

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, 2025

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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 audit of 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, 2025, 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, 2025, 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 on pages 7 through 13 and the required supplementary information on pages 50 through 52 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

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 reformatted schedule of net position, reformatted schedule of activities, and the schedule of changes in capital asset balances on pages 54 through 56 are presented for purposes of additional analysis and are 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 58 through 66 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 30, 2025 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.



Philadelphia, Pennsylvania
October 30, 2025

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2025

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 remains steadfast in its commitment to making higher education accessible and affordable for all Philadelphia residents, maintaining a consistently low tuition rate of \$159 per credit hour since Fall 2017.
- In addition to the regularly packaged financial aid, the College disbursed over \$200,000 in emergency funds directly to students facing personal crises, helping prevent withdrawals and ensuring continued enrollment.
- The College continued to strengthen its express enrollment initiatives by launching subject-specific sessions that simplify and accelerate the student registration experience. These express events enabled through strategic collaboration across academic and administrative departments reflect the institution's commitment to reducing barriers and expanding access to higher education.
- Enrollment continues to show positive momentum. Total enrollment increased 6.7% from 17,537 students to 18,710 students while total credit hours increased 9.9% from 243,045 credit hours to 267,115 credit hours between fiscal years 2024 and 2025. Enrollment for the upcoming Fall 2025 semester increased by more than 9.0% while total credits credit hours increased by more than 10.0% compared to Fall 2024.
- The College is experiencing a sustained rebound in international student enrollment, with the upcoming fall semester anticipating a 41% year-over-year increase in F1 visa holders. This growth not only reflects renewed global interest in the institution but also carries significant financial impact, as international students contribute tuition revenue at rates nearly three times higher than Philadelphia residents.
- The College continued allowing students with more than 30 credits additional time to satisfy outstanding balances without fear of being dropped for nonpayment. Over 1,000 students were able to continue taking classes as a result of this practice, contributing to retention and revenue growth.

**Community College of Philadelphia
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2025

- The City College for Municipal Employment (CCME) program enrolled 187 students across five different workforce development pathways, each designed to prepare participants to fill high-demand vacancies within city government. The CCME program offers free tuition, textbooks, and regular stipends to its students.
- The Catto Scholarship provided 2,423 students with free tuition, textbooks, 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.
- Dual Enrollment opportunities were offered to 1,778 high school students, enabling them to take both credit-level and developmental courses at the College. These students learn alongside the general college population, strengthening college readiness, exploring academic interests, and reducing future tuition costs all while earning credit toward both high school and college.
- The College has a new partnership to train welders for the U.S. Navy. This fall, the College will launch a new advanced manufacturing for shipbuilding curriculum alongside a new non-destructive testing program. Funding from the Navy will provide students with funding to cover tuition and other costs, making the program an especially appealing option to prepare for lucrative, in-demand careers. We anticipate roughly 200 students a year will be participating.
- Beginning Fall 2025, nursing and other health care program students will have access to one of the most advanced health care simulation labs in the City. Several other laboratories and clinical areas were redesigned and upgraded to accommodate workforce development training programs.
- The Faculty and Staff Federation members at the College ratified their contracts on April 9, 2025. The prior contracts expired August 31, 2024. The new four-year contracts, which cover the period from September 1, 2024 to August 31, 2028, include wage increases, class size reductions, and enhancements to some employee benefits.

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.

Community College of Philadelphia
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2025

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, 2025, the College's net position was \$72.3 million, with liabilities of \$251.6 million and assets of \$338.3 million. Net position increased by \$15.4 million in 2025. Unrestricted net position decreased from a negative \$42.5 million to a negative \$57.1 million. Absent the cumulative impact of the post-employment benefit liability (GASB 68 and 75) reporting requirements, unrestricted net position would currently be at a level of positive \$105.9 million. The other factor contributing to the change in the unrestricted net position value was unfunded depreciation expense for 2025 in the amount of \$9.2 million.

	Summary of Net Position June 30,	
	2025	2024
	(in millions)	
Assets:		
Current assets	\$ 88.9	\$ 88.8
Noncurrent assets:		
Loan receivable	19.9	19.9
Bond proceeds available for campus construction	0.6	6.9
Other long-term investments	31.7	29.6
Long-term lease receivable	19.0	19.0
Capital assets, net	178.2	175.4
Total assets	338.3	339.6
Deferred outflows of resources	5.8	7.7
Liabilities:		
Current liabilities	38.5	35.9
Noncurrent liabilities	213.1	217.8
Total liabilities	251.6	253.7
Deferred inflows of resources	20.2	36.8
Net position:		
Net investment in capital assets	122.9	93.4
Restricted: Expendable	6.5	5.9
Expendable	(57.1)	(42.5)
Total net position	\$ 72.3	\$ 56.8

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2025

Assets

Current assets increased by \$0.1 million during 2025. Other assets decreased due to timing differences offset by increases in receivable from government agencies, accounts receivable, and short-term investments.

Noncurrent assets decreased by \$1.5 million. This is primarily attributable to the bond proceeds available for campus construction decrease 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, 2025 net of accumulated depreciation were \$178.2 million, an increase of \$2.8 million over the amount reported for 2024 of \$175.4 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 increased by \$2.6 million in 2025. This is primarily due to an increase in the amounts payable to government agencies and the increase in the compensated absences liability required under GASB 101.

The College's outstanding long-term debt was \$48.7 million as of June 30, 2025, a decrease of \$6.5 million from June 2024. This decrease is due to the debt service payments made during the year. The pension liability amount for 2025 also includes \$4.9 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 2025 and 2024 was \$163.1 million and \$158.5 million, respectively. Absent this reporting requirement, the College's net assets as of June 30, 2025 would have been at a level of \$235.4 million. The change in net position for 2025 and 2024 was a positive \$15.4 million and \$38.1 million, respectively. The following table quantifies the changes:

	Revenues, Expenses and Changes in Net Position Year Ended June 30,	
	2025	2024
	(in millions)	
Operating revenues:		
Net tuition and fees	\$ 20.6	\$ 20.6
Auxiliary enterprises and other sources	0.8	1.0
Total	21.4	21.6
Operating expenses	171.3	152.2
Operating loss	(149.9)	(130.6)
Net non-operating revenues	155.9	144.0
Change in net assets before other revenues	6.0	13.4
Capital appropriations	9.4	24.7
Total change in net position	\$ 15.4	\$ 38.1

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2025

Operating Revenues

The largest sources of operating revenue for the College are student tuition and fees and auxiliary enterprises revenues. In 2025, 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 \$85 to \$345. Average total tuition and fee revenue per credit for 2025 was \$232.

Tuition and fee revenue totaled \$63.6 million in 2025 and \$57.3 million in 2024, an increase of 11.0%. Total enrolled credit headcount increased 6.7% for the same period.

Scholarship allowance amounts for 2025 and 2024 totaled \$43.0 million and \$36.7 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 2025 and 2024 is reflective of the 6.7% increase in overall credit enrollment. The maximum Pell award remained unchanged at \$7,395 for both 2023-2024 and 2024-2025 award years.

Non-operating Revenues

Commonwealth appropriations in 2025, excluding capital appropriations, totaled \$36.3 million, an increase of \$2.0 million or 5.8% over the \$34.3 million received in 2024.

City appropriations in 2025, excluding capital appropriations, totaled \$52.2 million. Of the funding appropriation, \$41.2 million was used for operating budget purposes in 2025 and \$11.0 million was used for CATTO Scholarships. In 2024, \$38.6 million of the total appropriation was used for operating purposes and \$9.4 million was used for CATTO Scholarships. Net investment income was \$7.1 million in 2025 and \$6.9 million in 2024.

As shown above, non-operating revenues increased by 8.3% from \$144.0 million in 2024 to \$155.9 million in 2025 primarily due to federal student aid increasing in line with enrollment, and the new City sponsored CCME program offsetting the decrease in State Grants and Contracts.

Capital Appropriations

The Commonwealth provided capital funding for debt service and capital purchases in the amount of \$4.9 million and \$4.7 million for 2025 and 2024, respectively. The College used \$4.5 million of the total City of Philadelphia appropriation of \$52.2 million in 2025 for debt service and capital purchases. In 2024, City of Philadelphia appropriations used for debt service and capital purchases were \$20.0 million.

