

**MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Tuesday, September 22, 2015 – 11:30 A.M.**

Present: Mr. Matthew Bergheiser, presiding; Mr. Steve Herzog, Ms. Stella Tsai, Mr. Jeremiah J. White, Jr., Dr. Donald Generals, Mr. Jacob Eapen, Mr. James P. Spiewak and Mr. Todd Murphy

AGENDA – PUBLIC SESSION

(1) WRT Facilities Master Plan Contract (Action Item):

Mr. Eapen stated that that, in efforts to align the facility planning with student success and aspirations of moving the College forward as a nationally recognized institution, it became apparent that a previously selected firm was not the best choice. Staff is recommending awarding Wallace Roberts & Todd, LLC (WRT), a Philadelphia-based architectural and facilities master planning firm, who submitted the second "most responsible bid" response, a contract for completing the formal Facility Master Plan for an amount not to exceed \$263,120. In addition to the Facility Master Plan, WRT's contract also includes services related to the West Regional Center project and the Gateway project.

Action: Ms. Tsai moved and Mr. White seconded the motion that the Committee recommend that Wallace Roberts & Todd, LLC (WRT) be awarded a contract for completing the formal Facility Master Plan for an amount not to exceed \$263,120. The motion passed unanimously.

(2) Memorandum of Understanding between the College and the Foundation (Information Item)

As discussed at the May 20, 2015 Business Affairs Committee meeting, the Memorandum of Understanding (MOU) between the College and the College Foundation will represent the collaborative relationship between the two entities. The document has been carefully reviewed by the College's legal counsel, the President of the Foundation and Foundation Board, as well as the past Chair of the Business Affairs Committee and College staff. The document was presented to the full Foundation Board on September 10, 2015 and is currently under review. Attachment A is the latest draft of the MOU between the College and the College Foundation. Staff requested that the Committee review the Memorandum of Understanding between the Community College of Philadelphia and the Community College of Philadelphia Foundation and make any suggested recommendations. Mr. Bergheiser requested that members of the Committee receive the Foundation's Bylaws and Articles of Incorporation. He noted that it was important to continue to have an ongoing dialogue with the Foundation Board concerning goals and objectives of the respective Boards. Dr. Generals stated that there has been a good relationship with the Foundation Board during his time as President. Subsequent to the meeting, Committee members were emailed the Foundation's Bylaws and

Articles of Incorporation as requested at the meeting. The MOU should reflect the changes suggested by Trustee Stella Tsai.

Committee members asked staff to report back on any substantive changes to the draft of the Memorandum of Understanding that may be requested by the Foundation Board after their final review.

(3) 2014-15 Final Budget Results (Information Item):

Mr. Spiewak provided an overview of the College's budget results for fiscal year 2014-15. The College began the year with a potential use of carry-over funds in the amount of \$1,075,299 in the Board-adopted budget. The year ended with operating revenues exceeding operating expenses by \$127,204. Student credit hours were slightly below budget as outlined in Attachment B resulting in less student tuition and fees than budgeted. Investment income and income from miscellaneous sources were also below budget. These modest decreases in revenues were mostly offset by the unbudgeted increase in State appropriations of \$462,509. In response to a question from Mr. Herzog related to the State appropriation, Mr. Spiewak noted that at the time the College's budget was prepared, Governor Corbett's budget did not contain an increase to funding for community colleges. During the State budget negotiating process, additional funds were added to the community college funding line for operating purposes. Total operating expenditures ended the year \$1.2 million less than budgeted. A number of vacant positions during the year resulted in a higher-than-budgeted lapse salary savings. The retirement incentive program added unbudgeted costs of \$740,000 to the FY 14-15 budget year but will result in projected salary savings of \$3.9 million over the next five years. Overall, salaries were \$715,000 lower than budgeted. The fringe benefit budget was positively affected by a favorable year for the medical self-funded program. Final expenses were almost \$1.7 million below budget. Administration took advantage of the savings from the salary and fringe benefit lines and other expense lines to pay off existing longer-term leases in the amount of \$3.578 million. This strategy provides flexibility in the College's operating budget for future years. Mr. Eapen noted that the current fiscal year (FY 15-16) is the second consecutive year in which there is no increase to tuition or fees. Attachment B provides detail on the revenue and expenses variances.

