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total revenues (from schedule of revenues by source less capital appropriations)	\$ 144,013	\$ 148,950	\$ 205,066	\$ 170,798	\$ 158,085	\$ 148,112	\$ 148,423	\$ 149,678	\$ 153,776	\$ 152,186
Total operating expenses (from schedule of expenses by use)	154,127	144,038	191,859	146,889	136,578	149,286	167,813	169,833	170,992	167,670
Total changes in net position	(10,114)	4,912	13,207	23,909	21,507	(1,174)	(19,390)	(20,155)	(17,216)	(15,484)
Net position, beginning	18,748	(3,611)	(28,368)	(65,267)	(98,807)	(109,429)	51,951	61,057	65,919	72,538
Net position, ending	<u>\$ 8,634</u>	<u>\$ 1,301</u>	<u>\$ (15,161)</u>	<u>\$ (41,358)</u>	<u>\$ (77,300)</u>	<u>\$ (110,603)</u>	<u>\$ 32,561</u>	<u>\$ 40,902</u>	<u>\$ 48,703</u>	<u>\$ 57,054</u>
Net investment in capital assets	\$ 93,435	\$ 94,532	\$ 110,433	\$ 116,734	\$ 104,726	\$ 103,869	\$ 102,005	\$ 99,772	\$ 98,776	\$ 96,979
Restricted - expendable	5,937	6,205	5,784	5,727	5,439	5,284	5,101	4,939	4,912	4,742
Unrestricted	(42,521)	(81,989)	(119,828)	(150,829)	(175,432)	(207,960)	(216,535)	(52,760)	(42,631)	(35,802)
Total net position	<u>\$ 56,851</u>	<u>\$ 18,748</u>	<u>\$ (3,611)</u>	<u>\$ (28,368)</u>	<u>\$ (65,267)</u>	<u>\$ (98,807)</u>	<u>\$ (109,429)</u>	<u>\$ 51,951</u>	<u>\$ 61,057</u>	<u>\$ 65,919</u>

Source: Audited financial statements.

See accompanying report of independent certified public accountants.

**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

STATISTICAL SECTION - FISCAL YEAR ENROLLMENT AND DEGREE STATISTICS (UNAUDITED)

Years ended June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Enrollments and student demographics:										
Credit FTE	10,004	9,161	8,935	10,608	12,331	12,740	13,596	13,659	14,481	14,851
Unduplicated Credit Headcount	17,537	16,769	16,596	19,266	22,160	23,139	24,443	25,571	26,837	27,942
Percentage - Men	34.1%	33.2%	31.6%	31.2%	34.7%	36.3%	36.3%	37.1%	37.8%	37.7%
Percentage - Women	65.9	66.2	68.4	68.4	65.3	63.7	63.7	62.9	62.2	62.3
Percentage - Black	42.3	44.7	42.5	41.7	41.9	43.1	48.1	48.8	49.4	50.7
Percentage - White	19.1	20.7	23.3	24.4	22.9	23.2	23.5	24.0	23.8	23.9
Percentage - Asian	11.2	10.7	10.8	10.4	11.8	11.4	9.8	9.4	8.9	8.4
Percentage - Hispanic	18.4	17.1	16.4	15.7	15.9	14.9	14.0	13.0	12.8	11.8
Percentage - American Indian/other	4.6	4.2	4.1	4.0	3.9	4.0	0.3	0.3	0.3	0.4
Percentage - Unknown	4.3	2.6	3.0	3.8	3.6	3.4	4.3	4.5	4.8	4.8
Degrees awarded:										
Associate	1,575	1,429	1,806	1,954	1,761	1,770	1,731	1,794	1,880	1,916
Certificate	180	154	229	178	225	331	495	471	475	446

Source: Department of Institutional Research.

See accompanying report of independent certified public accountants.

Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

STATISTICAL SECTION - FACULTY AND STAFF STATISTICS (UNAUDITED)

For Fall Term in Year

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Faculty:										
Part-time	630	614	526	297	452	567	543	548	676	635
Full-time	286	279	361	310	336	438	443	467	400	395
Percentage tenured	81.5%	86.4%	74.2%	77.7%	77.7%	67.1%	65.2%	61.8%	74.0%	81.7%
Administrative and support staff:										
Part-time	23	37	77	55	82	76	40	38	18	11
Full-time	503	500	495	503	506	474	470	466	445	453
Total employees:										
Part-time	653	651	603	352	534	643	583	586	694	646
Full-time	789	779	856	813	842	912	913	933	845	848
Students per full-time staff:										
Number credit students	1,224	11,636	11,647	13,672	15,996	16,672	17,296	18,126	18,099	19,119
Faculty	43	42	32	44	48	38	39	39	45	47
Administrative and support staff	24	23	24	27	32	35	37	39	41	42
Average annual faculty salary	\$ 70,191	\$ 69,675	\$ 61,894	\$ 66,597	\$ 65,300	\$ 75,020	\$ 67,883	\$ 69,196	\$ 63,789	\$ 65,212

Source: Institutional Human Resource Records.

