

Meeting of the Board of Trustees, Thursday, April 6, 2023, 3:00 p.m. Pavilion Klein Cube/Hybrid

## AGENDA

### (1) Meeting Called to Order

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

- Recognition of the Women's Basketball Team and Coaches
- Recap Middle States Visit, March 19-22, 2023
- Update the Board on Saxbys
- Update the Board on CATC

### (2) Public Comment

### (3) Report of the President

- (a) Recognition of the Women's Basketball Team and Coaches
- (b) Recap Middle States Visit, March 19-22, 2023
- (c) Saxbys Update (Nick Bayer)
- (d) CATC Update
- (e) Foundation Report (Dr. Mellissia Zanjani and Dr. Ellyn Jo Waller)

### (4) Audit Committee, March 24, 2023

3.24.23 Audit Committee Minutes	4
Uniform Guidance Audit Report (A)	29

### (5) Business Affairs Committee, March 30, 2023

3.30.23 Business Affairs Committee Minutes.pdf	115
--	-----

### (6) Consent Agenda

- (a) Proceedings and Minutes of Decisions and Resolutions, Meeting of March 2, 2023

3.2.23 Proceedings	126
Attachment A	135
Attachment B	142

**(b) Gifts and Grants**

Record of Grants & Gifts 4.6.23	150
---------------------------------	-----

**(c) Stonhard Flooring for Dental Clinic Accreditation in West Building**

**(d) Dolan Plumbing Change Order One for the Career and Advanced Technology Center (CATC)**

**(e) Supplemental HVAC Mechanics**

**(7) Report of the Chair**

**(a) Nominations for Board Officers Process**

**(b) Board Self-Assessment**

**(c) Year-end Events**

**(d) Commencement - Preliminary Details**

**(8) Old Business**

**(9) New Business**

**(10) Next Meeting: Thursday, May 4, 2023, 3:00 p.m.  
Pavilion Klein Cube, Room P2-3/Hybrid**

**Committee Meetings**

Business Affairs, Wednesday, April 19, 2023, 9:00 a.m.  
Isadore A. Shrager Boardroom, M2-1  
Hybrid

Student Outcomes, Thursday, April 20, 2023, 10:00 a.m.  
Isadore A. Shrager Boardroom, M2-1  
Hybrid

**Upcoming Events**

Mayoral Forums, Tuesday, April 4, 2023, 10:00 a.m.  
Center for Business & Industry  
1751 Callowhill Street – Room C2-28  
Focus is on public safety.

Monday, April 24, 2023, 6:00 p.m.  
Winnet Building, Great Hall, Room S2-19  
Focus is on K-12 and higher education.

Saturday, April 29, 2023, 1:00 p.m.  
Bonnell Building, Large Auditorium – BG-20

Focus is on issues around new immigrants  
and marginalized residents in Philadelphia.

College Budget Hearing, Tuesday, May 2, 2023 - Virtual

Nurses Pinning Ceremony, Friday, May 5, 2023 – 10:00 a.m.  
Athletic Center

Academic Awards Ceremony, Friday, May 5, 2023 – 4:00 p.m.  
Bonnell Large Auditorium – BG-20

Commencement Ceremony, Saturday, May 6, 2023 – 10:00 a.m.  
Board arrival - no later than 9:15 a.m.  
Temple Liacouras Center - Courtside Club

Calendar of Events April 2023

151

## **(11) Executive Session**

The Board will convene in Executive Session for an update on legal and  
personnel matters. The Board will not return following the Executive  
Session.

**MEETING OF AUDIT COMMITTEE (HYBRID)**  
**Community College of Philadelphia**  
**Friday, March 24, 2023 – 11:00 a.m.**

Present: Mr. Anthony J. Simonetta (*via Zoom*), Mr. Steve Herzog (*via Zoom*), Mr. Harold Epps, Mr. Rob Dubow (*via Zoom*), Donald Generals, Ed.D., Mr. Jacob Eapen, Victoria Zellers, Esq., Mr. Gim Lim, Mr. Robert Lucas, representing Grant Thornton: Ms. Angelica Roiz and Mr. Alex Ney

**AGENDA – PUBLIC SESSION**

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

**1. Approve Minutes of Audit Committee Meeting on September 26, 2022 (Action Item):**

**Action:** Mr. Anthony Simonetta asked for a motion to recommend acceptance of the September 26, 2022 Audit Committee meeting minutes (Attachment A). Mr. Steve Herzog made the motion. Mr. Harold Epps seconded the motion. The motion passed unanimously.

**2. 2021-2022 Uniform Guidance Report (Action Item):**

Ms. Angelica Roiz, the Audit Partner from Grant Thornton presented the results of the 2022 Uniform Guidance audit (Attachment B). She informed the Committee that the attached draft was the long form version of the financial statements. The short form audit was accepted at the September, 26, 2022 meeting & submitted to the City. Ms. Roiz then pointed the group to the Schedule of Expenditures and Federal Awards (SEFA) on page 71 (Attachment C). Ms. Roiz stated that it is a final draft form and Grant Thornton does not expect to have any further adjustments or changes to the report. She stated that historically Grant Thornton focuses on the student financial assistance cluster, which this year had \$48 million in expenditures. Ms. Roiz stated that Grant Thornton is now in the third year of testing the HEERF expenditures, which have continued to rise and the College has been a recipient of over \$100 million in grants since the monies first came out in 2020 so this has been the subject of testing for Grant Thornton. This year was almost \$69 million in total expenditures from aid under HEERF grants. The money was the balance of HEERF II as well as some spending in HEERF III. Ms. Roiz stated that some of the money will be spent in Fiscal Year 23. Ms. Roiz then pointed out that Grant Thornton also reviewed student Financial Aid for this year's audit. Grant Thornton looked at their clients to make sure money was being spent appropriately and controls were in place. She stated that Grant Thornton reviewed the expenditures and how the money was allocated to loss revenues spent on the College as well as on the students. Ms. Roiz stated that it was a clean audit and that Grant Thornton did not have any findings or issues to report.

Ms. Roiz pointed to page 78 of the report, which is Grant Thornton's long-form audit report. This is a summary of the audit and it showed that there were no findings that were reportable and that Grant Thornton looked at the major programs. Ms. Roiz stated that the College continues to be considered a low risk auditee, which means there has not been any findings in the last two fiscal years. Ms. Roiz stated that the audit is the same one that went out in September 2022 but just has a couple additional opinions as well as the Schedule of Expenditures.

Mr. Alex Ney summarized what Ms. Roiz reviewed in the areas of focus for the single audit. He stated that Grant Thornton reviewed the student financial aid cluster, which are subject to their procedures every year as well as the past two years of the education stabilization fund also referred to as HEERF. Mr. Ney stated that the presentation shows the overall process for a single audit that Grant Thornton follows and the initial starting point to determine what major programs or clusters to review. It is based on the size of the expenditures that occurred during the year. Once it is determined, Grant Thornton plans an audit to test the compliance that are requirements outlined by the Federal Government as well as to test the controls that the College has in place to insure the College is in compliance. He stated there were 12 compliance requirements for each major program. Often only 6 to 8 of them were determined to be directly material, which were the ones that Grant Thornton focused on for the audit. In addition to those procedures, Grant Thornton also tested the reconciliation of SEFA to make sure the appropriate funding was being presented within the report. Once Grant Thornton concluded with their testing, Grant Thornton will communicate any findings they may have at the Audit Committee Meeting. If not, Grant Thornton will assist in the preparation and the submission to the Federal Audit Clearinghouse **of** the final report.

Ms. Roiz stated that a lot of hard work was put into the report from Grant Thornton with the help of the College's Management Team and the Student Financial Aid Team that provided all of the support to Grant Thornton during their testing. Grant Thornton looked at individual student files, payment, courses, enrollments, and drops at the individual student level. The samples were quite large to satisfy the compliance requirements for the audit.

Ms. Roiz stated on the institutional side, Grant Thornton looked at Management's allocation of the funds, calculation of loss revenues, and the College's research and analysis of how the funds should be spent regarding HEERF. Grant Thornton looked at how the money was being received as well as being spent. She stated that all of this was subject to testing as well.

Mr. Harold Epps asked if the testing provided a secondary set of eyes on the audit on the College's graduation numbers, certificate, licenses and degrees. Mr. Roiz responded and stated that indirectly yes because the audit looked at enrollment and course credit hours. Mr. Lim added that satisfactory academic progress was part of the testing performed by Grant Thornton. However, testing the graduation statistics was not in scope.

Mr. Epps stated to Mr. Rob Dubow that as a Trustee, moving forward the College needs to grow. The College will need to hang their hats on progress of delivering to the marketplace graduates from the College. Mr. Epps stated that he would like to figure out how the College can make sure the numbers have been audited and validated because it is the Trustees duty to have those numbers go up.

Mr. Dubow stated that he agreed with Mr. Epps and suggested that it should be a different type of performance audit, which is also something good to do and it is definitely a conversation for the Trustees. Mr. Epps said that it is definitely an audit that should be done for the College. Mr. Dubow stated that he understood.

Mr. Anthony Simonetta asked if the audit is counting the students in the certificate programs in the number. Mr. Epps stated that increasingly the answer to that should be yes. This might be a scenario of overlap but the College needs to be able to have the conversation to figure out how the College can insure it can stand behind those graduation numbers without any questions as we increase our retention moving forward.

Ms. Roiz agrees with Mr. Dubow that indirectly the audit is affirming some of those metrics but that would be a different scope. Mr. Epps stated that Mr. Jacob Eapen will need to figure out how the College needs to proceed.

Ms. Roiz commented that Banner is the system in scope and as mentioned in the meeting back in September 2022 when Grant Thornton was only looking at the Financial Statements themselves, Grant Thornton looked at Banner in terms of the general ledger and access to make sure the information that comes out of Banner is correct so they can rely on it from an audit perspective. Primarily Grant Thornton was looking at the client's general ledger and they looked at the student financial aid portion of Banner by their IT Specialist team which is separate from Grant Thornton's audit team. Ms. Roiz stated that their IT Specialists do their audit prior to her team starting their audit and they looked at items such as are there appropriate system limits, packaging aid within the system, and segregation of duties, i.e., who is preparing and who is approving.

Mr. Ney stated that they have completed their presentation and asked if there were any questions. Mr. Simonetta asked if there were any further questions for the auditors.

Mr. Epps asked Grant Thornton if there is anything on the horizon that gives you pause for concern in the future. Mr. Roiz replied that their only concern is management turnover at the College but she stated that it is not a CCP specific issue. The College had a departure of the Assistant Controller this past Fall but the College had a replacement and Grant Thornton was able to smoothly continue their work from September 2022 through March 2023. Grant Thornton did not see any issues or immediate cause for concern. Ms. Roiz stated that it is important to fill the vacancies even though accounting and IT positions are challenging to recruit for in today's landscape.

**Action:** Mr. Simonetta asked for a motion to recommend acceptance of the June 30, 2022 Uniform Guidance report. Mr. Epps made a motion to accept the June 30, 2022 Uniform Guidance report. Mr. Dubow seconded the motion. The motion passed unanimously.

### **3. Internal Audit Plan (Information Item):**

Mr. Bob Lucas provided an update on the 2022-2024 Internal Audit Plan. He provided a summary report of activities since the last Audit Committee meeting and a spreadsheet of the Internal Audit Plan by email in advance of the meeting. Mr. Lucas stated that, since the last Audit Committee meeting, two audits had been finalized, one

audit had a draft report issued for management's review, and four audits were in various stages of progress.

Mr. Dubow asked whether there were any findings in the completed audits. Mr. Lucas provided a brief review of the findings to the Committee members.

Mr. Lucas provided some additional information regarding the audits currently in progress. In regard to the audit performed by the Department of Education (DOE) last year, Mr. Jeremiah White had requested, at a previous Audit Committee meeting, that Internal Audit perform audits of federal student aid to gain assurance of the College's compliance with related College policies and procedures, as well as federal regulations. Mr. Lucas noted that one such audit is in progress and another may be performed by the end of the fiscal year.

Mr. Lucas then reviewed with the Committee the Internal Audit Follow Up Matrix on which the audit comments, recommendations, and management's action plans are tracked. The matrix had also been distributed to the Committee members by email in advance of the meeting. Mr. Lucas noted that the action plans for three items had been fully addressed by management and, as such, were highlighted in green. He also noted that all of the remaining items on the matrix were highlighted in yellow noting the action plans were in progress, or they were not highlighted indicating that the items were not yet past the due dates of their action plans.

Mr. Lucas also stated additional information about two of the items which had been on the matrix for several years. He provided details about one item noted as completed on the previous version of the matrix and the efforts management made for a number of years to complete the long-term action plan to address the recommendation in the audit report. Mr. Lucas commended management of that division for their diligence in completing the agreed upon actions which included many steps and a long pause during the COVID quarantine period.

Mr. Lucas also commended management in the Business and Finance Division for their diligence in addressing action plans which were completed in fall of 2022 concurrent with the opening of the CATC center on the West Philadelphia campus. He also stated that the resolution of the action plans during construction of the new facility also improved the emergency planning and disaster recovery procedures on that campus.

Mr. Epps inquired of Mr. Lucas as to his possible knowledge of any issues which may be of concern to the College. Mr. Lucas stated that he inquires of senior management at least annually of their concerns within their divisions which may require the attention of Internal Audit. He also stated that he is able to meet with them as needed should concerns arise. Mr. Lucas also noted that the Internal Audit Plan is flexible and that he is able to redirect his attention if the need arises and he is requested by management to shift his time to other matters.

Mr. Epps inquired of Dr. General whether there was any additional news about the DOE audit. Dr. General stated that the College had not received anything back from the DOE since the College replied to the DOE's audit report.

#### **4. Internal Audit Committee (Information Item):**

Mr. Lucas stated that the Internal Audit Committee (IAC) continues to meet to discuss the status of items on the Internal Audit Follow Up Matrix and audit reports for which there may be questions or concerns about recommendations or action plans in issued or draft audit reports. Mr. Lucas also noted that with the retirement of Dr. Samuel Hirsh, VP of Academic and Student Success, from the college last year, his successor, Dr. Alycia Marshall was asked to join the IAC or have a designee attend. Dr. Marshall noted that she would have Ms. Karen Rege, Dean of Online Learning and Media Services, be her designee. Dr. Shannon Rooney, VP of Enrollment Management and Strategic Communications, joined the IAC in 2022 and she has designated the new Executive Director of Enrollment and Operations Compliance, Ms. Raye Thompson, to attend the IAC meetings as needed. Mr. Lucas noted that Ms. Rege has experience performing compliance audits, and that Ms. Thompson is a former auditor with PHEAA.

#### **5. June 2023 Meeting Date (Information Item):**

Mr. Simonetta announced that next meeting of the Committee will be in June 2023 at which time Grant Thornton will discuss their proposed Audit Plan for the 2022-2023 Fiscal Year.

Mr. Simonetta asked whether there were any questions before adjourning the meeting. Hearing no other questions, Mr. Simonetta asked for a motion to adjourn the meeting. Mr. Herzog moved and Mr. Dubow seconded the motion. The motion passed unanimously.

### **EXECUTIVE SESSION**

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

GSL/lmh  
Attachments

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



# **ATTACHMENT A**

## **Minutes from September 26, 2022 Audit Committee Meeting**

**HYBRID MEETING OF AUDIT COMMITTEE**  
**Community College of Philadelphia**  
**Monday, September 26, 2022 – 10:00 a.m.**

Present: Mr. Anthony J. Simonetta (*via Zoom*), Mr. Steve Herzog (*via Zoom*), Mr. Harold Epps (*via Zoom*), Donald Generals, Ed.D., Mr. Jacob Eapen, Victoria Zellers, Esq., Mr. Gim Lim, Mr. Robert Lucas, Mr. Derrick Sawyer, Ms. Anela Kruse (*via Zoom*), Ms. Mellissia Zanjani (*via Zoom*), Mr. Gerald Jones (*via Zoom*), representing Grant Thornton: Ms. Angelica Roiz and Mr. Alex Ney, Mr. Dennis Morrone, National Managing Partner of NFP & Higher Education Practices (*via Zoom*) and Mr. Anthony (Tony) B. Scott, Chairman & CEO, The Meridian Group, Limited (*via Zoom*)

Absent: Mr. Rob Dubow

**AGENDA – PUBLIC SESSION**

**6. Approve Minutes of Audit Committee Meeting on June 8, 2022 (Action Item):**

**Action:** Mr. Anthony Simonetta asked whether anybody has corrections or changes to the minutes. Hearing no changes, Mr. Simonetta asked for a motion to recommend acceptance of the June 8, 2022 Audit Committee meeting minutes (Attachment A). Mr. Harold Epps made the motion. Mr. Simonetta seconded the motion. The motion passed unanimously.

**7. 2021-22 Fiscal Year Audit Report (Action Item):**

Since there were several new attendees to the Audit Committee meeting, Ms. Angelica Roiz introduced herself, her team and Grant Thornton's minority partner for the engagement. This included Mr. Alex Ney, the Audit Manager, Mr. Dennis Morrone, National Managing Partner for Not-for-Profit and Higher Education Practices and Mr. Tony Scott from the Meridian Group, the Minority Partner.

Ms. Roiz then proceeded to present the results of the 2021-2022 annual audit (Attachment B). She informed the Committee that she planned to issue the final short form report of the June 30, 2022 Financial Statements (Attachment C) on Friday, September 30, 2022.

She reviewed the Audit Timeline and Scope and briefly explained the activities of each phase. She reported that the College has a clean report without any misstatements or disclosure issues as of this time. Mr. Simonetta noted that the short form of the report had 71 pages and readers may not agree with her description. The auditors will be back in the fall to perform the Uniform Guidance Audit which will be reported to the Audit Committee in March 2023. The Uniform Guidance Audit will take a deeper look at the impact of various federal relief programs as well as other grants and contracts.

Mr. Ney then proceeded to overview the areas of significant audit focus. He reported that within federal awards and state grants, if any time there is a potential of management override of controls, the auditors have to presume fraud risk and therefore consider it as an area of significant audit focus. Other areas of significant audit focus were tuition revenue, receivables, deferred revenue, valuation of investments, appropriations, GASB 75 Other post-retirement benefits (OPEB), New Market Tax Credit, and new for this year was the implementation of GASB 87 on leases. The College recorded about \$1 million in lease liability as a lessee and recorded about \$16 million in lease asset as lessor for the Hamilton ground lease. Mr. Gerald Jones asked about the process for testing the reasonableness of tuition revenue. Mr. Ney explained they performed detailed testing of student payments and also performed analytics using census data and published rates to compute the expected results and comparing that to the recorded revenue numbers. Mr. Epps and Mr. Jones expressed interests in benchmarking tuition revenues with other colleges which they agree to address at a different meeting. Ms. Roiz added that Federal and State grants and contracts included in non-operating revenues were very material since it was over \$100 million of which about \$60 million was from HEERF 3 funds. The auditors performed detailed testing over those expenditures, including funds used to discharge student debt. Ms. Roiz noted that there were about \$3.4 million remaining in the HEERF funds that is available for use in fiscal 2023. The testing on investments included the Foundation's investments. The auditors also reviewed the new Foundation's investment policy and performed testing to ensure the investments were consistent with the new policy and there were appropriate disclosures.

Ms. Roiz also explained that technology support was part of the audit scope. Grant Thornton's technology specialists performed a review of the Banner system since it feeds the financial system. The auditors also reviewed the financial aid module, tested administrator access and conducted password testing. As part of the technology support, Ms. Roiz reported that it is their practice to share best practices and recommendations with the College but noted that there were no findings or significant deficiencies or material weaknesses that needs to be brought to the attention of the Committee. On other required communications, Ms. Roiz reported that they performed detailed journal entry testing, reviewed New Market Tax Credit last year and for this year the auditors reviewed the implementation of GASB 87 on leases as part of what they consider as unusual transactions. Their auditor's report for this year was modified to include the College's adoption of GASB 87 and the election of a single year presentation because of this adoption. On accounting estimates and disclosures, the auditors are comfortable with the College's estimates and have no issues. Ms. Roiz then reminded the Committee of GASB 96 implementation for next year which requires the College to record subscription based on information technology arrangements similar to GASB 87.

Hearing no questions, Ms. Roiz then shared with the Committee their firm's Diversity, Equity and Inclusion goals, initiatives and progress to date. This includes increasing new hires of Black and African American or Hispanic and Latinx, increasing hot-skills training opportunities and increasing representation of veterans, military spouses and individuals with disabilities across the firm. Mr. Simonetta asked whether Grant Thornton has a mentoring program to help new employees succeed and advance their career. Ms. Roiz explained that every new employee is assigned to a coach and the firm offers formal mentoring programs by service line depending on each employee's career trajectory as well as informal coaching and mentoring opportunities as staff are placed into different development groups.

Mr. Morrone then provided an industry update. He reported that in speaking with boards and audit committees across the country he was able to summarize six commonalities:

1. Renewed interest in strategic planning, e.g., areas of focus, addressing changes in operating environment, ensuring resources are in place to support the strategic initiatives
2. Performing more financial modeling and budgeting
3. Enterprise risk management, e.g., addressing shutdowns, remote work, performing surveys and preparing responses to surveys
4. Focus on cyber risks, e.g., performing table top exercises to support or prevent cyber breach
5. Focus on master campus planning, e.g., using campus to optimize delivery of pedagogy while ensuring sustainability
6. Inflation impact, e.g., addressing rising operating costs, addressing limitations to increasing tuition while extending access, building up liquidity to response to the expected volatile market

Ms. Roiz thanked Management for all of their hard work and cooperation during the audit.

**Action:** Mr. Simonetta asked for a motion to recommend acceptance of the June 30, 2022 Financial Statement Audit report. Mr. Herzog made a motion to accept the June 30, 2022 Financial Statement Audit. Mr. Epps seconded the motion. The motion passed unanimously.

## **8. Internal Audit Committee/Internal Audit Plan (Information Item):**

Mr. Lucas provided an update on the 2020-2022 Internal Audit Plan. He provided a summary report of activities since the last Audit Committee meeting and a spreadsheet of the Internal Audit Plan by email in advance of the meeting. Mr. Lucas stated that, since the last Audit Committee meeting, two audits had been finalized, one draft report is in the review process with management, and two audits were in various stages of progress.

Mr. Lucas also reviewed the 2020-2022 Internal Audit Plan in the provided Excel spreadsheet showing what stages the 2020-2022 audits were at based on the codes shown on the spreadsheet. He also noted that the audits which were not completed during fiscal years 2021 or 2022 were rolled into the proposed 2022–2024 audit plan proposed to management. Mr. Lucas stated the new plan includes two audits of federal student aid in each fiscal year.

Mr. Lucas then reviewed with the Committee the Internal Audit Follow Up Matrix on which the audit comments, recommendations, and management's action plans are tracked. The matrix had also been distributed to the committee members by email in advance of the meeting. He provided an overview of the status of the audit comments based on the color coding on the spreadsheet to denote the status of management's actions plans. Mr. Lucas noted that there were no items highlighted in red designated as not addressed within a year of the original target date. He also noted that the action plans for seven items had been fully addressed by management and, as such, were now highlighted in green, and that these items will be moved off the matrix before the next Audit Committee meeting while new items from finalized audits will be added.

For the benefit of new Audit Committee members and guests, Mr. Lucas explained the history of the Internal Audit Committee (IAC) meetings. He stated that this forum, created at the request of Dr. Generals, provides the means for senior managers in divisions with items on the matrix which can be discussed, and questions addressed to help management complete the action plans as indicated by the seven which have been completed since the last Audit Committee meeting.

Mr. Lucas stated that he was now tracking revised College policies based on the new policy on policies. The goal of the new policy is to help ensure all policies are updated within the next five years. He also stated that the policy includes the responsibility for tracking policy revisions as a function of the Internal Audit.

Mr. Lucas noted that he had attended training on federal student aid during August.

Mr. Epps asked Mr. Lucas whether he had any areas of concerns or considered any area as high risk. Mr. Lucas stated that Information Technology is constantly changing and is a high risk for any company. He also noted that the Department of Education had concerns during their last review, but that management had worked to address the Department of Education's concerns and update documentation as needed. Mr. Lucas noted that unknown concerns may arise during any audit but that he believes management is working hard to minimize risks during regular operational activities.

Mr. Simonetta asked if any concerns have arisen during the Internal Audit Committee meetings. Mr. Lucas responded that no concerns have arisen during those meetings.