(4) American Honors (International Students) (Information Item):

Dr. Generals provided background information on the American Honors Program. The partnership will enable American Honors to bring international students to the College. Mr. Eapen described the proposed financial model of the partnership for Trustees' review and consideration. Please refer to Attachment C for the proposed financial model. In response to questions from Board members, staff noted that the international students will most likely come from China and Southeast Asian countries, and that the College currently has 220 international students. Dr. Generals stated that the honors curriculum will be that which is already in place at the College. Mr. Eapen noted that a five-year contract was being contemplated with option years. Committee members expressed their desire to see a summary term sheet of the contract along with specific language that would enable the College to withdraw from the partnership at its discretion. Staff responded that they will provide this to the Committee shortly. Mr. Bergheiser noted that if the contract information was acceptable to the Board Chair, it would be recommended to the full Board for action at its October 1, 2015 meeting.

(5) Investment Results and Cash Position (Information Item):

Staff provided an overview of all College investments over the last four fiscal years. Mr. Eapen reviewed Exhibits 1 and 2 which displayed information on the College's liquidity positions over time and the performance of its bond funds respectively. Mr. Murphy reviewed Exhibits 3 and 4 which contain information on short term investments and cash flow projections through November 1, 2015 respectively. It was noted that the City provided its second quarterly payment to the College during the week of September 14, 2015 which helped mitigate liquidity concerns due to the fact that the State has not yet approved a budget and therefore has not forwarded any appropriations for FY 15-16 to the College. Mr. Murphy noted that, as a precaution, a \$5 million dollar line of credit with Univest has been established. Attachment D contains these exhibits.

(6) Next Meeting Date:

The next regularly scheduled meeting of the Committee is scheduled for Wednesday, October 21, 2015 at 9:00 A.M. in the Isadore A. Shrager Boardroom, M2-1.

ATTACHMENT A

DRAFT

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE COMMUNITY COLLEGE OF
PHILADELPHIA FOUNDATION AND THE COLLEGE**

**Memorandum of Understanding
Between the Community College of Philadelphia Foundation
and the Community College of Philadelphia**

THIS MEMORANDUM OF UNDERSTANDING (“MOU”), entered into as of this ____ day of _____, 2015, by and between **Community College of Philadelphia**, an instrumentality of the Commonwealth of Pennsylvania (the “College”) and the **Community College of Philadelphia Foundation**, a Pennsylvania non-profit corporation (the “Foundation”).

INTRODUCTION

The College is an institution of higher learning education whose primary mission is to provide an education which meets the post-secondary school needs of the Philadelphia community by providing a range of accessible and affordable academic and technical training programs designed to prepare students for entrepreneurship, the vocational world or future academic studies. The College’s primary sources of revenue are tuition payments and appropriations from the Commonwealth of Pennsylvania and City of Philadelphia. To supplement its revenue, the College works with the Foundation, which regularly seeks other funding sources to assist the College with its capital development and expansion and enhancement of its programs.

The Foundation is a non-profit corporation with a governance structure independent of the College. The Foundation seeks to support the College's mission by bringing together community leaders who will serve as ambassadors of the College to broaden the College's image within the community. The Foundation serves the College by creating partnerships with individuals, businesses, organizations, and foundations to solicit and raise funds from a variety of private sources. Based on donor intent, the Foundation invests those funds, whether money or other assets, for the benefit of the College, enabling the College to achieve academic, strategic and other long-term goals that would not be achievable without this additional financial support.

The College and the Foundation have been working together on shared goals since the Foundation was created in 1985. Over time, the Foundation’s role in the success of the College has become critical, and its functions so intermingled, that the College and the Foundation now feel that it is in their best interests to set forth the nature of their relationship in writing, and they are entering into this MOU for that purpose.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and intending to be legally bound, the College and the Foundation agree as follows:

1. Foundation’s Fundraising Efforts. The Foundation enhances and enriches the educational experiences of the College’s students by providing external resources to support the College’s mission. In furtherance of advancing the College’s mission, the Foundation shall produce and maintain programs which solicit and raise funds earmarked for the College. In this regard, and in consultation with the College, the Foundation shall:
 - (a) create an environment and value statement conducive to increasing levels of private support for the College by engaging in activities that include, but are not limited by the following:
 - (i) involve community, civic and business leaders in the College’s activities;
 - (ii) involve the College community (administrators, faculty, staff, students, alumni) in fundraising and community activities;