GROSS SQUARE FEET OF COLLEGE BUILDINGS (UNAUDITED)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Main Campus - Buildings	911,051	911,051	911,051	911,051	911,051	911,051	911,051	911,051	911,051	911,051
Main Campus - 17 Street Garage	230,360	230,360	230,360	230,360	230,360	230,360	230,360	230,360	230,360	230,360
Main Campus Recreation Deck	62,600	62,600	62,600	62,600	62,600	62,600	62,600	62,600	62,600	62,600
Main Campus - CBI Garage	74,902	74,902	74,902	74,902	74,902	74,902	74,902	74,902	74,902	74,902
Main Campus - 434 North 15th Street	88,500	88,500	88,500	88,500	88,500	88,500	88,500	88,500	88,500	88,500
Northeast Regional Center	109,075	109,075	109,075	109,075	109,075	109,075	109,075	109,075	109,075	109,075
West Regional Center	39,394	39,394	39,394	39,394	39,394	39,394	39,394	39,394	39,394	39,394
Northwest Regional Center	90,000	90,000	-	-	-	-	-	-	-	-
Career & Advance Technology Center (CATC)	75,500	75,500	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Total gross square feet	1,681,382	1,681,382	1,605,882	1,605,882	1,605,882	1,605,882	1,605,882	1,605,882	1,605,882	1,605,882

Source: Institutional Physical Plant Records.

See accompanying report of independent certified public accountants.

**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

DEMOGRAPHIC STATISTICS (UNAUDITED)

City of Philadelphia Last Ten Calendar Years

Year:	Population as of June 30	Average Annual Unemployment Rate
2014 – 15	1,560,297	7.4
2015 – 16	1,567,442	6.9
2016 – 17	1,567,872	5.9
2017 – 18	1,580,863	5.7
2018 – 19	1,584,138	5.1
2019 – 20	1,584,064	7.8
2020 – 21	1,587,232	9.4
2021 – 22	1,576,251	5.7
2022 – 23	1,567,258	4.4
2023 – 24	1,550,542	3.8

Sources: United States Census Bureau and Bureau of Labor Statistics

See accompanying report of independent certified public accountants.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Community College of Philadelphia
(A Component Unit of the City of Philadelphia)

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the business-type activities and the aggregate discretely presented component units of the Community College of Philadelphia (“the College”), which comprise the statement of financial position as of June 30, 2024, and the related statement of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 24, 2024.

Report on internal control over financial reporting

In planning and performing our audit of the financial statements, we considered the College’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College’s internal control. Accordingly, we do not express an opinion on the effectiveness of the College’s internal control.

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

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

Report on compliance and other matters

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

Purpose of this report

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



Philadelphia, Pennsylvania
October 24, 2024

COMMUNITY COLLEGE OF PHILADELPHIA
Proceedings of the In-Person Meeting of the Board of Trustees
Thursday, October 10, 2024 – 2:30 p.m.
Career and Advanced Technology Center
4750 Market Street, Room 341

Present: Ms. Mindy Posoff, presiding: Ms. Ajeenah Amir, Mr. Pat Clancy, Mr. Michael Cooper, Mr. Harold T. Epps, Mr. Timothy Ford, Ms. Chekemma Fulmore-Townsend, Ms. Keola Harrington, Dr. Carol Jenkins, Pastor Jonathan Mason, Dr. Donald Generals, Ms. Josephine Di Gregorio, Mr. Eapen, Dr. David Thomas, Dr. Mellissia Zanjani, Dr. Alycia Marshall, Ms. Carolyn Flynn, and Dr. Ellyn Jo Waller

(1) Executive Session I

Ms. Posoff stated that the Executive Session was devoted to a discussion of personnel and legal matters.

(2) Meeting Called to Order

Ms. Posoff called the meeting to order and reviewed the goals for the meeting.

(3) Public Comment

Ms. Posoff asked if there were any public comment requests.

Ms. Flynn, General Counsel, stated that 25 requests for Public Comment have been received. Additionally, a request was made to record public comment, which has been granted. Ms. Flynn stated that due to the number of requests, the time of two minutes will be given to each presenter.

The following provided Public Comment:

- Quan Pham, student, expressed concern regarding the impact of scam/phishing on students and requested that the Board take a more aggressive role in IT protection.
- Jaritsa Hernandez-Ortiz, student and 2nd Vice President of the Student Government Association, addressed the slow response by the Financial Aid Office and its impact on students, office hours for Board members to meet with students, and the need for a student representative on the Board.

- Nikki Hatten, student, complained about faculty and the behavior of faculty towards her as well as the need for a student representative on the Board of Trustees.
- Savod Rooney-Gordon, student, spoke on the need for free SEPTA TransPasses for students.
- Christian Houghtaling-DeJesse, student, spoke on the need for free SEPTA TransPasses for students.
- Frank Scales, student and President of Student Government Association, spoke about the difficulty for students to attend a Board meeting off-campus, on the lack of a Bill of Rights for students, student representation on the Board of Trustees, and policy recommendations by the Student Government Association. Mr. Scales also read a public comment on behalf of student Sofia Charlotte Love, regarding the cancellation of classes due to low enrollment, and asked that classes that are required for a program should run regardless of low enrollment.
- Max Hassel, student, commented on the Board meeting being held at the Career and Advanced Technology Center (CATC) as it is a hardship for students. Additionally, Mr. Hassel stated that students want to speak up and administrators should listen to students.
- Evan McLoughlin, student, spoke on student representation on the Board.
- Marissa Johnson Valenzuela, faculty, English, spoke on behalf of Elizabeth Dalianis, faculty, and Marco Acuna about labor negotiations. She stated that the administration has refused to move Classified staff up a grade as a result of the job study that was conducted, faculty salaries, and the ratio of counselors and advisors to students. Ms. Valenzuela also spoke about her own personal financial situation and childcare.

Pastor Mason asked when will the Board address the issues raised by students during Public Comment. Dr. Generals stated that the issues raised during Public Comment would be addressed in Executive Session. The Board does not respond during the Public Comment period of the Board meeting.