Community College of Philadelphia
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2025

	Expenses by Function Year Ended June 30,	
	2025	2024
	(in millions)	
Instruction	\$ 62.9	\$ 56.2
Public service	0.1	-
Academic support	22.3	18.1
Student services	23.0	21.9
Institutional support	23.9	22.3
Physical plant operations	16.2	13.7
Depreciation	9.2	8.8
Student aid	13.3	10.8
Auxiliary enterprises	0.4	0.4
Total operating expenses	<u>\$ 171.3</u>	<u>\$ 152.2</u>

Exclusive of student aid and depreciation expenses, the College's operating expenses totaled \$148.8 million in 2025 and \$132.6 million in 2024.

In 2018, the College adopted GASB 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions (OPEB). Under GASB 75, the College reports the Net OPEB Liability (NOL) on the statement of net position. Changes to the NOL are recognized either in the OPEB Expense and/or as deferred inflows/outflows. The value of the expense for 2025 and 2024 was a credit of \$10.7 million and \$12.0 million, respectively.

	Expenses by Natural Classification Year Ended June 30,	
	2025	2024
	(in millions)	
Salaries	\$ 90.2	\$ 77.8
Benefits	37.6	31.8
Contracted services	10.1	7.4
Supplies	1.6	1.4
Depreciation	9.2	8.8
Student aid	13.3	10.8
Other post-employment benefits	(10.7)	(12.0)
Other	20.0	26.2
Total operating expenses	171.3	152.2
Interest on capital asset-related debt service	1.9	1.9
Total nonoperating expenses	<u>1.9</u>	<u>1.9</u>
Total expenses	<u>\$ 173.2</u>	<u>\$ 154.1</u>

**Community College of Philadelphia
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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2025

Schedule of Fund Balances

The 2025 and 2024 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 2025 was a negative \$158.2 million while the impact of GASB 68 reporting was a negative \$4.9 million. The negative unrestricted plant fund balance reflects the cumulative impact of unfunded depreciation expense of \$9.2 million.

	June 30,	
	2025	2024
	(in millions)	
Net investment in capital assets	\$ 122.9	\$ 93.4
Restricted expendable:		
Scholarships, awards, and faculty chair	0.5	-
Capital projects	6.0	5.9
Unrestricted	(57.1)	(42.5)
Total net position	\$ 72.3	\$ 56.8

Community College of Philadelphia Foundation

The Foundation was established in 1985 for the exclusive purpose of raising funds to support student scholarships, programs, and facility needs. Total assets for 2025 and 2024 were \$26.2 million and \$22.9 million, respectively. Total unrestricted net position for 2025 and 2024 for the Foundation was \$5.3 million and \$3.6 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 2025 and 2024 were \$31.9 million and \$32.8 million, respectively, and total net position for 2025 and 2024 was \$6.0 million and \$6.7 million, respectively.

Future Impacts

The College is projecting an increase of 4.7% for State appropriations for 2025-2026. However, Pennsylvania has yet to pass the 2025-2026 budget. The College remains fiscally sound and does not require external borrowing to continue its normal operations during the ongoing budgetary impasse. The Mayor's final City Budget Plan for 2025-2026 for the College is \$54.0 million which is \$2 million less than the 2024-2025 allocation. The 2024-2025 allocation included \$11.7 million for the Octavius Catto Scholarship program.

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, 2025

	<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)	\$ 62,432,346	\$ 3,941,546	\$ 3,735,614
Short-term investments (Note B)	14,676,577	2,338,166	-
Accounts receivable, net (Note C)	4,147,556	869	-
Receivable from government agencies (Note I)	6,485,896	-	-
Interest receivable	278,796	-	-
Other assets	866,995	-	-
Total current assets	<u>88,888,166</u>	<u>6,280,581</u>	<u>3,735,614</u>
Non-current assets			
Endowment investments (Note B)	-	19,963,497	-
Loan receivable (Note O)	19,880,421	-	-
Bond proceeds available for campus construction (Note B)	641,190	-	-
Other long-term investments (Note B)	31,687,530	-	-
Long-term lease receivable (Note E)	19,017,335	-	-
Capital assets, net (Note D)	<u>178,137,292</u>	<u>-</u>	<u>28,166,124</u>
Total non-current assets	<u>249,363,768</u>	<u>19,963,497</u>	<u>28,166,124</u>
Total assets	<u><u>\$ 338,251,934</u></u>	<u><u>\$ 26,244,078</u></u>	<u><u>\$ 31,901,738</u></u>
Deferred outflows of resources			
Deferred outflows	<u><u>\$ 5,769,175</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

Community College of Philadelphia
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STATEMENT OF NET POSITION - CONTINUED

June 30, 2025

	<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)	\$ 15,388,163	\$ 63,815	\$ -
Payable to government agencies (Note I)	2,403,888	-	-
Deposits	213,963	1,931	-
Unearned revenue	8,787,479	817,919	-
Current portion of lease obligation (Note E)	265,687	-	-
Current portion of subscription obligation (Note F)	1,338,373	-	-
Current portion of compensated absences (Note G)	3,323,848	-	-
Current portion of long-term debt (Note H)	6,000,000	-	-
Unamortized bond premium	728,918	-	-
Total current liabilities	<u>38,450,319</u>	<u>883,665</u>	<u>-</u>
Non-current liabilities			
Accrued liabilities (Note G)	664,272	-	-
Annuity payable	-	29,304	-
Deposits	250,000	-	-
Lease obligation (Note E)	456,165	-	-
Subscription obligation (Note F)	1,259,571	-	-
Compensated absences (Note G)	1,595,521	-	-
Long-term debt (Note H)	42,715,000	-	-
Notes payable (Note O)	-	-	25,945,000
Unamortized bond premium	3,067,154	-	-
Other post-employment benefits liability (Note J)	163,060,986	-	-
Total non-current liabilities	<u>213,068,669</u>	<u>29,304</u>	<u>25,945,000</u>
Total liabilities	<u>\$ 251,518,988</u>	<u>\$ 912,969</u>	<u>\$ 25,945,000</u>
Deferred inflows of resources			
Deferred inflows	<u>\$ 20,208,301</u>	<u>\$ 11,513</u>	<u>\$ -</u>
Net position			
Net investment in capital assets	\$ 122,947,614	\$ -	\$ 1,115,060
Restricted:			
Nonexpendable:			
Scholarships, awards and faculty chair	-	15,578,319	-
Annuities	-	11,568	-
Expendable:			
Scholarships, awards and faculty chair	542,734	3,924,092	-
Capital projects	5,928,883	547,804	6,473,136
Unrestricted	<u>(57,125,411)</u>	<u>5,257,813</u>	<u>(1,631,458)</u>
Total net position	<u>\$ 72,293,820</u>	<u>\$ 25,319,596</u>	<u>\$ 5,956,738</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

Year ended June 30, 2025

	<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	\$ 48,234,170	\$ -	\$ -
Student fees	15,409,104	-	-
Less: scholarship allowance	<u>(43,067,122)</u>	<u>-</u>	<u>-</u>
Net student tuition and fees	20,576,152	-	-
Auxiliary enterprises	755,305	-	-
Gifts	-	2,972,352	-
Other sources	<u>54,840</u>	<u>-</u>	<u>-</u>
Total operating revenues	<u>21,386,297</u>	<u>2,972,352</u>	<u>-</u>
Operating expenses			
Educational and general:			
Instruction	62,867,749	244,676	-
Public service	104,412	5,066	-
Academic support	22,277,222	566,631	-
Student services	22,974,570	246,526	-
Institutional support	23,967,392	355,666	-
Physical plant operations	16,266,528	-	27,439
Depreciation	9,150,336	-	1,439,328
Student aid	13,280,951	1,999,018	-
Auxiliary enterprises	<u>415,017</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>171,304,177</u>	<u>3,417,583</u>	<u>1,466,767</u>
OPERATING LOSS	<u><u>\$ (149,917,880)</u></u>	<u><u>\$ (445,231)</u></u>	<u><u>\$ (1,466,767)</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 REVENUES, EXPENSES AND CHANGES IN NET POSITION - CONTINUED

Year ended June 30, 2025

	<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)	\$ 36,339,066	\$ -	\$ -
City appropriations (Note M)	52,249,598	-	-
Federal grants and contracts	55,636,188	-	-
Commonwealth grants and contracts	2,693,706	-	-
Nongovernmental grants and contracts	3,142,597	970,915	-
Net investment income	7,075,300	2,558,052	-
Interest on capital asset-related debt service	(1,899,189)	-	(483,355)
Other nonoperating revenues	628,677	341,944	1,193,986
	<u>155,865,943</u>	<u>3,870,911</u>	<u>710,631</u>
Net non-operating revenues			
	155,865,943	3,870,911	710,631
Gain (loss) before other revenues, expenses, gains or losses	5,948,063	3,425,680	(756,136)
Capital appropriations	<u>9,494,624</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>15,442,687</u>	<u>3,425,680</u>	<u>(756,136)</u>
	-	-	-
Net position, beginning of the year	<u>56,851,133</u>	<u>21,893,916</u>	<u>6,712,874</u>
Net position, end of the year	<u><u>\$ 72,293,820</u></u>	<u><u>\$ 25,319,596</u></u>	<u><u>\$ 5,956,738</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 CASH FLOWS

