

Meeting of the Board of Trustees, Thursday, November 2, 2023, 3:00 p.m. Career & Advanced
Technology Center, Room 341 A&B/Hybrid

AGENDA

(1) Meeting Called to Order

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

- Strategic Planning and Board Retreat Update
- Enrollment Update
- Branding Update
- ACCT Feedback

(2) Public Comment

(3) Report of the President

- (a) Strategic Planning and Board Retreat Update
- (b) Enrollment Update
- (c) Branding Update
- (d) ACCT Leadership Congress Reflections, October 9-12, 2023
- (e) ACCT National Legislative Summit, February 4-7, 2024
- (f) Election Day, November 7, 2023-Day of Service
 - Instructional Make-up Day – Tuesday, December 5, 2023
- (g) Engage, Educate, Empower Symposium
- (h) Foundation Report (Dr. Mellissia Zanjani and Dr. Ellyn Jo Waller)

(4) Student Outcomes Committee, October 5, 2023

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(5) Workforce Subcommittee, October 5, 2023

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(6) Audit Committee, October 16, 2023

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- (a) 2023 Fiscal Year Audit Report (A)

(7) Business Affairs Committee, October 18, 2023

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(8) Consent Agenda (A)

(a) Proceedings and Minutes of Decisions and Resolutions, Meeting of October 5, 2023

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(b) Gifts and Grants

Record of Grants & Gifts FY24.pdf 164

(c) Dell Computers

(d) Architect: Mdesigns & MWJ Consulting, LLC

(e) VSBA Architect Boardroom Contract

(f) Contract with Royalty Construction Services for Dental Clinic

(g) CVS/Caremark Renewal Contract

(9) Report of the Chair

(a) Resolution of Appreciation for Steve Herzog (A)

(b) ACCT Board Member Reflections

(c) Group Picture

(10) Old Business

(11) New Business

(12) Next Meeting

Thursday, January 4, 2024, 3:00 p.m.
Northeast Regional Center
12901 Townsend Road, Room 124/Hybrid

Committee Meetings

Student Outcomes, Thursday, November 2, 2023, 1:00 p.m.
Career and Advanced Technology Center
4750 Market Street, Room 345/Hybrid

Business Affairs, Wednesday, November 15, 2023, 9:00 a.m.
Isadore A. Shrager Boardroom, M2-1/Hybrid

Workforce Subcommittee, Wednesday, November 29, 2023
3:00 p.m. Center for Business and Industry
1751 Callowhill Street, Room C2-5/Hybrid

Upcoming Events

Dedication of the Absalom Jones Courtyard, Monday, November 13, 2023,
3:30 p.m. - Library and Learning Commons

Pennsylvania Commission Virtual Statewide Trustee Meeting, Tuesday,
November 14, 2023, 6:00 p.m.

Association of Community College Trustees National Legislative Summit,
February 4-7, 2024, Marriott Marquis, Washington, DC

Calendar of Events for November 2023.pdf

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(13) Executive Session

The Board will convene in Executive Session to discuss an update on labor negotiations and real estate. The Board will not return following the Executive Session.

**STUDENT OUTCOMES COMMITTEE OF THE
BOARD OF TRUSTEES**

MEETING MINUTES

Thursday, October 5, 2023

1:00 p.m.

Hybrid

Zoom

&

Library Learning Commons, L1-13

1700 Spring Garden Street

Philadelphia, PA 19130

Presiding: Ms. Chekemma Fulmore-Townsend

Committee

Members: Ms. Sheila Ireland, Ms. Roz McPherson, Mr. Tyrell McCoy

Board

Participants: Mr. Harold Epps

College

Members: Dr. Donald General, Dr. Alycia Marshall, Dr. Mellissia Zanjani, Dr. David Thomas, Danielle Liautaud-Watkins,

Guests: Dr. Linda Powell, Special Assistant to the Provost and Vice President for STEM Outreach and Engagement/Project Director/ Professor-Department of Biology
Dr. Karen Rege, Dean of Online Learning & Media Services
Dr. Judith Gay, Consultant to the Board of Trustees

(I.) Public Session

(a) Introductions (I)

Trustee Chekemma Fulmore-Townsend called the meeting to order and referenced the September 7th, 2023, meeting minutes and materials that were shared with the Board in advance. She inferred that a timeline be established of when minutes are reviewed and approved for Student Outcome Committee meetings going forward. Next, she brought to the floor a motion to approve the minutes from the last meeting. Sheila Ireland seconded the motion. The minutes from the September 7th meeting were approved.