#### **9. March 2023 Meeting Date (Information Item):**

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

### **EXECUTIVE SESSION**

An Executive Session of the Audit Committee was held with the College staff.

GSL/lh  
Attachments

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

# **ATTACHMENT B**

## **Grant Thornton 2022 Annual Uniform Guidance Results Presentation**

PRESENTATION TO THOSE CHARGED WITH GOVERNANCE

# 2022 Annual Uniform Guidance Results Presentation

Community College of Philadelphia

**March 24, 2023**

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



# Areas of focus for Single Audit

The following provides an overview of the major programs tested this year; it has been determined based on the final schedule of expenditures of federal awards prepared by management.

Major programs	2022	2021	2020
Student Financial Assistance Cluster	X	X	X
Education Stabilization Fund	X	X	X



# Areas of focus for Single Audit (continued)

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

Area of focus	Results
Compliance with Uniform Guidance	<p>Perform compliance and controls procedures in accordance with the Uniform Guidance Requirements, including:</p> <ul style="list-style-type: none"><li>• Planning, identification of major federal programs and risk assessment.</li><li>• Review the respective federal compliance supplements and, as applicable, the specific grant/award agreements and assess and document the applicable compliance requirements.</li><li>• Document/update internal controls over compliance for each of the respective major federal programs or clusters.</li><li>• Test compliance and internal controls over compliance for each direct and material compliance requirement over each major federal program.<ul style="list-style-type: none"><li>• There are 12 compliance requirements for each major program. Of these, typically 6-8 have been direct and material to each major program or cluster.</li><li>• Consistent with prior years, we audited compliance associated with the federal Student Financial Assistance (SFA) Cluster as well as the Education Stabilization Fund (HEERF).</li></ul></li><li>• Test the reconciliation of the schedule of expenditures of federal awards to the respective amounts included within the financial statements.</li></ul>

# Areas of focus for Single Audit (continued)

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

Area of focus	Results
Compliance with Uniform Guidance (continued)	<ul style="list-style-type: none"><li>• Communicate compliance/control findings, if any, to management and TCWG.</li><li>• Address resolution of communicated compliance/control findings and understand management's response to be included in the corrective action plan.</li><li>• Assess completeness of disclosures related to the federal schedule of expenditures, including the impact of any federal funding associated with COVID-19 pandemic relief received during the year (HEERF).</li><li>• Render respective independent auditor opinions.</li><li>• Prepare the appropriate sections of the federal Data Collection Form submitted to the Federal Audit Clearinghouse.</li></ul>

# Technology support as part of the audit process



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

**In scope system: Banner – general ledger and student financial aid**

# Commitment to promote ethical and professional excellence

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

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

The EthicsPoint URL link can be accessed from our external website or through this link:

[https://secure.ethicspoint.com/domain/en/report\\_custom.asp?clientid=15191](https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=15191)



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

# **ATTACHMENT D**

## **2022-2024 Internal Audit Plan Status**

# COMMUNITY COLLEGE OF PHILADELPHIA

Date: March 17, 2023  
To: Audit Committee Members  
From: Robert Lucas, Internal Auditor  
Subject: Internal Audit – Plan Status and Other Information  
Copies: Donald Generals, Jacob Eapen, Victoria Zellers

---

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

- Audit reports finalized:
  - 50<sup>th</sup> Anniversary Scholars Program
  - IT Equipment Lending Program
- Draft reports issued to management:
  - Employee Computer Loans
- Audits in progress:
  - Veterans' Benefits
  - Part-Time Faculty Medical Benefits
  - Return of Title IV Funds
  - Other Accounts Receivable
- Updated the Internal Audit Follow Up Matrix based on responses, updates, and target dates from senior management.
- Internal Audit Committee meetings are scheduled quarterly and continue to occur chaired by the Internal Auditor.

\* \* \* \* \*

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

Functional Area	Risk Rating	Risk Explanation / Reason for Audit	Fiscal Year	Stage	Planned Quarter
<b>Financial Audits</b>					
403(b) Transactions *	L	Determine adequacy of controls and procedures over payments to retirement savings vendors	2024	**	2
Other Accounts Receivable	L	Determine adequacy of procedures and controls over A/R other than tuition	2024	1	4
Computer Loans	L	Determine adequacy of procedures and controls related to employee loans for computer purchases	2023	5	3
Lion Card	L	Determine adequacy over controls and procedures related to prepaid card program	2024		1
<b>Operational Audits</b>					
403(b) Administration *	L	Determine adequacy of controls and procedures related to employee requests related to retirement savings	2024	**	2
Part-Time Faculty Benefits	L	Determine controls and accuracy of medical coverage paid by eligible faculty members	2022	4	4
Vendor Management	L	Determine the controls, procedures and risk management in place to ensure vendors are meeting their stated levels of goods, services, timing and pricing	2023		2
Paid Time Off Recordkeeping	L	Determine adequacy of procedures and controls over PTO recordkeeping	2024	**	3
<b>Compliance</b>					
Veterans' Educational Benefits	M	Determine compliance procedures related to Veterans' Education Benefits Laws	2022	4	4
Catto Scholarship	M	Determine compliance with policies, procedures and scholarship documents	2023	**	4
State Recruiting Regulations	M	Determine compliance with associated regulations / restrictions	2023		2
Family Medical Leave Act	L	Determine compliance with policies, procedures and regulations	2023	**	4
Federal Student Loans / Return of Title IV Funds	H	Determine compliance with federal regulations and College policies, procedures and controls for such loans	2023	2	3

Functional Area	Risk Rating	Risk Explanation / Reason for Audit	Fiscal Year	Stage	Planned Quarter
Pell Grants	H	Determine compliance with federal regulations and College policies, procedures and controls for such grants	2024		3
Federal Work Study	H	Determine compliance with federal regulations and College policies, procedures and controls for such payments	2024		4
Iraq, Afghanistan Service / In the Line of Duty Grants	H	Determine compliance with federal regulations and College policies, procedures and controls for such grants	2023		4
<b>ITS</b>					
<b>Alternate Audits</b>					
<b>Administrative</b>					
Follow Up on Prior Issues			Ongoing		Ongoing
Committee Meetings (Grants, Data Breach, EMT, external audits/reviews)			Ongoing		Ongoing

Stage:

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

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



## Community College of Philadelphia Internal Audit Follow Up Matrix

	<b>Report Date</b>	<b>Area/ Responsible Party</b>	<b>Recommendation</b>	<b>Target Date</b>	<b>Update Date</b>	<b>Management Response / Follow up</b>
59	5/25/2016	ITS Physical Security  John Wiggins	ITS and Facilities management should take appropriate steps and plans to reduce the risks associated with connectivity rooms left wide open.	6/30/17  6/30/18  9/15/18 (Status Update)  8/31/22	         10/17/22	<p>ITS management noted that a plan to move the connectivity hardware to a separate room. ITS management states that the project has again been included and approved in the capital budget for the 2016-2017 fiscal year although they do not know when construction will begin.</p> <p>The project has been re-scheduled for the Spring/Summer of 2018.</p> <p>The current IT Closet has been locked down at the WERC campus and is no longer used by custodians or others. An alternative space for this ITS connectivity room has been included in a larger project for this regional center. Consequently, the project has been re-scheduled for the fall semester of 2018.</p> <p>The college will be building the Career And Advanced Technology Center @ the WRC campus . An IT closet will be in the new building and all equipment will be moved from the current closet to the new closet. The projected completion for the new building will be August 2021.</p> <p>The CATC construction is complete with all ITS equipment installed as planned. Residual servers and connectivity remain in the original campus location as needed to support operations. All recommendations related to the original facility have been addressed.</p>
77	5/24/2018	Disaster Recovery and Response Plan  Vijay Sonty	Cyber Breach Committee should meet quarterly to determine the status of data which may not be sufficiently secured. The CIO should be empowered to direct actions to be taken to secure this data. Senior management should be informed of risk areas not secured in a timely manner.	9/30/18  5/31/21  8/31/21	       11/1/21  12/7/21  5/4/22	<p>Data Breach Committee will begin meeting again prior to the end of the spring 2018 term. (Meeting was held on May 2.) The committee charge will be reviewed and refined during the first meeting. A meeting schedule will be presented to setup quarterly meetings. A survey for College units, similar to the 2016 survey, will be performed to determine the state of our PII data and the locations of such data.</p> <p>Will address this in the new Technology Plan which has been been drafted. Waiting to review will all College-wide committees to seek approval. Will be completed by end-of-May 2021.</p> <p>The Cyber Breach Committee had its first meeting on October 27, 2021 under the leadership of the new CIO. The agenda included: review of CCP data security tools &amp; applications.</p> <p>Committee advise will be sought and it will be results-oriented committee. Input and recommendations from all (27) members will be taken into consideration.</p> <p>We have a very robust set of tools and applications in place. We have the PII Survey Data from all departments and the above-mentioned tools address the required security.</p> <p>PII Information Sheet, Filled Sample Survey Form, and a blank Survey Form was sent to 60 individuals/department heads asking for the required PII information to updated and returned to ITS by 5/20/22.</p>

# Community College of Philadelphia

## Internal Audit Follow Up Matrix

Report Date	Area/ Responsible Party	Recommendation	Target Date	Update Date	Management Response / Follow up
87	6/19/2018 Emergency Operations Plan Randolph Merced	Internal Audit understands that the Director of Public Safety is initiating a process for the EOP to be reviewed, and updated as necessary, in the near future. Please confirm this understanding and provide the date of expected completion. Future reviews should be scheduled at least annually.	9/30/2019  8/31/21		<p>The EOP is reviewed by the members of the Emergency Management Team throughout the year and, on an annual basis, the EMT chair reviews the agenda, recommendations, notes and commentary throughout the year and does a comprehensive review of the plan. The updated plan and its revisions are place in the Public Safety Website for public consumption. The target date for completion of the current revision of the EOP is September 30, 2019.</p> <p>The Director of Public safety has assigned a working group form in the summer months to review and update the EOP. The data from the year, recommendations and revisions will be documented at that time. If there are no changes then the working group will advance the current report with an updated date reviewed signature on the Document's signature page.</p>
88	6/19/2018 Emergency Operations Plan Robert Lucas	Internal Audit recommends recovery activities should be prioritized as approved by senior management with outlines of specific actions and activities. In addition, a list of current vendors, and vendors whose services may be needed (e.g. hazardous materials clean up, water and smoke damage services, etc.) should be maintained within the EOP for quick reference.	5/15/2020  4/30/21  8/31/21		<p>The Chief of Staff will recommend that the Cabinet direct all divisions to review existing, or develop new, disaster response and recovery plans that comply with the decentralization of recovery activities and detailed in the EOP. The target date for verifying that all divisions have such plans in place is May 15, 2020. The Cabinet will direct management to review and update these division plans on an annual basis.</p> <p>The Chief of Staff accepted responsibility for working with the Cabinet to ensure recovery plans were in place where needed through the College. Disaster Recovery Plans were developed in late 2019/early 2020 by all functional areas deemed to be critical by the division VP. Annual updates will be performed each year. The 2020 consolidated plan will be distributed by April 30, 2020.</p>
93A	9/7/2018 Non-ITS Administered Programs Vijay Sonty	Internal Audit recommends that the Cyber Breach Group establish goals and timetables to address education of department owners related to PII, as well as the security of PII within the College's physical areas and systems.	TBD  5/31/21  8/31/21		<p>A search for a new AVP of Information &amp; Technology is in progress. As facilitator of the Cyber Breach Group, that person will be responsible for following up on any information still needed from the users departments of the SaaS programs based on the most recent survey. The new AVP will schedule another meeting of the Cyber Breach Group within 90 of his/her start date to review progress and next steps for this action.</p> <p>Cyber Breach Committee will be established and timetable and goals will be addressed in the next 90 days.</p> <p>11/1/21 Previously PII Survey was completed and will be revisited in our next Data Breach and Cyber Security Group meeting.</p> <p>12/7/21 See Item 77 response.</p> <p>3/29/22 Cyber Breach Committee has been established and to date (2) meetings have been facilitated. At the last meeting the importance of PII was discussed and an updated matrix of SaaS applications along with PII data and departmental ownership was reviewed. The data is 95% complete and is being shared with departments for validation and updates.</p>

# Community College of Philadelphia

## Internal Audit Follow Up Matrix

Report Date	Area/ Responsible Party	Recommendation	Target Date	Update Date	Management Response / Follow up
96	9/7/2018 Non-ITS Administered Programs Vijay Sonty	Internal Audit recommends that ITS review the programs listed in the PII survey and determine if there are time sensitive programs for which downtime for any reason could interfere with the functionality required by staff to perform their duties and provide services to both staff, faculty and students. Since ITS is well versed in continuity planning for the programs they manage, it would be prudent for ITS to assist departments with time sensitive programs in developing procedures related to such downtime.	TBD 5/31/21 8/31/21	3/29/22 5/4/22	The new AVP, when hired, will solicit management's input for each of the programs to determine if any are considered critical to the mission and work of the College, both academic and as a business, such that downtime will quickly be problematic. For any such programs, ITS will offer to consult with management to help ensure that the department and/or vendor is sufficiently prepared to address interrupted access promptly. The target date to solicit this information from management is 120 days after the start date of the new AVP.  See response to item 93A. ITS has taken the lead and updated the PII Data and SaaS Applications Matrix. ITS is working with departments in providing whatever support is needed.  Please see Item 77 response.
143	5/11/2022 Social Media Accounts Shannon Rooney	Internal Audit recommends that Policies #306 and #307 be reviewed and updated as appropriate or incorporated into another policy. Internal Audit also recommends management consider incorporating language into a policy which denotes that the same guidance and governance over the College's interactive systems applies to management and staff who are responsible for (1) the College's own social media accounts; and (2) all College affiliated social media accounts such as those for departments, groups and programs.	05/31/23		Vice President of Enrollment Management and Strategic Communications will be working to revise language in policies #306 and #307 to include all relevant accounts within the next year.
144	5/11/2022 Social Media Accounts Shannon Rooney	There are a small number of staff within Strategic Communications who have user access to the College's social media accounts. Internal Audit recommends documented procedures be developed for users of the current accounts to help ensure consistency among users and to reinforce security steps.	05/31/23		VP of Enrollment Management and Strategic Initiatives will work with the Director of Communications to create this document within the next year.
145	5/11/2022 Social Media Accounts Shannon Rooney	Internal Audit suggests it may be prudent to establish certain protocols for review and approval processes of social media posts. Examples include posts which reference legal situations, the Federation, or employment situations in which it would be prudent for General Counsel to approve; or posts regarding ongoing emergency situations which should be approved by the Director of Public Safety.	05/31/23		VP of Enrollment Management and Strategic Communications and the Director of Communications will incorporate review policies into the above-referenced document over the next year.
148	5/11/2022 Social Media Accounts Shannon Rooney	Internal Audit recommends that a master list of such social media accounts be compiled to help ensure the groups and their designated users are aware of related College policies. It may be prudent to share procedures developed by Strategic Communications to help ensure prudent processes and security protocols are in place for these accounts. Training needs may also be identified for these users to help them ensure appropriate use of these accounts.	05/31/23		VP of Enrollment Management and Strategic Communications and Director of Communications will compile the list and establish a social media workgroup to conduct regular trainings and check-ins within the next year.
149	5/31/2022 CAN-SPAM Act Shannon Rooney	Internal Audit recommends a formal protocol be developed which clarifies that departments and groups that send such solicitations must be in compliance with the law, offering opt outs when appropriate, processing such elections on a timely basis, and doing so in a manner consistent across the College.	12/31/2022 06/30/23		Strategic Communications will develop a protocol in which will document the procedures our group uses to help ensure compliance with the CAN-SPAM Act. Our protocol will reference the database we use and the process we use to ensure opt-out instructions are included as required by the Act. We plan to have the protocol completed by December 31, 2022.  Draft protocol has been developed and should be finalized by June 30, 2023.

## Community College of Philadelphia

### Internal Audit Follow Up Matrix

Report Date	Area/ Responsible Party	Recommendation	Target Date	Update Date	Management Response / Follow up
150	5/31/2022 CAN-SPAM Act Shannon Rooney	Internal Audit recommends the Strategic Communications group work with other survey respondents to determine if any of their emails may be subject to the ACT, and if so, have procedures or processes which followed to help ensure compliance with the Act. Procedures should be developed and shared across these group to ensure consistency as well as compliance with the Act. Procedures should address opt-out/unsubscribe methods as well as database updates for those who request to be removed from future solicitations.	12/31/2022 06/30/23		As stated above, we plan to develop a CAN-SPAM Act protocol for our group by December 31, 2022. We will provide this protocol by the same date to the Cabinet which they may be able to use or modify for email communications in their respective divisions that may be covered by the Act.  Draft protocol has been developed for Strategic Communications and will be used as a guide for other areas with expected finalization of the protocol by June 30, 2023.
151	5/31/2022 CAN-SPAM Act Shannon Rooney	There are approximately six other databases in use by other departments and group which should have similar controls. Internal Audit recommends that similar procedures be used by all groups that send emails to help ensure compliance with the Act regarding review and approval of emails, opt-out/unsubscribe links when appropriate, and database updates as needed to reflect recipients' opt-out elections.	12/31/2022 6/30/2024		Strategic Communications is conferring with colleagues in the ITS Department to determine how to compile a single and comprehensive database of record. That project is ongoing and is expected to take approximately a year. In the meanwhile, Strategic Communications will work with the Cabinet to prepare a protocol on email communications that includes opt-out requirements.  Management is discussing the implementation of a single database / product with other divisions which may help manage this process.
152	8/16/2022 Right-to-Know Requests Victoria Zellers	Internal Audit is aware that the General Counsel is currently updating the RTK policy to comply with the new Policy on College Policies (#319). The policy revisions must be approved and updated policy needs to be posted on the College's website. The webpage specifically designed for the policy should also be reviewed, and revised as necessary to reflect any changes in the policy.	10/31/2022	10/3/2022	Management has drafted an update of the RTK policy which has been reviewed by the President. The draft policy will be presented to the Cabinet and is expected to be posted to the College's website by October 31, 2022.  The revised policy was shared with the Cabinet and posted to the policies webpage on September 26, 2022. The corresponding RTK webpage was also updated on October 3, 2022.
154	5/31/2022 IT Equipment Lending Program Vijay Sonty	Internal Audit noted that no procedures have been developed for the IT staff working in the equipment lending function. Internal Audit recommends that such procedures be documented to help ensure the consistency and timeliness for the customers of this function.		12/13/2022	Management has drafted an update of the RTK policy which has been reviewed by the President. The draft policy will be presented to the Cabinet and is expected to be posted to the College's website by October 31, 2022.  The revised policy was shared with the Cabinet and posted to the policies webpage on September 26, 2022. The corresponding RTK webpage was also updated on October 3, 2022.

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

Actions plans are in progress

Action plans are over 1 year past the original target date; limited progress has been made; and/or no update was received

Actions plans are expected to be reviewed with the new Internal Audit Committee

The action plans related to this item are expected to completed in an extended timeframe for which senior management is aware that the related risks may still exist, but may have been reduced to the extent possible

Financial Statements and Report of  
Independent Certified Public  
Accountants in Accordance with OMB  
Uniform Guidance

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

June 30, 2022

## Contents

	Page
Report of Independent Certified Public Accountants	3
Management's Discussion and Analysis (unaudited)	7
Financial Statements	
Statement of net position	17
Statement of revenues, expenses and changes in net position	19
Statement of cash flows	21
Notes to financial statements	23
Required Supplementary Information (unaudited)	
Schedules of changes in total OPEB liability and related ratios - last 10 years	53
Schedules of proportionate share of the net pension liability - last 10 years	54
Schedules of employer contributions - last 10 years	55
Other Supplementary Information	
Reformatted Schedule of Net Position	57
Reformatted Schedule of Activities	58
Schedule of Changes in Capital Asset Balances	59
Other Information (unaudited)	
Statistical section	61
Demographic statistics	69
Report of Independent Certified Public Accountants on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	70
Schedule of Expenditures of Federal Awards	71
Notes to Schedule of Expenditures of Federal Awards	72

## Contents

Report of Independent Certified Public Accountants on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	73
Report of Independent Certified Public Accountants on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	75
Schedule of Findings and Questioned Costs	78
Summary of Prior Year Audit Findings	79
Agreed-Upon Procedures Report of Independent Certified Public Accountants	80
Schedule of Federal Awards Passed through the Pennsylvania Department of Human Services	83
Supplemental Schedule of Revenues and Expenditures	84

---

**GRANT THORNTON LLP**

2001 Market St., Suite 700  
Philadelphia, PA 19103

**D** +1 215 561 4200

**F** +1 215 561 1066

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

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

**Report on the financial statements****Opinion**

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, 2022, 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, 2022, 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 opinion**

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 opinion.

**Emphasis of matter**

As discussed in Note A to the financial statements, the College adopted Governmental Accounting Standards Board Statement No. 87, *Leases*, during the year ended June 30, 2022. Our opinion is not modified with respect to this matter.

**Responsibilities of management for the financial statements**

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



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

**Required supplementary information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis included on pages 7 through 16 and the required supplementary information on pages 53 through 55 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an

essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with US GAAS. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other supplementary information**

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The other supplementary information, comprised of the reformatted schedule of net position, reformatted schedule of activities, and schedule of changes in capital asset balances on pages 57 through 59, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to 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 auditing standards generally accepted in the United States of America. In our opinion the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other information**

The other information, comprised of the statistical section and demographic statistics on pages 61 through 69, is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have applied certain limited procedures to the other information in accordance with US GAAS. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other reporting required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report, dated September 30, 2022, 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  
September 30, 2022

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

**June 30, 2022**

**INTRODUCTION**

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

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

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

***Financial and Institutional Highlights***

- The College continued its commitment to keep higher education affordable for all Philadelphia residents by freezing tuition for the fifth consecutive year while also increasing available financial aid and student services.
- The Catto Scholarship was offered for the second year with 539 students receiving free tuition, books, and monthly stipends. The Catto Scholarship is a five-year anti-poverty initiative sponsored by the Mayor of Philadelphia. Funding includes providing basic needs and a team of dedicated advisors and counselors to support the scholarship recipients. In 2022, the College recorded expenses of more than \$3.7 million to support the Catto Scholarship program.
- The College launched a student Equity Initiative with the goal of closing the achievement gap of underrepresented populations. The focus of the Equity Initiative includes learning development opportunities for faculty in the areas of: the College's commitment to Diversity, Equity and Inclusion; grading for equity; Critical Race Theory; using data to guide equity work; and ensuring equity and inclusion in the online environment.
- The newly constructed 75,000 square feet Career and Advanced Technology Center (CATC) was opened in August 2022. The CATC will bring career training and community engagement to the forefront of our neighborhoods through state-of-the-art facilities, support for local entrepreneurship, and hands-on learning experiences for the Medium and Heavy Truck Technology degree program; Toyota T-TEN degree program; Alternative Fuels: Electric Vehicles and Hybrids (micro-proficiency certificate); Alternative Fuels: Carbon Based Fuels (micro-proficiency certificate); Medium and Heavy Truck Technology I: Inspection, Maintenance and Minor Repair (proficiency certificate); Medium and Heavy Truck Technology II: Truck Service Technology (proficiency certificate).
- The Jr. STEM Academy will launch in the new CATC. It will serve students from West Philadelphia middle schools and offer afterschool and summer programming in robotics; drone building, programming, and operation; app development; and advanced manufacturing. The program will be funded by the Lenfest Foundation.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2022**

- The College continued to expand its degree and certificate program offerings. New degree programs launched during the year, in addition to Transportation Technology, were Web and Mobile Application Development. New certificates included Insurance and Interdisciplinary Analysis and Critical Reasoning.
- The College continued to add several new workforce and career offerings, including Veterinary Technician, Central Sterile Processing, Light Truck Commercial Driver's License (CDL) training, a new series of coding boot camps and a Career Readiness Pre-apprenticeship program in an effort to meet the City's workforce needs.
- In June 2022, a new agreement was signed with Rowan University. This partnership will support CCP STEM graduates transferring to Rowan University. The agreement focuses on serving students in the Greater Philadelphia chapter of the Louis Stokes Alliance for Minority Participation (LSAMP), a national organization that encourages students from underrepresented groups to pursue degrees in the STEM fields.
- The College continued supporting high school students to enroll in college level courses via contracts with the School District of Philadelphia. High school students enrolled in Gateway to College or Parkway Center City Middle College High School will graduate with a high school diploma and College credits up to an Associate's degree.
- While COVID-19 lockdowns have abated and vaccines are readily available, the College continued to experience challenges related to the pandemic. This is because the pandemic had a disproportionate effect on the student population of minority serving institutions. Philadelphia's vaccine mandate for institutions of higher learning may have compounded the situation. Total enrollment declined 13.9% from 19,266 students in 2020-2021 to 16,596 students in 2021-2022. In late fiscal year 2022, the City waived the vaccine mandate for the College.
- During the year ended June 30, 2022, the College entered into an agreement with a nationally recognized leader in enrollment management to assist with developing a Strategic Enrollment Management plan. This included deploying predictive budget models and identifying areas for program growth with targeted plans for increasing enrollments.
- During the year, the College disbursed more than \$30.6 million from the Higher Education Emergency Relief Fund (HEERF) grants from the U.S. Department of Education (DOE) to students who were affected by the pandemic. The total HEERF institutional and student funds awarded to the College since 2020 amounted to \$58.7 million and \$44.2 million, respectively.
- More than \$1.39 million of the HEERF institutional funds were applied to discharge student balances relieving 1,776 students from their debt obligations.
- The College provided more than \$12.0 million of HEERF funds directly to students as emergency aid.
- The College continued to provide loaner laptops to students in need of technology to participate in hybrid and distance education course.
- The Goldman Sachs Foundation renewed its \$1.45 million commitment to fund the Goldman Sachs 10,000 Small Businesses Program for the 9th year. The program serves over 90 businesses annually.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2022**

- During the year ended June 30, 2022, the College implemented GASB 87, *Leases*, and the adoption has been reflected as of the beginning of the earliest period presented in the financial statements, resulting in an \$16.4 million increase in lease receivable and deferred inflows, a \$0.9 million increase in right-of-use equipment and building assets as well as lease liability, and a decrease in unrestricted net position of \$0.2 million at July 1, 2021, the date of the earliest period presented in the financial statements.