Year ended June 30, 2025
(Business-Type Activities - College Only)

Cash flows from operating activities:

Tuition and fees	\$ 19,935,380
Payments to suppliers	(29,559,735)
Payments to employees	(102,120,779)
Payments for employee benefits	(25,063,855)
Payments for student aid	(13,280,951)
Auxiliary enterprises	755,305
Other cash receipts	<u>195,557</u>
Net cash used in operating activities	<u>(149,139,078)</u>

Cash flows from non-capital financing activities:

Commonwealth appropriations	36,339,066
City appropriations	52,249,598
Gifts and grants	61,472,491
Other nonoperating	<u>512,238</u>
Net cash provided by non-capital financing activities	<u>150,573,393</u>

Cash flows from capital and related financing activities:

Commonwealth capital appropriations	4,951,159
City capital appropriations	4,543,465
Proceeds from long-term debt	6,516,507
Purchases of capital assets	(12,341,614)
Loss on disposal of capital assets	459,947
Principal payments on long-term debt and amortization of leases	(9,086,763)
Interest payments on long-term debt and leases	<u>(2,004,506)</u>
Net cash used in capital and related financing activities	<u>(6,961,805)</u>

Cash flows from investing activities:

Lease receivable	(194,883)
Income on investments	<u>3,622,681</u>
Net cash provided by investing activities	<u>3,427,798</u>

DECREASE IN CASH AND CASH EQUIVALENTS (2,099,692)

Cash and cash equivalents, beginning 64,532,038

Cash and cash equivalents, ending \$ 62,432,346

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, 2025
(Business-Type Activities - College Only)

Reconciliation of operating loss to net cash used in operating activities:

Operating loss	\$ (149,917,880)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	9,150,336
Changes in assets and liabilities:	
Accounts receivable	(854,841)
Other assets	140,717
Accounts payable and accrued liabilities	2,411,845
Compensated absences	812,870
Unearned revenue	(918,607)
Other post-employment benefits	<u>(9,963,518)</u>
Net cash used in operating activities	<u><u>\$ (149,139,078)</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

Year ended June 30, 2025

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 Governmental Accounting Standards Board (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 fund raising 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 New Market Tax Credits (NMTC) to finance the construction of a career-based education and training facility at 4750 Market Street, Philadelphia, Pennsylvania. The facility will create jobs and provide 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 (U.S. 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

Year ended June 30, 2025

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 3 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 2025, the provisions of Act 46 were not followed in allocating operational funds to Pennsylvania community colleges. Instead, the 2024-25 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

Year ended June 30, 2025

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 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, bond funds, stock equities, and specifically approved fixed income securities.

Community College of Philadelphia
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

Lease Receivable

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:

<u>Asset Category</u>	<u>Years</u>
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-of-Use Assets and Lease Liability

Right-of-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 are discounted at the College's incremental borrowing rate. Short-term leases, those with a maximum period of 12 months, are expensed as incurred.

Right-of-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.

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

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

Year ended June 30, 2025

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

The College recognizes liabilities for compensated absences in accordance with GASB Statement No. 101. Compensated absences include vacation leave, sick leave, and other paid time off that meets the criteria for recognition. The college recognizes a liability for compensated absences that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences includes salary-related benefits where applicable.

The liability was measured using employees' pay rates as of the financial statement date, including salary-related payments such as employer contributions to Social Security and Medicare. The College elected to present the net change in the liability for compensated absences during the fiscal year.

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, 2025 are general college fees of \$1,090,169, 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 U.S. 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, 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

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

Year ended June 30, 2025

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.

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, 2025 was \$1,596,802 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, G, J, and O 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.

Recent Accounting Pronouncement

During the year ended June 30, 2025, the College implemented GASB Statement No. 101, *Compensated Absences*, and the adoption has been reflected as of the beginning of the earliest period presented in the financial statements, resulting in a \$0.7 million increase in compensated liability for sick leave and faculty intersession time-off. The impact of the adoption of this standard did not have a material impact on the unrestricted net position at July 1, 2024, and therefore no restatement of opening net position balances is reflected within the College's financial statements.

Pending Accounting Pronouncement

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of Statement No. 103 is to enhance the effectiveness of governmental financial reporting by improving key components of the financial reporting model to provide information that is more useful for decision-making and for assessing the college's accountability. The requirements of this Statement are effective for periods beginning after June 15, 2025, and all reporting periods thereafter.

Community College of Philadelphia
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of Statement No. 104 is to reconsider the existing classification of nonfinancial assets and other related sub-classifications to ensure that (1) assets are classified in a way that provides the most relevant financial information and (2) the definitions of the classifications are understandable and appropriate to meeting financial reporting objectives.

The College has not yet determined the impact of these Statements on the financial statements.

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, 2025, cash on hand was \$4,000. At June 30, 2025, the carrying amount of deposits was \$62,428,346 and the bank balance was \$64,488,561. 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

Year ended June 30, 2025

The following is the fair value of deposits and investments at June 30, 2025:

		Component Unit	
	College	Foundation	CCP Development, LLC
Deposits:			
Demand deposits	\$ 62,432,346	\$ 3,941,546	\$ 3,735,614
Investments:			
U.S. equity funds	8,026,775	7,894,155	-
International equity funds	-	5,347,628	-
U.S. Treasury obligations	6,180,091	-	-
Corporate and foreign bonds	3,922,357	-	-
Long-term fixed income mutual funds	-	765,703	-
Intermediate fixed income mutual fund	6,353,374	4,426,624	-
Short-term fixed income mutual funds	-	1,529,352	-
Investment in subsidiary	6,474,136	-	-
Multi-strategy bond mutual fund	5,692,463	-	-
Core equity fund	8,073,203	-	-
Money market mutual funds	1,641,708	2,338,166	-
Private real estate fund	-	35	-
	<u>\$ 108,796,453</u>	<u>\$ 26,243,209</u>	<u>\$ 3,735,614</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, 2025, bond proceeds available for campus construction were \$641,190.

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, 2025, 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>\$ 62,428,346</u>
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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

Community College of Philadelphia
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

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, 2025 are:

	Multi-Strategy Bond	Intermediate Fixed Income
Agency	1%	1%
AAA	14%	23%
AA	45%	51%
A	8%	18%
BBB	15%	5%
Below BBB	5%	0%
Non-rated/other	12%	2%
	<u>100%</u>	<u>100%</u>

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, 2025, is as follows:

	Fixed Income Investments
Aaa	14%
Aa	59%
A	19%
Baa	8%
	<u>100%</u>

Interest rate risk is the risk that changes in interest rates may 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, 2025 are as follows:

	Weighted- Average Maturity (Years)
U.S. Treasury obligations	3.95
Corporate and foreign bonds	4.32

The College categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Community College of Philadelphia
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

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, 2025:

Demand deposits, U.S. Treasury obligations, equity mutual funds, core equity fund and money market mutual funds of \$86,354,123 are valued using quoted market prices (Level 1 inputs).

Corporate and foreign bonds of \$3,922,357 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 \$12,045,837 are valued at the NAV per share.

The Foundation has the following recurring fair value measurements as of June 30, 2025:

Demand deposits, equity mutual funds, fixed income mutual funds and money market mutual funds of \$26,243,209 are valued using quoted market prices (Level 1 inputs).

CCP Development, LLC has the following recurring fair value measurements as of June 30, 2025:

Demand deposits \$3,735,614 are valued using quoted market prices (Level 1 inputs).

The valuation method for investments measured at the NAV per share (or its equivalent) at June 30, 2025 are presented in the following table:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Intermediate fixed income mutual fund ⁽¹⁾	\$ 6,353,374	\$ -	Monthly	30 days
Multi-strategy bond mutual fund ⁽²⁾	5,692,463	-	Weekly	7 days
	<u>\$ 12,045,837</u>	<u>\$ -</u>		

⁽¹⁾ *Intermediate Fixed Income 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.

⁽²⁾ *Multi-Strategy Bond 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 1-3 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.