(b) STEM Honors Update (I)

Trustee Fulmore-Townsend turned the meeting to Dr. Marshall who began the discussion by recalling a previous Student Outcomes Committee meeting where

the Academic and Student Success division's goals were presented to include a goal around providing equitable access to challenging academic opportunities for all students. In addition, a discussion of last year's Liberal Arts Honors APR including increasing access to honors to students outside of Liberal Arts and developing a STEM Honors program. She introduced Dr. Linda Powell to share an update on the progress of the STEM Honors program as well as current and future STEM projects to increase the number of opportunities for students to have equitable access to challenging intellectual and creative co-curricular experiences.

On the opening slide, Dr. Powell pointed out the number of students that filled each biology lab and classroom, and shared student demographics that the STEM Honors program could impact including their average grade point average. From Fall 2022 through Spring 2023, the grade point average in both Biology and Chemistry is 3.2, and for Computer Science and Information Systems, the grade point average is 2.3. Based on the data available, Dr. Powell shared there were 192 students who were STEM Scholars/STEM Honors eligible for Fall 2022 and 193 students eligible for Spring 2023.

Dr. Powell shared that the STEM Honors and the STEM Scholars programs will be separate, two-tiered programs. The programs participants will be diverse, including traditional, college-age students and those who may already have bachelor's degrees and are attending CCP to gain further knowledge and skills. Her plan is for the College to offer opportunities that will help STEM Honor students excel as they move through the College's associate degree programs, and into graduate and professional study. Dr. Powell expounded on STEM Program specifics and shared that students are going to accumulate letters of support certificates on a portfolio-based program called Backpack. Points accumulated in STEM Scholars will count toward the STEM Honors program if they meet the appropriate grade point average requirements. Following that, students will be moved to the entry point of an online site where they will be able to fill out an interest form. The database will notify the student about specific programming related to their disciplinary interests. Their grade point average will have to be a 3.0 when petitioning for STEM HONORS.

Trustee Fulmore-Townsend asked, if students can participate in STEM Honor activities without the designation. Dr. Powell informed her that students can participate in information sessions and presentations but if the actual activity requires specific course work or a minimum GPA then, only that population can pursue it. For example, The Children's Hospital research requires completion of specific courses in Biology and Chemistry as well as a 3.2 GPA.

Penn Mechano-Biology is open to Engineering and Biology students who completed specific courses and achieved a certain GPA. All students can come to the information session but only those meeting the criteria can apply.

Students can apply through a website or in person to receive information. They

will need to have a faculty member or the Special Assistant to the Provost request to complete the dynamic form for the STEM Honors or STEM Scholars designation after they have fulfilled the required components. At a specified time in the semester, a faculty review committee will look over the submitted data to determine whether the students should receive STEM Scholars or Honors designation. Based on their recommendation, the dynamic form will be completed so they can receive STEM Honors or STEM Scholars on their transcript.

For the STEM Scholars program, the students are going to have to maintain that grade point average to keep the designation every semester. Students are required to have a 3.0 when they come into the program to acquire a STEM Scholars designation. However, some students might prefer not to participate in the STEM Honors program because they don't want to complete the required number of participations in STEM related activities. If students apply to the STEM Honors program, they must reach a 3.2 grade point average, have English 101 placement, and receive a sign off by coordinating faculty.

Students must have a 3.0 grade point average who are interested in STEM Scholars and complete either a service-learning project, academic research, special assignments, or a presentation and attend at least two in-person department, division, or pathway grant functions. This semester, there are between 15 to 20 different STEM related activities students can participate in that spans a variety of disciplines such as biology, chemistry, engineering, and computer science. If students move on to STEM Honors, they must maintain a 3.2 or above, have at least two poster presentations, special assignments, or academic research projects over two different STEM majors' courses. For instance, with an Honors entry level, one class is sufficient. A STEM Scholars criterion for a student must have two pathway/divisional participations and one research/special assignment/service-learning project and a 3.0+ GPA. For STEM Honors they need three pathway/divisional participations and two research/special assignment/service-learning projects and a 3.2+ GPA. These activities are not necessarily in a specific class or classes. They can be at an off-campus or government organization.