(4) Report of the President

(a) Update on Enrollment

Dr. Lipscomb provided the following report on enrollment:

- Headcount for fall is up 6% for the fall compared to the previous year (current year: 13,069 students; last year: 12,352 students).
- New student headcount is up 8% (current year: 4,031 students; last year: 3,732 students).

- Continuing student headcount is up 5% (current year: 9,038 students; last year: 8,620 students).

Dr. Lipscomb stated that credit headcount is up 7% for the fall compared to the previous year (current year: 117,165; last year: 109,564 credits). He stated that Health Care Studies has experienced the largest influx of students with 360 more students in the program this year. Dr. Lipscomb stated that the Northeast Regional Center is experiencing the largest influx (35%) in students among campuses (current year: 9,908 credits; last year: 7,324 credits). The CATC is currently down 20 students; this excludes non-credit programming.

(b) Update on Municipal College

At the request of Dr. General, Dr. Thomas reported that a press conference was held on October 10, 2024 to launch the City College for Municipal Employment (CCME). He stated that Mayor Parker attended as well as Mr. Clancy, Dr. Watlington, Pastor Mason, and other dignitaries. Dr. Thomas stated that CCME is Mayor Parker's vision to provide an educational pipeline for City employees. Dr. Thomas stated that the College received 950 applications expressing interest in the program. He stated that in Phase I, the first cohort consists of 76 students. The courses offered for this cohort are the following:

- Four (4) sections of the Career Success Power Skills course will be offered (two 10-week sections and two 7-week sections).
- Two (2) noncredit municipal pathways courses are to be offered - Office Administrative Professional (Business Administration) and Computer Support Specialist (IT).

Dr. Thomas stated that for Phase II (spring 2025), the following courses will be offered:

- Four (4) sections of the Career Success Power Skills course will be offered (two 10-week sections and two 7-week sections).
- Two (2) noncredit municipal pathways courses are to be offered - Office Administrative Professional (Business/Administration) and Computer Support Specialist (IT).
- Four (4) credit municipal workforce pathways courses are to be offered - Computer Support Specialist (continuation of the credit portion of the full IT pathway), Automotive Tech (Skilled Trades), Patient Services Representative (Healthcare), and Public Safety.

In response to a question from Pastor Mason regarding the organizational chart for the project, specifically the relationship between the College and the Mayor's office, Dr. Thomas stated that the City has responsibility over the planning of the work for CCME and that there is a different organizational chart for each entity.

(c) Update on Cheyney Project

Dr. Generals reported that the College is in the early stages of a project which would lease space and create a University Center with Cheyney University. He stated that the College has identified space in the Center for Business and Industry. Dr. Generals stated that students will have the opportunity to be dually enrolled in CCP and Cheyney University. He stated that two legislators have expressed an interest in placing the project in the Governor's budget for next year.

(d) State Board of Higher Education

Dr. Generals reviewed and discussed Governor Shapiro's creation of a State Board of Higher Education. Dr. Generals noted that the community college presidents concern with the establishment of a State Board of Higher Education is its impact on local autonomy.

Dr. Generals provided highlights of the duties of the State Board of Higher Education. He stated that the Board will consist of 21 members: nine leaders from all major higher education sectors (one community college representative); two members of the administration: Education and Labor and Industry; four legislators; two students, two business leaders; and two labor leaders. Dr. Generals stated that the State Board will set strategic direction for higher education in Pennsylvania and will bring higher education leaders and other stakeholders to work together to meet the state's goals. Dr. Generals stated an executive director will serve as Pennsylvania's Higher Education State Executive Officer, who will direct the work of the State Board leadership team and staff. Dr. Generals stated that the first meeting of the State Board of Education is scheduled to take place early next year to organize and work on a strategic plan.

Dr. Generals stated that the community college presidents are involved in the process. The presidents have been meeting on a regular basis with Dr. Kate Shaw, Deputy Secretary and Commissioner for Postsecondary Education at the Pennsylvania Department of Education.

Dr. Generals stated that the State Board of Education document has been uploaded in the Library in Board Effect.

(e) Update on Strategic Plan/Committee of the Whole Overview

For the benefit of Board members who were unable to attend the October 9, 2024 dinner and presentation, Dr. Generals provided a brief overview of the Strategic Plan process for 2025-2030. Dr. Generals reviewed the goals and the accomplishments for the *2017-2025 Strategic Plan*. Dr. Generals also reviewed and discussed the process for the *2025-2030 Strategic Plan* and the goals. He stated that the Board was requested to provide feedback on the plan. A draft of the plan will be reviewed by the Board in January 2025 with approval of the final plan in March 2025.

Dr. Generals stated that the presentation on strategic planning has been uploaded in the Library in Board Effect.

(f) Foundation Report

Dr. Zanjani called attention to the Report on Grants and Gifts which was included in the Board meeting materials. She stated that the report reflects the period of July 1, 2024 through August 31, 2024. Dr. Zanjani stated that, to date, we have not received any new or continuing dollars for public/governmental fundraising as of August 31, 2024. For private/philanthropic fundraising, Dr. Zanjani stated that, to date, a total of \$716,373 has been raised versus \$470,752 at this time last year. Dr. Zanjani stated that highlights include:

- The Lenfest Institute for Journalism awarded \$35,000 as the first payment of a \$65,000 pledge to The Black Girls Guide to Policy/Every Voice Every Vote 2024.
- Quest for the Best awarded \$10,000 as the second payment of a \$50,000 pledge to the Quest for the Best Nursing Scholarship.
- The Gertrude Baker Charitable Trust awarded \$10,000 to the Gertrude Baker Trust Scholarship Fund.