**Overview of Financial Statements**

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2022**

**Net Position**

At June 30, 2022, the College's net position was a negative \$3.6 million, with liabilities of \$293.1 million and assets of \$313.0 million. Net position increased by \$36.3 million in 2022 prior to recording the impact of the post-employment benefit liability. Unrestricted net position improved from a negative \$150.8 million to a negative \$119.8 million. Absent the cumulative impact of the post-employment benefit liability (GASB 75 and 68) reporting requirements, unrestricted net position would currently be at a level of positive \$290.0 million. The other factor contributing to the change in the unrestricted net position value was unfunded depreciation expense for 2022 in the amount of \$7.6 million.

	Summary of Net Position June 30,	
	2022	2021
	(in millions)	
Assets:		
Current assets	\$ 80.9	\$ 75.4
Noncurrent assets:		
Loan receivable	19.9	19.9
Bond proceeds available for campus construction	7.5	9.8
Other long-term investments	20.4	18.5
Long-term lease receivable	16.1	-
Investment in CCP Development, LLC	5.0	5.0
Capital assets, net	163.1	162.2
Total assets	312.9	290.8
Deferred outflows of resources	25.1	29.2
Liabilities:		
Current liabilities	31.4	36.6
Noncurrent liabilities	261.8	258.1
Total liabilities	293.2	294.7
Deferred inflows of resources	48.6	53.7
Net position:		
Net investment in capital assets	110.4	116.7
Restricted: Expendable	5.8	5.7
Expendable	(119.8)	(150.8)
Total net position	\$ (3.6)	\$ (28.4)

**Assets**

Current assets increased by \$5.5 million during 2022. Short-term investments, accounts receivable and other assets decreased due to timing differences offset by increase in receivable from government agencies.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2022**

Noncurrent assets increased by \$16.6 million. This is primarily attributable to the implementation of GASB 87, *Leases*, which resulted in the College recording a long-term lease receivable of \$16.1 million. Bond proceeds available for campus construction decreased as construction of the Library and Learning Commons progressed towards completion and expenses started to accrue related to the Center for Advanced Technology as design and planning got underway. The College's capital assets as of June 30, 2022 net of accumulated depreciation were \$163.1 million, an increase of \$0.9 million over the amount reported for 2021 of \$162.2 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 as well as \$0.9 million of right-of-use lease assets recorded due to the implementation of GASB 87. Total current liabilities decreased by \$5.2 million in 2021. Payables to government agencies decreased by \$0.2 million primarily due to timing in processing Pennsylvania State grants student aid. Accounts payable and accrued liabilities decreased by \$1.5 million primarily due to timing.

The College self-insures its employee medical plan. The College purchases stop loss insurance with a limit of \$250,000 to cap institutional financial exposure for individuals with extraordinarily large claims in a policy year.

The College's outstanding long-term debt was \$61.5 million as of June 30, 2022, a decrease of \$8.0 million from June 2021. This decrease is due to the issuance of the Series 2020 bonds to partially finance the construction of the Career and Advanced Technology Center. The pension liability amount for 2022 also includes \$3.8 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 2022 and 2021 was \$192.1 million and \$180.5 million, respectively. Absent this reporting requirement, the College's net assets as of June 30, 2022 would have been at a level of \$188.5 million.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2022**

***Statements of Revenues, Expenses and Changes in Net Position***

The change in net position for 2022 and 2021 was a positive \$24.8 million and \$36.8 million, respectively. The following table quantifies the changes:

	Revenues, Expenses and Changes in Net Position Year ended June 30,	
	2022	2021
	(in millions)	
Operating revenues:		
Net tuition and fees	\$ 24.8	\$ 28.4
Auxiliary enterprises and other sources	0.1	0.4
Total	24.9	28.8
Operating expenses	188.5	143.0
Operating loss	(163.6)	(114.2)
Net non-operating revenues	176.9	138.0
Change in net assets before other revenues	13.3	23.8
Capital appropriations	11.5	13.0
Total change in net position	\$ 24.8	\$ 36.8

***Operating Revenues***

The largest sources of operating revenue for the College are student tuition and fees and auxiliary enterprises revenues. In 2022, tuition charge was unchanged at \$159 per credit. The Technology Fee, General College Fee, and Course Fee also remained unchanged from prior year. While the General College Fee was assessed on students, the College decided during the year to apply HEERF grant funding from the DOE to reimburse the General College Fee for students for late summer, fall and winter terms. The College charges course fees for selected high-cost courses. Course fees range from \$70 to \$345. Average total tuition and fee revenue per credit for 2022 was \$231.

Tuition and fee revenue totaled \$53.1 million in 2022 and \$62.1 million in 2021, a decline of 14.5%. Total enrolled credit headcount declined 13.9% for the same period.

Scholarship allowance amounts for 2022 and 2021 totaled \$28.3 million and \$33.6 million, respectively. The scholarship allowance represents tuition and fee payments made using public and private grants and scholarships. The decrease in scholarship allowance amounts between 2022 and 2021 is reflective of the 13.9% decline in overall credit enrollment. While the maximum Pell award increased from \$6,345 in 2020-2021 to \$6,495 in 2021-2022, it did not contribute to any increase in scholarship allowance due to a significant decrease in Pell eligible students attending the College.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2022**

Gift revenue from the Community College of Philadelphia Foundation (the Foundation) in the amount of \$0.4 million was received in 2022 and is reported in the statement of revenues, expenses and changes in net position. This gift revenue was used to partially pay the College's cost for its partnership with Single Stop USA. Single Stop USA is a nonprofit organization that delivers services to families nationwide by connecting students to state and federal financial resources and local community services. The aim is to help students overcome economic barriers, continue with their education and move toward economic mobility.

**Non-operating Revenues**

Commonwealth appropriations in 2022, excluding capital appropriations, totaled \$32.3 million, a decrease of \$0.1 million (0.1%) over the \$32.4 million received in 2021.

Total 2022 City funding was \$43.1 million. Of the funding appropriation, \$37.2 million was used for operating budget purposes in 2022 and \$3.3 million was used for CATTO Scholarships. In 2021, \$34.5 million of the total appropriation was used for operating purposes. Net investment (loss) income was \$(3.9 million) in 2022 and \$0.5 million in 2021.

As mentioned above, non-operating revenues increased by 28.2% from \$138.0 million in 2020-2021 to \$176.9 million in 2021-2022. This included the impact of \$57.9 million in grant funding received from the DOE through the American Rescue Plan (ARP) Act of which \$26.6 million was spent on student aid and \$28 million was spent on laptops, PPE, software services and converting on campus courses to online format, as well as lost tuition, fee, and auxiliary revenues because of COVID-19.

**Capital Appropriations**

The Commonwealth provided capital funding for debt service and capital purchases in the amounts of \$5.7 million and \$5.8 million for 2022 and 2021, respectively. The College used \$5.9 million of the total City of Philadelphia appropriation of \$43.1 million in 2022 for debt service and capital purchases. In 2021, City of Philadelphia appropriations used for debt service and capital purchases were \$7.2 million.

	Expenses by Function Year ended June 30,	
	2022	2021
	(in millions)	
Instruction	\$ 54.7	\$ 50.3
Public service	0.1	0.1
Academic support	16.4	14.8
Student services	21.0	18.9
Institutional support	36.6	28.4
Physical plant operations	14.8	10.1
Depreciation	7.6	7.5
Student aid	37.0	12.6
Auxiliary enterprises	0.4	0.3
	<u>\$ 188.6</u>	<u>\$ 143.0</u>
Total operating expenses		

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2022**

Exclusive of student aid and depreciation expenses, the College's operating expenses totaled \$144.0 million in 2022 and \$122.9 million in 2021. The College's five-year Collective Bargaining Agreement with Faculty and Classified employee unions that was ratified in September 2013 expired August 2016. On April 3, 2019, the College and the members of Unions reached a tentative agreement and entered into certain Memorandum of Agreements to amend the terms and conditions of the respective Collective Bargaining Agreements. The Board of Trustees of the College and the membership of the Unions approved the Memorandum of Agreements on April 4, 2019 and April 11, 2019, respectively, which, among other things, extended the term of the Collective Bargaining Agreements to August 31, 2022. On October 25, 2021, the College and the Faculty and Staff Federation agreed to further extend the Collective Bargaining Agreements through August 31, 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 2022 and 2021 was a credit of \$6.3 million and \$8.8 million, respectively.

	Expenses by Natural Classification	
	Year ended June 30,	
	2022	2021
	(in millions)	
Salaries	\$ 75.9	\$ 74.0
Benefits	36.6	32.6
Contracted services	11.0	9.2
Supplies	2.9	5.6
Depreciation	7.6	7.5
Student aid	37.0	12.6
Other post-employment benefits	(6.3)	(8.8)
Other	23.9	10.3
Total operating expenses	188.6	143.0
Interest on capital asset-related debt service	3.3	3.9
Total nonoperating expenses	3.3	3.9
Total expenses	\$ 191.9	\$ 146.9

The COVID-19 pandemic continued to have significant impact on the College financial and educational planning during fiscal year 2021-22. The College implemented a mandatory COVID-19 vaccination and testing policy which required all faculty and staff to be fully vaccinated against COVID-19 by October 1, 2021. The College's policy was developed in order to maintain a safe campus and to comply with the City's mandate that all higher education employees be vaccinated by October 15. Students were required to be fully vaccinated by January 18, 2022. The College also performed air duct cleaning, installed new air coils in the HVAC systems, installed acrylic dividers, installed touchless faucets, performed air flow and quality tests for all classrooms, labs, and offices using HEERF funds. In addition, the College utilized approximately \$23.2 million in HEERF grants to offset lost tuition, auxiliary, and fees revenue.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2022**

The College incurred lower than budgeted expenses in the following categories: supplies, maintenance & repairs, travel, hospitality, and public events. Overall, the College spent approximately \$3.1 million less than budgeted for non-personnel-related expenses. In addition, the College utilized HEERF grant funds to reimburse several related COVID-19 expenditures associated with remote learning, work, COVID testing and to prepare for a safe reopening of its campuses.

A significant number of vacant positions, coupled with offering a lower number of academic sections which required limited use of part-time staff, resulted in total salaries being \$4.9 million less than budget. The College also spent \$3.2 million less for staff benefits than budgeted, which is in line with the number of vacant positions and a result of many elective procedures being delayed.

***Schedule of Fund Balances***

The following chart shows fund balances in the four fund groups: Unrestricted, Restricted, Endowment and Plant. The 2022 and 2021 amounts reported for unrestricted operations funds were reduced by the impact of accrued expense liability for post-employment benefits. The impact of GASB 75 reporting in 2022 was a negative \$188.4 million while the impact of GASB 68 reporting was \$3.4 million. The negative unrestricted plant fund balance reflects the cumulative impact of unfunded depreciation expense.

	June 30,	
	2022	2021
	(in millions)	
Total unrestricted fund	\$ (110.8)	\$ (128.2)
Endowment fund:		
Quasi-endowment (unrestricted)	-	0.3
Total endowment	-	0.3
Plant fund:		
Net investment in capital assets	110.4	116.7
Restricted expendable - capital projects	5.8	5.7
Unrestricted	(9.0)	(22.9)
Total plant fund	107.2	99.5
Total net position	<u>\$ (3.6)</u>	<u>\$ (28.4)</u>

***Community College of Philadelphia Foundation***

The Foundation was established in 1985 for the exclusive purpose of raising friends and funds to support student scholarships, programs, and facility needs. Total assets for 2022 and 2021 were \$17.8 million and \$19.0 million, respectively. Total unrestricted net position for 2022 and 2021 for the Foundation was \$2.2 million and \$1.9 million, respectively. The remaining net position is restricted based upon donor intent.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED**

**June 30, 2022**

***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 2022 and 2021 were \$33.7 million and \$34.2 million, respectively, and total net position for 2022 and 2021 was \$5.8 million and \$5.0 million, respectively.

***Future Impacts***

In May 2021, the College was awarded \$57.9 million from the DOE through the American Rescue Plan (ARP) of which \$3.4 million is still available to be spent through June 30, 2023.

For 2023, City of Philadelphia funding to the College was increased by \$1.9 million over the amount received for 2022 of which \$10.8 million is reserved for the Catto Scholarship Program. In addition, the Commonwealth of Pennsylvania funding to the College was increased by \$1.2 million over the amount received for 2022. The College's Board of Trustees voted not to increase student tuition and fees for 2023. Credit hour enrollments for Fall 2023 semester are trending 0.08% below enrollment of Fall 2021. The total credit hours generated by the late summer session, a 2023 term, were 15% lower than the previous year.

While the disruptions from COVID-19 have abated, there is still uncertainty around returning to normalcy. The College expects this matter to continue to negatively impact its financial position for 2023 but with less intensity.

***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, 2022

	<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>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents (Note B)	\$ 21,258,796	\$ 2,474,668	\$ 137,138
Short-term investments (Note B)	16,051,043	2,098,728	-
Current portion of lease receivable (Note E)	375,000	-	-
Current portion of debt proceeds available for CATC construction (Note E)	-	-	1,995,243
Accounts receivable, net (Note C)	2,631,273	5,619	-
Receivable from government agencies (Note H)	39,160,424	-	-
Other assets	1,455,077	5,250	45,833
Total current assets	80,931,613	4,584,265	2,178,214
<b>NON-CURRENT ASSETS</b>			
Endowment investments (Note B)	-	13,250,752	-
Loan receivable (Note N)	19,880,421	-	-
Debt proceeds available for CATC construction (Note N)	-	-	5,170,248
Bond proceeds available for campus construction (Note B)	7,514,348	-	-
Other long-term investments (Note B)	20,391,099	-	-
Long-term lease receivable (Note E)	16,141,292	-	-
Investment in CCP Development, LLC (Note N)	5,023,069	-	-
Capital assets, net (Note D)	163,108,264	-	26,373,206
Total non-current assets	232,058,493	13,250,752	31,543,454
Total assets	<u>\$ 312,990,106</u>	<u>\$ 17,835,017</u>	<u>\$ 33,721,668</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows	<u>\$ 25,146,994</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

**STATEMENT OF NET POSITION - CONTINUED**

June 30, 2022

	<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>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities (Note F)	\$ 19,308,079	\$ 249,467	\$ 2,478,599
Payable to government agencies (Note H)	203,827	-	-
Deposits	253,859	2,081	-
Unearned revenue	2,550,025	769,542	-
Current portion of lease obligation (Note E)	359,018	-	-
Current portion of long-term debt (Note G)	7,975,000	-	-
Unamortized bond premium	728,918	-	-
Total current liabilities	<u>31,378,726</u>	<u>1,021,090</u>	<u>2,478,599</u>
<b>NON-CURRENT LIABILITIES</b>			
Accrued liabilities (Note F)	2,039,795	-	-
Annuity payable	-	35,987	-
Deposits	280,000	-	-
Lease obligation (Note E)	623,448	-	-
Long-term debt (Note G)	61,505,000	-	-
Notes payable (Note N)	-	-	25,945,000
Unamortized bond premium	5,253,907	-	-
Other post-employment benefits liability (Note I)	192,064,573	-	-
Total non-current liabilities	<u>261,766,723</u>	<u>35,987</u>	<u>25,945,000</u>
Total liabilities	<u>\$ 293,145,449</u>	<u>\$ 1,057,077</u>	<u>\$ 28,423,599</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows	<u>\$ 48,602,746</u>	<u>\$ 1,451</u>	<u>\$ -</u>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 110,432,831	\$ -	\$ -
Restricted:			
Nonexpendable:			
Scholarships, awards and faculty chair	-	11,384,911	-
Annuities	-	4,780	-
Expendable:			
Scholarships, awards and faculty chair	-	3,093,292	-
Capital projects	5,784,308	52,284	5,023,069
Unrestricted	<u>(119,828,234)</u>	<u>2,241,222</u>	<u>275,000</u>
Total net position	<u>\$ (3,611,095)</u>	<u>\$ 16,776,489</u>	<u>\$ 5,298,069</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, 2022

	<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>
<b>OPERATING REVENUES</b>			
Student tuition	\$ 40,095,515	\$ -	\$ -
Student fees	12,980,387	-	-
Less: scholarship allowance	<u>(28,317,311)</u>	<u>-</u>	<u>-</u>
Net student tuition and fees	24,758,591	-	-
Auxiliary enterprises	113,491	-	-
Gifts	-	3,229,492	-
Other sources	<u>13,111</u>	<u>-</u>	<u>-</u>
Total operating revenues	<u>24,885,193</u>	<u>3,229,492</u>	<u>-</u>
<b>OPERATING EXPENSES</b>			
Educational and general:			
Instruction	54,724,928	94,552	-
Public service	38,912	-	-
Academic support	16,437,063	1,163,243	-
Student services	20,964,135	176,056	-
Institutional support	36,592,032	303,030	-
Physical plant operations	14,805,723	-	-
Depreciation	7,609,743	-	-
Student aid	36,950,953	1,279,271	-
Auxiliary enterprises	<u>415,573</u>	<u>-</u>	<u>-</u>
Total operating expenses	<u>188,539,062</u>	<u>3,016,152</u>	<u>-</u>
<b>OPERATING (LOSS) INCOME</b>	<u>\$ (163,653,869)</u>	<u>\$ 213,340</u>	<u>\$ -</u>

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



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

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

Year ended June 30, 2022

	<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>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Commonwealth appropriations (Note L)	\$ 32,340,889	\$ -	\$ -
City appropriations (Note L)	37,171,793	-	-
Federal grants and contracts	105,570,528	-	-
Gifts from the Community College of Philadelphia Foundation	375,000	(375,000)	-
Commonwealth grants and contracts	5,718,799	-	-
Nongovernmental grants and contracts	1,948,463	1,459,752	-
Net investment loss	(3,893,874)	(2,234,028)	-
Interest on capital asset-related debt service	(3,319,635)	-	-
Other nonoperating revenues	950,078	-	275,000
	<u>176,862,041</u>	<u>(1,149,276)</u>	<u>275,000</u>
Net non-operating revenues (expenses)			
	<u>176,862,041</u>	<u>(1,149,276)</u>	<u>275,000</u>
Gain (loss) before other revenues, expenses, gains or losses	13,208,172	(935,936)	275,000
Capital appropriations	11,547,612	-	-
	<u>24,755,784</u>	<u>(935,936)</u>	<u>275,000</u>
Increase (decrease) in net position			
	<u>24,755,784</u>	<u>(935,936)</u>	<u>275,000</u>
Net position, beginning of the year, as previously reported	(28,143,364)	17,712,425	5,023,069
Change in accounting principle - GASB 87 (Note A)	(223,515)	-	-
Net position, beginning of the year, restated	(28,366,879)	17,712,425	5,023,069
Net position, ending of the year	<u>\$ (3,611,095)</u>	<u>\$ 16,776,489</u>	<u>\$ 5,298,069</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, 2022**  
**(Business-Type Activities - College Only)**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Tuition and fees	\$ (1,571,737)
Payments to suppliers	(35,867,703)
Payments to employees	(77,875,197)
Payments for employee benefits	(36,516,066)
Payments for student aid	(36,950,953)
Auxiliary enterprises	113,491
Other cash receipts	<u>99,641</u>

Net cash used in operating activities	<u>(188,568,524)</u>
---------------------------------------	----------------------

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES**

Commonwealth appropriations	32,383,574
City appropriations	37,171,793
Gifts and grants	113,350,664
Other nonoperating	<u>896,582</u>

Net cash provided by non-capital financing activities	<u>183,802,613</u>
---	--------------------

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Commonwealth capital appropriations	5,657,509
City capital appropriations	5,890,103
Decrease in bond proceeds available for campus construction	2,265,455
Purchases of capital assets	(8,436,352)
Principal payments on long-term debt and amortization of capital leases	(7,067,648)
Interest payments on long-term debt and capital leases	<u>(3,491,061)</u>

Net cash used in capital and related financing activities	<u>(5,181,994)</u>
---	--------------------

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from sales and maturities of investments	38,648,492
Interest on lease receivable	(257,291)
Purchases of investments	(24,936,127)
Interest on investments	<u>(3,893,874)</u>

Net cash provided by investing activities	<u>9,561,200</u>
---	------------------

<b>DECREASE IN CASH</b>	<b>(386,705)</b>
-------------------------	------------------

Cash and cash equivalents, beginning	<u>21,645,501</u>
--------------------------------------	-------------------

Cash and cash equivalents, ending	<u><u>\$ 21,258,796</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 - CONTINUED**

**Year ended June 30, 2022**  
**(Business-Type Activities - College Only)**

**RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES**

Operating loss	\$ (163,653,869)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	7,609,743
Changes in assets and liabilities:	
Accounts receivable	(21,630,704)
Other assets	541,219
Loans to students and employees	(76,009)
Accounts payable and accrued liabilities	(1,708,111)
Unearned revenue	(3,377,208)
Other post-employment benefits	<u>(6,273,585)</u>
Net cash used in operating activities	<u><u>\$ (188,568,524)</u></u>

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

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

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2022**

**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 Governmental Accounting Standards Board (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**

**June 30, 2022**

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 2022, the provisions of Act 46 were not followed in allocating operational funds to Pennsylvania community colleges. Instead, the 2021-22 operating allocations for community colleges were based on the General Appropriation Act of 2021, Act 1A.

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

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

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

***Net Position***

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

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

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

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

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

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

***Cash and Cash Equivalents***

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

***Investments***

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

***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 is discounted at the College's incremental borrowing rate of 2.80%. Short-term leases, those with a maximum period of 12 months, are expensed as incurred.

***Compensated Absences***

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

***Deposits and Unearned Revenue***

Deposits and advance payments received for tuition and fees related to certain summer programs and tuition received for the following academic year are deferred and are recorded as revenues when instruction is provided.

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

***Student Fees***

General college fees in the amount of \$1,483,086 were waived for students for the year ended June 30, 2021, and the College charged the waived fees to its Higher Education Emergency Relief Fund (HEERF) grant from the United States Department of Education (DOE), which is recorded within federal grants and contracts within the statement of revenues, expenses and changes in net position. Included in student fees for the year ended June 30, 2022 are general college fees of \$428,900, which have been designated for use by the various student organizations and activities. General college fees for the students that attended during the Fall 2021 term were waived due to COVID-19.

***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 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, 2022 was \$1,678,600 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*



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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

*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, I, and N 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.