Community College of Philadelphia
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivable include the following at June 30, 2025:

	College	Component Unit Foundation	CCP Development
Tuition and fee receivables	\$ 5,804,702	\$ -	\$ -
Grants receivable	123,111	869	-
Other receivables	1,248,272	-	-
	<u>7,176,085</u>	<u>869</u>	<u>-</u>
Less allowance for doubtful accounts	<u>(3,028,529)</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,147,556</u>	<u>\$ 869</u>	<u>\$ -</u>

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, 2025:

	Balance July 1, 2024	Additions	Retirements and Adjustments	Transfer to CCP Development, LLC	Balance June 30, 2025
Capital assets not depreciated:					
Land and improvements	\$ 37,844,976	\$ -	\$ -	\$ -	\$ 37,844,976
Construction in progress	826,380	1,086,987	(449,659)	-	1,463,708
Works of art	942,422	3,000	-	-	945,422
	<u>39,613,778</u>	<u>1,089,987</u>	<u>(449,659)</u>	<u>-</u>	<u>40,254,106</u>
Capital assets being depreciated or amortized:					
Buildings and improvements	273,105,982	7,928,696	(20,068)	-	281,014,610
Equipment and furniture	24,183,219	2,876,364	-	-	27,059,583
Library books	6,425,593	145,249	-	-	6,570,842
Microforms	1,669,831	-	-	-	1,669,831
Leases	1,722,136	221,658	-	-	1,943,794
Software	4,122,171	-	-	-	4,122,171
System software	6,925,569	7,207	-	-	6,932,776
SBITAs	6,191,290	72,453	(77,925)	-	6,185,818
Total before depreciation or amortization	<u>324,345,791</u>	<u>11,251,627</u>	<u>(97,993)</u>	<u>-</u>	<u>335,499,425</u>
	<u>\$ 363,959,569</u>	<u>\$ 12,341,614</u>	<u>\$ (547,652)</u>	<u>\$ -</u>	<u>\$ 375,753,531</u>

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

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

	Balance July 1, 2024	Additions	Retirements and Adjustments	Transfer to CCP Development, LLC	Balance June 30, 2025
Buildings and improvements	\$ 152,760,279	\$ 6,631,061	\$ (9,781)	\$ (837,429)	\$ 158,544,130
Equipment and furniture	14,537,447	1,849,859	-	(523,903)	15,863,403
Library books	5,556,102	131,850	-	-	5,687,952
Microforms	1,669,832	-	-	-	1,669,832
Leases	815,018	426,958	-	-	1,241,976
Software	4,063,962	96,796	-	(77,996)	4,082,762
System software	6,897,975	10,110	-	-	6,908,085
SBITAs	2,252,993	1,443,030	(77,924)	-	3,618,099
Total accumulated depreciation	\$ 188,553,608	\$ 10,589,664	\$ (87,705)	\$ (1,439,328)	\$ 197,616,239
					\$ 178,137,292

CCP Development's capital assets consist of the following at June 30, 2025:

	Balance July 1, 2024	Additions	Retirements and Adjustments	Transfer from CCP	Balance June 30, 2025
Capital assets not depreciated:					
Land and improvements	\$ 246,600	\$ -	\$ -	\$ -	\$ 246,600
	246,600	-	-	-	246,600
Capital assets being depreciated:					
Buildings and improvements	28,004,478	-	-	-	28,004,478
Equipment and furniture	3,581,952	-	-	-	3,581,952
Software	233,989	-	-	-	233,989
Total before depreciation	31,820,419	-	-	-	31,820,419
	\$ 32,067,019	\$ -	\$ -	\$ -	\$ 32,067,019

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

	Balance July 1, 2024	Additions	Retirements and Adjustments	Transfer from CCP	Balance June 30, 2025
Buildings and improvements	\$ 1,496,282	\$ -	\$ -	\$ 837,429	\$ 2,333,711
Equipment and furniture	837,971	-	-	523,903	1,361,874
Software	127,314	-	-	77,996	205,310
Total accumulated depreciation	\$ 2,461,567	\$ -	\$ -	\$ 1,439,328	\$ 3,900,895
					\$ 28,166,124

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

Year ended June 30, 2025

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, 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, 2025 the College had a lease receivable \$19,017,335 and deferred inflow of \$18,237,803. For the year ended June 30, 2025, 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 four years are projected below for lease obligations:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 265,687	\$ 19,215	\$ 284,902
2027	177,708	12,905	190,613
2028	183,662	6,951	190,613
2029	94,795	1,189	95,984
	<u>\$ 721,852</u>	<u>\$ 40,260</u>	<u>\$ 762,112</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 three years are projected below for SBITAs:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,338,373	\$ 76,657	\$ 1,415,030
2027	1,031,631	38,429	1,070,060
2028	227,940	7,099	235,039
	<u>\$ 2,597,944</u>	<u>\$ 122,185</u>	<u>\$ 2,720,129</u>

For the year ended June 30, 2025, the College had no SBITAs with variable payments that were based on user seats.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

NOTE G - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2025:

	College	Component Unit Foundation	Component Unit CCP Development LLC
Category:			
Vendors and others	\$ 9,622,664	\$ 47,718	\$ -
Accrued salaries	3,287,045	16,097	-
Accrued benefits	2,104,623	-	-
Retirement incentive payments	978,297	-	-
Accrued Interest	59,806	-	-
	<u>\$ 16,052,435</u>	<u>\$ 63,815</u>	<u>\$ -</u>

Long-term liability activity for the year ended June 30, 2025 was as follows:

	Beginning Balance July 1, 2024	Additions	Deductions	Total Ending Balance June 30, 2025	Current Portion
Long-term liabilities:					
Accounts payable and accrued liabilities	\$ 14,900,894	\$ 1,151,541	\$ -	\$ 16,052,435	\$ 15,388,163
Deposits	488,297	-	(24,334)	463,963	213,963
Lease liability	939,929	208,497	(426,574)	721,852	265,687
SBITA liability	3,931,663	47,553	(1,381,272)	2,597,944	1,338,373
Compensated absences	4,106,499	812,870	-	4,919,369	3,323,848
Long-term debt	55,265,000	-	(6,550,000)	48,715,000	6,000,000
Unamortized bond premium	4,524,989	-	(728,917)	3,796,072	728,918
Other post-employment benefits	158,495,848	4,565,138	-	163,060,986	-
	<u>\$ 242,653,119</u>	<u>\$ 6,785,599</u>	<u>\$ (9,111,097)</u>	<u>\$ 240,327,621</u>	<u>\$ 27,258,952</u>

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, 2025:

	Balance July 1, 2024	Additions	Principal Payments	Balance June 30, 2025	Current Portion
2015 Series	\$ 21,335,000	\$ -	\$ (5,590,000)	\$ 15,745,000	\$ 4,995,000
2018 Series	11,745,000	-	(600,000)	11,145,000	630,000
2019 Series	7,605,000	-	(360,000)	7,245,000	375,000
2020 Series	14,580,000	-	-	14,580,000	-
	<u>\$ 55,265,000</u>	<u>\$ -</u>	<u>\$ (6,550,000)</u>	<u>\$ 48,715,000</u>	<u>\$ 6,000,000</u>

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

Future annual principal and interest payments at June 30, 2025 are as follows:

	Principal	Interest	Total
June 30:			
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>\$ 48,715,000</u>	<u>\$ 11,898,869</u>	<u>\$ 60,613,869</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 \$4,166,000.

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

	Principal
2026	\$ 4,995,000
2027	5,245,000
2028	5,505,000
	<u>\$ 15,745,000</u>

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

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 \$1,146,340 from 2026 through 2038.

<u>2018 Series</u>	<u>Principal</u>
2026	\$ 630,000
2027	665,000
2028	695,000
2029	730,000
2030	760,000
2031-2038	<u>7,665,000</u>
	<u>\$ 11,145,000</u>

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 75,000 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 \$676,439 from 2026 through 2040.