Comprehensive Major Gifts Campaign Update on FY24, Looking Forward to FY25-27

Dr. Zanjani reported that the Institutional Advancement staff continue to raise significant funds in support of the campaign. She stated that the next 2/3 of the campaign is to engage Board volunteers and others as we move towards the public phase of the campaign. Dr. Zanjani stated that shortly the Board will receive an overview and timeline for the campaign as we move to the volunteer phase. The volunteer phase will start with the two boards making their campaign pledge this fall and the college leadership as we prepare for the public launch at the 2025 Black and Gold Gala.

Dr. Waller reported that the Foundation recently distributed nearly 500 gratitude certificates to current donors, 70 of which were hand delivered on campus to employee donors. Dr. Waller stated the Foundation has received a great response from our donors, who were happy to receive recognition for their support.

Dr. Waller reported that the first appeal letter of the fiscal year was mailed last week to 13,000 donors, employees, and alumni. Another solicitation mailing will be mailed in November 2024.

Alumni Association

Dr. Waller reported that the Alumni Association hosted the Alumni Fall Networking Reception at the Rittenhouse Grill on September 26, 2024. Thirty-three alumni guests attended, and that \$240 was raised for scholarships during the event.

Dr. Waller reported that over 50 alumni are already registered for the Alumni Reunion Dinner, which will be held on Thursday, November 7, 2024 beginning at 5:30 p.m. Dr. Waller encouraged members of the Board to stay for the dinner after the November 7, 2024 Board of Trustees meeting.

Dr. Waller reported on the following alumni events:

- The Women's Outreach Center for Family Fun Day on October 14, 2024, 2:00 p.m. – 5:00 p.m.
- The Student Engagement for a Grady's Community Garden Clean-Up and Celebration on October 16, 2024, 11:00 a.m. – 2:00 p.m.
- The Black History Walking Tour on November 23, 2024, at 10:00 a.m.

Giving and Getting

Dr. Waller reported that the friendly competition between the two Boards continues. Since July 1, 2024, and as of October 3, 2024, 22% of the Foundation Board of Directors and 13.3% of the College Board of Trustees have made a gift. Dr Waller stated that Board of Trustees Chair Epps and she look forward to connecting with members of the Board to continue to increase the percentage to 100% participation.

(5) Policy Working Group

Ms. Posoff reminded members of the Board that in March 2022, the Board approved a Policy on College Policies, Policy #319. A copy of Policy 319 is in the policy folder in Board Effect. Policy 319 includes a statement that all College policies must be approved by the Board of Trustees or, as delegated by the Board, by the President of the College. The approval of the majority of the College's policies has been assigned to the President; however, to ensure that the Board is meeting its responsibility for College policies, the Board agreed to a review procedure. A copy of the review procedure is in the policy folder in Board Effect. The procedure states that the College's Office of General Counsel will update the Executive Committee of the Board no later than August and will update the full Board no later than October on three things:

1. All policies that were reviewed in the prior academic year;
2. All outstanding policy reviews from the 7-year review cycle; and
3. The upcoming review schedule.

Ms. Posoff stated that the Policy Work Group met several times during the 2023-2024 academic year, including a meeting on August 5, 2024, to review the status of the policy information. The information was presented to the Executive Committee at its meeting on August 15, 2024 by General Counsel Carolyn Flynn. Ms. Flynn will provide the update to the full Board as required in the review procedure.

Ms. Flynn highlighted a summary of policies (**Attachment A**) that were reviewed in 2023-2024 and the status of other policy reviews. She stated that three of the policies are part of the Consent Agenda for Board approval. Ms. Flynn also discussed the 5 policies that are

outstanding and should be completed in the fall 2024 semester, as well as policies that are included in the review schedule for 2024-2025.

(6) Student Outcomes Committee

Ms. Fulmore-Townsend reported that the Student Outcomes Committee met on September 5, 2024. She stated that the focus of the meeting was looking at life inside and outside the classroom. Ms. Fulmore-Townsend gave kudos to Dr. Marshall for hiring 20 faculty members. She stated that faculty should reflect the demographics of the student body. Ms. Fulmore-Townsend stated that the Committee was pleased with the diverse demographics of the 20 new faculty members across all divisions, which closely mirrors the College's current student population. Ms. Fulmore-Townsend stated that Dr. Marshall shared with the Committee the onboarding program to prepare new faculty for success. Additionally, faculty mentors have also been identified within their respective departments to provide support to new faculty.

Ms. Fulmore-Townsend stated that the Committee was informed regarding the revamping of the Office of Collegiate Recovery which is critical for a city college. She stated that the Behavioral Health and Human Services Department has been working on creating a place where students feel safe coming to the Office of Collegiate Recovery. She stated that a location on campus has been identified on the first floor of the Winnet Building. She stated that the goal of the office is to reduce the stigma and provide support for students in recovery. Ms. Fulmore-Townsend stated staff have also been working on a partnership with the City of Philadelphia Substance Use Prevention and Harm Reduction.

Ms. Fulmore-Townsend reported that the Committee was provided with a presentation from the Department of Athletics. She stated that the department promotes and advocates that student athletes succeed in academics and athletic achievement while receiving a quality experience. Ms. Fulmore-Townsend stated that the Committee also heard from students who spoke about their academic experience in the classroom and their participation in athletics.