- (iii) create business and community partnerships that drive revenue;
 - (iv) hold special events and outings;
 - (v) publicize College success stories, in conjunction with the College's Marketing Department, to our intended audiences and, engage them using the press and social media; and
 - (vi) build a long-term endowment.
 - (b) plan and execute comprehensive fundraising and donor-acquisition programs, for each of the following: corporate and foundation gifts; alumni support; annual giving; major gifts; planned gifts; and special projects and campaigns, as appropriate. For each of these categories, the Foundation and the College will:
 - (i) identify, cultivate, and solicit prospective gifts;
 - (ii) establish and enforce policies to protect donor confidentiality and rights;
 - (iii) establish, adhere to, and periodically assess its gift-management and acceptance policies; and
 - (iv) promptly acknowledge and issue receipts for all gifts, on behalf of both the Foundation and the College, and provide appropriate recognition for all gifts.
- 2. Limitations on the Foundation's Fundraising Activities. Without the consent of the College, the Foundation shall not:
 - (a) raise funds for or support the activities of any institution other than the College;
 - (b) accept grants from state or federal agencies;
 - (c) accept any gift that obligates the College to dispose of or encumber any of the College's assets; or
 - (d) negotiate and accept real property in any form that obligates the College.
- 3. Foundation's Management of Assets. In connection with its stewardship over the funds it raises, the Foundation shall:
 - (a) establish asset-allocation, disbursement, and spending policies that adhere to applicable federal and state laws including the Uniform Prudent Investor Act (UPIA) and the Uniform Management of Institutional Funds Act (UMIFA);
 - (b) receive, hold, manage, invest, and disperse contributions of cash, securities, patents, copyrights, intellectual property, and other forms of property, including immediately vesting gifts and deferred gifts that are contributed in the form of planned and deferred-gift instruments. In this regard, the Foundation shall treat, invest and disburse all funds which are restricted or limited, by the donor or otherwise, in accordance with the applicable restrictions and/or limitations, and shall provide the College with all documents pertaining to any restrictions and/or limitations;

- (c) transfer or disburse funds to the College in accordance with donor requirements contained in gift agreements and the Foundation's and College's policies for receiving gifts, and that is in compliance with the Donor Bill of Rights; and
- (d) engage an independent accounting firm annually to conduct an audit of the Foundation's financial and operational records. Promptly after issuance of the audit, the Foundation will provide the College with a copy of the annual audited financial statements, including any management letters or any other materials which are part of the audit report.

4. Name and Logo

To assist the Foundation to achieve its objectives under this Agreement, the College hereby grants to the Foundation, for no consideration, the non-exclusive, limited, non-assignable license to use the College's name, logo and other identifying and distinguishing marks (the "College Materials") for use in the Foundation's solicitation and related materials; provided that the Foundation shall not alter the College Materials in any way. The Foundation may, if it so elects, use its own logo or other identifying information or material on its letterhead and other materials. The College may change the College Materials at any and in any way, at its discretion, but shall notify the Foundation of any changes.

5. Relationship Between College and Foundation

The College and Foundation recognize that the Foundation's success at meeting fundraising and other goals on behalf of the College depends on the parties' collaborative efforts. In this regard, the parties will do (or refrain from doing) the following:

- (a) The College and the Foundation will establish a process for setting long-term and short-term fundraising goals, holding regularly scheduled meetings and jointly selecting ad hoc committees to undertake special projects.
- (b) The College's Board of Trustees is responsible for setting and administering the College's strategic priorities, long-term plans, capital spending goals and projects and programmatic initiatives, and the College will communicate all such matters to the Foundation on a timely basis. The College will involve the Foundation, as appropriate, in the strategic planning process and any initiative that requires raising a source of revenue for which the Foundation is responsible.
- (c) The Foundation will become self-sufficient for its operations and programs, and will develop a plan, with the College's input, for doing so. Until such time as the Foundation is able to be self-sufficient in its operations, the College will make available to the Foundation such resources and services that the Foundation may require to fulfill its obligations under this Agreement, including, but not limited to: office space; computer, telephone and other office equipment; supplies; and personnel. To the extent practical, the College and Foundation will keep track of these resources and their value, so that they can report the value of such resources and services if required.
- (d) If either the College or the Foundation amends its articles of incorporation or by-laws, it shall immediately give notice to the other party, together with a copy of the document, as amended.