Principal payments required by the loan agreement are as follows:

<u>2019 Series</u>	<u>Principal</u>
2026	\$ 375,000
2027	395,000
2028	415,000
2029	435,000
2030	455,000
2031-2040	<u>5,170,000</u>
	<u>\$ 7,245,000</u>

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

Year ended June 30, 2025

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:

<u>2020 Series</u>	<u>Principal</u>
2028	\$ 950,000
2029	970,000
2030	995,000
2031	1,020,000
2032	1,045,000
2033-2040	<u>9,600,000</u>
	<u>\$ 14,580,000</u>

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

Year ended June 30, 2025

NOTE I - (PAYABLE TO) RECEIVABLE FROM GOVERNMENT AGENCIES

(Payable to) receivable from government agencies includes the following at June 30, 2025:

	(Payable)	Receivable
Commonwealth of Pennsylvania:		
Grants and special projects	\$ -	\$ 1,246,257
PHEAA for grants	(2,403,888)	-
	<u>(2,403,888)</u>	<u>1,246,257</u>
City of Philadelphia:		
Grants receivable	-	3,460,079
Federal:		
Financial aid programs	-	87,049
Grants and special projects	-	1,692,511
	<u>-</u>	<u>5,239,639</u>
Total	<u>\$ (2,403,888)</u>	<u>\$ 6,485,896</u>

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 11 employees participating in the SERS and 22 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 of an active member who has reached age 62 with at least one year of credited service.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

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 5 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 16.71%, 16.96%, 26.86%, 31.53% and 39.96% 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, 2025, the College reported a liability of \$1,842,000 and \$3,060,042 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, 2024 for PSERS and December 31, 2024 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, 2024 and December 31, 2024, the College's proportion of PSERS and SERS was 0.0044% and 0.0152%, respectively.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

For the year ended June 30, 2025, the College recognized proportional pension expense for PSERS and SERS of \$352,000 and \$340,958, respectively, as provided by the plans' actuarial schedules. At June 30, 2025, 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	\$ -	\$ 29,000
Changes in Assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	30,000	-
Changes in proportion and differences between College contributions and proportionate share of contributions	280,000	-
Total	\$ 310,000	\$ 29,000

SERS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 138,696	\$ 3,417
Changes in assumptions	53,895	-
Net difference between projected and actual earnings on pension plan investments	89,839	-
Changes in proportion	142,643	291,061
Changes in proportion and differences between College contributions and proportionate share of contributions	-	142,101
Total	\$ 425,073	\$ 436,579

Actuarial Assumptions

The following methods and assumptions were used in the actuarial valuations for the year ended June 30, 2025, unless otherwise stated. These methods and assumptions were applied to all periods included in the measurement:

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

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%, and 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 4.58% 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)

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, 2025, 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%	4.80%
Private Equity	12.00%	6.70%
Fixed Income	33.50%	3.90%
Commodities	5.00%	2.50%
Infrastructure/MLPs	10.00%	6.40%
Real Estate	9.50%	5.90%
	<u>100.00%</u>	

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

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, 2025, in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Private equity	16.00%	6.25%
Real estate	7.00%	5.15%
U.S. equity	37.00%	5.15%
International developed markets equity	14.00%	5.00%
Emerging markets equity	2.00%	5.20%
Fixed income - core	19.00%	2.85%
Inflation protection (TIPS)	3.00%	2.55%
Cash	2.00%	0.50%
	100.00%	

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, 2025 is \$1,842,000 using a 7.00% discount rate. The College's net pension liability would have been \$2,426,000 assuming a 1%-point decrease (6.00%) in the discount rate and would have been \$1,348,000 assuming a 1%-point increase (8.00%) in the discount rate.

For SERS, the College's net pension liability at June 30, 2025 is \$3,060,042 using a 6.875% discount rate. The College's net pension liability would have been \$4,089,440 assuming a 1%-point decrease (5.875%) in the discount rate and would have been \$2,190,684 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.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

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 1,016 employees participating in this program.

The payroll for employees covered by the three plans was \$68,282,773 and the College's total payroll is \$90,399,959 at June 30, 2025. Contributions made by the College for the year ended June 30, 2025 are \$6,008,720, representing 8.80% of covered payroll. College employees contributed \$5,102,350 for the year ended June 30, 2025.

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 post-employment benefits other than pensions (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, 2025, the College paid \$3,711,405 on behalf of the retirees and spouses. The College pays 100% of the premium for coverage for retirees until the end of the contract

Community College of Philadelphia
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

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 retiree (or working spouse) who returns to teach must join the part-time faculty benefits and pay a portion of the monthly cost for single medical coverage.

<u>Employees/Retirees/Beneficiaries</u>	<u>Number of Participants as of July 1, 2024</u>
Actives	789
In-actives currently receiving benefit payments	698
	<u>1,487</u>

The following table provides a summary of the changes in the College's total OPEB liability for fiscal year ended June 30, 2025. The valuation date was July 1, 2024 and the measurement date was June 30, 2025.

<u>Change in Total OPEB Liability (TOL)</u>	<u>July 1, 2024</u>
TOL, beginning of year	\$ 153,410,516
Service cost	2,973,692
Interest	5,926,559
Difference between expected and actual experience	-
Benefits paid	(5,692,817)
Changes in assumptions	1,540,994
	<u>\$ 158,158,944</u>

The following summarizes the development of benefit for the year ended June 30, 2025:

	<u>2025</u>
Service cost	\$ 2,973,692
Interest	5,926,559
Changes in assumptions	513,665
Amortization of:	
Total OPEB liability and assumption gain	<u>(14,480,703)</u>
Total benefit	<u>\$ (5,066,787)</u>

Weighted-average assumptions to determine expense:

Actual benefit payments	\$ 5,692,817
Discount rate	3.86%
Expected return on assets	N/A
Salary scale	4.00%
Current rate	8.00%
Ultimate rate/year reached	5.00%/2045

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

Deferred inflows of resources reported by the College at June 30, 2025 are as follows:

<u>Date Amortization Base Set</u>	<u>Net Amount</u>
June 30, 2025	\$ (1,504,919)

Deferred outflows of resources reported by the College at June 30, 2025 are as follows:

<u>Date Amortization Base Set</u>	<u>Net Amount</u>
June 30, 2025	\$ 2,829,165

Deferred Inflows and Outflows Projection

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

<u>Years Ending June 30:</u>	<u>Net Amount</u>
2026	\$ 810,582
2027	513,664

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: 3.97% for determining June 30, 2025 disclosure and estimated 2026 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 Bond Buyer 20-Bond Go 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, 2025:

<u>Discount Rate Change</u>	<u>1% Decrease</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 183,109,373	\$ 138,013,469
Net OPEB Liability Healthcare Trend Rate	135,950,094	186,045,518

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 \$626,550.

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

Year ended June 30, 2025

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 have been renewed through August 31, 2028.

NOTE L - OPERATING EXPENSES

The College's and component unit Foundation's operating expenses, on a natural-classification basis, were comprised of the following for the year ended June 30, 2025:

	College	Component Unit Foundation	Component Unit CCP Development
Salaries	\$ 90,196,503	\$ 389,755	\$ -
Benefits	37,627,961	119,037	-
Contracted services	10,067,796	2,188	500
Supplies	1,591,685	105,413	-
Depreciation and amortization	9,150,336	-	1,439,328
Student aid	13,280,951	1,999,018	-
Other post-retirement benefits	(10,658,007)	-	-
Other	20,046,952	802,172	26,939
	<u>\$ 171,304,177</u>	<u>\$ 3,417,583</u>	<u>\$ 1,466,767</u>

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

Year ended June 30, 2025

NOTE M - CITY AND COMMONWEALTH APPROPRIATIONS

Appropriations from the Commonwealth and the City for the year ending June 30, 2025 were as follows:

	Operations	Capital
Commonwealth of Pennsylvania	\$ 36,339,066	\$ 4,951,159
City of Philadelphia	52,249,598	4,543,465
	<u>\$ 88,588,664</u>	<u>\$ 9,494,624</u>

NOTE N - PASS-THROUGH GRANTS

The College distributed \$26,221,898 during the year ended June 30, 2025 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 (RACP) grants and New Market Tax Credits (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 7-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 qualified active low-income community business (QALICB) and serves

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

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.

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 CATC building was completed in August 2022 and is currently leased to the college. The College is responsible for all operating and maintenance costs for the building. The base rent of \$137,500 is due quarterly on the first day of February, May, August and November. 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. The College plans to exercise its option to terminate the lease arrangement at the end of the 7-year tax credit investment period.

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 statements of net position. The LLC recorded the three loan obligations owed to the CDEs as notes payable within the statement of net position. Because there is no right of offset between the loan receivable due to the College and the notes payable by the LLC, the loan receivable and notes payable are presented separately in the statement of net position for the year ending June 30, 2025.

The leveraged loans mature on August 1, 2046, and the Fund will pay the College interest only at a rate of 2.197% per annum for the outstanding balance commencing December 9, 2020. Amortization begins February 1, 2029 with the first amortizing payment due February 15, 2029. At the end of the 7-year tax credit investment period, and for the following six months (Put Option Period), between December 9, 2027 and May 9, 2028, the Fund Investor has an option, but not an obligation, to sell to the College the Fund Investor's interest in the Fund for a put exercise price of \$1,000. If the put is not exercised, then the College has the right and option, at any time during the 6-month period following the Put Option Period, to elect to purchase the Fund Investor's interest in the Fund, at an amount equal to the fair market value at the time of exercise.