Ms. Fulmore-Townsend stated that the Committee was excited to learn about all the ways that the College supports students and hoped that the College will continue to explore more ways to help students.

(7) Combined Meeting of the Business Affairs and Executive Committees

Ms. Posoff reported that the Combined meeting of the Business Affairs and Executive Committees took place on September 18, 2024. She stated that the agenda items discussed at the meeting are part of the Consent Agenda for Board approval.

(8) Consent Agenda

Ms. Posoff asked the Board for approval of the following Consent Agenda:

- (a) Proceedings and Minutes of Decisions and Resolutions, Meeting of September 5, 2024
- (b) Gifts and Grants
- (c) Construction for Nursing/Respiratory Project
- (d) Modular Enclosed Wall Systems Purchase – Various Locations
- (e) Purchase of Furniture
- (f) New Gym Equipment
- (g) Disposal of College Property Policy (#205)
- (h) Accounts Receivable Collection and Bad Debt Management Policy (#214)
- (i) Parking Policy (#157)

Pastor Mason moved, with Mr. Cooper seconding, that the Board approve the Consent Agenda. The motion carried unanimously.

(9) Report of the Chair

Mr. Epps apologized for not being at the Board meeting in person. He thanked Ms. Posoff for chairing the meeting.

- (a) Prep for Association of Community College Trustees Leadership Congress, October 23-26, 2024, Seattle, Washington

Mr. Epps stated that the ACCT Leadership Congress is scheduled October 23-26, 2024, in Seattle, Washington. He stated that Pat Clancy, Sheila Ireland, Roz McPherson, Pastor Jonathan Mason, and Dr. Generals will be attending the Congress. Mr. Epps stated that it was important to have representation at the meeting.

- (b) Statewide Virtual Trustee/Board Meeting Wednesday, November 20, 2024, 6:00 p.m. – 7:30 p.m.

Mr. Epps stated that the Statewide Virtual Trustee/Board Meeting is scheduled for Wednesday, November 20, 2024, 6:00 p.m. – 7:30 p.m. He thanked members of the Board who are participating in the virtual meeting.

- (c) Appreciations

Mr. Epps thanked the following members of the Board for their participation in College events:

- Jeremiah White for delivering remarks at the 9/11 Day of Remembrance.
- Emeritus Trustee Lydia Hernández Vélez for delivering greetings on behalf of the Board at the Latine Heritage Month Luncheon on October 8, 2024.
- Pastor Jonathan Mason for agreeing to deliver remarks at the Veterans Day event scheduled on November 11, 2024.

On behalf of the Board of Trustees, Mr. Epps congratulations Sheila Ireland on her selection by the *Philadelphia Business Journal* as one of the 2024 Women of Influence.

(10) Old Business

No old business was discussed.

(11) New Business

Mr. Epps requested Dr. Gay to summarize the public comments for the September and October 2024 Board meetings and schedule a meeting to discuss how to address the concerns expressed during Public Comment. The meeting will include himself, Dr. Generals, Dr. Gay, Ms. Posoff, and Ms. Flynn. Mr. Epps stated that he would like the Board to review the administration's response to the public comments before Thanksgiving,

Dr. Thomas reminded members of the Board of the Men of Color Conference scheduled for Saturday, October 12, 2024 at the College. He stated that the opening reception is scheduled for October 11, 2024 5:30 p.m. in the Library and Learning Commons. Dr. Thomas stated that Dr. Keith Leaphart, Enterprise Executive Vice President and Humana Chief Health Equity and Community Impact Officer, will be the conference keynote speaker.

(12) Next Meeting

The next meeting of the Board of Trustees is scheduled for Thursday, November 7, 2024, at 2:30 p.m. in the Isadore A. Shrager Boardroom, M2-1. The meeting will be hybrid.

The meeting adjourned at 4:30 p.m.

(13) Executive Session II

The Board convened in Executive Session to discuss personnel matters.

ATTACHMENT A

**OFFICE OF THE GENERAL COUNSEL
M E M O R A N D U M**

TO: Executive Committee of the Board of Trustees

FROM: Carolyn Flynn, General Counsel
David Solomon, Associate General Counsel

DATE: August 14, 2024

SUBJECT: Policy Update for Joint Business Affairs Committee & Executive Committee Meeting (8/15)

Below is a summary of the policies that were reviewed in 2023-2024 and the status of other policy reviews:

- 1) The College reviewed and updated the 11 policies listed below with brief descriptions.¹

Policy Name/Number	Description of Review	Policyholder	Approve By
Disability and Pregnancy Accommodations Policy for Employees and Applicants (# 353)	Revised to add terms that comply with the Pregnant Workers Fairness Act.	Director of Diversity, Equity & Inclusion	General Counsel/ President
Narcan Administration Policy (#165)	This is a new policy that was drafted as part of the implementation of the College’s Narcan Program at the College.	Director of Public Safety	Cabinet/President
Use of Small Unmanned Aircraft Policy (#166)	This is a new policy that establishes the minimum requirements for the use of small unmanned aircraft systems (sUAS)/ drones on the College’s property in accordance with FAA regulations and PA law.	Director of Public Safety	Cabinet/President
Personal Automobile Mileage Reimbursement (#210)	Revised to update the IRS standard mileage rate applicable to auto mileage reimbursement.	AVP of Accounting/Controller	Cabinet/President
Course Scheduling Preference for Veteran Students (#16)	Reviewed and reaffirmed as is.	Director of Records and Registration	Cabinet/President
Remote Work Policy for Administrators and Confidential Employees (#265); Remote Work Policy for Classified	Updated the Remote Eligible Position language and Remote Work Assessment.	AVP of Human Resources	Cabinet/President

¹ The Remote Work Policies are counted as one policy.