***Recently Adopted Accounting Pronouncement***

In June 2017, the GASB issued Statement No. 87, *Leases*. This statement provides guidance for lease contracts for nonfinancial assets - including vehicles, heavy equipment and buildings - but excludes non-exchange transactions, including donated assets, and leases of intangible assets (such as patents and software licenses). The lease definition now focuses on a contract that conveys control of the right to use another entity's nonfinancial assets, which is referred to in the new Statement No. 87 as the underlying asset. Under Statement No. 87, a lessee government is required to recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. A lessor government is required to recognize (1) a lease receivable and (2) a deferred inflow of resources. A lessor will continue to report the leased asset in its financial statements. The requirements of Statement No. 87, as amended, are effective for reporting periods beginning after June 15, 2021. The College has fully implemented GASB 87, and the adoption has been reflected as of the beginning of the earliest period presented in the financial statements, resulting in an \$16,516,292 increase in lease receivable and deferred inflows, a \$982,466 increase in right-of-use equipment and building assets as well as lease liability, and a decrease in unrestricted net position of \$223,515 at July 1, 2021.

***COVID-19 Disruptions***

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States.

The unprecedented COVID-19 situation presented unique challenges for the College's employees, students, and community. The College implemented a mandatory COVID-19 vaccination and testing policy which required all faculty and staff to be fully vaccinated against COVID-19 by October 1, 2021. However, in the final weeks of fiscal 2022, the College issued a formal request to the City of Philadelphia to reconsider its vaccine mandate for all students. That reconsideration was granted, and as of July 5, 2022, the College was no longer required to mandate full COVID vaccination for students. The College anticipates this to have a positive effect on its fall enrollment.

In May 2021, the College was awarded \$57,879,827 from the DOE through the American Rescue Plan (ARP) of which \$3,343,811 million is still available to be spent through June 30, 2023. While the disruptions from COVID-19 are currently expected to be temporary, there is uncertainty around the duration. Therefore, while the College expects this matter to continue to negatively impact its financial position for 2023, the related financial impact cannot be reasonably estimated at this time.

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

**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, 2022, cash on hand was \$4,000. At June 30, 2022, the carrying amount of deposits was \$21,254,796 and the bank balance was \$22,848,352. The differences were caused primarily by items in transit.

The following is the fair value of deposits and investments at June 30, 2022:

		Component Unit	
	College	Foundation	CCP Development, LLC
Deposits:			
Demand deposits	\$ 21,254,796	\$ 2,474,668	\$ 137,138
Investments:			
U.S. equity funds	5,539,184	-	-
U.S. Treasury obligations	3,870,621	-	-
U.S. government agency obligations	4,097,297	-	-
Corporate and foreign bonds	1,336,065	-	-
Intermediate fixed income mutual fund	5,364,912	4,642,567	-
Investment in subsidiary	5,023,069	-	-
Multi-strategy bond mutual fund	5,014,834	-	-
Core equity fund	5,102,278	8,605,841	-
Money market mutual funds	6,116,951	2,098,728	-
Private real estate fund	-	2,344	-
	<u>\$ 62,720,007</u>	<u>\$ 17,824,148</u>	<u>\$ 137,138</u>

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

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, 2022, bond proceeds available for campus construction were \$7,514,348.

As of June 30, 2022, CCP Development, LLC has debt proceeds available for CATC construction of \$7,165,491. See Note N for additional details. 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, 2022, 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>\$ 21,254,796</u>
---	----------------------

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

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

The multi-strategy bond mutual fund and the intermediate fixed income mutual fund are mutual funds managed by the Commonfund. The credit quality of the investments that comprise these funds at June 30, 2022 are:

	Multi-Strategy Bond	Intermediate Fixed Income
Government	14%	31%
Agency	24	20
AAA	12	16
AA	3	4
A	10	21
BBB	18	7
Below BBB	14	1
Non-rated/other	5	0
	100%	100%

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

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, 2022, is as follows:

	Fixed Income Investments
Aaa	54%
Aa	3
A	33
Baa	10
	<hr/> 100%

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of fixed income investments. The College's investment policy does not specifically address limitations in the maturities of investments. The weighted average maturities of the College's fixed income investments at June 30, 2022 are as follows:

	Weighted- Average Maturity (Years)
U.S. Treasury obligations	3.56
U.S. government agency obligations	3.24
Corporate and foreign bonds	4.60

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. 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, 2022:

Demand deposits, U.S. Treasury obligations, U.S. government agency obligations, equity mutual funds and money market mutual funds of \$45,981,128 are valued using quoted market prices (Level 1 inputs).

Corporate and foreign bonds of \$1,336,065 are valued using a matrix pricing model (Level 2 inputs), while the intermediate fixed income mutual fund and the multi-strategy bond mutual fund totaling \$10,379,746 are valued at the NAV per share (or its equivalent) of the investments (Level 2 inputs).

The Foundation has the following recurring fair value measurements as of June 30, 2022:

Demand deposits, equity mutual fund, and money market mutual funds of \$13,179,237 are valued using quoted market prices (Level 1 inputs).

The intermediate fixed income mutual fund of \$4,642,567 is valued at the NAV per share (or its equivalent) of the investments (Level 2 inputs).

The private real estate fund of \$2,344 is valued at the NAV per share (or its equivalent) of the investments (Level 3 inputs).

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

CCP Development, LLC has the following recurring fair value measurements as of June 30, 2022:

Demand deposits \$137,138 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, 2022 are presented in the following table:

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Intermediate fixed income mutual fund <sup>(1)</sup>	\$ 10,007,479	-	Monthly	30 days
Multi-strategy bond mutual fund <sup>(2)</sup>	5,014,834	-	Weekly	7 days
Private real estate fund <sup>(3)</sup>	<u>2,344</u>	-	N/A	N/A
Total investments measured at NAV	<u>\$ 15,024,657</u>			

- <sup>(1)</sup> *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.
- <sup>(2)</sup> *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.
- <sup>(3)</sup> *Private Real Estate Fund.* Equus Capital Partners' Fund X (Equus) seeks to acquire value-add properties across all major real estate segments throughout the U.S. It is a sole-acquirer that takes equity positions and does not partner with regional owner-operators through joint ventures that can be dilutive to equity upside profits. The fund aims to be fully diversified across all major property types and across all U.S. property markets. Equus runs a vertically integrated platform, from deal sourcing, through acquisition to portfolio management, property management, renovation, repositioning and exit. The fund includes moderate leverage on its acquisitions, with no debt recourse to the fund level. 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**  
**(A Component Unit of the City of Philadelphia)**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

**NOTE C - ACCOUNTS RECEIVABLE**

Accounts receivable include the following at June 30, 2022:

	College	Component Unit Foundation
Tuition and fee receivables	\$ 2,076,661	\$ -
Grants receivable	-	5,619
Other receivables	1,150,810	-
Receivable from Foundation	94,877	-
	3,322,348	5,619
Less: allowance for doubtful accounts	(691,075)	-
Total	<u>\$ 2,631,273</u>	<u>\$ 5,619</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, 2022:

	Balance July 1, 2021	Additions	Retirements and Adjustments	Balance June 30, 2022
Capital assets not depreciated:				
Land and improvements	\$ 31,094,977	\$ -	\$ -	\$ 31,094,977
Construction in progress	16,440,255	5,934,327	(19,936,050)	2,438,532
Works of art	902,620	-	-	902,620
	48,437,852	5,934,327	(19,936,050)	34,436,129
Capital assets being depreciated:				
Buildings and improvements	244,801,819	18,094,288	-	262,896,107
Equipment and furniture	44,307,752	3,002,892	(708,940)	46,601,704
Library books	5,878,869	175,185	-	6,054,054
Microforms	1,669,832	-	-	1,669,832
Leased buildings	-	1,165,259	-	1,165,259
Leased equipment	-	450,114	-	450,114
Software	4,038,895	-	-	4,038,895
System software	6,911,878	-	-	6,911,878
Total before depreciation	307,609,045	22,887,738	(708,940)	329,787,843
	<u>\$ 356,046,897</u>	<u>\$ 28,822,065</u>	<u>\$ (20,644,990)</u>	<u>\$ 364,223,972</u>

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

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

	Balance July 1, 2021	Additions	Retirements and Adjustments	Balance June 30, 2022
Buildings and improvements	\$ 135,766,211	\$ 5,658,863	\$ -	\$ 141,425,074
Equipment and furniture	40,273,358	1,132,940	(258,825)	41,147,473
Library books	5,154,399	139,615	-	5,294,014
Microforms	1,669,832	-	-	1,669,832
Leased buildings	-	274,020	-	274,020
Leased equipment	-	392,663	-	392,663
Software	4,038,895	-	-	4,038,895
System software	6,862,095	11,642	-	6,873,737
 Total accumulated depreciation	 <u>\$ 193,764,790</u>	 <u>\$ 7,609,743</u>	 <u>\$ (258,825)</u>	 <u>\$ 201,115,708</u>
				 <u>\$ 163,108,264</u>

CCP Development, LLC's capital assets consist of construction in progress in the amount of \$26,373,206 at June 30, 2022. See Note N for additional details.

**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). Accordingly, a lease receivable and deferred inflow both in the amount of \$16,430,148, were recorded on July 1, 2021 reflecting the adoption of GASB 87 for CCP as lessor. For the year ended June 30, 2022, the College received \$275,000 in lease revenue and \$257,291 in lease interest revenue.

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

The following is a schedule by year of lease receivable principal and interest repayments to maturity of the lease where the College is the lessor:

Future Minimum Rental Payments	Principal	Interest	Total
2023	\$ (88,587)	\$ 463,587	\$ 375,000
2024	(91,000)	466,000	375,000
2025	(93,684)	468,684	375,000
2026	(96,341)	471,341	375,000
2027	(99,073)	474,073	375,000
Thereafter	16,984,976	38,043,165	55,028,141
	<u>\$ 16,516,291</u>	<u>\$ 40,386,850</u>	<u>\$ 56,903,141</u>

**Leases Where College is the Lessee**

The College leases certain equipment and property under lease arrangements through 2026. The principal and interest for the next five years and beyond are projected below for lease obligations:

June 30,	Principal	Interest	Total
2023	\$ 245,245	\$ 22,134	\$ 267,379
2024	258,268	14,577	272,845
2025	271,444	6,866	278,310
2026	93,737	552	94,289
	<u>\$ 868,694</u>	<u>\$ 44,129</u>	<u>\$ 912,823</u>

**NOTE F - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consisted of the following at June 30, 2022:

	College	Component Unit Foundation	Component Unit CCP Development LLC
Category:			
Vendors and others	\$ 10,545,477	\$ 245,467	\$ 2,478,599
Accrued salaries	2,837,047	4,000	-
Accrued benefits	2,161,394	-	-
Compensated absences	4,094,752	-	-
Retirement incentive payments	1,502,181	-	-
Accrued interest	207,023	-	-
	<u>\$ 21,347,874</u>	<u>\$ 249,467</u>	<u>\$ 2,478,599</u>



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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

Long-term liability activity for the year ended June 30, 2022 was as follows:

	Beginning Balance July 1, 2021	Additions	Deductions	Total Ending Balance June 30, 2022	Current Portion
Long-term liabilities:					
Accounts payable and accrued liabilities	\$ 23,071,602	\$ 149,728	\$ (1,873,456)	\$ 21,347,874	\$ 19,308,079
Payable to government agencies	423,268	203,827	(423,268)	203,827	203,827
Lease liability	450,115	532,351	-	982,466	359,018
Long-term debt	77,080,000	-	(7,600,000)	69,480,000	7,975,000
Unamortized bond premium	6,711,743	-	(728,918)	5,982,825	728,918
Other post- employment benefits	180,486,153	12,109,893	(531,473)	192,064,573	-
	<u>\$288,222,881</u>	<u>\$ 12,995,799</u>	<u>\$ (11,157,115)</u>	<u>\$290,061,565</u>	<u>\$ 28,574,842</u>

**NOTE G - 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, 2022:

	Balance July 1, 2021	Additions	Principal Payments	Balance June 30, 2022	Current Portion
2015 Series	\$ 36,560,000	\$ -	\$ (4,830,000)	\$31,730,000	\$ 5,070,000
2018 Series	17,360,000	-	(2,460,000)	14,900,000	2,580,000
2019 Series	8,580,000	-	(310,000)	8,270,000	325,000
2020 Series	14,580,000	-	-	14,580,000	-
	<u>\$ 77,080,000</u>	<u>\$ -</u>	<u>\$ (7,600,000)</u>	<u>\$69,480,000</u>	<u>\$ 7,975,000</u>

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

Future annual principal and interest payments at June 30, 2022 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30:			
2023	\$ 7,975,000	\$ 3,077,284	\$ 11,052,284
2024	6,240,000	2,678,534	8,918,534
2025	6,550,000	2,366,534	8,916,534
2026	6,000,000	2,039,034	8,039,034
2027	6,305,000	1,739,034	8,044,034
2028	7,565,000	1,423,784	8,988,784
2029	2,135,000	1,071,450	3,206,450
2030	2,220,000	990,192	3,210,192
2031	2,305,000	903,848	3,208,848
2032	2,395,000	812,343	3,207,343
2033	2,495,000	715,876	3,210,876
2034	2,595,000	614,002	3,209,002
2035	2,705,000	506,661	3,211,661
2036	2,805,000	405,660	3,210,660
2037	2,900,000	310,502	3,210,502
2038	3,000,000	212,120	3,212,120
2039	1,950,000	108,950	2,058,950
2040	1,340,000	45,413	1,385,413
	<u>\$ 69,480,000</u>	<u>\$ 20,021,221</u>	<u>\$ 89,501,221</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:

	<u>Principal</u>
2023	\$ 5,070,000
2024	5,325,000
2025	5,590,000
2026	4,995,000
2027-2029	10,750,000
	<u>\$ 31,730,000</u>

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

**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 payments of \$3,291,851 through 2023 and \$1,148,381 from 2024 through 2038.

	<u>Principal</u>
2023	\$ 2,580,000
2024	575,000
2025	600,000
2026	630,000
2027-2038	<u>10,515,000</u>
	<u>\$ 14,900,000</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 20 years at rates from 3.00% to 5.00%, with average debt service payments of \$675,589 from 2020 through 2039.

Principal payments required by the loan agreement are as follows:

	<u>Principal</u>
2023	\$ 325,000
2024	340,000
2025	360,000
2026	375,000
2027	395,000
2028-2039	<u>6,475,000</u>
	<u>\$ 8,270,000</u>

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

**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 N for additional details.

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

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

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

**NOTE H - (PAYABLE TO) RECEIVABLE FROM GOVERNMENT AGENCIES**

(Payable to) receivable from government agencies includes the following at June 30, 2022:

	<u>(Payable)</u>	<u>Receivable</u>
Commonwealth of Pennsylvania:		
Provision for potential audit findings and reimbursement calculation	\$ (118,188)	\$ -
Grants and special projects	-	1,078,749
PHEAA for grants	<u>(85,639)</u>	<u>-</u>
	<u>(203,827)</u>	<u>1,078,749</u>
City of Philadelphia:		
Grants receivable	-	2,899,775
4 <sup>th</sup> Quarter City Appropriation	-	9,827,302
Federal:		
Financial aid programs	-	18,338
Grants and special projects	<u>-</u>	<u>25,336,260</u>
	<u>-</u>	<u>38,081,675</u>
Total	<u>\$ (203,827)</u>	<u>\$ 39,160,424</u>

**NOTE I - EMPLOYEE BENEFITS**

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

***Defined Benefit Plans***

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

**Benefits Provided**

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

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

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

For SERS, retirement benefits are determined at 2.00% or 2.50% (depending on membership date) of the highest three-year average salary times the number of years of service. The vesting period is either 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 17.63% 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 26.05%, 30.44%, and 38.82% 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, 2022, the College reported a liability of \$1,150,000 and \$2,528,564, 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, 2021 for PSERS and December 31, 2021 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, 2022 and December 31, 2021, the College's proportion of PSERS and SERS was 0.0028% and 0.01735410%, respectively.

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

For the year ended June 30, 2022, the College recognized proportional pension expense for PSERS and SERS of \$3,000 and \$186,677 respectively, as provided by the plans' actuarial schedules. At June 30, 2022, 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	\$ 1,000	\$ 15,000
Net difference between projected and actual earnings on pension plan investments	56,000	183,000
Changes in proportion and differences between College contributions and proportionate share of contributions	-	95,000
Total	<u>\$ 57,000</u>	<u>\$ 293,000</u>

**SERS**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 16,695	\$ 14,555
Changes in assumptions	260,241	-
Net difference between projected and actual earnings on pension plan investments	-	731,577
Changes in proportion	360,220	48,429
Changes in proportion and differences between College contributions and proportionate share of contributions	-	234,329
Total	<u>\$ 637,156</u>	<u>\$ 1,028,890</u>

**Actuarial Assumptions**

The following methods and assumptions were used in the actuarial valuations for the year ended June 30, 2022, unless otherwise stated. These methods and assumptions were applied to all periods included in the measurement:

**PSERS**

Actuarial cost method	entry age normal level % of pay
Investment rate of return	7.25%, includes inflation at 2.75%
Salary increases	effective average of 5.00%, which reflects an allowance for inflation of 2.75%, real wage growth of 2.25% and merit of seniority increases
Mortality rates	Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

**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	7.00% net of manager fees including inflation as of June 30, 2022
Projected salary increases	average of 4.60% with range of 3.30% - 6.95% including inflation
Inflation	2.50%
Mortality rate	projected RP-2000 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, 2022, in the following table:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Global Public Equity	27.00%	5.20%
Private Equity	12.00%	7.30%
Fixed Income	35.00%	1.80%
Commodities	10.00%	2.00%
Absolute Return	8.00%	3.10%
Infrastructure/MLPs	8.00%	5.10%
Real Estate	10.00%	4.70%
Risk Parity	0.00%	0.00%
Cash	3.00%	0.10%
Financing (LIBOR)	(13.00)%	0.10%
	100.00%	



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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

**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, 2022, in the following table:

Asset Class	Total Allocation	Long-Term Expected Rate of Return
Private equity	12.00%	6.00%
Private credit	4.00%	4.25%
Real estate	7.00%	3.75%
U.S. equity	31.00%	4.60%
International developed markets equity	14.00%	4.50%
Emerging markets equity	5.00%	4.90%
Fixed income - core	22.00%	(0.25)%
Fixed income - opportunistic	0.00%	0.00%
Inflation protection (TIPS)	3.00%	(0.30)%
Cash	2.00%	-1.00%
	100.00%	

For both PSERS and SERS, the discount rate used to measure total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on 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, 2022 is \$1,150,000 using a 7.00% discount rate. The College's net pension liability would have been \$1,509,000 assuming a 1%-point decrease (6.00%) in the discount rate and would have been \$847,000 assuming a 1%-point increase (8.00%) in the discount rate.

For SERS, the College's net pension liability at June 30, 2022 is \$2,528,564 using a 7.00% discount rate. The College's net pension liability would have been \$3,662,337 assuming a 1%-point decrease (6.00%) in the discount rate and would have been \$1,569,995 assuming a 1%-point increase (8.00%) in the discount rate.

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

***Defined Contribution Plans***

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

The College's contributions for each employee (and interest allocated to the employee's accounts) are fully vested. Death benefits for value of accumulation are provided to the beneficiary of a participant who dies prior to retirement. Various payment options are available. The College has 1,010 employees participating in this program.

The payroll for employees covered by the three plans was \$57,701,632 and the College's total payroll is \$75,890,592 at June 30, 2022. Contributions made by the College for the year ended June 30, 2022 are \$6,111,961, representing 10.59% of covered payroll. College employees contributed \$4,938,434 for the year ended June 30, 2022.

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.

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

Funding Policy

Post-employment benefits other than pensions stem from the College's three collective bargaining agreements. For the year ended June 30, 2022, the College paid \$257,795 on behalf of the retirees and spouses. The College pays 100% of the premium for coverage for retirees until the end of the contract year in which the retiree attains age 65. Thereafter, the retiree pays 50% of the total premium, less the Medicare Part B premium. Pre-65 and post-65 retirees pay 50% of active medical benefits for pre-65 spouses. Post-65 retirees pay 50% of the premium for the coverage of post-65 spouses, less their Medicare Part B premium. Pre-65 retirees pay 0% of the premium for the coverage of post-65 spouses (the College pays 100% of their premium). Surviving spouses must pay 100% of the premium for coverage without getting reimbursed for Medicare Part B premium if over 65. Retirees on Medicare disability are given the Medicare Part B reimbursement regardless of age. The College pays 100% of the premium for retired post-65 part-time teachers and their spouses.

<u>Employees/Retirees/Beneficiaries</u>	<u>Number of Participants as of July 1, 2021</u>
Actives	473
In-actives currently receiving benefit payments	246
	<u>719</u>

The following table provides a summary of the changes in the College's total OPEB liability for fiscal year ended June 30, 2022. The valuation date was July 1, 2021 and the measurement date was June 30, 2022.

<u>Change in Total OPEB Liability (TOL)</u>	<u>July 1, 2021</u>
TOL, beginning of year	\$ 176,276,116
Service cost	5,707,368
Interest	3,974,279
Change in benefit terms	-
Difference between expected and actual experience	2,021,160
Benefits paid	(4,303,681)
Changes in assumptions	4,710,767
	<u>\$ 188,386,009</u>
TOL, end of year	

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

The following summarizes the development of benefit for the year ended June 30, 2022:

	<u>2022</u>
Service cost	\$ 5,707,368
Interest	3,974,279
Changes in assumptions	1,570,256
Amortization of:	
Total OPEB liability and assumption gain	<u>(13,078,141)</u>
 Total benefit	 <u><u>\$ (1,826,238)</u></u>
 Weighted-average assumptions to determine expense:	
Actual benefit payments	\$ 4,303,681
Discount rate	2.16%
Expected return on assets	N/A
Salary scale	3.00%
Current rate	6.50%
Ultimate rate/year reached	4.50%/2042

Deferred inflows of resources reported by the College at June 30, 2022 are as follows:

<u>Date Amortization Base Set</u>	<u>Net Amount</u>	<u>Amortization Period Remaining</u>
June 30, 2022	\$ 52,868,983	4.00

Deferred outflows of resources reported by the College at June 30, 2022 are as follows:

<u>Date Amortization Base Set</u>	<u>Net Amount</u>	<u>Amortization Period Remaining</u>
June 30, 2022	\$ 24,131,442	4.00

Deferred Inflows Projection

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

<u>Years Ending June 30:</u>	
2023	\$ 9,027,772
2024	1,469,957

Actuarial Assumptions - 2022

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.

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

Discount Rate: 2.16% for determining June 30, 2022 disclosure and estimated 2023 expense; 2.21% for determining June 30, 2021 disclosure and estimated 2022 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, 2022:

<u>Discount Rate Change</u>	<u>1% Decrease</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 224,021,649	\$ 160,241,949
Net OPEB Liability Healthcare Trend Rate	\$ 159,090,766	\$ 225,971,748

***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. Thirty-three employees will receive the incentive payment during fiscal year 2022-23. The present value of these payments is \$790,948.

**NOTE J - 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 expires on August 31, 2024.

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

**NOTE K - 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, 2022:

	<u>College</u>	<u>Component Unit Foundation</u>
Salaries	\$ 75,890,552	\$ 907,280
Benefits	36,603,095	339,208
Contracted services	10,983,397	57,995
Supplies	2,927,349	75,134
Depreciation	7,609,743	-
Non-Inventory Capital	-	18,244
Student aid	36,950,953	1,273,758
Other post-retirement benefits	(6,273,585)	-
Other	23,847,558	344,533
	<u>\$ 188,539,062</u>	<u>\$ 3,016,152</u>

**NOTE L - CITY AND COMMONWEALTH APPROPRIATIONS**

Appropriations from the Commonwealth and the City for the year ending June 30, 2022 were as follows:

	<u>Operations</u>	<u>Capital</u>
Commonwealth of Pennsylvania	\$ 32,340,889	\$ 5,657,509
City of Philadelphia	37,171,793	5,890,103
	<u>\$ 69,512,682</u>	<u>\$ 11,547,612</u>

**NOTE M - PASS-THROUGH GRANTS**

The College distributed \$21,111,195 during the year ended June 30, 2022 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.

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

**NOTE N - 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 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.

Upon completion of the construction of the CATC building, the LLC will lease the building to the College. The College will be responsible for all operating and maintenance costs of the CATC upon completion, which is expected to be in 2023. 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.

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

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2022**

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, 2022.

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.

As of the date of issuance of the financial statements, the LLC has \$7,165,491 available for the completion of the CATC project.

**NOTE O - SUBSEQUENT EVENTS**

The College has evaluated subsequent events through September 30, 2022, 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)

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

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

See accompanying report of independent certified public accountants.