- (e) The College and the Foundation shall require the members of its Board of Trustees and Board of Directors, respectively (the “Governing Body Members”), to execute and submit an annual conflicts of interest disclosure statement, and each party shall provide copies of the statements to the other party. Each of the College and Foundation shall periodically assess its conflicts of interest policy, and, given the relationship of the parties, shall require its Governing Body Members to disclose conflicts with both the College and the Foundation.
- (f) The Foundation will provide access to data and records to the College on a need-to-know basis in accordance with applicable laws, foundation policies and guidelines, including the Donor Bill of Rights. For its part, the College will treat all information as confidential and shall not use any such information without the consent of the Foundation. Upon the Foundation’s request, the College shall furnish the names and addresses of students, alumni, faculty and employees for the purpose of communicating with and soliciting such individuals.
- (g) The Foundation shall comply with applicable laws regarding solicitation, record keeping and filing of reports and returns, and shall provide to the College, promptly after it is filed, a copy of its Form 990 Federal tax return.
- (h) Unless a Governing Body Member holds a position as both a Trustee with the College and a Director with the Foundation, each Governing Body Member shall owe his or her duty, whether imposed by statute, by-law or otherwise, solely to the entity for which he or she serves as a Governing Body Member.
 - (i) If either party believes that the other party has breached any term of this Agreement through the conduct of one or more of the other party’s Governing Body Members, its claim shall be solely against the other party and not individually against any Governing Body Member.
 - (ii) Each of the College and the Foundation shall maintain commercially reasonable insurance coverage, including coverage for directors’ and officers’ liability insurance with customary limits.
- (i) Recognizing that the ownership, management and disposition of real property may be handled more efficiently by a private entity, the College may look to the Foundation to make recommendations for the manner in which the Foundation can, for the College’s use and benefit, acquire, improve, occupy, lease and sublease, and dispose of real property, and to enter into financings in connection with such functions. Any transaction involving the acquisition, financing, development, leasing, subleasing or disposition of real property by the Foundation for the benefit of the College shall require the approvals of the Board of Trustees of the College and the Board of Directors of the Foundation.
- (j) Notwithstanding anything contained in this MOU, the College and the Foundation each acknowledges and agrees that the College and the Foundation are separate entities, responsible for each of its own affairs, governance and finances, and that neither shall be deemed to have assumed the debts, liabilities, obligations of any kind whatsoever of the other by reason of entering into this MOU or dealing with one another in any manner, and neither party shall be subject to any lien, levy or similar encumbrance imposed on the property of the other.

6. Miscellaneous

- (a) This MOU may be terminated:
 - (i) By either party, upon 180 days' prior written notice to the other party, regardless of cause.
 - (ii) Upon the giving of ten days' prior written notice, by the non-defaulting party in the event the other party defaults in the performance of its obligations under this MOU and fails to cure the default within a reasonable time after receiving written notice of such failure.
- (b) If the College terminates this agreement pursuant to (a)(ii) above, the Foundation may require that within 180 days after the termination, the College to pay, or assume liability for (to the reasonable satisfaction of the Foundation) all debt incurred by the Foundation on the College's behalf, including, but not limited to, lease payments, advanced funds, and funds borrowed for specific initiatives.
- (c) If the Foundation terminates this MOU pursuant to (a)(ii) above, the College may require the Foundation to pay to the College an amount equal to debt which the College has incurred on behalf of the Foundation.
- (d) Upon the dissolution of the Foundation, the Foundation will follow the dissolution process as outlined in paragraph 10 of its Articles of Incorporation.

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed by their duly authorized officers as of the day and date first above written.

COMMUNITY COLLEGE OF PHILADELPHIA

By: _____
Chair, Board of Trustees

By: _____
President

COMMUNITY COLLEGE OF PHILADELPHIA COLLEGE FOUNDATION

By: _____
President, Board of Directors

By: _____
Executive Director

ATTACHMENT B

2014-15 FINAL BUDGET RESULTS

Community College of Philadelphia
Enrollment Information (FTEs and Credit Hours)
Fiscal Year 2014-15

	Actual Credit		Budgeted		Actual Credit		Credit Hour	
	Actual FTEs FY 13-14	Hours FY 13-14	FTEs 14-15	FY Credit Hours FY 14-15	Actual FTEs FY 14-15	Hours FY 14-15	Variance - Budgeted vs. Actual	% Variance
<u>CREDIT</u>								
Summer 2	1,865	22,386	1,866	22,386	1,716	20,591	(1,795)	-8.0%
Fall	12,950	159,806	13,099	161,326	12,859	158,471	(2,855)	-1.8%
Winter					46	546	546	
Spring	12,739	156,997	12,892	158,304	12,587	155,231	(3,073)	-1.9%
Summer 1	2,547	30,575	2,658	31,896	2,493	29,926	(1,970)	-6.2%
Credit Year-to-date Totals - Annual FTEs	<u>15,051</u>	<u>369,764</u>	<u>15,257</u>	<u>373,912</u>	<u>14,850</u>	<u>364,765</u>	<u>(9,147)</u>	<u>-2.4%</u>
<u>NONCREDIT</u>								
Summer 2	58		95		54			
Fall	525		658		501			
Spring	382		615		344			
Summer 1	133		236		115			
Noncredit Year-to-date Totals - Annual FTEs	<u>549</u>		<u>802</u>		<u>507</u>			

Community College of Philadelphia
Operating Budget Projections
Fiscal Year 2014-15