Employees (#266); Remote Work Policy for 12 Month Faculty (#267)			
Disability & Accessibility Policy for Students and Employees (TBD)	This is a new policy addressing the College's commitment to providing access to students and employees with disabilities and compliance with applicable laws related to the same.	Director of Diversity, Equity & Inclusion	Cabinet/President (Presented to Cabinet; awaiting formal approval by President)
Disposal of College Property (#205)	Reviewed and minor changes recommended, except BOT approval for items valued in excess of \$100,000 (instead of \$25,000).	AVP, AVP of Facilities and Construction Management	Ready for Executive Committee Review/Approval
Accounts Receivable Collection and Bad Debt Management Policy (#214)	Updated to include general language, instead of including specific procedure and processes which have changed over the years.	AVP of Accounting/Controller	Ready for Executive Committee Review/Approval
Policy Against Title IX Sexual Harassment (#361)	Substantive changes made to comply with new Title IX 2024 regulations.	Director of Diversity, Equity & Inclusion	General Counsel
Solicitation in Campus Facilities (#158)	Reviewed and minor non- substantive revisions recommended.	Director of Public Safety	Cabinet/President (Presented to Cabinet; awaiting formal approval President)

- 2) Two additional policies: Inclusion of Diverse Suppliers and Philadelphia Based Businesses in College Purchasing Activities (#216) and Parking Policy (#313) are anticipated to be ready for Executive Committee review in September 2024.
- 3) The following 5 policies are outstanding and should be completed in the Fall 2024 semester:
 - a. College Identification Card Policy (#160): Presented to Cabinet and additional revisions are being discussed.
 - b. Alcoholic Beverages Policy (#303): Currently under review by Cabinet members, including General Counsel.
 - c. Presence of Minors (Dependents Under the age of 18) on Campus Policy (#156): Approved by IWC, but additional revisions were requested by General Counsel.
 - d. Drug-Free Workplace, Alcohol, and Other Drug Abuse Prevention Program (#310): Under review by General Counsel.
 - e. Child Abuse Reporting Policy (#162): Proposed revisions were received by the Director of Public Safety and are being reviewed by General Counsel.
- 4) The following policies are included in the upcoming review schedule for 2024-2025:
 - a. Logo Usage Policy (NEW)
 - b. Records Management and Retention Policy (#313)
 - c. Policy Governing the Use and Duplication of Software (#305)
 - d. Acceptable Use Policy for Interactive Systems (#307)
 - e. Hardware and Software Support Policies on Campus (#309)
 - f. Identity Theft Detection and Prevention Policy (#312)

- g. Policy for Responsible Computing (#306)
 - h. Anti-Discrimination and Harassment Complaint Policy (#357)
 - i. Auditing of Courses (#1)
 - j. Policy on transfer Credit (12)
 - k. Credit by Examination (#7)
 - l. Academic and Time Amnesty (#10)
 - m. Expenditure Approval Requirements (#203)
 - n. Royalties and Other Compensation or Incentives Related to Selection of Course Materials (#218)
 - o. Posting on College Facilities (#159)
- 5) The following policies are on hold as they may be impacted by ongoing labor negotiations:
- a. Forgivable Loan Policy (#206)
 - b. Official Public and Special Holidays (#304)

COMMUNITY COLLEGE OF PHILADELPHIA
In-Person Meeting of the Board of Trustees
Thursday, October 10, 2024 – 2:30 p.m.
Career and Advanced Technology Center
4750 Market Street, Room 341
MINUTES OF DECISIONS AND RESOLUTIONS

Present: Ms. Mindy Posoff, presiding: Ms. Ajeenah Amir, Mr. Pat Clancy, Mr. Michael Cooper, Mr. Harold T. Epps, Mr. Timothy Ford, Ms. Chekemma Fulmore-Townsend, Ms. Keola Harrington, Dr. Carol Jenkins, Pastor Jonathan Mason, Dr. Donald Generals, Ms. Josephine Di Gregorio, Mr. Eapen, Dr. David Thomas, Dr. Mellissia Zanjani, Dr. Alycia Marshall, Ms. Carolyn Flynn, and Dr. Ellyn Jo Waller

(1) Executive Session I

The Executive Session was devoted to a discussion of personnel and legal matters.

(2) Meeting Called to Order

Ms. Posoff called the meeting to order and reviewed the goals for the meeting.

(3) Public Comment

The following individuals provided Public Comment:

- Quan Pham, student, expressed concern regarding the impact of scam/phishing on students and requested that the Board take a more aggressive role in IT protection.
- Jaritsa Hernandez-Ortiz, student and 2nd Vice President of the Student Government Association, addressed the slow response by the Financial Aid Office and its impact on students, office hours for Board members to meet with students, and the need for a student representative on the Board.
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- Marissa Johnson Valenzuela, faculty, English, spoke on behalf of Elizabeth Dalianis, faculty, and Marco Acuna about labor negotiations. She stated that the administration has refused to move Classified staff up a grade as a result of the job study that was conducted, faculty salaries, and the ratio of counselors and advisors to students. Ms. Valenzuela also spoke about her own personal financial situation and childcare.

(4) Report of the President

(a) Update on Enrollment

The Board was provided with a brief report on enrollment for fall 2024.