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

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

Years ended June 30,

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

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

See accompanying report of independent certified public accountants.

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

**SCHEDULES OF EMPLOYER CONTRIBUTIONS - LAST 10 YEARS\* (UNAUDITED)**

Years ended June 30,

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

\*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.

## OTHER SUPPLEMENTARY INFORMATION

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

**REFORMATTED SCHEDULE OF NET POSITION**

**Year ended June 30, 2022**

**(In thousands)**

	<b>Community College of Philadelphia Foundation</b>	<b>CCP Development, LLC</b>
Cash on deposit and on hand	\$ 23,733	\$ 137
Investments	56,815	-
Accounts receivable	39,725	-
Allowance for doubtful accounts	(691)	-
Due from other governments	39,160	-
Restricted assets	1,531	7,165
Other assets	1,460	46
Property, plant and equipment	163,108	26,373
	<u>\$ 324,841</u>	<u>\$ 33,721</u>
<b>Total assets</b>	<b>\$ 324,841</b>	<b>\$ 33,721</b>
Deferred outflows of resources:		
Deferred outflows	\$ 25,147	\$ -
	<u>\$ 25,147</u>	<u>\$ -</u>
Liabilities:		
Vouchers and accounts payable	\$ 10,571	\$ 2,478
Salaries and wages payable	8,986	-
Accrued expenses	2,076	-
Funds held in escrow	536	-
Due to other governments	204	-
Deferred revenue	3,320	-
Current portion of long-term obligations	8,334	-
Noncurrent portion of long-term obligations	62,128	-
Notes payable	-	25,945
Other post-employment benefits (GASB 75)	192,064	-
	<u>\$ 288,219</u>	<u>\$ 28,423</u>
<b>Total liabilities</b>	<b>\$ 288,219</b>	<b>\$ 28,423</b>
Deferred inflows of resources:		
Deferred inflows	\$ 48,604	\$ -
	<u>\$ 48,604</u>	<u>\$ -</u>
Net position:		
Net investment in capital assets	\$ 110,433	\$ -
Restricted for:		
Capital projects	5,836	5,023
Tuition stabilization and scholarships	14,483	-
Unrestricted (deficit)	(117,587)	275
	<u>\$ 13,165</u>	<u>\$ 5,298</u>
<b>Total net position</b>	<b>\$ 13,165</b>	<b>\$ 5,298</b>

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, 2022

(In thousands)

Programs/Functions	Expenses	Program Revenues			Net Expense and Changes in Net Position
		Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Education Activities
Community college services	\$ 194,874	\$ 24,872	\$ 114,698	\$ -	\$ 55,304
General revenues:					
Grants and contributions*					81,060
Interest and investment earnings					(6,128)
Miscellaneous					4,193
Total general revenues					79,125
Change in net assets					23,821
Net position - beginning					(10,656)
Net position - ending					\$ 13,165

\* Includes Commonwealth appropriations of \$37,998,398 and City of Philadelphia appropriations of \$43,061,896.

Programs/Functions	Expenses	Program Revenues			Net Expense and Changes in Net Position
		Charge for Services	Operating Grants and Contributions	Capital Grants and Contributions	Education Activities
CCP Development, LLC services	\$ -	\$ -	\$ -	\$ -	\$ -
General revenues:					
Grants and contributions					-
Interest and investment earnings					-
Miscellaneous					275
Total general revenues					275
Change in net assets					275
Net position - beginning					5,023
Net position - ending					\$ 5,298

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, 2022**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 31,094,977	\$ -	\$ -	\$ 31,094,977
Works of art	902,620	-	-	902,620
Construction in process	27,713,667	21,034,121	(19,936,050)	28,811,738
Total capital assets not being depreciated	59,711,263	21,034,121	(19,936,050)	60,809,335
Capital assets being depreciated:				
Buildings	244,602,589	18,094,287	-	262,696,876
Other improvements	18,499,473	175,184	-	18,674,657
Equipment	42,939,902	3,738,543	(258,825)	46,419,620
Furniture	1,367,850	429,608	-	1,797,458
Leasehold improvements	199,232	-	-	199,232
Total capital assets being depreciated	307,609,046	22,437,622	(258,825)	329,787,843
Less accumulated depreciation for:				
Buildings	135,580,210	5,613,221	-	141,193,431
Other improvements	17,725,222	151,256	-	17,876,478
Equipment	39,096,193	1,790,947	(258,825)	40,628,315
Furniture	1,177,165	52,011	-	1,229,176
Leasehold improvements	186,001	2,306	-	188,307
Total accumulated depreciation	193,764,791	7,609,741	(258,825)	201,115,707
Total capital assets being depreciated, net	113,844,255	14,827,881	-	128,672,136
Business-type activities capital assets, net	<u>\$ 173,555,518</u>	<u>\$ 35,862,002</u>	<u>\$ (19,936,050)</u>	<u>\$ 189,481,471</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)

Year ended June 30,

(Amounts expressed in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Student tuition and fees (net of scholarship allowances)	\$ 24,759	\$ 28,424	\$ 30,536	\$ 32,753	\$ 33,234	\$ 32,992	\$ 31,643	\$ 31,973	\$ 35,338	\$ 32,003
Sales of auxiliary enterprises	113	408	1,413	1,599	1,523	1,737	1,740	1,786	1,671	1,776
Other operating revenues	13	23	38	42	46	62	87	196	166	158
Total operating revenues	24,885	28,855	31,987	34,394	34,803	34,791	33,470	33,955	37,175	33,937
State appropriations	32,341	32,389	32,408	31,820	30,892	30,868	30,128	28,632	28,179	28,240
City appropriations	37,172	34,451	29,847	25,549	23,310	24,189	23,272	21,271	18,346	18,064
Federal grants and contracts	105,571	65,187	52,337	46,098	49,026	48,888	53,551	57,871	58,796	58,715
Gifts from the Community College of Philadelphia Foundation	375	12	95	160	242	835	225	141	100	2,809
State grants and contracts	5,718	6,061	6,621	5,989	7,953	8,126	8,278	7,343	6,591	7,191
Nongovernmental grants and contracts	1,948	2,884	2,522	2,115	1,582	1,528	1,456	1,521	1,704	1,119
Net investment (loss) income	(3,894)	451	1,691	1,577	36	75	815	365	695	333
Other nonoperating revenue	950	509	578	410	399	378	2,579	1,087	324	379
Total nonoperating revenues	180,181	141,944	126,099	113,718	113,440	114,887	120,304	118,231	114,735	116,850
Capital appropriations	11,548	12,990	12,032	11,797	12,450	11,050	12,354	10,859	13,969	13,730
Total revenues	\$ 216,614	\$ 183,789	\$ 170,118	\$ 159,909	\$ 160,693	\$ 160,728	\$ 166,128	\$ 163,045	\$ 165,879	\$ 164,517

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

Year ended June 30,

(Amounts expressed in percentages)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Student tuition and fees (net of scholarship allowances)	11.43%	15.47%	17.95%	20.48%	20.68%	20.53%	19.05%	19.61%	21.30%	19.45%
Sales of auxiliary enterprises	0.05	0.22	0.83	1.00	0.95	1.08	1.05	1.10	1.01	1.08
Other operating revenues	0.10	0.01	0.02	0.03	0.03	0.04	0.05	0.12	0.10	0.10
Total operating revenues	11.49	15.70	18.80	21.51	21.66	21.65	20.15	20.83	22.41	20.63
State appropriations	14.93	17.62	19.05	19.90	19.22	19.21	18.14	17.56	16.99	17.17
City appropriations	17.16	18.74	17.54	15.98	14.51	15.04	14.01	13.05	11.06	10.98
Federal grants and contracts	48.74	35.47	30.77	28.83	30.51	30.42	32.23	35.49	35.45	35.69
State grants and contracts	2.64	3.30	3.89	3.75	4.95	5.06	4.98	4.50	3.97	4.37
Gifts from the Community College of Philadelphia Foundation	0.17	0.01	0.06	0.10	0.15	0.52	0.14	0.09	0.06	1.70
Nongovernmental grants and contracts	0.90	1.57	1.48	1.32	0.98	0.95	0.88	0.93	1.02	0.68
Net investment (loss) income	(1.80)	0.25	0.99	0.99	0.02	0.05	0.49	0.22	0.42	0.20
Other nonoperating revenue	0.44	0.28	0.34	0.25	0.25	0.24	1.55	0.67	0.20	0.23
Total nonoperating revenues	83.18	77.24	74.12	71.12	70.59	71.49	72.42	72.51	69.17	71.02
Capital appropriations	5.33	7.06	7.08	7.37	7.75	6.86	7.43	6.66	8.42	8.35
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)

Year ended June 30,

(Amounts expressed in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Salaries	\$ 75,891	\$ 74,041	\$ 77,819	\$ 77,462	\$ 76,986	\$ 78,629	\$ 77,931	\$ 77,161	\$ 75,438	\$ 76,015
Benefits	36,603	32,570	34,790	34,979	36,259	36,417	36,978	36,140	35,885	34,247
Contracted services	10,983	9,247	9,276	8,045	7,859	6,512	6,458	8,331	9,697	11,373
Supplies	2,927	5,564	4,467	3,060	3,549	3,376	3,857	3,073	3,232	3,636
Depreciation	7,610	7,464	7,783	7,939	8,133	8,204	8,861	9,698	10,490	10,423
Student aid	36,951	12,644	12,052	6,250	7,213	8,770	8,739	8,211	10,459	8,328
Other	23,848	10,231	11,376	13,375	12,092	12,959	13,167	12,815	12,314	11,468
GASB 75 (Other post-employment benefits) accrua	(6,274)	(8,754)	(24,590)	(5,426)	12,309	11,703	11,686	8,016	8,641	8,530
Total operating expenses	<u>188,539</u>	<u>143,007</u>	<u>132,973</u>	<u>145,684</u>	<u>164,400</u>	<u>166,570</u>	<u>167,677</u>	<u>163,445</u>	<u>166,156</u>	<u>164,020</u>
Interest on capital asset-related debt service	<u>3,320</u>	<u>3,882</u>	<u>3,604</u>	<u>3,602</u>	<u>3,413</u>	<u>3,263</u>	<u>3,315</u>	<u>4,225</u>	<u>4,258</u>	<u>4,689</u>
Total nonoperating expenses	<u>3,320</u>	<u>3,882</u>	<u>3,604</u>	<u>3,602</u>	<u>3,413</u>	<u>3,263</u>	<u>3,315</u>	<u>4,225</u>	<u>4,258</u>	<u>4,689</u>
Total expenses	<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>	<u>\$ 167,670</u>	<u>\$ 170,414</u>	<u>\$ 168,709</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

Year ended June 30,

(Amounts expressed in percentages)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Salaries	39.56%	50.41%	56.98%	51.89%	45.88%	46.30%	45.57%	46.02%	44.27%	45.06%
Benefits	19.08	22.17	25.47	23.43	21.61	21.44	21.63	21.55	21.04	20.28
Contracted services	5.72	6.30	6.79	5.39	4.68	3.83	3.78	4.97	5.69	6.74
Supplies	1.53	3.79	3.27	2.05	2.11	1.99	2.26	1.83	1.90	2.16
Depreciation	3.97	5.08	5.70	5.32	4.85	4.83	5.18	5.78	6.16	6.18
Student aid	19.26	8.61	8.82	4.19	4.30	5.16	5.11	4.90	6.14	4.94
Other	12.43	6.97	8.33	8.96	7.21	7.63	7.70	7.64	7.23	6.80
GASB 75 (Other post-employment benefits) accrua	(3.27)	(5.96)	(18.00)	(3.63)	7.33	6.89	6.83	4.78	5.07	5.06
Total operating expenses	98.27	97.37	97.36	97.60	97.97	98.07	98.06	97.47	97.50	97.22
Interest on capital asset-related debt service	1.73	2.63	2.64	2.40	2.03	1.93	1.94	2.53	2.50	2.78
Total nonoperating expenses	1.73	2.63	2.64	2.40	2.03	1.93	1.94	2.53	2.50	2.78
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)

Year ended June 30,

(Amounts expressed in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses by function:										
Instruction	\$ 54,725	\$ 50,333	\$ 49,333	\$ 56,715	\$ 64,578	\$ 65,509	\$ 66,018	\$ 65,046	\$ 66,210	\$ 66,436
Public service	39	38	104	97	145	124	183	86	109	156
Academic support	16,437	14,763	13,749	16,405	19,182	18,880	18,824	18,372	17,492	17,247
Student services	20,964	18,891	16,673	20,529	24,212	24,405	25,142	23,494	22,811	21,913
Institutional support	36,592	28,428	19,176	22,640	25,111	24,854	24,429	24,371	25,229	26,216
Operation and maintenance of plant	14,805	10,105	13,445	14,424	15,093	15,013	14,913	13,336	12,586	12,742
Depreciation	7,610	7,464	7,783	7,939	8,133	8,204	8,861	9,698	10,490	10,423
Student aid	36,951	12,644	12,052	6,250	7,213	8,770	8,739	8,211	10,459	8,328
Auxiliary enterprises	416	342	658	685	733	811	567	831	770	559
Interest on capital debt	3,320	3,882	3,604	3,602	3,413	3,263	3,315	4,225	4,258	4,689
Total expenses by function	\$ 191,859	\$ 146,890	\$ 136,577	\$ 149,286	\$ 167,813	\$ 169,833	\$ 170,991	\$ 167,670	\$ 170,414	\$ 168,709

(Amounts expressed in percentages)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses by function:										
Instruction	28.52%	34.27%	36.12%	37.99%	38.48%	38.57%	38.61%	38.79%	38.85%	39.38%
Public service	0.02	0.03	0.08	0.06	0.09	0.07	0.11	0.05	0.06	0.09
Academic support	8.57	10.05	10.07	10.99	11.43	11.12	11.01	10.96	10.26	10.22
Student services	10.93	12.86	12.21	13.75	14.43	14.37	14.70	14.01	13.39	12.99
Institutional support	19.07	19.35	14.04	15.17	14.96	14.63	14.29	14.54	14.80	15.54
Operation and maintenance of plant	7.72	6.88	9.84	9.66	8.99	8.84	8.72	7.95	7.39	7.55
Depreciation	3.97	5.08	5.70	5.32	4.85	4.83	5.18	5.78	6.16	6.18
Student aid	19.26	8.61	8.82	4.19	4.30	5.16	5.11	4.90	6.14	4.94
Auxiliary enterprises	0.22	0.23	0.48	0.46	0.44	0.48	0.33	0.50	0.45	0.33
Interest on capital debt	1.73	2.64	2.64	2.41	2.03	1.92	1.94	2.52	2.50	2.78
Total expenses by function	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

See accompanying report of independent certified public accountants.

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

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

Year ended June 30,

(Amounts expressed in thousands)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total revenues (from schedule of revenues by source less capital appropriations)	\$ 205,066	\$ 170,798	\$ 158,085	\$ 148,112	\$ 148,423	\$ 149,678	\$ 153,776	\$ 152,186	\$ 151,910	\$ 150,786
Total operating expenses (from schedule of expenses by use)	191,859	146,889	136,578	149,286	167,813	169,833	170,992	167,670	170,414	168,709
Total changes in net position	13,207	23,909	21,507	(1,174)	(19,390)	(20,155)	(17,216)	(15,484)	(18,504)	(17,923)
Net position, beginning	(28,368)	(65,267)	(98,807)	(109,429)	51,951	61,057	65,919	72,538	77,072	81,265
Net position, ending	<u>\$ (15,161)</u>	<u>\$ (41,358)</u>	<u>\$ (77,300)</u>	<u>\$ (110,603)</u>	<u>\$ 32,561</u>	<u>\$ 40,902</u>	<u>\$ 48,703</u>	<u>\$ 57,054</u>	<u>\$ 58,568</u>	<u>\$ 63,342</u>
Net investment in capital assets	\$ 110,433	\$ 116,734	\$ 104,726	\$ 103,869	\$ 102,005	\$ 99,772	\$ 98,776	\$ 96,979	\$ 93,771	\$ 89,660
Restricted - expendable	5,784	5,727	5,439	5,284	5,101	4,939	4,912	4,742	4,742	2,740
Unrestricted	<u>(119,828)</u>	<u>(150,829)</u>	<u>(175,432)</u>	<u>(207,960)</u>	<u>(216,535)</u>	<u>(52,760)</u>	<u>(42,631)</u>	<u>(35,802)</u>	<u>(25,975)</u>	<u>(15,328)</u>
Total net position	<u>\$ (3,611)</u>	<u>\$ (28,368)</u>	<u>\$ (65,267)</u>	<u>\$ (98,807)</u>	<u>\$ (109,429)</u>	<u>\$ 51,951</u>	<u>\$ 61,057</u>	<u>\$ 65,919</u>	<u>\$ 72,538</u>	<u>\$ 77,072</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)

Year ended June 30,

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Enrollments and student demographics:										
Credit FTE	8,935	10,608	12,331	12,740	13,596	13,659	14,481	14,851	15,051	15,116
Unduplicated Credit Headcount	16,596	19,266	22,160	23,139	24,443	25,571	26,837	27,942	28,096	28,264
Percentage - Men	31.6%	31.2%	34.7%	36.3%	36.3%	37.1%	37.8%	37.7%	37.7%	36.9%
Percentage - Women	68.4	68.4	65.3	63.7	63.7	62.9	62.2	62.3	62.3	63.1
Percentage - Black	42.5	41.7	41.9	43.1	48.1	48.8	49.4	50.7	50.2	49.7
Percentage - White	23.3	24.4	22.9	23.2	23.5	24.0	23.8	23.9	24.3	25.1
Percentage - Asian	10.8	10.4	11.8	11.4	9.8	9.4	8.9	8.4	8.2	7.7
Percentage - Hispanic	16.4	15.7	15.9	14.9	14.0	13.0	12.8	11.8	11.4	10.6
Percentage - American Indian/other	4.1	4.0	3.9	4.0	0.3	0.3	0.3	0.4	0.4	0.4
Percentage - Unknown	3.0	3.8	3.6	3.4	4.3	4.5	4.8	4.8	5.6	6.5
Degrees awarded:										
Associate	1,806	1,954	1,761	1,770	1,731	1,794	1,880	1,916	1,857	1,712
Certificate	229	178	225	331	495	471	475	446	338	167

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Faculty:										
Part-time	526	297	452	567	543	548	676	635	643	734
Full-time	361	310	336	438	443	467	400	395	407	412
Percentage tenured	74.2%	77.7%	77.7%	67.1%	65.2%	61.8%	74.0%	81.7%	79.9%	80.6%
Administrative and support staff:										
Part-time	77	55	82	76	40	38	18	11	12	20
Full-time	495	503	506	474	470	466	445	453	441	447
Total employees:										
Part-time	603	352	534	643	583	586	694	646	655	754
Full-time	856	813	842	912	913	933	845	848	848	859
Students per full-time staff:										
Number credit students	11,647	13,672	15,996	16,672	17,296	18,126	18,099	19,119	19,066	18,692
Faculty	32	44	48	38	39	39	45	47	47	46
Administrative and support staff	24	27	32	35	37	39	41	42	43	42
Average annual faculty salary	\$ 61,894	\$ 66,597	\$ 65,300	\$ 75,020	\$ 67,883	\$ 69,196	\$ 63,789	\$ 65,212	\$ 64,059	\$ 66,137

Source: Institutional Human Resource Records.

**GROSS SQUARE FEET OF COLLEGE BUILDINGS (UNAUDITED)**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Main Campus - Buildings	911,051	911,051	911,051	911,051	911,051	911,051	911,051	911,051	900,613	900,613
Main Campus - 17 Street Garage	230,360	230,360	230,360	230,360	230,360	230,360	230,360	230,360	230,360	230,660
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	32,090
Northwest Regional Center	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Total gross square feet	1,605,882	1,605,882	1,605,882	1,605,882	1,605,882	1,605,882	1,605,882	1,605,882	1,595,444	1,588,440

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**

	<b>Population as of June 30</b>	<b>Average Annual Unemployment Rate</b>
Year:		
2012 – 13	1,547,607	10.5
2013 – 14	1,553,165	7.8
2014 – 15	1,560,297	7.4
2015 – 16	1,567,442	6.9
2016 – 17	1,567,872	5.9
2017 – 18	1,580,863	5.7
2018 – 19	1,584,138	5.1
2019 – 20	1,584,064	7.8
2020 – 21	1,587,232	9.4
2021 – 22	1,576,251	5.7

*Sources: United States Census Bureau and Bureau of Labor Statistics*

See accompanying report of independent certified public accountants.

---

**GRANT THORNTON LLP**

2001 Market St., Suite 700  
Philadelphia, PA 19103

**D** +1 215 561 4200

**F** +1 215 561 1066

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY  
THE UNIFORM GUIDANCE**

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, the financial statements of the business-type activities and discretely presented component units of Community College of Philadelphia (the "College") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon, dated September 30, 2022, which expressed unmodified opinions on those financial statements. An emphasis of matter paragraph was included related to the College's adoption of Governmental Accounting Standards Board Statement No. 87, *Leases*, during the year ended June 30, 2022. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to September 30, 2022.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Philadelphia, Pennsylvania  
March 27, 2023

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year ended June 30, 2022

<b>Federal Grantor/Pass-Through Grantor Program or Cluster Title</b>	<b>Assistance Listings Number</b>	<b>Provided to Subrecipients</b>	<b>Pass-Through Grantor Number</b>	<b>Expenditures</b>
U.S. Department of Education				
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007	\$ -		\$ 898,975
Federal Work-Study Program (FWS)	84.033	-		114,535
Federal Pell Grant Program (PELL)	84.063	-		25,897,399
Federal Direct Student Loans (Direct Loan)	84.268	-		21,111,195
Total Student Financial Assistance Cluster		-		48,022,104
TRIO Cluster				
TRIO Student Support Services	84.042A	-		291,394
TRIO Upward Bound	84.047A	-		329,975
Total TRIO Cluster		-		621,369
Strengthening Minority-Serving Institutions	84.382A	-		581,182
Child Care Access Means Parents in School	84.335A	-		463,056
Strengthening Institutions Program	84.031A	-		420,528
COVID-19 Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	84.425E	-		30,675,668
COVID-19 HEERF - Institutional Portion	84.425F	-		33,488,341
COVID-19 HEERF - Minority Serving Institutions (MSI's)	84.425L	-		3,207,064
Passed-through Pennsylvania Department of Education				
COVID-19 Governors Emergency Education Relief Fund	84.425C	-	4100087524	1,529,662
Total Education Stabilization Fund		-		68,900,735
Passed-through Pennsylvania Department of Education				
Career and Technical Education – Basic Grants to States	84.048A	-	FA-381-22-0011	2,600,252
Total U.S. Department of Education		-		121,609,226
U.S. Department of Health and Human Services				
Passed-through the Commonwealth of Pennsylvania, Department of Human Services				
Temporary Assistance for Needy Families (TANF)	93.558	-	4100081210	196,307
Total U.S. Department of Health and Human Services		-		196,307
U.S. Department of Labor				
H1-B Job Training Grants	17.268	-		2,004
Total U.S. Department of Labor		-		2,004
Research and Development Cluster				
National Science Foundation				
Passed-through The Trustees of the University of Pennsylvania				
NNCI: Mid-Atlantic Nanotechnology Hub (MANTH)	47.041	-	ECCS-2025608	27,521
Passed-through Drexel University				
Education and Human Resources	47.076	-	HRD-2008197	19,688
Passed-through Saint Joseph's University				
Education and Human Resources (Noyce Scholars Program)	47.076	-	1758353	19,109
Total Research and Development Cluster		-		66,318
U.S. Department of Agriculture				
Passed-through DHS - Bureau of Program Support				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	-	4100081210	257,400
Total expenditures of federal awards		\$ -		\$122,131,255

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

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**June 30, 2022**

**NOTE A - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") summarizes the expenditures of the College under programs of the federal government for the year ended June 30, 2022. The Schedule of Expenditures of Federal awards presents only a selected portion of the operations of the College; it is not intended to, and does not, present the financial position, changes in net position, and cash flows of the College.

For the purposes of the Schedule of Expenditures of Federal Awards, federal awards include all grants, contracts and similar agreements entered into directly between the College and agencies and departments of the federal government and all sub-awards to the College by non-federal organizations pursuant to federal grants, contracts and similar agreements. Federal awards are included in contracts and other exchange transactions on the accompanying statement of net position.