	<u>Original Budget</u>	<u>Final Results June 30, 2015</u>	<u>% Variance</u>
<u>REVENUES</u>			
Student Tuition and Fees	\$76,692,948	\$76,399,894	-0.4%
Commonwealth of Pennsylvania	28,226,906	28,631,589	1.4%
City of Philadelphia	21,197,544	21,353,866	0.7%
Other Income	<u>1,867,400</u>	<u>1,609,122</u>	<u>-13.8%</u>
TOTAL REVENUES	\$127,984,798	\$127,994,471	0.0%
<u>EXPENSES *</u>			
Salaries, Net of Lapsed Funds	\$73,584,960	\$72,869,533	-1.0%
Fringe Benefits	34,499,400	32,007,949	-7.2%
Other Expenses	20,775,737	22,792,831 ^	9.7%
Student Financial Aid	<u>200,000</u>	<u>196,955</u>	<u>-1.5%</u>
TOTAL EXPENSES	\$129,060,097	\$127,867,268	-0.9%
(Deficit) Surplus *	<u>(\$1,075,299)</u>	<u>\$127,204</u>	

* Prior to impact of GASB45 accrual (\$8.016M) and GASB68 accrual (\$.374M)

^ Includes cost of paying off \$3.578 million of long-term leases

Community College of Philadelphia
Operating Budget Projection
Fiscal Year 2014-2015

	Original Budget	Final Results June 30, 2015	Comment	% Variance
<u>OPERATING REVENUES</u>				
State Funding	\$28,036,906	\$28,499,415	Final state budget included unexpected \$ 462,000 increase in appropriation.	1.6%
State Lease funding	190,000	132,174	Reflects decision to delay replacement of some leases funded by the State.	-30.4%
Total State Revenues	28,226,906	28,631,589		1.4%
Tuition - Credit Students , net of write-offs, discounts and other offsets				
Technology Fee	60,902,899	60,568,702		-0.5%
Course Fees	10,684,719	10,611,104		-0.7%
	3,469,330	3,585,712		3.4%
Net Contribution from: Contracted Noncredit Instruction; Other Noncredit Instruction; Adult Community Noncredit Instruction				
Student Regulatory Fees	511,500	461,229		-9.8%
	1,124,500	1,173,147		4.3%
Total Student Tuition & Fees	76,692,948	76,399,894		-0.4%
City Operating Funds				
	21,197,544	21,353,866	Anticipated debt service for Biology Lab Renovation Project did not occur in FY 15.	0.7%
Investment Income	645,400	364,583	Interest earnings were lower than budgeted and bond funds experienced an unrealized loss (\$123k).	-43.5%
Vocational Education Funding	200,000	322,062	Perkins Funds utilized for faculty salaries was higher than budgeted.	61.0%
Indirect Costs, Administrative Allowances	300,000	360,853		20.3%
Parking Proceeds & Miscellaneous Income	722,000	561,624	Garage parking proceeds and miscellaneous income were lower than budgeted.	-22.2%
Total Other Income	1,867,400	1,609,122		-13.8%
TOTAL OPERATING REVENUES	\$127,984,798	\$127,994,471		0.0%

Community College of Philadelphia
Operating Budget Projection
Fiscal Year 2014-2015

	Original Budget	Final Results June 30, 2015	Comment	% Variance
<u>OPERATING EXPENSES</u>				
Salaries				
Full-Time Administrative Salaries	16,279,579			
Less: Projected Lapsed Salaries	<u>(700,000)</u>			
Net Full-Time Administrative Salaries	15,579,579	14,599,093	Higher than budgeted lapse funds due to high number of vacancies.	-6.3%
Full-Time Faculty Salaries	28,312,219			
Less: Projected Lapsed Salaries	<u>(150,000)</u>			
Net Full-Time Faculty Salaries	28,162,219	27,918,280		-0.9%
Full-Time Classified Salaries	10,820,129			
Less: Projected Lapsed Salaries	<u>(500,000)</u>			
Net Full-Time Classified Salaries	10,320,129	10,014,558	Higher than budgeted lapse funds due to high number of vacancies.	-3.0%
Subtotal - Full-Time Salaries	54,061,927	52,531,931		-2.8%
Part-Time & Overload Credit Salaries	10,703,459	10,704,839		0.0%
Summer Credit Instruction	4,186,542	4,081,935		-2.5%
Noncredit Instructional Salaries	466,302	413,072	Lower number of GED sections ran than was budgeted.	-11.4%
All Other Salaries	3,716,730	4,145,032		11.5%
Early Retirement Incentive Payments	450,000	992,723	Includes the costs of the one-time retirement incentive.	120.6%
Subtotal - Other than Full-Time Salaries	19,523,033	20,337,602		4.2%
Total Salaries	73,584,960	72,869,533		-1.0%

Community College of Philadelphia
 Operating Budget Projection
 Fiscal Year 2014-2015