Dr. Powell provided insight regarding the merit of student work. Students are expected to display the acquisition of grades to support that they have developed critical analysis skills. The students are required to present an abstract hypothesis or thesis that is at the level of what would be presented at an academic research symposium. The work must be at a level demonstrating critical analysis, understanding of the topics and rigor to justify the work is honor's level. If students are math majors, they are required to include analytical computation with mathematical analysis, show interpretation of their data and show a competency of the understanding of their outcomes and solutions. Dr. Powell discussed oral presentations and posters for the fall and spring semesters which will enable students to have multiple opportunities to present and display their work. The presentation for review may be a published paper, poster, PowerPoint or oral presentation with data. For example, there are Community College of Philadelphia students participating in a symposium for academic research that they completed at the University of Penn, or the Annual Biomedical Research

Conference for Minoritized Scientists. For the STEM Scholars and STEM Honors students, their science club participation will also count as participation towards the designation.

Dr. Powell also shared with the Board a listing of activities, industries and events that senior research scientists, doctors, and pharmacists who are among the Community College of Philadelphia alumni are involved in such as the Penn Pathway Alumni Speaker Series. She also informed the Board of a new program that involves the St. Mary's Medical Center's residents, and the residents of Philadelphia College of Osteopathic Medicine. These residents are going to adopt CCP students and mentor them through medical school admission. We also have Community College of Philadelphia students who go to Brookhaven National Labs and participate in their research. Our students are also participating in the Children's Hospital summer research program at the Center for Translational Medicine. The University of Penn has also had a long-standing relationship with the Community College of Philadelphia. They hold a certain number of slots in their research programs for our students every year. Dr. Powell explained that through the College's programs, her goal is for CCP STEM Honors students to be associated with high quality learning from one of the most rigorous programs in this city. In laying the foundation for the STEM Scholars and STEM Honors programs, Dr. Powell informed the Board that she has sent students to Google hackathons through AMP and some have placed / won prizes pre-pandemic. There is an opportunity for more students to go to hackathons from CCP. The Discovery Center is another new programming relationship where the College's students are doing academic research in conjunction with the Audubon Society. Dr. Powell then opened the floor for questions.

Trustee Fulmore-Townsend asked how we were able to develop the STEM Honors program so quickly after it was only discussed in concept during the spring semester. Dr. Powell explained that the College's Guided Pathways structure allows all the Department Heads, and Program Coordinators to work together to honestly assess what students and faculty both need. She also shared that her 28-year grant relationships throughout the city and her affiliation with the National Science Foundation and the National Academy of Sciences contributed to being able to develop the program quickly.

Trustee Fulmore-Townsend asked Dr. Marshall if there are other opportunities for accelerated progress and structure like the progress of STEM Honors. Dr. Marshall credited the framing and communication related to the Division's goals and priorities which support the development of objectives and action items to accelerate the work. Additionally, since faculty and staff themselves are developing the objectives and action items, there is already a level of buy-in, urgency and an understanding of common goals in support of innovative practices to positively impact student success.

Trustee Epps complimented Dr. Powell on her presentation. He reflected on the specific demographics and historic reputation of the country whereas women, and people of color often don't matriculate in large numbers through STEM pathways.

He stated that collectively, we should work to ensure broad participation of students of color in the STEM Honors programs. Trustee Epps referenced a conversation he had with Trustee Jeremiah White that our college should be a first choice for low-income, first-generation students in the sciences because of our low-cost tuition and high-quality programs. He suggested that from a Marketing and Public Relations perspective, perhaps a Hall of Fame program could be created that would consist of graduates who could bring visibility of what's possible when you start at the Community College of Philadelphia. Dr. Powell agreed and informed the Board of a senior research scientist named Andre Marc Pierre Loue, who works for Corning Glass in Corning, New York. He began his studies in the remedial math program at the Community College of Philadelphia and continued to pursue both his undergraduate and doctorate degrees at Temple University. He is now on the science research leadership team at Corning Glass. Dr. Powell also shared information about another former student named Tamika Wilson who is a Senior Analyst for the supply chain at Campbell's Soup. Tamika talked to students as an Alumni of the Year two years ago. Dr. Powell stated that she would be willing to provide the names of alumni who have an interest in engagement with the college. Trustee Epps suggested that alumni such as those named by Dr. Powell possibly have their own branded scholarship. He stated that companies are giving major institutions hundreds of thousands of dollars a year in scholarships. To acquire these funds, we must start making the case why the Community College of Philadelphia is deserving of such funds. Both Trustees Epps and McPherson stated that multiple opportunities to market alumni is needed, and that corporate newsletters could also promote and highlight the Community College of Philadelphia alumni, which could be cross promoted as a strategic marketing campaign focusing on STEM. Trustee McPherson shared she would like to make sure young people have a clear understanding of the multitude of jobs that exist in the STEM field. Trustee McPherson also shared with Dr. Powell that she would like to connect her with Deborah Crabb, an African American cardiologist and research scientist specializing in women's health who is resourceful in terms of acquiring grants.