**NOTE B - BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting. The information in the schedule is presented in accordance with *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE C - FEDERAL STUDENT LOAN PROGRAM**

Federally guaranteed loans issued to students of the College during the year ended June 30, 2022 totaled \$21,111,195. This amount has been included in the Schedule. The College is responsible only for the performance of certain administrative duties with respect to federally guaranteed student loan programs, and accordingly, these loans are not included in its financial statements.

**NOTE D - ADMINISTRATIVE COSTS**

The College's expenditures include administrative expenses of \$38,170 for Federal Pell Grants, \$5,727 in Federal Work Study, and \$44,949 for Federal Supplemental Educational Opportunity Grants.

**NOTE E - INDIRECT COST RATE**

Indirect costs allocated to federal awards were based on predetermined rates negotiated with the College's cognizant federal agency. The College has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

---

**GRANT THORNTON LLP**

2001 Market St., Suite 700  
Philadelphia, PA 19103

**D** +1 215 561 4200

**F** +1 215 561 1066

**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 Community College of Philadelphia (the "College") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated September 30, 2022.

**Report on internal control over financial reporting**

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

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

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

**Report on compliance and other matters**

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

**Purpose of this report**

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



Philadelphia, Pennsylvania  
September 30, 2022

---

**GRANT THORNTON LLP**

2001 Market St., Suite 700  
Philadelphia, PA 19103

**D** +1 215 561 4200  
**F** +1 215 561 1066

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE  
UNIFORM GUIDANCE**

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

**Report on compliance for each major federal program****Opinion on each major federal program**

We have audited the compliance of Community College of Philadelphia (the "College") with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2022. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

**Basis for opinion on each major federal program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

**Responsibilities of management for compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the College's federal programs.



**Auditor's responsibilities for the audit of compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on internal control over compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a

material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the College's internal control over compliance that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this Report on Internal Control Over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Grant Thornton LLP*

Philadelphia, Pennsylvania  
March 27, 2023

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**June 30, 2022**

**Section I - Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes      X   none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes      X   no

***Federal Awards***

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes      X   no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ yes      X   none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes      X   no

Identification of major programs:

Assistance Listing Numbers

Name of Federal Program or Cluster

	Student Financial Assistance Cluster:
84.007	Federal Supplemental Educational Opportunity Grants (FSEOG)
84.033	Federal Work-Study Program (FWS)
84.063	Federal Pell Grant Program (PELL)
84.268	Federal Direct Student Loans (Direct Loan)
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee?   X   yes    \_\_\_\_\_ no

**Section II - Financial Statement Findings**

None.

**Section III - Federal Award Findings and Questioned Costs**

None.

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

**SUMMARY OF PRIOR YEAR AUDIT FINDINGS**

**June 30, 2022**

No matters to report.

---

**GRANT THORNTON LLP**

2001 Market St., Suite 700  
Philadelphia, PA 19103

**D** +1 215 561 4200  
**F** +1 215 561 1066

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Board of Trustees  
Community College of Philadelphia  
(A Component Unit of the City of Philadelphia) and  
Pennsylvania Department of Human Services

We have performed the procedures enumerated below related to Community College of Philadelphia's (the "College") compliance with the requirements listed in Audit Clause A of the Pennsylvania KEYS agreement between the College and the Pennsylvania Department of Human Services ("DHS") (the "specified requirements") during the period July 1, 2021 to June 30, 2022 (the "Subject Matter"). The College's management is responsible for its compliance with those requirements.

The College has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating the College's compliance with the specified requirements during the period July 1, 2021 to June 30, 2022. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. Consequently, we make no representation regarding the appropriateness of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and the associated findings are as follows.

1. Verified by comparison the amounts and classifications that the Supplemental Schedule of Revenues and Expenditures which summarizes amounts reported to DHS for the year ended June 30, 2022, have been accurately compiled and reflect the audited books and records of the College.

*No exceptions noted.*

2. Verified by comparison to the example schedules included in the specified requirements that these schedules are presented, at a minimum, at the level of detail that directly mirrors the budget page (Rider 3) of the subject matter. The Supplemental Schedule of Revenues and Expenditures should mirror the line items on the budget pages of the contract and include a budget and an actual expenditure column pertaining to the period.

*No exceptions noted.*

3. Inquired of management regarding adjustments to reported revenues or expenditures, which were not reflected on the reports submitted to DHS for the period in question.

*No such adjustments noted.*

4. Disclose any adjustments and/or findings and identify which have not been reflected in the corresponding schedules.

*No such adjustments or findings noted.*

5. The supplemental schedule to be included in the College's single audit reporting package for the year ended June 30, 2022, is a reconciliation of the expenditures listed on the Schedule of Expenditures of Federal Awards ("SEFA") to the Federal award income received from DHS ("reconciliation schedule") as required by DHS and noted in the revenue audit confirmation received from the Commonwealth of Pennsylvania. The procedures performed on the reconciliation schedule were as follows:
  - a. Agreed the expenditure amounts listed on the reconciliation schedule under the "Federal Expenditures per the SEFA" column to the audited SEFA.
  - b. Agreed the receipt amounts listed on the reconciliation schedule under the "Federal Awards Received per the audit confirmation reply from Pennsylvania" column to the sub-recipient Federal amounts that are reflected in the audit confirmation reply from the Commonwealth of Pennsylvania.
  - c. Recalculated the amounts listed under the "Difference" column.
  - d. Agreed the amounts listed under the "Difference" column to the audited books and records of the College.
  - e. Agreed the "Detailed Explanation of the Differences" to the audited books and records of the College.
  - f. Based on the procedures detailed above, disclosed any adjustments and/or findings which have not been reflected on the corresponding schedules.

*No exceptions noted.*

We were engaged by the College to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this agreed-upon procedures report is solely to report our findings based on the specific procedures performed on the Subject Matter for the purpose of assisting the College and DHS in evaluating compliance with the specified requirements. Accordingly, this report is not suitable for any other purpose.

*Grant Thornton LLP*

Philadelphia, Pennsylvania  
March 27, 2023

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

**SCHEDULE OF FEDERAL AWARDS PASSED THROUGH THE PENNSYLVANIA DEPARTMENT OF HUMAN SERVICES**

Year ended June 30, 2022

<b>Federal Grantor Program</b>	<b>Assistance Listing Number</b>	<b>Federal Expenditures per the SEFA</b>	<b>Federal Awards Received per the Audit Confirmation Reply from Pennsylvania Department of Human Services</b>	<b>Difference</b>	<b>Detailed Explanation of the Differences</b>
Temporary Assistance for Needy Families (TANF) Program	93.558	\$ 196,307	\$ 196,307	\$ -	N/A
Supplemental Nutrition and Assistance Program (SNAP)	10.561	\$ 257,400	\$ 257,400	\$ -	N/A



07/01/2021-06/30/2022	Supplemental Schedule of Revenues and Expenditures KEYS 21-22		07/01/2021-06/30/2022
AGENCY: Community College of Philadelphia			
AGENCY ADDRESS: 1700 Spring Garden Street, Philadelphia, PA 19130		PHONE#: 215-751-8133	
Contract Number 4100081210			
SAP VENDOR #: '000139658			
EXPENDITURES			
	BUDGETED AMOUNT	CUMULATIVE YTD ACTUAL EXPENSES	BALANCE OF BUDGETED AMOUNT
ADMINISTRATION COSTS (Not to exceed 10% of total grant award)			
A. PERSONNEL			
Staff Salaries	-	-	-
Staff Fringe Benefits	-	-	-
Total Salaries/Fringe Benefits	-	-	-
B. EQUIPMENT AND SUPPLIES			
	1,200	57	1,143
C. OPERATING EXPENSES			
	2,000	2,000	-
TOTAL ADMINISTRATION COSTS	3,200	2,057	1,143
PROGRAM COSTS (Direct Training)			
A. PERSONNEL			
Staff Salaries	455,202	320,270	134,931
Staff Fringe Benefits	138,177	104,013	34,165
Total Personnel	593,379	424,283	169,096
B. EQUIPMENT AND SUPPLIES			
	24,421	12,334	12,087
C. OPERATING EXPENSES			
	18,400	-	18,400
D. OTHER PROGRAM EXPENSES			
	121,091	15,033	106,058
TOTAL SUBCONTRACTED EXPENSES	-	-	-
TOTAL PROGRAM COSTS	757,291	451,650	305,641
TOTAL CONTRACT AMOUNT	760,491	453,707	306,784
DETAILED PAGE - ADMINISTRATION EXPENSES			
	BUDGETED AMOUNT	CUMULATIVE YTD ACTUAL EXPENSES	BALANCE OF BUDGETED AMOUNT
Category			
PERSONNEL (Please include the % of time spent on grant)			
TOTAL ADMINISTRATIVE SALARIES	-	-	-
FRINGE BENEFITS			
FICA AND MEDICARE	-	-	-
HEALTH INSURANCE	-	-	-
LIFE & DISABILITY INSURANCE	-	-	-
UNEMPLOYMENT COMPENSATION	-	-	-
WORKERS COMP	-	-	-
PENSION	-	-	-
TOTAL FRINGE BENEFITS CHARGED TO ADMINISTRATIVE SALARIES	-	-	-
TOTAL ADMINISTRATIVE SALARIES & FRINGE BENEFITS	-	-	-
EQUIPMENT AND SUPPLIES			
CONSUMABLE SUPPLIES	-	-	-
EQUIPMENT RENTAL	1,200	57	1,143
EQUIPMENT PURCHASES	-	-	-
TOTAL EQUIPMENT AND SUPPLIES	1,200	57	1,143
OPERATING EXPENSES			
Advertising	-	-	-
Audit	2,000	2,000	-
Consultant Services	-	-	-
Dues and Subscriptions	-	-	-
Insurance	-	-	-
Postage	-	-	-
Printing	-	-	-
Telephone	-	-	-
Maintenance	-	-	-
Rent	-	-	-
Utilities	-	-	-
Travel	-	-	-
TOTAL OPERATING EXPENSES	2,000	2,000	-
TOTAL ADMINISTRATION EXPENSES	3,200	2,057	1,143

DETAILED PAGE - PROGRAM ACTIVITIES / SUBCONTRACTORS			
Category	BUDGETED AMOUNT	CUMULATIVE YTD ACTUAL EXPENSES	BALANCE OF BUDGETED AMOUNT
PERSONNEL (Please include % of time spent on grant)			
Project Director 100% H Pizarro	63,214	63,097	117
Job Developer 100% G Jones-Woods-Student Facilitator	47,511	47,422	89
Student Facilitator 100% B Pierce	45,840	45,754	86
Student Facilitator 100% T Mcknight	45,173	10,779	34,394
Student Facilitator 100% K Jones	44,839	8,194	36,645
Student Facilitator 100% G. Howe	45,840	45,754	86
Student Facilitator 100% -S. Lawson	44,505	15,493	29,012
Student Facilitator 100% M Garbutt	43,500	43,479	21
Administrative Associate 100% G Cardwell	39,780	40,299	(519)
Academic Coordinator/Student Facilitator	15,000	-	15,000
Academic Coordinator/Student Facilitator	15,000	-	15,000
Student Worker(s) PT	5,000	-	5,000
	-	-	-
<b>TOTAL PROGRAM SALARIES</b>	<b>455,202</b>	<b>320,271</b>	<b>134,931</b>
FRINGE BENEFITS			
FICA & Medicare	17,435	12,266	5,169
Health Insurance	74,670	56,864	17,806
Unemployment Compensation	1,801	1,281	520
Worker's Comp.	2,251	1,601	650
Pension	42,020	32,000	10,020
	-	-	-
<b>TOTAL FRINGE BENEFITS CHARGED TO PROGRAM SALARIES</b>	<b>138,177</b>	<b>104,012</b>	<b>34,165</b>
<b>TOTAL PROGRAM SALARIES &amp; FRINGE BENEFITS</b>	<b>593,379</b>	<b>424,283</b>	<b>169,096</b>
EQUIPMENT AND SUPPLIES			
Consumable Supplies	18,910	12,334	6,576
Equipment Rental	-	-	-
Equipment Purchases	5,511	-	5,511
Educational Software (Rosetta, Math Made Easy)	-	-	-
<b>TOTAL EQUIPMENT AND SUPPLIES</b>	<b>24,421</b>	<b>12,334</b>	<b>12,087</b>
OPERATING EXPENSES			
Dues and Subscriptions	-	-	-
Insurance	-	-	-
Postage	2,400	-	2,400
Printing	10,000	-	10,000
Telephone	-	-	-
Maintenance	-	-	-
Rent	-	-	-
Utilities	-	-	-
Travel	6,000	-	6,000
	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>18,400</b>	<b>-</b>	<b>18,400</b>
Other Program Expenses			
Allowable(stds) Incentives	73,215	9,920	63,295
Participant reimbursement	3,724	-	3,724
Career Fairs/Conferences	-	-	-
Educational Enrichment/Staff Prof. Development	10,280	5,113	5,167
Hospitality	-	-	-
Graduation	-	-	-
VWE/PWE-Tutors	25,000	-	25,000
Pre-enrollment services/College Prep	8,872	-	8,872
	-	-	-
<b>TOTAL OTHER PROGRAM EXPENSES</b>	<b>121,091</b>	<b>15,033</b>	<b>106,058</b>
Subcontractors			
	-	-	-
<b>TOTAL SUBCONTRACTOR EXPENSES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL PROGRAM EXPENSES</b>	<b>757,291</b>	<b>451,650</b>	<b>305,641</b>
<b>TOTAL CONTRACT AMOUNT</b>	<b>760,491</b>	<b>453,707</b>	<b>306,784</b>

**HYBRID MEETING OF THE BUSINESS AFFAIRS COMMITTEE  
OF THE BOARD OF TRUSTEES  
Community College of Philadelphia  
Thursday, March 30, 2023 – 9:00 A.M.**

**Present for the Business Affairs Committee:** Mr. Michael Soileau (presiding) (*via Zoom*), Mr. Rob Dubow (*via Zoom*), Mr. Steve Herzog (*via Zoom*), Mr. Jeremiah J. White, Jr. (*via Zoom*), Dominique Ward, Esq. (*via Zoom*), and Mr. Ronald Bradley (*via Zoom*)

**Present for the Administration:** Dr. Donald Guy Generals, Mr. Jacob Eapen, Ms. Marsia Henley (*via Zoom*), Danielle Liautaud-Watkins, Esq. (*via Zoom*), Mr. Gim Lim, Dr. Shannon Rooney, Mr. Derrick Sawyer, Mr. Tim Trzaska, Victoria Zellers, Esq., Mr. John Wiggins, Mr. Barry Sulzberg, and Ms. Bayeh Harmon

**Guests:** Ms. Sabrina Maynard, Office of Finance, City of Philadelphia (*via Zoom*)

**PUBLIC SESSION**  
**AGENDA**

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

Mr. Soileau opened the meeting and pointed out that there are three budgeted items on the agenda that Mr. Eapen will walk through with the Committee today. He then asked Mr. Eapen to proceed with agenda item one.

**(1) Stonhard Flooring for Dental Clinic Accreditation in West Building (Action Item)**

Mr. Eapen stated that, as part of the accreditation process, the College needed to install new flooring in the Dental Clinic area. Mr. Eapen stated that the College received pricing from three vendors: Stonhard for \$114,000; LPE Flooring for \$125,400 and Epoxy Floor Now for \$120,000. Stonhard was the lowest responsible vendor. Mr. Eapen stated that the College is requesting that the Business Affairs Committee recommend to the full Board the approval of the contract, which Stonhard Flooring will be supplying and installing the flooring in the amount of \$114,000. The funds will be used from the Capital Budget. Mr. Eapen asked for Ms. Henley to briefly go over the demographics of Stonhard.

Ms. Henley stated that Stonhard's headquarters is located in Maple Shade, New Jersey. Stonhard has a total of 597 employees of which 21% are diverse. Mr. Soileau asked if there were any questions or comments.

Mr. Ronald Bradley asked if Stonhard was an MWBE. Ms. Henley stated that Stonhard is not. Mr. Bradley then asked if any of the vendors that bid were MWBE. Ms. Henley responded that none of the vendors were MWBE.

Ms. Ward asked if the College had a history with working with Stonhard. Ms. Henley stated that it is the College's first time working with Stonhard. Ms. Henley stated the Stonard is the manufacturer of the flooring and asked Mr. Wiggins if she was correct. Mr. Wiggins said that Stonhard is the manufacturer of the flooring. Ms. Ward asked what the College knows about Stonhard, and if

Stonhard is a good company? Ms. Ward further asked if Stonhard finishes their work timely and if Stonhard does good work? Mr. Wiggins responded that the College did some research and did not find anything negative about Stonhard. He stated that Stonhard has a good standing with the Better Business Bureau, and that the College believes that Stonhard will do a good job. Mr. Soileau asked if there were any more questions or comments.

Mr. Bradley suggested that the College consider if any of the companies would be willing to intern any students while they are doing work. Ms. Bradley stated that it is just a consideration and the Committee does not need to have a discussion. Ms. Soileau stated that Mr. Bradley's suggestion is a very good point and it has come up multiple times but the College does not have the structure set in place to his knowledge. Mr. Soileau asked what is Dr. General's thoughts on thinking how the College might have students intern. Dr. General stated that the College does have internship opportunities, but they are content program specific so the College does not have anything in this particular field but that it is possible. Mr. Bradley stated he was looking at the concept of the construction going on in the building and there are some students that are in one of the College's programs who are actually studying that would put those windows in or put those floors in the building. Mr. Bradley suggested that moving forward, it should be something the College considers in the future.

**Action:** Mr. Dubow moved, and Mr. Herzog seconded the motion that the Business Affairs Committee recommend to the full Board the approval of Stonhard Flooring to supply and install flooring for the amount of \$114,000. The funds will be used from the Capital Budget. The motion passed unanimously. Mr. Soileau stated it will move to the full Board for approval.

**(2) Dolan Plumbing Change Order One for the Career & Advanced Technology Center Project (Action Item)**

Mr. Eapen stated that Dolan Plumbing is the first change order for the work relating to the Career & Advanced Technology Center Project. The College had some issues relating to design changes, educational needs and unforeseen conditions which resulted in the change order for \$130,450. He stated that original contract amount was for \$1,738,000 and the change order will increase the original contract by 7.5%. Mr. Eapen asked for Mr. Wiggins to briefly talk about the Dolan Plumbing change order. Mr. Wiggins stated that the change order was primarily due to the fact that the dental equipment was not on hand when the College started the building and design. The added equipment had to be completed so the College can make it functional. Mr. Wiggins stated that this was the majority of the cost of the change order. Mr. Soileau asked if the original contract will be increased by 7.5%, and Mr. Eapen replied roughly. Mr. Soileau asked if there were any questions or comments.

Mr. Dubow asked if there was a contingency in the original contract. Mr. Eapen stated that the College has a pretty sizable contingency. Mr. Soileau asked if this was the first change order for Dolan Plumbing and Mr. Eapen said that was correct. Mr. Herzog asked if this is the total since the building is already completed. Mr. Eapen replied that for this particular contract, it will be the final change order relating to this work and the funds are coming from the New Market Tax Credits/Bond Issue. Mr. Soileau asked if there were any more questions or comments.

**Action:** Mr. Herzog moved and Mr. Dubow seconded the motion that the Business Affairs Committee recommend to the full Board the approval of the Dolan Mechanical Change Order One for the Career and Advanced Technology Center in the amount of \$130,450. This change order will be paid for from the New Market Tax Credit/Bond Issue. The motion passed unanimously. Mr. Soileau stated it will move to the full Board for approval.

### **(3) Supplemental HVAC Mechanics (Action Item)**

Mr. Eapen stated the last action item is the Supplemental HVAC Mechanics. At one point in time, Facilities had 7 HVAC mechanics. He stated that the College has roughly over 1.1 million square feet of building space that the College has to maintain, and the College is now down to 3 HVAC mechanics for several reasons due to turnover, FMLA, or not having qualified applicants to the postings the College have had in place for over a year. The College has come to a critical stage it needs supplemental HVAC mechanics in order for the College to run its operations smoothly. Mr. Eapen stated that the College requested pricing from vendors under the COSTARS Program and the College received three proposals: PT Mechanical for \$549,120, Dewitt Mechanical for \$796,224 and Elliot Lewis Corporation for \$290,992. Mr. Eapen asked for Mr. Wiggins to briefly go over why there is a difference in the pricing.

Mr. Wiggins stated that the College looked at the pricing and went onto the internet to compare rates that are union rates for Union 420. Mr. Wiggins stated that Elliot Lewis Corporation is treating it more as a body shop and giving the College two mechanics with a slight increase in price. However, PT Mechanical and Dewitt Mechanical are treating this as a service contract which is standard with the rates they have been giving the College to do work. Mr. Wiggins stated that the College is looking for supplemental mechanics at this time so to the College feels that Elliot Lewis Corporation makes the best sense and Elliot Lewis Corporation is the most reasonable. Mr. Eapen stated the Mr. Wiggins contacted PT Mechanical and Dewitt Mechanical and asked if they could give the College pricing just from a body shop standpoint as opposed to a service contract and they were not willing to make any changes in their pricing. Mr. Eapen asked that Ms. Henley to briefly talk about Elliot Lewis Corporation's demographics and the two mechanics that will be assigned to the project.

Ms. Henley stated that Elliot Lewis Corporation is locally based in Philadelphia, Pennsylvania. They have 293 employees, which only 1% are diversity in their workforce. However, per the College's request, one of the two mechanics will be diverse. Ms. Henley stated that Elliot Lewis Corporation is working locally at the Curtis Institute, The Philadelphia Family Court and also at the Philadelphia Public Services Building. Mr. Soileau asked if there were any questions or comments.

Mr. Bradley asked if it is a supplemental labor contract to locally put out pieces of work discreetly to a company. Mr. Eapen stated that was correct. Mr. Bradley then asked if the mechanics will be under the leadership of the College's foreman or supervisor. Mr. Wiggins stated that the mechanics will be under his staff. Mr. Bradley stated that in his experience with these contracts in the past, he advises that the College to double-down on the safety requirements of the mechanics. Often, they will come in and will not have the same kind of work ethics as the College. Mr. Bradley stated that the College should make sure they understand the safety. Mr. Bradley stated that if any injuries should happen, it will duly to come back to the College. Mr. Soileau asked if there were any more questions or comments.

**Action:** Mr. Bradley moved, and Mr. Dubow seconded the motion that the Business Affairs Committee recommend to the full Board the approval of the Elliot Lewis Corporation proposal in the amount of \$290,992 for the Supplemental HVAC Mechanics and will be paid for from the College's Operating Budget. The motion passed unanimously. Mr. Soileau stated it will move to the full Board for approval.

**(4) Update on HEERF Funding (Information Item)**

Mr. Eapen stated that the College received funding for HEERF Institutional Portion, MSI, Student Aid, SSARP & GEERF. Mr. Eapen stated the GEERF is the money that is coming through the State. The institutional portion of the funding was \$58.6 million, which the College has spent almost the full amount of the money. Mr. Eapen stated that the College received \$5.7 million in funding from MSI (Minority Serving Institutions), which the College has spent all of the money. The College received \$44.1 million for Student Aid, which the College has spent \$43.9 million. Mr. Eapen stated the Dr. Shannon Rooney is working towards getting out the remaining money. Mr. Eapen stated that SSARP is supplemental money the College received of \$5.1 million, which College has spent \$2.4 million. He stated that the College will be spending the rest of the money. Mr. Eapen stated that the College wanted to make sure to spend the student money first before the College uses the institutional money to capture loss revenue and GEERF is the funding that came through the State and the College has spent all of the \$2.8 million funding.

Mr. Soileau asked what is the timeline the College needs to spend all of the funding. Mr. Eapen stated the money needs to be spent by the end of June for the full amount and the College is confident it will be spent. Mr. Eapen stated that Mr. Barry Sulzberg and Ms. Bayeh Harmon who work in Accounting are working closely to make sure the College draw down the funds on a timely basis. Mr. Dubow asked if the money should be allocated or actually money out the door. Mr. Eapen stated that it is money out the door. Mr. Dubow stated he meant the June 30<sup>th</sup> requirement that the College needs to spend all of the funding. Mr. Eapen stated that all of the money should be drawn down.

Mr. Eapen stated in the detail of Attachment C, the College spent \$58.6 million in the HEERF Institutional Portion. He stated that, in accordance of the regulations, the funding was used for supplies, work with the computers in networking, getting all of the classrooms Clear Touch Smartboards, as well as building and plant maintenance. Mr. Eapen stated some of the money was also spent in the transitioning from being on campus to going online, which the Faculty needed training stipends and the biggest piece was capturing loss revenue, which boosted the reserves.