(b) Update on Municipal College

The press conference to launch the City College for Municipal Employment (CCME) was held on October 10, 2024. Mayor Parker attended as well as other dignitaries. The first cohort consists of 76 students. The Board was informed regarding the courses scheduled for Phase I and Phase II of the p

(c) Update on Cheyney Project

The Board was informed regarding a partnership to create a University Center at the College with Cheyney University.

(d) State Board of Higher Education

The Board was provided with a report on the State Board of Higher Education created by Governor Shapiro. The Board will be responsible to set strategic direction for higher education in Pennsylvania. The Board will consist of 21 members, which includes nine from all major higher education sectors (one community college representative) and other stakeholders.

(e) Update on Strategic Plan/Committee of the Whole Overview

The Board was provided with a brief overview of the Strategic Plan process for 2025-2030.

(f) Foundation Report

The Board was provided with an update of public/governmental and private/philanthropic fundraising as of July 1, 2024 through August 31, 2024.

Comprehensive Major Gifts Campaign
Update on FY24, Looking Forward to FY25-27

The Board was provided with an update on activities underway for the Major Gifts Campaign.

Alumni Association

The Board was provided with an update on Alumni activities. The Board was encouraged to attend the Alumni Reunion Dinner, which will be held on Thursday, November 7, 2024 beginning at 5:30 p.m.

Giving and Getting

The Board was provided with an update on the friendly competition between the two Boards.

(5) Policy Working Group

The Board was provided with a summary of policies that were reviewed in 2023-2024 and the status of other policy reviews.

(6) Student Outcomes Committee

The Student Outcomes Committee met on September 5, 2024. The Committee discussed the hiring of 20 new faculty across all divisions and the revamping of the Office of

Collegiate Recovery. The Committee was also provided with a presentation from the Athletics Department.

(7) Combined Meeting of the Business Affairs and Executive Committees

The Combined meeting of the Business Affairs and Executive Committees took place on September 18, 2024. The agenda items discussed at the meeting are part of the Consent Agenda for Board approval.

(8) Consent Agenda

The Board approved the following Consent Agenda:

- (a) Proceedings and Minutes of Decisions and Resolutions, Meeting of September 5, 2024
- (b) Gifts and Grants
- (c) Construction for Nursing/Respiratory Project
- (d) Modular Enclosed Wall Systems Purchase – Various Locations
- (e) Purchase of Furniture
- (f) New Gym Equipment
- (g) Disposal of College Property Policy (#205)
- (h) Accounts Receivable Collection and Bad Debt Management Policy (#214)
- (i) Parking Policy (#157)

(9) Report of the Chair

Mr. Epps apologized for not being at the Board meeting in person. He thanked Ms. Posoff for chairing the meeting.

- (a) Prep for Association of Community College Trustees Leadership Congress, October 23-26, 2024, Seattle, Washington

The ACCT Leadership Congress is scheduled for October 23-26, 2024, in Seattle, Washington.

- (b) Statewide Virtual Trustee/Board Meeting Wednesday, November 20, 2024, 6:00 p.m. – 7:30 p.m.

The Statewide Virtual Trustee/Board Meeting is scheduled for Wednesday, November 20, 2024, 6:00 p.m. – 7:30 p.m.

(c) Appreciations

Mr. Epps thanked members of the Board for their participation in College events:

The Board congratulated Ms. Ireland on her selection by the *Philadelphia Business Journal* as one of the 2024 Women of Influence.

(10) Old Business

No old business was discussed.

(11) New Business

Mr. Epps requested Dr. Gay to summarize the public comments for the September and October 2024 Board meetings and schedule a meeting to discuss how to address the concerns expressed during Public Comment. Mr. Epps stated that he would like the Board to review the administration's response to the public comments before Thanksgiving,

The Men of Color Conference scheduled for Saturday, October 12, 2024 at the College. Dr. Keith Leaphart, Enterprise Executive Vice President and Humana Chief Health Equity and Community Impact Officer, will be the conference keynote speaker.

(12) Next Meeting

The next meeting of the Board of Trustees is scheduled for Thursday, November 7, 2024, at 2:30 p.m. in the Isadore A. Shrager Boardroom, M2-1. The meeting will be hybrid.

The meeting adjourned at 4:30 p.m.

(13) Executive Session II

The Board convened in Executive Session to discuss personnel matters.

**Community College of Philadelphia
Meeting of the Board of Trustees
November 7, 2024
Office of Institutional Advancement
Record of Grants and Gifts FY25**

Summary by Source:

	FY2025		FY2024	FY2025 and FY2024
Held by College	<i>since last report 9/1/24 - 9/30/24</i>	Fiscal Year To Date 7/1/24 - 9/30/24	Fiscal Year To Date 7/1/23 - 9/30/23	Variance 7/1 - 9/30
Federal	\$ -	\$ -	\$ 684,969	\$ (684,969)
State	\$ -	\$ -	\$ -	\$ -
Local / City	\$ -	\$ -	\$ 16,928	\$ (16,928)
Total	\$ -	\$ -	\$ 701,897	\$ (701,897)
Held by Foundation (Cash-in-Hand)	<i>since last report 9/1/24 - 9/30/24</i>	Fiscal Year To Date 7/1/24 - 9/30/24	Fiscal Year To Date 7/1/23 - 9/30/23	Variance 7/1 - 9/30
Corporation	\$ 13,500	\$ 76,025	\$ 49,100	\$ 26,925
Foundation	\$ 57,718	\$ 647,392	\$ 403,398	\$ 243,994
Individual	\$ 26,941	\$ 49,015	\$ 78,122	\$ (29,107)
Organization	\$ 196,250	\$ 238,351	\$ 1,365	\$ 236,986
Total	\$ 294,409	\$ 1,010,783	\$ 531,985	\$ 478,798
TOTAL	\$ 294,409	\$ 1,010,783	\$ 1,233,882	\$ (223,099)

Gifts In-Kind	<i>since last report 9/1/24 - 9/30/24</i>	Fiscal Year To Date 7/1/24 - 9/30/24	Fiscal Year To Date 7/1/23 - 9/30/23	Variance 7/1 - 9/30
TOTAL	\$ -	\$ -	\$ 970	\$ (970)

PUBLIC / GOVERNMENT SUMMARY (posted 9/1/24 – 9/30/24)

- No new public/government awards to report.