Dr. Generals asked Dr. Powell to describe in more detail the AMP program. Dr. Powell explained to the Board the Louis Stokes Alliance for Minority Participation, named after Louis Stokes, is referred to as the AMP program. African American, Latino and Native American students who are high performing are eligible. Most of the students within the program for the academic year of 2022-2023 had an average grade point average of 3.2 and needed to meet that average GPA to receive a grant. However, a student can come into the AMP program with a 2.0, and students with a 2.5 are able to receive book stipends. Dr. Powell explained that students need to understand that they have to have something to aim for in various types of careers. As they study with students who are academically stronger, they see and learn behavioral patterns of success.

Dr. Marshall concluded the STEM Honors program discussion and stated that the program is an example of how the Academic and Student Success division is

working to develop very targeted programming, and to promote that the Community College of Philadelphia is truly a destination for high-achieving students. She transitioned to the next update on HyFlex and the alignment with the Academic and Student Success division strategic plan. HyFlex is an example of something the college has implemented that supports our efforts to increase the college's graduation rates while eliminating racial equity gaps.

(c) HyFlex Update

(I)

Dr. Marshall introduced Dr. Karen Rege, the Dean of Online Learning and Multimedia Services to talk about the CCP's new HyFlex modality. Dr. Karen Rege opened her discussion by explaining to the Board the meaning of HyFlex. The HyFlex instructional method is a hybrid flexible course format that combines a face-to-face (F2F) and online learning instructional format. Each class session is offered in-person, synchronously online, and asynchronously online. At any given point while enrolled in the course, students can decide how to participate. They can choose to come to class one day, or sign in using Zoom the next day. This learning format provides them with flexibility beyond the traditional online or in-person class. Dr. Rege shared the current classes that are offering the HyFlex modality option. There were two outfitted HyFlex classrooms in use as a test pilot for three classes for the Spring 2023 semester: Biology 109 in NERC, Mathematics 161 in room BR 22, and Nutrition 111 in NERC.

Trustee McPherson asked Dr. Rege for clarity on the number of students reflected in each classroom. Dr. Rege informed the Board that there were 36 students in BIO 109, 4 students in NUTR 111, and 36 students in MATH 161. Dr. Rege continued by sharing survey feedback from students with the Board that was taken during the beginning of the pilot and as an exit survey at the conclusion of the course. Some of the feedback highlighted the ease of work life balance, the ability to be flexible to manage childcare needs, and the ability to manage transportation costs to campus. Many of the students also liked that class materials can be reviewed during their own time. Dr. Rege shared that 86% of the students surveyed would take a HyFlex class again.

Dr. Rege discussed the student's attendance pattern of the HyFlex modality from two weekly class sessions of the Spring 2023 semester. Clark Loveridge, a math professor, calculated HyFlex students and how they participated in every class session. One of the results highlighted showed how many of the students who started out in-person shifted to taking the course online by the end of the semester. Dr. Rege then reviewed the success rates of the pilot courses and found that overall, 78% of students passed the class and had a higher pass rate in the HyFlex modality compared to the students taking the same courses in-person. Trustee Epps asked how students who drop classes are captured. Dr. Rege explained that withdrawals and data from the Nutrition and Biology classes were not captured on the report. However, Professor Loveridge did inform her that he

had three withdrawals from his math course, which is less than he has had in previous semesters. Trustee McPherson asked if a student's preference can be determined, and which learning method is best. For example, what type of student would learn best through independent study, taking the class in an online format, versus in-person. She also asked whether Language Arts or courses from other disciplines were used in the pilot. Dr. Rege informed the Board that there are 10-12 pilot sections running this semester in other subject areas across all three academic divisions and there were faculty who volunteered upfront. At the end of this semester, we will have more information on how this modality is doing in a larger variety of courses and disciplines.