The College hosted the grand opening of the new CATC Building on August 18, 2022 and classes were held beginning in the fall semester. The building is equipped to serve as a learning hub for the College's updated career training programs centered around the health care, advanced manufacturing and auto tech industries.

In September 2022, the College purchased a piece of land on 4701 Chestnut Street for \$6,750,000 million and converted it to a parking lot for CATC employees and students.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended June 30, 2025

NOTE P - CERTAIN RISK DISCLOSURES

The Commonwealth of Pennsylvania and the City of Philadelphia together provide over half of the College's operating revenue and capital support. As of the issuance date of these financial statements, the Commonwealth Legislature has not enacted the 2025-2026 budget. The College received \$36.3 million in state appropriations for fiscal year 2024-2025 and anticipates a 4.7% increase for the upcoming year. Any reduction in state funding may have a material financial impact, given the College's reliance on this revenue source. In the short term, the College may be required to draw upon internal reserves to offset funding shortfalls. Longer-term implications could include the scaling back of academic programs, deferral of planned facility maintenance, and potential adjustments to tuition rates.

NOTE Q - SUBSEQUENT EVENTS

The College has evaluated subsequent events through October 30, 2025, 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)

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$ 2,974	\$ 3,259	\$ 4,973	\$ 5,707	\$ 3,923	\$ 5,863	\$ 6,425	\$ 10,624
Interest cost	5,926	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	1,541	(4,515)	(44,333)	4,711	31,764	617	-	(19,251)
Changes in benefit terms	-	-	-	-	-	(11,026)	(9,920)	-
Benefit payments	(5,693)	(4,920)	(4,488)	(4,303)	(3,874)	(4,929)	(4,449)	(4,934)
Net change in total OPEB liability	4,748	4,745	(39,720)	12,110	36,765	(36,037)	(2,248)	(54,706)
Total OPEB liability - beginning	153,411	148,666	188,386	176,276	139,511	175,548	177,796	232,502
Total OPEB liability - ending (a)	<u>\$ 158,159</u>	<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	\$ 5,693	\$ 4,920	\$ 4,488	\$ 4,303	\$ 3,874	\$ 4,929	\$ 4,449	\$ 4,934
Benefit payments	(5,693)	(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>	<u>\$ -</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 158,159</u>	<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	\$ 59,029	\$ 57,856	\$ 59,397	\$ 56,145	\$ 55,279	\$ 53,434	\$ 51,546	\$ 54,241
Total OPEB liability as a percentage of covered-employee payroll	268%	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
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SCHEDULES OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - LAST 10 YEARS* (UNAUDITED)

Years ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
PSERS										
College's proportion of the net pension liability	0.0044%	0.0044%	0.0035%	0.0028%	0.0028%	0.0030%	0.0034%	0.0034%	0.0035%	0.0032%
College's proportionate share of the net pension liability	\$ 1,842,000	\$ 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
College's covered employee payroll	\$ 687,024	\$ 228,783	\$ 215,604	\$ 268,640	\$ 244,157	\$ 407,745	\$ 456,911	\$ 455,779	\$ 454,763	\$ 413,104
Plan fiduciary net position as a percentage of the total pension liability	64.63%	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%
SERS										
College's proportion of the net pension liability	0.0152%	0.0148%	0.0174%	0.0173%	0.0155%	0.0149%	0.0148%	0.0160%	0.0147%	0.0110%
College's proportionate share of the net pension liability	\$ 3,060,042	\$ 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
College's covered employee payroll	\$ 1,096,937	\$ 1,039,018	\$ 1,179,551	\$ 1,165,438	\$ 1,021,917	\$ 958,066	\$ 930,394	\$ 979,992	\$ 894,293	\$ 653,759
Plan fiduciary net position as a percentage of the total pension liability	67.70%	65.30%	61.50%	76.00%	67.00%	63.10%	56.40%	63.00%	57.80%	58.90%

*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,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
PSERS										
Contractually required contribution	\$ 232,901	\$ 105,815	\$ 92,170	\$ 95,000	\$ 175,000	\$ 134,000	\$ 144,000	\$ 130,000	\$ 111,000	\$ 83,000
Contribution in relation to the contractually required contribution	232,901	105,815	92,170	95,000	175,000	134,000	144,000	130,000	111,000	83,000
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	\$ 687,024	\$ 228,783	\$ 215,604	\$ 268,640	\$ 244,157	\$ 407,745	\$ 456,911	\$ 455,779	\$ 454,763	\$ 413,104
Contributions as a % of covered employee payroll	33.9000%	46.2513%	42.7497%	35.3633%	71.6752%	32.8637%	31.5160%	28.5226%	24.4083%	20.0918%
SERS										
Contractually required contribution	\$ 339,103	\$ 298,005	\$ 263,580	\$ 229,696	\$ 352,495	\$ 334,491	\$ 323,944	\$ 325,667	\$ 301,735	\$ 202,576
Contribution in relation to the contractually required contribution	339,103	298,005	263,580	229,696	352,495	334,491	323,944	325,667	301,735	202,576
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	\$ 1,096,937	\$ 1,039,018	\$ 880,309	\$ 1,165,438	\$ 1,021,917	\$ 958,066	\$ 930,394	\$ 979,992	\$ 894,293	\$ 653,759
Contributions as a % of covered employee payroll	30.9136%	28.6814%	29.9418%	19.7090%	34.4935%	34.9131%	34.8179%	33.2316%	33.7401%	30.9863%

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

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, 2025
(In thousands)

	Community College of Philadelphia	Community College of Philadelphia Foundation	CCP Development, LLC
Cash on deposit and on hand	\$ 62,432	\$ 3,942	\$ 3,736
Investments	46,365	22,302	-
Accounts receivable	7,177	1	-
Allowance for doubtful accounts	(3,029)	-	-
Due from other governments	6,486	-	-
Restricted assets	39,817	-	-
Other assets	867	-	-
Property, plant and equipment	178,137	-	28,166
Total assets	\$ 338,252	\$ 26,245	\$ 31,902
Deferred outflows of resources:			
Deferred outflows	\$ 5,769	\$ -	\$ -
Liabilities:			
Vouchers and accounts payable	\$ 9,623	\$ 95	\$ -
Salaries and wages payable	6,370	-	-
Accrued expenses	60	-	-
Funds held in escrow	464	-	-
Due to other governments	2,404	-	-
Deferred revenue	8,787	818	-
Current portion of long-term obligations	11,656	-	-
Noncurrent portion of long-term obligations	49,094	-	-
Notes payable	-	-	25,945
Other post-employment benefits (GASB 75)	163,061	-	-
Total liabilities	\$ 251,519	\$ 913	\$ 25,945
Deferred inflows of resources:			
Deferred inflows	\$ 20,208	\$ 12	\$ -
Net position:			
Net investment in capital assets	\$ 122,948	\$ -	\$ 1,115
Restricted for:			
Nonexpendable scholarships, awards, and faculty chair	-	15,578	-
Nonexpendable annuities	-	12	-
Capital projects	542	3,924	-
Expendable scholarships, awards, and faculty chair	5,929	548	6,473
Unrestricted	(57,125)	5,258	(1,631)
Total net position	\$ 72,294	\$ 25,320	\$ 5,957

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, 2025
(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	\$ 176,621	\$ 21,331	\$ 62,443	\$ -	\$ 92,847
General revenues:					
Grants and contributions*					101,056
Interest and investment earnings					9,633
Miscellaneous					1,026
Total general revenues					111,715
Change in net assets					18,868
Net position - beginning					78,745
Net position - ending					\$ 97,613

* Includes Commonwealth appropriations of \$36,339,066 and City of Philadelphia appropriations of \$52,249,598.