	Original Budget	Final Results June 30, 2015	Comment	% Variance
<u>Fringe Benefits</u>				
Medical Program	23,243,400	21,558,667	Costs of self-funded health care plan lower than budgeted.	-7.2%
Retirement	5,625,900	5,671,162		0.8%
FICA	3,112,400	2,986,721		-4.0%
Tuition Remission	721,000	550,206		-23.7%
Group Life	475,000	466,552		-1.8%
Unemployment Compensation	381,000	164,373		-56.9%
Workers' Compensation	350,000	336,603		-3.8%
Unused Vacation	100,000	(169,960)	Reflects employees using their accrued vacation time at a higher than typical rate.	-270.0%
Disability Premium	305,700	294,743		-3.6%
Forgivable Education Loan	185,000	148,880		-19.5%
Total Fringe Benefits	34,499,400	32,007,949		-7.2%
<u>Facility Expenses</u>				
Utilities	2,061,196	1,920,728		-6.8%
Contracted Security	1,520,880	1,530,715		0.6%
Contracted Cleaning	1,058,611	1,090,422		3.0%
All Other Facility Expenses	2,132,807	2,247,982	Additional costs incurred for removal and replacement of underground fuel tanks.	5.4%
Total Facility Expenses	6,773,494	6,789,846		0.2%

Community College of Philadelphia
Operating Budget Projection
Fiscal Year 2014-2015

	Original	Final Results		% Variance
	Budget	June 30, 2015		
<u>All Other Expenses</u>				
Leased Equipment & Software ^	4,534,486	7,881,387	Additional costs were related to buyout of 2 long term leases - Johnson Control Energy Savings Project (\$3.269M) and Phone Switch (\$309K)	73.8%
Catalogs and Advertising	1,243,403	1,164,333		-6.4%
Supplies-Pool	1,493,840	1,106,414	Reflects savings across multiple departments.	-25.9%
Contracted Services	1,725,650	1,737,243		0.7%
Consultant	514,100	411,066	Budgeted funds across multiple departments were not spent.	-20.0%
Maintenance & Repairs	506,987	523,011		3.2%
Postage	395,100	310,815	Reflects savings from continued improvements in communicating with students by means other than mailings.	-21.3%
Insurance	666,750	741,059	Higher than budgeted costs for deductibles related to general libilit claims that were in litigation.	11.1%
Legal Fees	450,000	867,691	Higher than budgeted costs related to the Burt Hill litigation.	92.8%
Other Expenses	2,471,927	1,259,966	Reflects savings in other budget lines including contingency accounts.	-49.0%
Total All Other Expenses	14,002,243	16,002,985		14.3%
King Scholarship	200,000	196,955		-1.5%
TOTAL OPERATING EXPENSES	\$129,060,097	\$127,867,268		-0.9%
Projected (Deficit) Surplus *	(\$1,075,299)	\$127,204		

* Prior to impact of GASB45 accrual (\$8.016M) and GASB68 accrual (\$.374M)

^ Includes cost of paying off \$3.578 million of long-term leases

ATTACHMENT C

**AMERICAN HONORS
INTERNATIONAL STUDENTS**

PARTNERSHIP WITH AMERICAN HONORS FOR INTERNATIONAL STUDENTS - PROPOSED FINANCIAL MODEL

	International	<u>Years 1 & 2</u>		<u>Years 3 & 4</u>	
			CCP	AH	CCP
Tuition per cr hr	\$459				
30 credits	\$13,770	50% / 50%	\$6,885	\$6,885	\$6,885
Tech Fee per cr hr	\$28				
General Fee per cr hr	\$4				
Capital Fee per cr hr	\$20				
	\$52				
30 credits	\$1,560		\$1,560		\$1,560
Total Tuition & Fees	\$15,330				
American Honors Fee for Full Program	\$3,000				\$3,000
American Honors Less Scholarship	(\$2,000)				(\$1,000)
Total Revenues	\$16,330		\$8,445	\$7,885	\$8,885

	<u>Spring start</u>			
	Yr 1 - FY 16	Yr 2 - FY 17	Yr 3 - FY 18	Yr 4 - FY 19
<u>Projected Enrollments</u>				
International--Full Program	46	87	123	259
International--Pathway	7	13	18	39
International - Non-honors	<u>10</u>	<u>19</u>	<u>25</u>	<u>52</u>
Total # of Students	63	119	166	350
CCP Revenue @ 50%	\$266,018	\$1,004,955	\$1,401,870	\$2,955,750
AH Revenue @ 50%	\$243,378	\$919,315	\$1,424,910	\$3,005,750
Additional Honors Fee with Scholarship only applies to Full Program				
<u>Projected Cost of Additional Sections</u>				
Blended Rate of Course	\$9,000	\$9,450	\$9,923	\$10,419
5 courses per term for every 25 new students in Full Program	10	30	50	100
Projected CCP New Courses Cost	\$90,000	\$283,500	\$496,150	\$1,041,900
Excess Direct Revenues over Direct Expenses	\$176,018	\$721,455	\$905,720	\$1,913,850