Dr. Marshall added that the division has seen a significant difference in attendance as a result of the HyFlex modality and that there appears to be a positive relationship between attendance, student engagement, and course completion. With HyFlex students now having an option to attend asynchronously, many students have remained in classes where they might have otherwise dropped out. The flexibility offered does have a positive impact on retention, attendance, and possibly on final grades. Trustee McPherson asked if teacher effectiveness was being measured, or just the effectiveness of students. Dr. Marshall informed her that teaching effectiveness in this modality has not been measured yet, however, Dr. Rege is working on quality control in not only Hyflex courses, but all online courses. Trustee McPherson asked if they were seeing more effective pedagogy through the outcomes tested. Dr. Marshall informed her that the faculty are self-selecting and typically are those who want to try something new. These faculty tend to be high-achieving and committed to completing the required training for successful implementation of this modality. Dr. Rege stated that another important factor considered in the survey was making sure students understood the meaning of a HyFlex class, and if they had initial technology challenges, or needed additional support. The students were also asked how the HyFlex option affected their ability to learn in the course. Overall, the results have been very positive.

Trustee Epps asked if the survey results shared included dual enrollment students. Dr. Rege informed him that she would have to go back and disaggregate the data to identify dual enrollment students. Dr. David Thomas replied to both Trustee Epps and Dr. Rege to inform the Board that his department will look at the classes to see if there were any dual enrollment students enrolled in pilot courses. However, the courses used in the pilot were not traditionally dual enrollment courses because students often choose courses that would meet their high school graduation requirement. They also tend to prefer in-person classes so that they can come to campus and have more of a college experience. Trustee Epps suggested that as the College reaches out to younger students, they are bound to be a part of the equation. Dr. Thomas explained that traditionally, dual enrollment students are expected and required to go to face to face classes for various reasons. Both their parents and their principals want to know where students are during class. However, this year, the College has expanded partnerships with a lot of the cyber

charter schools that exist both in Philadelphia and across the Commonwealth. The cyber charter school students would be ideal for a HyFlex course offering and modality. Dr. Thomas stated he would meet with Dr. Rege and her team to discuss pilot options.

Dr. Rege continued her presentation by highlighting the first survey that resulted in about 86% of the students stating they would enroll in HyFlex again. The survey found that 33% of the students enrolled this semester purposefully selected another HyFlex course. The students surveyed either had taken a HyFlex course previously, or they were told about the course from other students or their advisors.

For the Fall semester, the HyFlex courses that were added included Foundational Math, Calculus, Business, several English courses, Interpersonal Communications, Family Relationship Counseling, and Allied Health. This spring, there will be more HyFlex courses offered. Dr. Rege revisited a point made by Dr. Marshall with regards to training. She informed the Board that in her conversations with several other institutions in the area and around the country, she learned that some of the biggest challenges have been not getting the courses to run successfully due to the inadequate training of faculty. To prepare to teach Hyflex at CCP, the faculty attend a 10-hour asynchronous training course prior to teaching in the pilot. HyFlex Application Labs provided an opportunity for faculty to practice teaching the HyFlex modality in person and utilizing the camera features for students who participate on Zoom. The Hyflex faculty share resources and information from their experiences and what they are learning with each other in a support group/learning community. The faculty have also started a book club. Some faculty teaching HyFlex courses are reading an online book that's free and openly licensed by Brian Beatty, who teaches at the University of San Francisco. He is one of the pioneers of HyFlex. Our College has also had a faculty guest speaker from Kent State University, Dr. Wendy Teats, who's been sharing her best practices in HyFlex. Her visit to the campus was sponsored by the Faculty Center for Teaching and Learning (FCTL) and supported by Title III funding. Trustee McPherson asked if technical assistance is available during class sessions if needed. Dr. Rege informed the Board that wraparound support is provided to faculty during sessions. There are also resource manuals for the technology in the classroom so that the faculty have a guide to troubleshoot. Phone numbers are available to call if they need assistance right away.