PRIVATE / PHILANTHROPIC SUMMARY (posted 9/1/24 – 9/30/24)

- Achieving the Dream, Inc. awarded \$90,000 as the final payment of a \$300,000 pledge for Accelerating and Diversifying Nursing Pathways
- The American Association of Community Colleges awarded \$86,250 as the first payment of a \$172,550 pledge to the PepsiCo Uplift Scholarship.

- The Philadelphia Poverty Action Fund awarded \$30,000 as the first payment of a \$60,000 pledge to The Promise: Record Clearing and Employment Access.
- A donor contributed \$11,000 to the Discretionary Fund for Scholarships.
- PECO Energy Company awarded \$10,000 to PECO Scholars.
- The Olson Family Pooled Common Fund awarded \$10,000 to the Olson Family Fund for Veterans.
- A donor made an unrestricted gift of \$10,000.
- Jewish Healthcare Foundation awarded \$10,000 as the first payment of a \$20,000 pledge to Reproductive Health Vending Machines.
- The American Association of Community Colleges awarded \$10,000 to Microsoft Cyber Skills for All.

November 2024 Events

November 1

Drop the Mic
10:30a.m.-2:30p.m.
Winnet Student Life Building, Great Hall

November 6

Respiratory Care Technology Info Session
2:00p.m.-4:00p.m.
West Building, W1-01

November 7

2024 Open Enrollment Admissions Event
9:00a.m.-3:00p.m.
Bonnell Building, Lobby

City of Philadelphia Hiring/Recruitment Bus
11:00a.m.-1:00p.m.
Pavilion Plaza

Gender Medicine: Trans and Intersex Workshop
2:30p.m.-3:30p.m.
Winnet Student Life Building, S2-03

Alumni Reunion Dinner
Mint Building, Rotunda
6:00p.m.-8:00p.m.

November 8

Automotive Program Info Session
10:00a.m.-1:00p.m.
Career Advanced Technology Center, 341

November 11

Veterans Day Ceremony
11:00a.m.-12:00p.m.
Bonnell Building, Lobby

November 13

Phi Theta Kappa Induction Ceremony
11:00a.m.-2:00p.m.
Center for Business & Industry Building, C3-05

Transgender Awareness Week Kickoff Tabling
11:00a.m.-2:00p.m.
Pavilion Building, Lobby

Art Department Pottery Sale 2024
11:00a.m.-5:00p.m.
Bonnell Building, Lobby

Toyota T-Ten Advisory Board Meeting
1:00p.m.-3:00p.m.
Career for Advanced Technology Center, 341

November 15

Catto Express Day
10:00a.m.-2:00p.m.
Bonnell Building, Catto Suite

The Presidents & the Pastor: An Evening of
Jazz
7:00p.m.-10:00p.m.
Bonnell Building, Large Auditorium

November 16

Record Clearing and Pardon Clinic
11:00 a.m. – 3:00 p.m.
Winnet Student Life Building, The Great Hall

November 18-21

International Education Week
10:00a.m.-2:00p.m.
Various Locations on campus

November 20

Thanks-for-giving Luncheon
12:00p.m.-2:00p.m.
Winnet Student Life Building, The Great Hall

Trans Day of Remembrance
3:00p.m.-4:30p.m.
Bonnell Building, Circle

November 21

Greif and Overdose Loss Workshop
2:30p.m.-4:00p.m.
Winnet Building, S2-03

November 23

Sober Tailgate Party
12:00p.m.-4:00p.m.
Athletic Center, GYM

November 25

Student Mental Health Conference
8:00a.m.-5:00p.m.
Center for Business & Industry Building, C2-28

December 2024 Events

December 2

World AIDS Day Program
11:00a.m.-2:00p.m.
Winnet Student Life Building, Lobby

December 4

Meet & Greet Alumni Student Leader Networking
Event
11:00a.m. – 2:00p.m.
Mint Building, Rotunda

Social Wellbeing in the 21st Century Workshop
1:00p.m.-2:00p.m.
Center for Business & Technology Building, C2-05

Deaf & Queer Workshop
3:00p.m.-4:00p.m.
Winnet Student Life Building, S2-03

Catto's Giving Alumni Event
3:00p.m.-5:00p.m.
Winnet Student Life Building, The Great Hall

December 5

Hospitality: Moving Towards a Sustainable Future
10:00a.m.-12:00p.m.
Pavilion Building, Klein Cube

December 9

Choir and Chamber Ensemble Concert
3:00p.m.-5:00p.m.
Mint Building, Rotunda

Destress Fest
10:00a.m.-3:00p.m.
Winnet Building, Lobby

December 11

President's Holiday Brunch
11:00a.m.-1:00p.m.
Winnet Student Life Building, The Great Hall

December 18

Adopt-A-Family Holiday Drive Donation Dinner
5:00p.m.-7:00p.m.
Winnet Student Life Building, Great Hall