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	\$ 1,950	\$ -	\$ -	\$ -	\$ 1,950
General revenues:					
Grants and contributions					-
Interest and investment earnings					-
Miscellaneous					1,194
Total general revenues					1,194
Change in net assets					(756)
Net position - beginning					6,713
Net position - ending					\$ 5,957

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, 2025

	<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	942,422	3,000	-	945,422
Construction in process	826,380	1,086,987	(449,659)	1,463,708
	<u>39,613,778</u>	<u>1,089,987</u>	<u>(449,659)</u>	<u>40,254,106</u>
Total capital assets not being depreciated				
Capital assets being depreciated:				
Buildings	273,105,982	7,928,696	(20,068)	281,014,610
Other improvements	19,143,164	152,456	-	19,295,620
Equipment & furniture	24,183,219	2,876,364	-	27,059,583
Leases	1,722,136	221,658	-	1,943,794
SBITAs	6,191,290	72,453	(77,925)	6,185,818
	<u>324,345,791</u>	<u>11,251,627</u>	<u>(97,993)</u>	<u>335,499,425</u>
Total capital assets being depreciated				
Less accumulated depreciation for:				
Buildings	152,760,279	6,631,061	(847,210)	158,544,130
Other improvements	18,187,871	238,756	(77,996)	18,348,631
Equipment & Furniture	14,537,447	1,849,859	(523,903)	15,863,403
Leases	815,018	426,958	-	1,241,976
SBITAs	2,252,993	1,443,030	(77,924)	3,618,099
	<u>188,553,608</u>	<u>10,589,664</u>	<u>(1,527,033)</u>	<u>197,616,239</u>
Total accumulated depreciation				
Total capital assets being depreciated, net	<u>135,792,183</u>	<u>661,963</u>	<u>1,429,040</u>	<u>137,883,186</u>
Business-type activities capital assets, net	<u>\$ 175,405,961</u>	<u>\$ 1,751,950</u>	<u>\$ 979,381</u>	<u>\$ 178,137,292</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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Student tuition and fees (net of scholarship allowances)	\$ 20,576	\$ 20,618	\$ 23,247	\$ 24,759	\$ 28,424	\$ 30,536	\$ 32,753	\$ 33,234	\$ 32,992	\$ 31,643
Sales of auxiliary enterprises	755	934	827	113	408	1,413	1,599	1,523	1,737	1,740
Other operating revenues	55	94	35	13	23	38	42	46	62	87
Total operating revenues	21,386	21,646	24,109	24,885	28,855	31,987	34,394	34,803	34,791	33,470
Commonwealth appropriations	36,339	34,343	33,561	32,341	32,389	32,408	31,820	30,892	30,868	30,128
City appropriations	52,249	48,042	40,637	37,172	34,451	29,847	25,549	23,310	24,189	23,272
Federal grants and contracts	55,636	43,187	40,560	105,571	65,187	52,337	46,098	49,026	48,888	53,551
Commonwealth grants and contracts	2,694	6,280	5,722	5,718	6,061	6,621	5,989	7,953	8,126	8,278
Nongovernmental grants and contracts	3,143	3,036	2,260	1,948	2,884	2,522	2,115	1,582	1,528	1,456
Gifts from the Community College of Philadelphia Foundation	-	-	67	375	12	95	160	242	835	225
Net investment (loss) income	7,075	6,947	3,813	(3,894)	451	1,691	1,577	36	75	815
Interest on capital asset-related debt service	(1,899)	(1,881)	(2,928)	-	-	-	-	-	-	-
Other nonoperating revenue	629	4,059	1,149	950	509	578	410	399	378	2,579
Total nonoperating revenues	155,866	144,013	124,841	180,181	141,944	126,099	113,718	113,440	114,887	120,304
Capital appropriations	9,495	24,689	14,517	11,548	12,990	12,032	11,797	12,450	11,050	12,354
Total revenues	\$ 186,747	\$ 190,348	\$ 163,467	\$ 216,614	\$ 183,789	\$ 170,118	\$ 159,909	\$ 160,693	\$ 160,728	\$ 166,128

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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Student tuition and fees (net of scholarship allowances)	11.02%	10.83%	14.22%	11.43%	15.47%	17.95%	20.48%	20.68%	20.53%	19.05%
Sales of auxiliary enterprises	0.40	0.49	0.51	0.05	0.22	0.83	1.00	0.95	1.08	1.05
Other operating revenues	0.03	0.05	0.02	0.10	0.01	0.02	0.03	0.03	0.04	0.05
Total operating revenues	11.45	11.37	14.75	11.49	15.70	18.80	21.51	21.66	21.65	20.15
Commonwealth appropriations	19.47	18.05	20.53	14.93	17.62	19.05	19.90	19.22	19.21	18.14
City appropriations	27.98	25.23	24.86	17.16	18.74	17.54	15.98	14.51	15.04	14.01
Federal grants and contracts	29.79	22.68	24.81	48.74	35.47	30.77	28.83	30.51	30.42	32.23
Commonwealth grants and contracts	1.44	3.30	3.50	2.64	3.30	3.89	3.75	4.95	5.06	4.98
Nongovernmental grants and contracts	1.68	1.60	1.38	0.90	1.57	1.48	1.32	0.98	0.95	0.88
Gifts from the Community College of Philadelphia Foundation	-	-	0.04	0.17	0.01	0.06	0.10	0.15	0.52	0.14
Net investment (loss) income	3.79	3.65	2.33	(1.80)	0.25	0.99	0.99	0.02	0.05	0.49
Interest on capital asset-related debt service	(1.02)	(0.99)	(1.79)	-	-	-	-	-	-	-
Other nonoperating revenue	0.34	2.14	0.70	0.44	0.28	0.34	0.25	0.25	0.24	1.55
Total nonoperating revenues	83.47	75.66	76.36	83.18	77.24	74.12	71.12	70.59	71.49	72.42
Capital appropriations	5.08	12.97	8.89	5.33	7.06	7.08	7.37	7.75	6.86	7.43
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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Salaries	\$ 90,196	\$ 77,784	\$ 76,982	\$ 75,891	\$ 74,041	\$ 77,819	\$ 77,462	\$ 76,986	\$ 78,629	\$ 77,931
Benefits	37,628	31,812	35,525	36,603	32,570	34,790	34,979	36,259	36,417	36,978
Contracted services	10,068	7,402	10,901	10,983	9,247	9,276	8,045	7,859	6,512	6,458
Supplies	1,592	1,388	1,988	2,927	5,564	4,467	3,060	3,549	3,376	3,857
Depreciation	9,150	8,836	7,198	7,610	7,464	7,783	7,939	8,133	8,204	8,861
Student aid	13,281	10,751	11,552	36,951	12,644	12,052	6,250	7,213	8,770	8,739
Other	20,047	26,300	16,117	23,848	10,231	11,376	13,375	12,092	12,959	13,167
GASB 75 (Other post-employment benefits) accrual	(10,658)	(12,027)	(19,154)	(6,274)	(8,754)	(24,590)	(5,426)	12,309	11,703	11,686
Total operating expenses	171,304	152,246	141,109	188,539	143,007	132,973	145,684	164,400	166,570	167,677
Interest on capital asset-related debt service	1,899	1,881	2,929	3,320	3,882	3,604	3,602	3,413	3,263	3,315
Total nonoperating expenses	1,899	1,881	2,929	3,320	3,882	3,604	3,602	3,413	3,263	3,315
Total expenses	<u>\$ 173,203</u>	<u>\$ 154,127</u>	<u>\$ 144,038</u>	<u>\$ 191,859</u>	<u>\$ 146,889</u>	<u>\$ 136,577</u>	<u>\$ 149,286</u>	<u>\$ 167,813</u>	<u>\$ 169,833</u>	<u>\$ 170,992</u>