Mr. Eapen stated \$5.7 million was spent in MSI and the biggest piece of that was used for recovery of loss revenue. Mr. Eapen asked Dr. Rooney to briefly go over the student aid portion of the funding. Dr. Rooney stated that there is approximately \$260,000 that needs to be distributed to students. Dr. Rooney stated as of right now, the College is in the process of distributing to students. She stated in the College is giving full-time students who are PELL eligible the award amount of \$700.00; a part-time student who is PELL eligible the award amount is \$350.00; a full-time non-PELL eligible student the award is \$550.00; and a part-time non-PELL student the award amount is \$300.00. Dr. Rooney stated that any money that comes back via stale-dated checks, the College will very quickly redistribute the money to the students. Dr. Rooney stated that the College is very confident that the College will have it spent down by the end of the year. This will be a collaborative process between the Controller's Office and Financial Aid to make sure everything gets in quickly.

Mr. Eapen stated the last piece of the funding of \$2.8 million from GEERF, which came from the State and most of that funding was used for plant and building maintenance primarily for HVAC.

Mr. Soileau asked Dr. Rooney what was the period of time the \$44 million was spent. Dr. Rooney stated it begin with HEERF 1 in the Summer of 2020 and the College worked on the awards amounts over the Summer and the distribution went out in Fall of 2021. Ms. Ward asked if there a time limit on when the College needs to get the money to the students. Dr. Rooney replied that the money needs to be out by the end of June. Ms. Ward asked if the College gets back stale-dated checks, how is the College going to verify the students' addresses who are supposed to be receiving the money? Dr. Rooney replied that once the stale-dated check is received in the Controller's Office, Financial Aid and Enrollment will reach out to students to make every effort to find out the student's

new forwarding address. She further stated that the College has also been encouraging students to enroll in direct deposit so the student does not get into that situation. Any students that the College cannot reach, that money will then be redistributed to students who can be reached because the College is trying to spend as much funds by the end of June. Ms. Ward asked what is the process on how much times does the College reissue a stale-dated check? Is it one time and then if the College does not get a response, does the College hold to it or does the College try two or three more times? What is the requirements regulatory wise? Dr. Rooney replied it is a one-time process especially the round of funding given the timeline, the College can only do it one time to make sure all of the funds are spent by the end of June.

Mr. Dubow stated that now that the College has used up the loss recovery revenue, how does the College make up for loss revenue going forward? Mr. Dubow stated that he knew the Committee has talked about it in the past but wanted to review it. Mr. Eapen stated that the College went through the detail of the budget because he recalled the reserves are almost \$33 million of the loss revenue that has been coming into the reserves. This is the reason why the College has boosted up the reserves. Mr. Dubow stated so the idea is to build up the College's reserves to use over time and will use that reserve as a cushion as the College builds up in other ways going forward. Mr. Eapen replied that is correct. Mr. Soileau asked if there were any more questions or comments. Mr. Soileau stated that the information was very helpful and thanked Jacob and his team.

**(5) Next Meeting (Information Item)**

The next regularly scheduled Hybrid meeting of the Business Affairs Committee is scheduled for Wednesday, April 19, 2023 at 9:00 A.M.

**EXECUTIVE SESSION**

An Executive Session followed the Public Session. Discussions centered on legal and personnel matters.

Lmh  
Attachments

**ATTACHMENT A FUNDING**  
**FOR ACTIONS ITEMS**

**BUSINESS AFFAIRS COMMITTEE MEETING**

**MINUTES: March 30, 2023**

<b>Agenda No.</b>	<b>Vendor/Consultant</b>	<b>Amount</b>	<b>Source</b>
1.	Stonhard Flooring	\$114,000	Capital Budget
2.	Dolan Plumbing Change Order One for the Career & Advanced Technology Center Project	\$130,450	New Market Tax Credit/Bond Issue
3.	Elliot Lewis Corporation	\$290,992	Operating Budget



## **ATTACHMENT B**

### **Dolan Plumbing Change Order One for the Career & Advanced Technology Center Project**

### Dolan Activities Detail Change Order One

Change Order Requests	Amount
Fixtures and HW meter	\$ 6,189.14
Dynometer pit additional coring	\$ 3,741.78
Revised concertic heating route	\$ 4,114.02
Design Revision sink	\$ 2,507.67
Fire Pump wiring	\$ 718.31
Sprinkler head for overhead door	\$ 1,129.86
Drain clean out	\$ 1,649.60
Ice maker boxes	\$ 1,312.74
Dental lab plumbing	\$ 47,974.83
Roof Drain investigation	\$ 1,073.42
Compressed air piping addition	\$ 60,038.78

Change Order One Total: \$ 130,450.15

## **ATTACHMENT C**

### **Update on HEERF Funding**

**Community College of Philadelphia**  
**March 29, 2023**

<b>1 HEERF Institutional Portion</b>	58,679,634	
Spent to Date	58,679,049	
<b>Balance</b>	<b>585</b>	<b>100%</b>
<b>2 MSI</b>	5,728,975	
Spent to Date	5,728,975	
<b>Balance</b>	<b>0</b>	<b>100%</b>
<b>3 Student Aid</b>	44,192,537	
Spent to Date	43,933,374	
<b>Balance</b>	<b>259,163</b>	<b>99%</b>
<b>4 SSARP</b>	5,196,028	
Spent to Date	2,450,459	
<b>Balance</b>	<b>2,745,569</b>	<b>47%</b>
<b>5 GEERF</b>	2,817,174	
Spent to Date	2,817,174	
<b>Balance</b>	<b>0</b>	<b>100%</b>

Community College of Philadelphia  
March 29, 2023

HEERF Institutional Spending	Amount
Supplies (Instructional, Lab, Office, Audiovisual)	1,976,969
Contracted Services (Computer, Engineering, Other)	6,406,978
Building & Plant Maintenance	3,534,303
Equipment	4,084,682
Leased Equipment, Software & Telecommunications	1,660,672
Equipment - CIP	1,757,178
Faculty training, stipends	1,381,216
Student Reengagement & Awards	4,259,270
Lost Revenue Recovery	33,482,488
All Other	135,293
<b>TOTAL</b>	<b>58,679,049</b>

CARES Minority Serving Institutions(MSI)	Amount
Contracted Services (Other)	1,288
Lost Revenue Recovery	5,727,688
<b>TOTAL</b>	<b>5,728,975</b>

HEERF Student Aid Spending	Amount
Student Financial Aid	43,933,374
<b>TOTAL</b>	<b>43,933,374</b>

SSARP Spending	Amount
Student Financial Aid	2,450,459
<b>TOTAL</b>	<b>2,450,459</b>

GEERF Spending	Amount
Supplies (Instructional, Lab, Office, Audiovisual)	31,908
Contracted Services (Computer, Engineering, Other)	98,922
Building & Plant Maintenance	1,842,118
Equipment	90,885
Leased Equipment, Software & Telecommunications	264,370
Faculty training, stipends	436,649
All Other	52,322
<b>TOTAL</b>	<b>2,817,174</b>

COMMUNITY COLLEGE OF PHILADELPHIA  
Proceedings of the Meeting of the Board of Trustees  
Thursday, March 2, 2023–3:00 p.m.  
Career and Advanced Technology Center – Room, 341 A & B/Hybrid

Present: Ms. McPherson, presiding; Ms. Ajeenah Amir, Mr. Ronald Bradley, Representative Morgan Cephas, Mr. Pat Clancy, Mr. Rob Dubow, Mr. Harold T. Epps, Ms. Chekemma Fulmore-Townsend, Ms. Sheila Ireland, Ms. Mindy Posoff, Mr. Michael Soileau, Ms. Dominique Ward, Mr. Jeremiah White, Dr. Donald Generals, Dr. Shannon Rooney, Ms. Josephine Di Gregorio, Dr. David Thomas, Ms. Danielle Liautaud-Watkins, Dr. Mellissia Zanjani, Dr. Alycia Marshall, Ms. Victoria Zellers, Dr. Judy Gay, Dr. Ellyn Jo Waller, Ms. Ayanna Washington, and Ms. Arielle Norment

(1) Meeting Called to Order

Ms. McPherson called the meeting to order and reviewed the goals for the meeting. She stated that last evening, she had participated in a tour and dinner at the Career and Advanced Technology Center (CATC). She stated that the CATC is impressive and full of opportunities for so many students. Ms. McPherson thanked Dr. Generals and staff for all their work and leadership in the spirit of workforce development.

(2) Public Comment

Ms. McPherson stated that there were no requests for Public Comment.

(3) Report of the President

(a) Middle States Team Visit  
March 19-22, 2023

Dr. Generals reported that in two weeks the Middle States team will be on campus. He stated that the team has requested some additional information. He asked Ms. Liautaud-Watkins to update the Board.

Ms. Liautaud-Watkins stated that the team is actively reading the report. She stated that there were some follow up inquiries related to assessment (Standard 5). Ms. Liautaud-Watkins stated that the College has provided the team with the report and a condensed file with course learning outcomes and assessment. Ms. Liautaud-Watkins stated that the team had requested a walkthrough of the assessment tool. She stated that we do not provide access to the system until the team is on campus.

Ms. Liautaud-Watkins stated that the team requested additional information on the course offerings at the West Regional Center (WRC), the Northeast Regional Center (NERC), and

the Main Campus. She stated the College also provided a hyperlink to the Self-Study report and evidence.

Ms. Liautaud-Watkins stated that a reception and dinner is scheduled for Sunday, March 19, 2023, at 5:00 p.m., in the Pavilion Klein Cube, Room P2-3, to welcome the team to campus. She stated that the Board of Trustees, President's Cabinet, and the Middle States Steering Committee, are invited to the event. Ms. Liautaud-Watkins stated that the team is scheduled to meet on March 6, 2023 to develop a schedule for the visit.

(b) Saxbys Update

Dr. Generals stated that Ms. Arielle Norment, Interim Dean, Business and Technology, will provide an update on the academic component for Saxbys. He stated that Nick Bayer will attend the April Board meeting to discuss Saxbys corporate side of the house. Dr. Generals noted that since the construction has been completed, he has noticed an increase in traffic in Saxbys.

Ms. Norment provided a mid-year review of Saxbys Café (**Attachment A**). She stated that Community College of Philadelphia is the first community college partnership with Saxbys Corporation under the Saxbys experiential learning platform. Ms. Norment stated that Saxbys experiential learning platform cafes are helmed by a Student Café Executive Officer (Student CEO) and are exclusively designed for and run by students. Ms. Norment reviewed the role of the Student CEO, the academic affiliation agreement, and continuous improvement opportunities.

Ms. McPherson thanked Ms. Norment for her presentation.

(c) Career and Advanced Technology Center (CATC) Update

At the request of Dr. Generals, Ms. Washington provided an update on the Career and Advanced Technology Center (CATC) (**see Attachment B**). Ms. Washington reviewed the status of fall credit as well as non-credit enrollment, the spring enrollment and gross revenues, the Navy Talent Pipeline, and priorities for 2023.

Ms. Washington introduced Byron Mathis, instructor, Electro-Mechanical Technology (Industrial Maintenance) program, and David Poe, instructor, Welding Technology. Messrs. Mathis and Poe discussed the programs, provided a summary of the wealth of experience each of them brought to their respective programs, and noted their dedication to the College and to student success.

Members of the Board thanked the faculty for their commitment to the College and to our students.

Ms. Washington noted that there are women in the programs at the CATC, including three in Automotive Technology; two in Welding; one in Electro-Mechanical Technology; and one in Computer Numerical Control (CNC) Technology.

The Board requested that a gender category be added to the enrollment report for the CATC.

(d) Mayor Debates/Panel

At the request of Dr. Generals, Erica Harrison, Director of Special Events and Community Relations, reported that the College will have the opportunity to host the following three Mayoral Forums this election cycle:

- Tuesday, April 4, 2023 – 10:00 a.m. – Center for Business and Industry, 1751 Callowhill Street, - Room C2-28 - Department of Social Sciences - Criminal Justice Faculty will host an intimate forum for students in the Criminal Justice Program on Public Safety. Three to four classes will be invited to engage with mayoral candidates on public safety. Students will be prepped by faculty in advance to ask questions and engage with candidates.
- Monday, April 24, 2023 – 6:00 p.m. – Winnet Building, Great Hall, Room S2-19 – The College will host a Mayoral Forum on K-12 and higher education. The College is partnering with the Faculty Federation, Lenfest Institution on Journalism, and Elevate 215. Invitations to College faculty, staff, students, and Board members will be forthcoming. All are encouraged to attend.
- Saturday, April 29, 2023 – 1:00 p.m. – Bonnell Building, Large Auditorium – Room BG-20 United Voices will host a Mayoral Forum. The focus is on issues around new immigrants and marginalized residents in Philly.

(e) Commencement

Dr. Generals reported that Mayor Jim Kenney will be this year's Commencement speaker.

(f) Women's History Month

Dr. Generals called attention to a calendar of events during the month of March celebrating Women's History Month.

(g) Women's Basketball Team

Dr. Generals reported that the Women's Basketball Team performed great this year and reached the quarter finals. Congratulations to our women's team and coaches on clinching the



playoffs. Dr. Generals stated that on February 28, 2023, our women's team fell to the Camden Cougars in a hard-fought game. The team played outstanding all season as they advanced to the Region XIX Quarterfinals. Special recognition goes to freshman Salote Franklin for being named to the All-Region First Team and earning Conference Player of the Year honors. Salote is now in the running to receive NJCAA All-American recognition. Teammates Jasmin Forrester and freshman Daijha Workman join her on the All-EPAC First Team. Sophomore Jasmin Forrester is entertaining several offers from NCAA Division II and Division III schools to further her academic and athletic career. Dr. Generals and members of the Board congratulated the team and coaches on a great season.

(h) Foundation Report

Dr. Zanjani called attention to the Record of Grants and Gifts which was part of the Board meeting materials. She stated that public/governmental funding received totaled more than \$13.3 million since July 1, 2022. Dr. Zanjani noted the following:

- Most of our public and governmental funding is received through a competitive grant process.
- The National Institute of Standards & Technology awarded \$2,948,610 for the National Telecommunications and Information Administration (NTIA)/Broadband: Connecting Minority Communities Pilot Program. The grant period is 2/1/23 to 1/31/25. The “Connecting Minority Communities Pilot Program” project aims to expand access to technology equipment, services, and training to provide sustainable digital equity to the communities in and around the College. The program will: expand access to needed technology devices (desktops/laptops); increase access to internet connectivity (wireless and private LTE broadband); and implement digital literacy education (community digital literacy training and on-campus workforce development training courses).

Dr. Zanjani stated that since July 1, 2022, more than \$2.75 million in funding was received through private/philanthropic fundraising initiatives. She highlighted the following:

- Achieving the Dream made the first \$120,000 payment on their \$300,000 pledge for the Accelerating and Diversifying Nursing Pathways program. To date, ten nursing programs in the country were awarded this grant.
- The Marc David Foundation gave \$383,052 to establish the Marc David Basic Needs Quasi-Endowment Fund and for the Student Care Network Emergency Fund toward a \$1.15 million pledge.
- \$50,000 was received from the estate of Sara Russock for the 50<sup>th</sup> Anniversary Scholarship fund.

- W. W. Smith Charitable Trust gave \$44,000 for the W.W. Smith Charitable Trust Scholars Program to provide scholarships for 2023/2024.
- \$48,000 was received from Parx Casino for the CCP/Parx Casino DEI Partnership.

Regarding alumni engagement, Dr. Zanjani provided the following update:

- An alumni reception will be held the evening of May 10, 2023 in the Absalom Jones Courtyard in the Library and Learning Commons. This will be the first in-person social alumni event since the pandemic. New graduates from the Class of 2023 will be invited to attend.
- Our second annual virtual alumni game night will be held on the evening of April 20, 2023.
- We have been working with Career Connections, Title III Experiential Learning, and other programs to recruit and identify alumni volunteers who are interested in speaking with students, providing career advice, and other experiential learning opportunities like work site visits and job shadowing. Alumni Relations is tracking interested alumni to build a pool of volunteers and ambassadors. On March 29, 2023, we will host a lunch & learn on finance and banking with a presentation from alumnus Mustafa Khan.
- A new alumni website is in development and will launch soon at [alumni.ccp.edu](http://alumni.ccp.edu).

At the request of Dr. Zanjani, Dr. Waller provided the following additional updates:

- The resignation of Robert Heim was announced at the last meeting of the Foundation. The Foundation Directors approved the nominations of Rodney McLeod, Jr. and Andrea Lawful-Sanders.
- Fundraising for the Annual Giving Campaign and the Black & Gold Gala are in full swing. The annual giving spring appeal mailing will go out in early April to current and past donors. Please save the date for our next day of giving, which is scheduled for Tuesday, June 13, 2023.

Regarding our friendly Trustees vs. Foundation competition, Dr. Waller noted the following:

- 27% or 4 trustees have given so far for a total of \$4,500 in support of multiple needs.
- 35% or 8 directors have given a total of \$170,550 in support of multiple needs.

Dr. Waller stated that the Gala Committee continues to fundraise for the 2023 Black and Gold Gala, which is scheduled for Wednesday, June 7, 2023, at Vie by Cescaphe. She stated that thus far, \$267,500 has been raised towards the \$1million goal. Dr. Waller urged the Board to support the Gala by securing sponsorships for the event.

Dr. Waller asked members of the Board to think of those we can solicit for sponsorships and forward that information to Mellissia and her team. She encouraged everyone to continue making connections to facilitate additional support.

Dr. Waller reported that the Major Gifts and Capital Campaign continues to move forward, and we will be reaching out individually for your gifts. She stated that Tim Spreitzer, Foundation Secretary, and Executive Vice President with the Tierney Group, facilitated two focus group sessions with Foundation Directors regarding language to be added to library of elevator speeches. She stated that the sessions were both thought provoking and inspirational.

Dr. Waller stated that The Armistead Group visited the campus on February 22-23, 2023. She stated that going forward, each Armistead group visit will feature in-person training.

#### (4) Business Affairs Committee

Mr. Soileau thanked Ms. Washington for a great report of the status of enrollment at the Career and Advanced Technology Center (CATC).

Mr. Soileau stated that the Business Affairs Committee met on February 15, 2023. He stated that staff are working on the budget. Mr. Soileau stated that the Committee has reviewed several rounds of the budget background. He stated that the work of the consultants is about final, and we can use the data from the report for this budget and future budgets. Mr. Soileau stated that we need to look at marketing, curriculum design, and curriculum review.

#### (5) Student Outcomes Committee

Ms. Fulmore-Townsend complimented Dr. Generals and staff on the Career and Advanced Technology Center (CATC). She stated that it was great to hear from the faculty regarding their commitment to student engagement and success.

Ms. Fulmore-Townsend reported that the Committee met on February 16, 2023. She stated that Dr. Karen Rege, Dean of Online Learning and Media Services, provided a presentation on the HyFlex model. She stated that students can learn in class, from home, or take a class at a later time. Ms. Fulmore-Townsend stated that the College is piloting two

classes and would like to expand. Ms. Fulmore-Townsend stated that the program uses data to make decisions on taking attendance for students; using feedback to adjust the modality; and faculty are receiving support for this mode of teaching. Ms. Fulmore-Townsend stated that several questions emerged from the discussion, namely what are the expenses to outfit classrooms? What are the budget implications? How do we motivate faculty to take on this approach? Ms. Fulmore-Townsend stated that we are starting with faculty who want to do it.

Ms. Fulmore-Townsend stated that the Committee had previously discussed and has now approved the Paralegal Studies Associate of Applied Science (A.A.S.) Academic Program Review. This item is part of the Consent Agenda.

Ms. Fulmore-Townsend stated that the Committee discussed the Behavioral Health and Human Services Program. She stated that the Committee is taking no action at this time—we are not approving or cutting the program. Ms. Fulmore-Townsend stated that enrollment in the program has declined and continues to decline. She stated that the areas that we need to focus on are: curriculum revision connected to local needs; schedule more in-person classes; and a comprehensive recruitment plan. Ms. Fulmore Townsend stated that the Committee will review the program for the next two years for improvement in outcomes.

Ms. Fulmore-Townsend stated that the Committee discussed the Honors Program. She stated that the Committee did not act on this program at this time. She stated that the Committee felt that we can do better and develop an alternative model. For example, a STEM honors program; a potential Catto honors; and a potential Parkway Center City Middle College honors. Ms. Fulmore-Townsend stated that Dr. Marshall is presently working on developing a new version of the Honors Program.

Ms. Fulmore-Townsend stated that the Committee congratulated and wished Dr. Chae Sweet well on her new position as Vice President for Academic Affairs at Montgomery County Community College. She stated that Dr. Sweet has done a great job at the College as Dean of Liberal Studies.

(6) Consent Agenda

Ms. McPherson requested Board approval of the following Consent Agenda:

- (a) Proceedings and Minutes of Decisions and Resolutions,  
Meeting of February 2, 2023
- (b) Gifts and Grants
- (c) Purchase of Catto Laptops
- (d) Renewal of Trion Contract
- (e) Rental Laptop Expenses
- (f) Paralegal Studies Associate of Applied Science (A.A.S.)  
Academic Program Review

Ms. Posoff moved, with Mr. Epps seconding, that the Board approve the Consent Agenda. The motion carried unanimously.

(7) Report of the Chair

(a) Association of Community College Trustees (ACCT)  
National Legislative Summit, February 5-8, 2023

Mr. Epps stated that he, Dr. Generals, and several Board members and staff attended the ACCT National Legislative Summit in Washington, DC. He stated that the group had the opportunity to meet with legislators to advocate on behalf of the College. Mr. Epps stated that he was impressed with the remarks made by Transportation Secretary Peter Buttigieg regarding the role of community colleges in preparing students for jobs in advanced manufacturing, workforce training, and apprenticeships.

(b) Fall 2023 Retreat

Mr. Epps stated that in addition to ideas that resulted from the December 1, 2022 Board Retreat, he asked members of the Board to forward suggestions/topics on how to move the College forward to Dr. Generals for discussion at the April Board meeting.

(c) Upcoming Events

Mr. Epps stated that he will be reaching out to Board members for representation at the following year-end events:

- The Nurses Pinning Ceremony, Friday, May 5, 2023, at 10:00 a.m., in the Gymnasium.
- The Academic Awards Ceremony, Friday, May 5, 2023, 4:00 p.m., in the Bonnell Building Auditorium, BG-10.

Mr. Epps stated that Commencement is scheduled for Saturday, May 6, 2023 at 10:00 a.m. at Temple Liacouras Center. Mr. Epps encouraged members of the Board to attend the Ceremony.

(d) Capital Campaign

Mr. Epps urged members of the Board to support the Black and Gold Gala and the Capital Campaign.

(e) Recognition of Women's Basketball Team and Coaches

Mr. Epps reported that he, Mindy Posoff, Jeremiah White, and Dr. Generals attended the Women's Basketball game on February 16, 2023. Mr. Epps congratulated the team and

coaches for a great season. He stated that it's important to support the College athletes, and thanked Ms. Posoff, Mr. White, and Dr. Generals for attending. Mr. Epps noted that the facility looks fantastic.

(8) Old Business

There was no old business discussed.

(9) New Business

Ms. Posoff reported that the Policy Workgroup met on January 19, 2023. She stated that Ms. Zellers reported that Jessica Hurst was leaving the College, and that David Solomon will be working with the Policy Workgroup. Ms. Posoff stated that to ensure that we stay on schedule with the review of policies that require Board approval, the Board will be provided with a list of policies to review for recommendations to the Executive Committee in either July or August. If the recommendations are approved by the Executive Committee, the policies will be presented to the Board for approval at the September or October meeting of the Board of Trustees.

Regarding the Board's self-assessment, Ms. Posoff stated that the Board does a self-assessment every two to three years for reasons of good governance and for Middle States. She stated that she and Dr. Gay reviewed the questions on the document. Ms. Posoff stated that a meeting of the Executive Committee will be needed in April to review and agree on the questions. Following the review, the self-assessment will be emailed to members of the Board in May requesting that the completed self-assessment document be returned by June 1, 2023. Ms. Posoff urged members of the Board to complete the self-assessment.

(10) Next Meeting

Ms. McPherson stated that the next meeting of the Board of Trustees is scheduled for Thursday, April 6, 2023 at 3:00 p.m. in the Pavilion Klein Cube. The meeting will be hybrid.