ATTACHMENT D

COLLEGE INVESTMENTS RESULTS
AND
CASH POSITION

Exhibit 1

**COMMUNITY COLLEGE OF PHILADELPHIA
HISTORY OF OPERATING FUNDS CASH BALANCES
(reported at market value)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
January	\$39,675,734	\$37,396,535	\$36,276,299	\$42,394,376
February	\$35,951,689	\$51,013,731	\$46,709,151	\$51,814,341
March	\$60,522,037	\$61,508,753	\$54,616,909	\$59,962,791
April	\$49,920,335	\$53,038,202	\$46,326,764	\$47,762,761
May	\$38,567,554	\$37,222,265	\$33,653,333	\$41,866,949
June	\$36,152,806	\$34,558,168	\$36,396,938	\$35,274,625
FY Year Average	\$42,258,724	\$43,316,313	40,687,625	43,055,758
July	\$40,782,777	\$37,871,069	\$37,962,200	\$37,962,200
August	\$39,932,587	\$38,182,255	\$34,878,850	\$34,878,850
September	\$34,306,080	\$32,760,076	\$31,437,557	\$31,437,557
October	\$49,222,392	\$46,339,439	\$47,834,903	\$47,834,902
November	\$38,084,817	\$36,890,461	\$39,319,921	\$37,557,243
December	\$42,729,444	\$42,228,804	\$46,159,817	\$44,397,139
Calendar Year Average	\$42,154,021	\$42,417,480	\$40,964,387	\$42,761,978

Note: Long term Investments are in TIAA-CREF & Commonfund - Exhibit 2

Note: Short term Investments - Exhibit 3

Note: September 2009 was artificially low due to delays in State budget process.

Community College of Philadelphia
Comparative Analysis of Yield and Rate of Return on LT Investments
FY 2012 through 2015

Communfund	2012	2013	2014	2015	Total Int/Fees/Gain/Loss
Multi-Strategy Bond Fund (Value as of June 30)	5,227,306.46	5,210,825.97	5,336,380.99	5,218,289.54	
Intermediate Term Fund (Value as of June 30)	5,470,917.82	5,510,950.45	5,522,521.90	5,487,188.99	
Total Investable Balance	10,698,224.28	10,721,776.42	10,858,902.89	10,705,478.53	
Fees/Gain/Loss Gasb 31 Appreciation/Depreciation					
Multi-Strategy Bond Fund	141,351.84	(16,480.49)	125,565.02	(118,091.45)	
Intermediate Term Fund	66,326.69	40,032.63	11,571.45	(35,332.91)	
-Total-Fees/Gain/Loss Gasb 31 Appreciation/Depreciation	207,678.53	23,552.14	137,136.47	(153,424.36)	214,942.78
Interest Not Reinvested- Multi-Strategy Bond Fund	197,532.20	186,319.33	187,510.82	183,045.17	
Interest Not Reinvested- Intermediate Term Fund	62,464.39	72,705.51	60,344.60	81,803.91	
Total Interest Not Reinvested	259,996.59	259,024.84	247,855.42	264,849.08	1,031,725.93
Total - Interest/Fees/Gain/Loss GASB 31 Appreciation/Depreciation	467,675.12	282,576.98	384,991.89	111,424.72	1,246,668.71
<i>Fiscal Year Rate of Return-Multi-Strategy Bond Fund</i>	<i>6.76</i>	<i>3.22</i>	<i>6.12</i>	<i>1.22</i>	
<i>Fiscal Year Rate of Return-Intermediate Term Fund</i>	<i>2.76</i>	<i>2.79</i>	<i>1.31</i>	<i>0.84</i>	