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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Salaries	52.08%	50.47%	53.45%	39.56%	50.41%	56.98%	51.89%	45.88%	46.30%	45.57%
Benefits	21.72	20.64	24.66	19.08	22.17	25.47	23.43	21.61	21.44	21.63
Contracted services	5.81	4.80	7.57	5.72	6.30	6.79	5.39	4.68	3.83	3.78
Supplies	0.92	0.90	1.38	1.53	3.79	3.27	2.05	2.11	1.99	2.26
Depreciation	5.28	5.73	5.00	3.97	5.08	5.70	5.32	4.85	4.83	5.18
Student aid	7.67	6.98	8.02	19.26	8.61	8.82	4.19	4.30	5.16	5.11
Other	11.57	17.06	11.19	12.43	6.97	8.33	8.96	7.21	7.63	7.70
GASB 75 (Other post-employment benefits) accrual	(6.15)	(7.80)	(13.30)	(3.27)	(5.96)	(18.00)	(3.63)	7.33	6.89	6.83
Total operating expenses	98.90	98.78	97.97	98.27	97.37	97.36	97.60	97.97	98.07	98.06
Interest on capital asset-related debt service	1.10	1.22	2.03	1.73	2.63	2.64	2.40	2.03	1.93	1.94
Total nonoperating expenses	1.10	1.22	2.03	1.73	2.63	2.64	2.40	2.03	1.93	1.94
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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses by function:										
Instruction	\$ 62,868	\$ 56,196	\$ 49,897	\$ 54,725	\$ 50,333	\$ 49,333	\$ 56,715	\$ 64,578	\$ 65,509	\$ 66,018
Public service	104	36	21	39	38	104	97	145	124	183
Academic support	22,277	18,087	15,324	16,437	14,763	13,749	16,405	19,182	18,880	18,824
Student services	22,975	21,931	19,818	20,964	18,891	16,673	20,529	24,212	24,405	25,142
Institutional support	23,967	22,274	21,147	36,592	28,428	19,176	22,640	25,111	24,854	24,429
Operation and maintenance of plant	16,267	13,753	15,675	14,805	10,105	13,445	14,424	15,093	15,013	14,913
Depreciation	9,150	8,836	7,197	7,610	7,464	7,783	7,939	8,133	8,204	8,861
Student aid	13,281	10,751	11,553	36,951	12,644	12,052	6,250	7,213	8,770	8,739
Auxiliary enterprises	415	381	477	416	342	658	685	733	811	567
Interest on capital debt	1,899	1,881	2,929	3,320	3,882	3,604	3,602	3,413	3,263	3,315
Total expenses by function	<u>\$ 173,203</u>	<u>\$ 154,126</u>	<u>\$ 144,038</u>	<u>\$ 191,859</u>	<u>\$ 146,890</u>	<u>\$ 136,577</u>	<u>\$ 149,286</u>	<u>\$ 167,813</u>	<u>\$ 169,833</u>	<u>\$ 170,991</u>

(Amounts expressed in percentages)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses by function:										
Instruction	36.30%	36.45%	34.64%	28.52%	34.27%	36.12%	37.99%	38.48%	38.57%	38.61%
Public service	0.06	0.02	0.01	0.02	0.03	0.08	0.06	0.09	0.07	0.11
Academic support	12.86	11.74	10.64	8.57	10.05	10.07	10.99	11.43	11.12	11.01
Student services	13.26	14.23	13.76	10.93	12.86	12.21	13.75	14.43	14.37	14.70
Institutional support	13.84	14.45	14.68	19.07	19.35	14.04	15.17	14.96	14.63	14.29
Operation and maintenance of plant	9.39	8.92	10.88	7.72	6.88	9.84	9.66	8.99	8.84	8.72
Depreciation	5.28	5.73	5.00	3.97	5.08	5.70	5.32	4.85	4.83	5.18
Student aid	7.67	6.99	8.02	19.26	8.61	8.82	4.19	4.30	5.16	5.11
Auxiliary enterprises	0.24	0.25	0.33	0.22	0.23	0.48	0.46	0.44	0.48	0.33
Interest on capital debt	1.10	1.22	2.03	1.73	2.64	2.64	2.41	2.03	1.92	1.94
Total expenses by function	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total revenues (from schedule of revenues by source less capital appropriations)	\$ 155,866	\$ 144,013	\$ 148,950	\$ 205,066	\$ 170,798	\$ 158,085	\$ 148,112	\$ 148,423	\$ 149,678	\$ 153,776
Total operating expenses (from schedule of expenses by use)	173,203	154,127	144,038	191,859	146,889	136,578	149,286	167,813	169,833	170,992
Total changes in net position	(17,337)	(10,114)	4,912	13,207	23,909	21,507	(1,174)	(19,390)	(20,155)	(17,216)
Net position, beginning	56,851	18,748	(3,611)	(28,368)	(65,267)	(98,807)	(109,429)	51,951	61,057	65,919
Net position, ending	<u>\$ 39,514</u>	<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>
Net investment in capital assets	\$ 122,948	\$ 93,435	\$ 94,532	\$ 110,433	\$ 116,734	\$ 104,726	\$ 103,869	\$ 102,005	\$ 99,772	\$ 98,776
Restricted - expendable	6,471	5,937	6,205	5,784	5,727	5,439	5,284	5,101	4,939	4,912
Unrestricted	(57,125)	(42,521)	(81,989)	(119,828)	(150,829)	(175,432)	(207,960)	(216,535)	(52,760)	(42,631)
Total net position	<u>\$ 72,294</u>	<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>

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,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Enrollments and student demographics:										
Credit FTE	11,036	10,004	9,161	8,935	10,608	12,331	12,740	13,596	13,659	14,481
Unduplicated Credit Headcount	18,710	17,537	16,769	16,596	19,266	22,160	23,139	24,443	25,571	26,837
Percentage - Men	34.4%	34.1%	33.2%	31.6%	31.2%	34.7%	36.3%	36.3%	37.1%	37.8%
Percentage - Women	65.6	65.9	66.2	68.4	68.4	65.3	63.7	63.7	62.9	62.2
Percentage - Black	36.0	42.3	44.7	42.5	41.7	41.9	43.1	48.1	48.8	49.4
Percentage - White	15.0	19.1	20.7	23.3	24.4	22.9	23.2	23.5	24.0	23.8
Percentage - Asian	10.0	11.2	10.7	10.8	10.4	11.8	11.4	9.8	9.4	8.9
Percentage - Hispanic	19.3	18.4	17.1	16.4	15.7	15.9	14.9	14.0	13.0	12.8
Percentage - American Indian/other	4.3	4.6	4.2	4.1	4.0	3.9	4.0	0.3	0.3	0.3
Percentage - Unknown	15.4	4.3	2.6	3.0	3.8	3.6	3.4	4.3	4.5	4.8
Degrees awarded:										
Associate	1,560	1,575	1,429	1,806	1,954	1,761	1,770	1,731	1,794	1,880
Certificate	189	180	154	229	178	225	331	495	471	475

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Faculty:										
Part-time	682	630	614	526	297	452	567	543	548	676
Full-time	288	286	279	361	310	336	438	443	467	400
Percentage tenured	76.7%	81.5%	86.4%	74.2%	77.7%	77.7%	67.1%	65.2%	61.8%	74.0%
Administrative and support staff:										
Part-time	31	23	37	77	55	82	76	40	38	18
Full-time	511	503	500	495	503	506	474	470	466	445
Total employees:										
Part-time	713	653	651	603	352	534	643	583	586	694
Full-time	799	789	779	856	813	842	912	913	933	845
Students per full-time staff:										
Number credit students	12,926	1,224	11,636	11,647	13,672	15,996	16,672	17,296	18,126	18,099
Faculty	45	43	42	32	44	48	38	39	39	45
Administrative and support staff	25	24	23	24	27	32	35	37	39	41
Average annual faculty salary	\$ 78,829	\$ 70,191	\$ 69,675	\$ 61,894	\$ 66,597	\$ 65,300	\$ 75,020	\$ 67,883	\$ 69,196	\$ 63,789

Source: Institutional Human Resource Records.

GROSS SQUARE FEET OF COLLEGE BUILDINGS (UNAUDITED)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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	90,000	-	-	-	-	-	-	-
Career & Advance Technology Center (CATC)	75,500	75,500	75,500	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Total gross square feet	1,681,382	1,681,382	1,681,382	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
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
2024 – 25	1,573,916	4.3

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, 2025, 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 30, 2025.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses, as item 2025-001 that we consider to be a significant deficiency in the College's internal control.

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*.

College's response to findings

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The College's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the College's response.

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 communication is not suitable for any other purpose.



Philadelphia, Pennsylvania
October 30, 2025

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

SCHEDULE OF FINDINGS AND RESPONSES

Year ended June 30, 2025

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> X </u> yes	<u> </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

SECTION II - FINANCIAL STATEMENT FINDING

Finding 2025-001 - Net Position Reclassification - Significant Deficiency

Criteria:

Colleges must establish and maintain effective internal controls over financial reporting to comply with financial reporting standards under US GASB. These controls should ensure the financial statement calculations comply with financial reporting standards.

Condition:

Certain net position financial statement line-item classifications were not accurately presented for the year ended June 30, 2025. The College did not identify amounts that should have been reported as net investment in capital assets within net position. Instead, these amounts were incorrectly reported within (1) capital projects and (2) unrestricted net position, which led to reclassifications between net position categories.

Cause:

There was a lapse in the review process used to classify the net investment in capital assets balance within net position.

Effect or Potential Effect:

Net position categories of net investment in capital assets, capital projects, and unrestricted were misclassified by approximately \$35 million individually. Total net position was not impacted.

Recommendation:

We recommend that management implement a review process to ensure that net position balances are appropriately stated.

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

SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED

Year ended June 30, 2025

Management's Response:

Management made the appropriate adjustments to net position balances prior to financial statement issuance. Management has implemented a detailed review process to ensure that all net position categories are appropriately stated.