The meeting adjourned at 4:45 p.m.

(11) Executive Session

At this point in the meeting, the Board convened in Executive Session for an update on personnel, legal, and real estate matters. The Board will not return following the Executive Session.

## ATTACHMENT A

# SAXBYS CAFÉ MID-YEAR REVIEW (2022-2023)

COMMUNITY COLLEGE OF PHILADELPHIA





# SAXBYS EXPERIENTIAL LEARNING PLATFORM (ELP)

- Community College of Philadelphia is the 1<sup>st</sup> community college partnership with the Saxbys Corporation under the Saxbys experiential learning platform.
- Helmed by a Student Cafe Executive Officer (Student CEO), Saxbys ELP cafes are exclusively designed for and run by students.
- Students have the opportunity to develop power skills and real, tangible stories of leadership, while educators have the opportunity to access a living, breathing entrepreneurship lab for case studies, projects, and distinctive learning experiences.



# STUDENT CAFE EXECUTIVE OFFICER ROLE

- The Student CEO role is filled by an undergraduate student who earns full academic credit (at least 12 credits toward select programs through Prior Learning Assessment) by the Community College of Philadelphia.
- There are two cohorts of Student CEOs annually: The first cohort's tenure spans January 1<sup>st</sup> – June 30<sup>th</sup>, and the second spans July 1<sup>st</sup> – December 31<sup>st</sup>.

## ■ S.CEO Training & Experience:

- Team/talent development
- Recruitment & onboarding
- HR
- Community leadership/Public relations
- Marketing
- Financial management/ P&L statements/Inventory
- Staff & scheduling
- Customer service
- Hospitality

# ACADEMIC AFFILIATION AGREEMENT

SCEO's who have successfully completed their 6-month tenure at Saxbys will be able to earn 12 credits towards the following programs:

## ■ **AAS Business Leadership**

- Complementary discipline

## ■ **Business Leadership PC**

- BUSL 125: Customer Service Leadership, BUSL 215: Organizational Leadership, BUSL 180: Building Teams & Managing People, ECON 120: Intro to Business Analytics, ACCT 111: Business Accounting

## ■ **AAS Culinary Arts**

- CULA 271: Quantity Food Preparation, CULA 288: Work Experience II, THM 180: Human Resource Management, THM 285: Dining Room Management

## ■ **Entrepreneurship & Small Business PC** *(until Fall 2022)*

- ENTR 110: Fundamentals of ENTR, ENTR 120: Entrepreneurial Marketing, ENTR 130: Entrepreneurial Financial Intelligence, ENTR 140: Business Plan Development

## ■ **AAS Individualized Studies**

- Technical occupational core

## ■ **AA Tourism & Hospitality Management**

- THM 180: Human Resource Management, THM 285: Dining Room Management, THM 276: Food & Beverage Management, THM 290: Work Experience

# S.CEO HIRING

Saxbys HQ is responsible for the hiring, training, and professional development of all Student CEO's.

## ■ **CCP's inaugural Student CEO's 2022 –**

■ Nysair Brooks (Spring 2022). Nysair oversaw Saxbys 30<sup>th</sup> St Station café while the College's café was under construction.

- Previous Business – General major, Current Art & Design major, Catto Scholar
- Dual enrolled in ENTR PC

■ Imira Roussaw (Fall 2022). Imira oversaw and launched the College's café following our grand opening in September 2022.

- Business – General major, Catto Scholar
- Dual enrolled in ENTR PC

## ■ **Student CEO's 2023 –**

■ Vinny Zhu (Spring 2023). CCP café Student CEO.

- Resigned February 2023
- Business – General major, Catto Scholar

■ Yeismarie Rivera-Olivo (Spring 2023). PA Convention Center Student CEO.

- Appointed to CCP café February 2023
- Honors major
- Dual enrolled in Business Leadership PC

# FALL 2022

## Areas of Strength

- Average \$15 per ticket/sale
- Average 2500 tickets/sales per month
- Team members = 13
- Vouchers
- Events
- 3-week in person S.CEO training (bootcamp)

## AREAS OF OPPORTUNITY

- Staff turnover rate = 46%
- Delayed construction/caution tape
- Non-profit relationships
- Advertising
- Product availability
- Speed of service

# CONTINUOUS IMPROVEMENT OPPORTUNITIES

- Career Connections S.CEO onboarding
  - Cover duties and responsibilities.
  - Set up support coaching.
- Establishment of regular guests
- Increased catering / revenue
- S.CEO shadowing / café take-overs
  - Increase speed of service.
- Coaching & Counseling (corrective forms)
- Speaking engagements

# CATC UPDATES & 2023 PRIORITIES

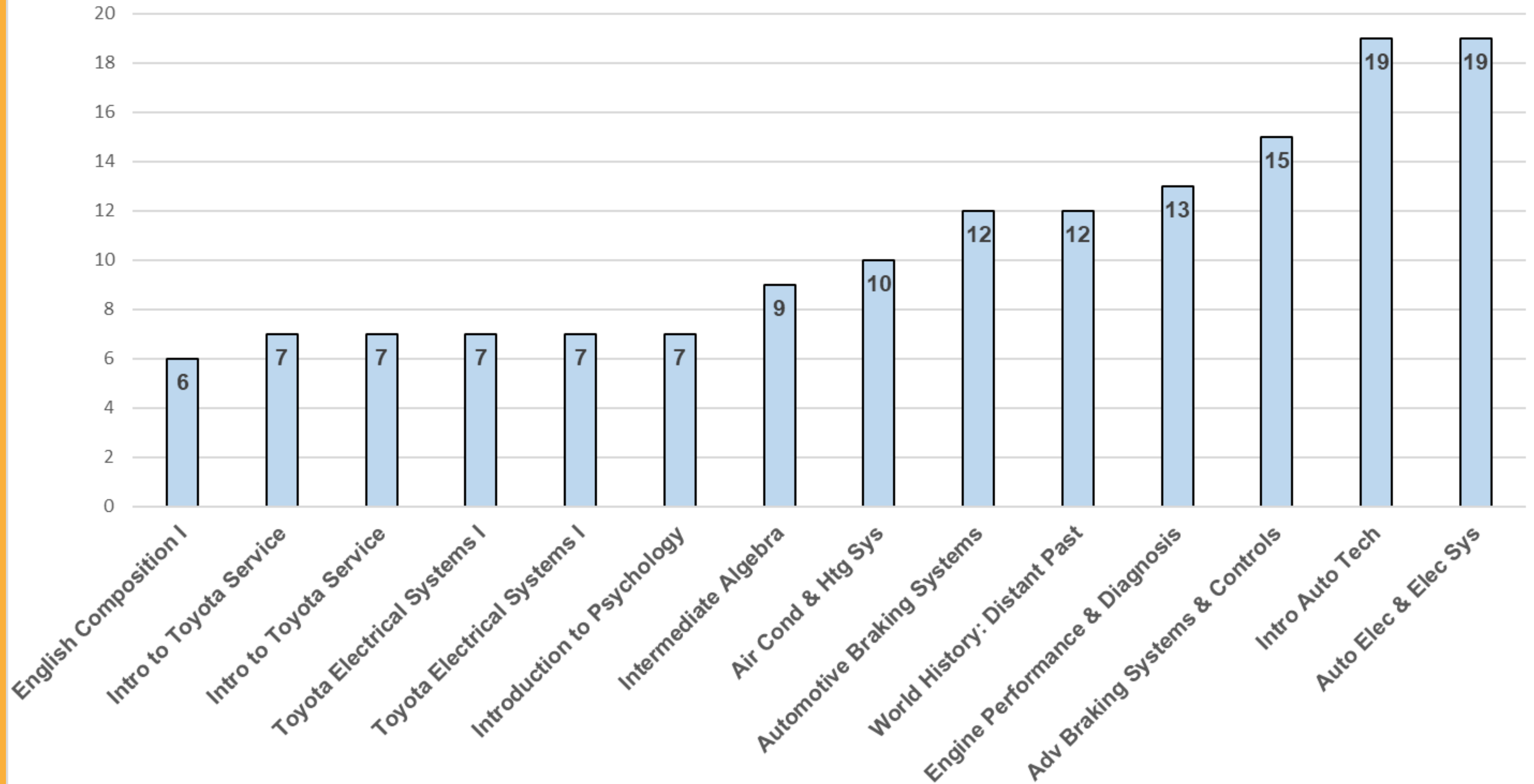
PRESENTED BY AYANNA WASHINGTON

MARCH 2, 2023

## ATTACHMENT B



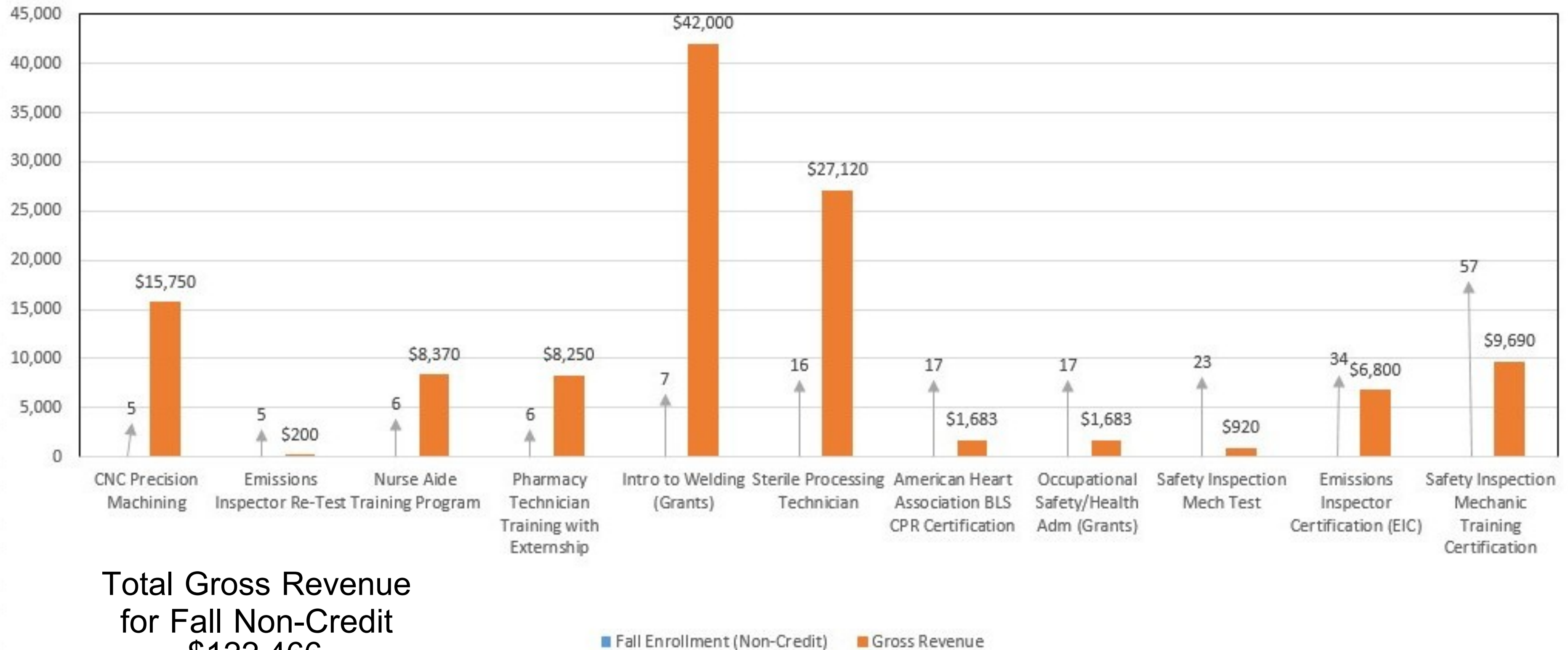
# Fall 2022 Credit Enrollment





# Fall Non-Credit Enrollment and Revenue Outcomes

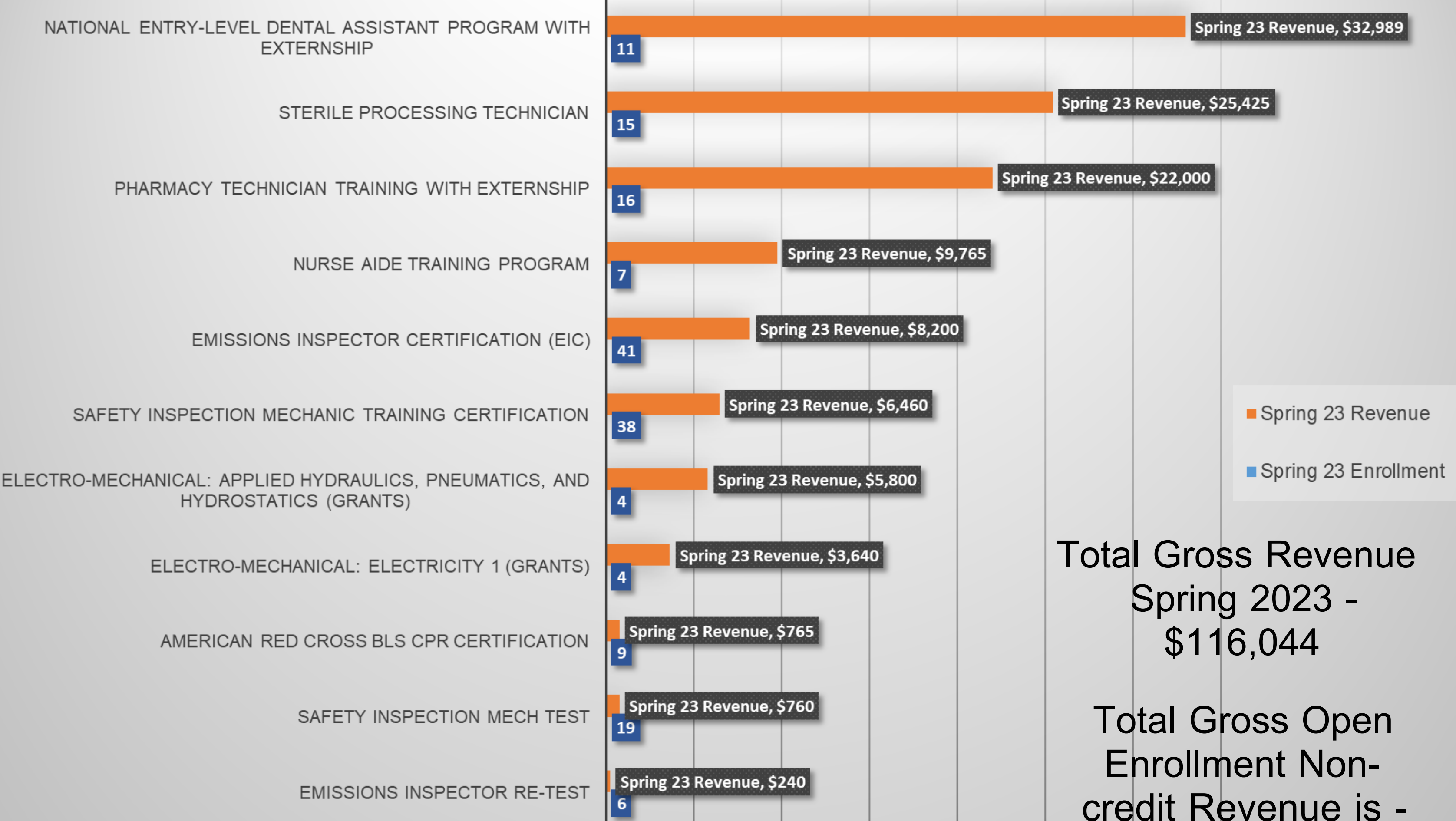
Fall Enrollment Non-credit & Gross Revenue



Total Gross Revenue  
for Fall Non-Credit  
\$122,466



Spring 2023 Enrollment & Revenue Outcomes (as of 3/1/2023)



## Students Enrolled Advanced Manufacturing

Program ▼	Instructor ▼	Capacity ▼	# Currently Enrolled ▼	# Screened Candidate ▼	Completion Date ▼↑
CNC Precision Machining Technology	C. Raybold and R. Sizer	16	5	4	12/14/2022
Welding Technology	Leslie Weitz	8	7	6	5/2/2023
Welding Technology	David Poe	8	6	6	5/4/2023
Electro-mechanical Technology (Industrial Maintenance)	Byron Mathis	15	4	4	5/11/2023
Total		47	22	20	

- Info Session with Career Connections March 16th
- Resume and Interview Prep on March 23rd and March 30th



# Navy Talent Pipeline Employers - Located in Philly

- Navy Talent Pipeline Career Fair at CATC - April 20th 1pm - 3pm
- Signing Day with the Navy Talent Pipeline May 4th at the Convention Center

Employer ▼	Welding ▼	Machining ▼	Electrician ▼
Philly Shipyard Inc.	X		
Rhoads Industries	X		
L3 Harris – Philly	X		X
Kingsbury	X	X	
Align Precision	X	X	
NSWC		X	X
NAVSUP		X	
QED Systems			X
North Atlantic Ship Repair			
Metals USA			
Naval Foundry & Propeller Center		X	
Derbyshire Machine/DHL		X	
DeVal Lifecycle Support		X	
Pennsylvania Machine Works LLC		X	X
Mistras Group Inc.			

# 2023 CATC PRIORITIES



- Increase employer engagement for all CATC programs (specifically identify employers who are interested in sourcing talent from our CATC programs).
- Collaborate with internal stakeholders to create an action plan to increase the number of sections we can offer for our CTE, credit and workforce programs.
- Work with Enrollment and Strategic Communications to continue to create brand awareness to increase prospective student engagement and enrollment outcomes.



THANK  
YOU

**Community College of Philadelphia**  
**Meeting of the Board of Trustees**  
**April 6, 2023**  
**Office of Institutional Advancement**  
**Record of Grants and Gifts FY23**

**Summary by  
Source:**

	<b>FY 2023</b>		<b>FY 2022</b>	<b>FY2023 and FY2022</b>
<b>Held by College</b>	<b>2/16/23 - 3/15/23</b>	<b>Fiscal Year To Date 7/1/22 - 3/15/23</b>	<b>Fiscal Year To Date 7/1/21 - 3/15/22</b>	<b>Variance 7/1 - 3/15</b>
Federal	\$ -	\$ 10,238,989	\$ 5,112,031	\$ 5,126,958
State	\$ -	\$ 3,130,873	\$ -	\$ 3,130,873
Local / City	\$ -	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ -</b>	<b>\$ 13,369,862</b>	<b>\$ 5,112,031</b>	<b>\$ 8,257,831</b>
<b>Held by Foundation (Cash-in-Hand)</b>	<b>2/16/23 - 3/15/23</b>	<b>Fiscal Year To Date 7/1/22 - 3/15/23</b>	<b>Fiscal Year To Date 7/1/21 - 3/15/22</b>	<b>Variance 7/1 - 3/15</b>
Corporation	\$ 35,000	\$ 625,413	\$ 502,801	\$ 122,612
Foundation	\$ 35,004	\$ 1,745,566	\$ 1,710,465	\$ 35,101
Individual	\$ 11,092	\$ 311,329	\$ 662,005	\$ (350,676)
Organization	\$ 18,149	\$ 206,441	\$ 70,191	\$ 136,250
<b>Total</b>	<b>\$ 99,245</b>	<b>\$ 2,888,749</b>	<b>\$ 2,945,463</b>	<b>\$ (56,713)</b>
<b>TOTAL</b>	<b>\$ 99,245</b>	<b>\$ 16,258,611</b>	<b>\$ 8,057,494</b>	<b>\$ 8,201,118</b>

**PUBLIC / GOVERNMENT SUMMARY**  
**Since Meeting of March 2, 2023**

- No new public/government grants since last report.

**PRIVATE / PHILANTHROPIC SUMMARY**  
**Since Meeting of March 2, 2023**

- BNY Mellon on behalf of the Helen D. Groome Beatty Trust gave \$30,000 to Single Stop to support student emergency and basic needs.



# Community College *of* Philadelphia

## April 2023 Events

### April 4

Center for Law and Society,  
Public Safety Mayoral Forum  
Center for Business & Industry, C2-28  
10:00 a.m. – 12:00 p.m.

Career Connections Spring Career Fair  
Bonnell Building, Lobby  
11:00 a.m. – 2:00 p.m.

### April 5

Single Stop Finance & Housing Workshop  
Winnet Student Life Building, Coffeehouse  
11:00 a.m. – 1:00 p.m.

CCP Votes – Voter Registration Tabling  
begins  
Various Locations and times during April.

Be Empowered Workshop,  
Division of Business & Technology  
Winnet Student Life Building, S2-03  
1:00 – 3:00 p.m.

### April 6

The Roaries, Student Leadership Awards  
Bonnell Building, Auditorium  
12:00 – 2:00 p.m.

April is Art Student Exhibition  
Mint Building, Rotunda  
Exhibit runs April 6- April 30

We're Hurting Too: How Gun Violence  
Impacts Women  
Winnet Student Life Building, S2-03  
3:00 – 5:00 p.m.

### April 10

Spring Garden Records Presents:  
Community Flips – Hip Hop Seminar  
Pavilion Building, Klein Cube  
12:30 – 2:00 p.m.

### April 11

Lindback Award Lecture by  
Lindback Honoree, Dr. Faye Allard  
Winnet Student Life Building, Great Hall  
11:20 a.m. – 1:00 p.m.

### April 12

Allied Health Transfer Fair  
Bonnell Building, Lobby  
9:30 a.m. – 2:00 p.m.

Science Week Poster Session  
Northeast Regional Center, NERC 124  
10:00 a.m. – 2:00 p.m.

### April 13

Pathways Experiential Learning Expo  
Bonnell Building, Lobby  
11:00 a.m. – 1:00 p.m.

### April 17

The Graduation Fair – *Office of Student  
Records and Registration*  
Pavilion Building, Bookstore  
8:00 a.m. – 4:00 p.m.  
Fair runs August 17-20th

International Festival 2023  
Various Locations  
Festival runs from April 17- 21<sup>st</sup>

Women Against Abuse Seminar  
Pavilion Building, Klein Cube  
10:00 a.m. – 12:00 p.m.

## April 2023 Events

### April 18

Women in Automotive & Trucking  
Technology Program  
Career & Advanced Technology Center  
6:00 – 8:00 p.m.

### April 19

Health and Wellness | Stretch Away Stress  
Seminar  
Northeast Regional Center, NERC 124  
11:00 a.m. – 1:00 p.m.

ROARchella/Spring Fling  
Winnet Courtyard & Athletics Center  
11:00 a.m. – 3:00 p.m.

### April 20

Mental Health Awareness: Movie  
Screening, Catto Scholars Program  
Center for Business & Industry, C2-28  
12:00 – 2:00 p.m.

Media/Media: An adaptation of Euripides'  
Medea Production  
Bonnell Building, The Black Box  
7:00 p.m., Runs, April 20-22

### April 21

MarcDavid LGBTQ Center: Queer Prom  
Winnet Student Life Building, Coffeehouse  
6:00 – 9:00 p.m.

### April 22

Expungement Clinic: I Am More  
Winnet Student Life Building, Courtyard  
12:00 – 3:00 p.m.

### April 24

De-Stress Fest  
Winnet Student Life Building, Lobby  
10:00 a.m. – 3:00 p.m.

Volunteer Awards Celebration  
Winnet Student Life Building, Great Hall  
11:00 a.m. – 1:00 p.m.

Music Department Ensembles  
Bonnell Building, Auditorium  
1:00 – 4:00 p.m.

Community College of Philadelphia  
Mayoral Forum  
Winnet Student Life Building, Great Hall  
6:00 – 8:00 p.m.

### April 25

Catto Scholars Graduation Ceremony  
Pavilion Building, Klein Cube  
11:00 a.m. – 12:30 p.m.

First Gen Students Graduation Ceremony  
Library and Learning Commons,  
Exhibit Hall  
5:00 – 6:30 p.m.

### April 26

FCTL Fellows Presentations and Teaching  
Awards Ceremony  
FCTL Center  
1:00 – 2:30 p.m.

Power Up Your Business Graduation  
Center for Business & Industry, C2-28  
6:00 – 8:30 p.m.

### April 29

United Voices Mayoral Forum  
Bonnell Building, Auditorium  
1:00 – 3:00 p.m.

LaLiga Community Basketball  
Tournament  
Athletics Center, Gymnasium  
2:00 – 6:00 p.m.