TIAA Fund	2012	2013	2014	2015	
Money Market Funds (Value as of June 30)	489,535.53	597,089.45	616,724.84	663,848.01	
U.S. Treasury Obligations (Value as of June 30)	3,837,929.32	3,735,124.18	4,739,619.47	4,728,180.04	
U.S. Government Agencies (Value as of June 30)	2,003,958.45	2,387,709.75	1,815,596.60	1,742,186.90	
Corporate & Foreign Bonds (Value as of June 30)	4,185,074.01	3,819,384.76	3,915,843.80	3,870,295.45	
Cash (Value as of June 30)	38,404.90	-	(289,675.20)		
Total Investable Balance	10,554,902.21	10,539,308.14	10,798,109.51	11,004,510.40	
Fees/Gain/Loss GASB 31 Appreciation/Depreciation					
-Total-Fees/Gain/Loss GASB 31 Appreciation/Depreciation- TIAA Funds	240,906.61	(243,248.01)	30,035.00	(25,629.05)	2,064.55
Total Interest Reinvested	319,173.10	227,653.94	228,766.37	232,029.54	1,007,622.95
Total - Interest/Fees/Gain/Loss Gasb 31 Appreciation/Depreciation	560,079.71	(15,594.07)	258,801.37	206,400.49	1,009,687.50
<i>Fiscal Year Rate of Return-TIAA Fund</i>	<i>5.90</i>	<i>0.15</i>	<i>2.77</i>	<i>2.22</i>	

Exhibit 3

COMMUNITY COLLEGE OF PHILADELPHIA

INVESTMENT PERFORMANCE & INVESTABLE BALANCE SUMMARY ANALYSIS OF OPERATING FUNDS

AS OF JUNE 30

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
National Penn Bank				
Municipal Flex Money Market Fund	0.25	0.25	0.25	0.25
Investable Balance	1,116,482	1,119,497	1,122,299	1,125,109
Wells Fargo				
High Performance Money Market Fund	0.40	0.40	0.40	0.40
Investable Balance	5,257,555	279,709	4,289,633	5,322,017
Investable Balance				
Concentration Account	0.25	0.25	0.25	0.25
Investable Balance	8,129,527	8,482,636	6,877,759	6,654,892
PNC Bank				
Business Premium Money Market Fund	0.10	-	-	-
Investable Balance	32,537	-	-	-
Valley Green Bank				
Money Market Account	0.50	0.35	0.35	0.35
Investable Balance	253,140	254,330	255,349	256,361
Certificate of Deposit (6 Months) matures 09/06/2012	0.75	0.00	0.00	0.00
Investable Balance	5,116,773			
ICS (Insured Cash Sweep) Account	-	0.70	0.70	0.55
Investable Balance	-	3,160,910	2,194,886	206,256
TOTAL INVESTABLE AMOUNT	19,906,014	13,297,083	14,739,925	13,564,635

COMMUNITY COLLEGE OF PHILADELPHIA
CASH FLOW PROJECTION 9/7/2015 through 11/1/2015

Week	9/7/2015 9/13/2015	9/14/2015 9/20/2015	9/21/2015 9/27/2015	9/28/2015 10/4/2015	10/5/2015 10/11/2015	10/12/2015 10/18/2015	10/19/2015 10/25/2015	10/26/2015 11/1/2015
Concentration Account Balnce as of 8/31/15								
Projected Pell-SEOG-Direct Loan Financial Aid Funds					34,383,936		4,859,324	
Projected Work Study -Financial Aid Funds					49,474			56,132
Wells Fargo Money Market & Univest Bank Restricted Account	1,202,969	751,984						
City Appropriation		7,577,302						
Alternative Loan for Student Tuition	62,328	11,403	46,644		12,630		16,092	
Projected Tuition Cash	74,874	98,833	30,131	40,525	89,697	29,717	42,233	80,092
Projected Tuition Remote Deposits	113,603	88,790	65,367	47,400	75,234	87,125	129,277	139,758
Projected Tuition Echecks	208,331	183,817	73,622	67,396	125,532	151,988	56,993	85,745
Projected Tuition Credit Cards	356,647	253,383	71,672	78,383	168,549	58,182	55,622	136,146
Projected Total Cash In	6,592,573	14,140,797	10,676,130	9,782,348	40,552,658	29,500,030	25,038,457	19,184,824
Payroll	44,211	2,982,666	84,140	3,328,172	84,140	3,357,113	87,506	3,420,782
Accounts Payable	997,306	769,437	1,043,346	806,570	11,295,500	6,264,000	6,264,000	6,264,000
Debt Payments for 9/15 & 11/1/15	375,771	-	-	-	-	-	-	675,039
Projected Total Cash Out	1,417,287	3,752,103	1,127,486	4,134,742	11,379,640	9,621,113	6,351,506	10,359,821
Projected Available Cash	5,175,285	10,388,694	9,548,644	5,647,606	29,173,018	19,878,917	18,686,951	8,825,003

*Note 1: The College is in the process of obtaining a line of credit from Univest Bank in the amount of \$5,000,000 which will be available the last week of September.

*Note 2: Accounts Payable is \$ 11,295,500 for the week of 10/11/2015 due to financial aid disbursements.

*Note 3: The State appropriation budgeted in the amount of \$7,619,853 was due on end of July 2015 and the State payment of \$7,619,853 is due on end of December 2015.