Dr. Rege explained that a six-minute video has been created to teach students about how to participate in a HyFlex course, and what to expect in the class. There have been some challenges however, around audio issues in these classes. To fix the issues, consultants were brought in to review all the classrooms. There are currently seven classrooms that are designated for HyFlex and there are two more that will be built this academic year. Due to HyFlex being in the pilot phase, the marketing and communications about HyFlex has not been shared broadly. There are still faculty and students who are not aware of HyFlex. Information

about HyFlex will need to be connected in the information systems for when the students look for courses. They will need to be labeled in the data dashboards. The development team is working to create a scale up plan so that the resources needed for HyFlex are identified. Trustee McPherson stated that HyFlex modalities gives students an opportunity to play to their strengths in terms of how they best learn. Dr. Rege stated she is excited to see if the needle on the retention can be moved. Trustee Epps asked how we stack up with other community colleges who are using HyFlex. Dr. Rege informed the Board she will investigate regionally. There have been conversations with Montco where HyFlex has not been running successfully however, Finger Lakes Community College has 63 HyFlex courses up and running. Overall, HyFlex has been more widely adopted in the graduate school level than it has in the undergraduate and community college level. One of the biggest barriers that community colleges face related to developing HyFlex has been due to a lack of technology funding resources. Faculty training challenges are also a critical barrier that community colleges face with regards to having HyFlex modality success. We feel that with our extensive training opportunities and real-time support for faculty, CCP is well positioned to have a successful HyFlex pilot and full implementation leading to improved student learning outcomes.

Trustee Fulmore-Townsend informed the Board that all meeting agenda items have been met and adjourned the meeting.

Meeting of the Workforce Subcommittee
Wednesday, October 5, 2023 (11:00am-12:00pm)
Room C2-5

Present: Ms. Sheila Ireland, Presiding: Dr. Donald General, Dr. Alycia Marshall, Dr. David Thomas, Dr. Judith Gay, Mr. Pat Clancy, Mr. Harold Epps, Dr. Mellissia Zanjani, Ms. Danielle Liautaud-Watkins, Mr. Chris Lewis, Ms. Ajeenah Amir, Mr. Gim Lim, Dr. Greg Mason, Ms. Chekemma Fulmore-Townsend, Mr. Derrick Sawyer, Dr. April Voltz, Ms. Jasmine Sessoms, Ms. Josephine DiGregorio, Ms. Theresa Neal

Ms. Sheila Ireland called the meeting to order and the minutes from the previous Workforce Subcommittee were approved.

Chair Ireland talked about the realignment and the Workforce Development Convening.

Derrick Sawyer discussed the FY 2022-2023 Unit Performance Revenue & Expenses for non-credit.

- Overall Revenue and Expenses are both up for non-credit.
- Expenses up 22% and Revenue up 24%.
- Expenses include non-credit salaries, operational expenses for software and services. Enrollment numbers are up so there is a need for more faculty.
- Revenue is up due to programs like Massage Therapy and more non-credit classes running in general.

Chair Ireland asked Mr. Sawyer what was the reason for the increase and what is the expectation.

- Increase due to the increase in non-credit programs.
- More running non-credit programs.

Chair Ireland asked what program generated the most revenue the quickest.

- Massage Therapy
- Contracted Training such as Philadelphia Workforce Investment Board, and Philadelphia Housing Authority.

Dr. Marshall stated that we served approximately 350 more student than we did last year.

Ms. Danielle Liautaud-Watkins discussed the Workforce Development Convening.

- Approximately 125-150 participants will be attending.

- Deloitte Hosting with Working Nation.
- 3 Discussions will take place by 3 CCP related Professionals, one Moderated by Chair Ireland, One Moderated by Mr. Pat Clancy and the third Moderated by Dr. Vance Gray.

Ms. Liataud-Watkins then gave an update on the Navy Welding Pipeline.

- As a training provider we want to ensure all the skilled workers needed and fulfill the needs of the Navy. Both Small and Medium businesses in the area and part of the PA Talent Pipeline.

Chair Ireland called Ms. Ayanna Washington who was not in attendance so Dr. Marshall informed the Committee that her CATC Enrollment report will be included with the minutes.

Dr. Alycia Marshall transitioned into the School to Work Program which introduces students into the fields of Welding and Advanced Manufacturing. This program provides students career awareness and preparation, exposure and direct training. Students will complete the program with direct connections with employers and post-secondary programs and in some cases, students will be placed directly into job positions.

Dr. Marshall introduced Dr. April Voltz, Associate Vice President, Strategic Initiatives and Community Engagement who discussed the School to Work Program via a Power Point presentation. Some of the high schools in the program are as follows:

- Pipeline to Advanced Manufacturing
 - John Bartram High School
 - Ben Franklin High School
 - Horace Furness High School
- Industrial Welding Pre-Apprenticeship Program
 - Randolph Technical High School
 - Ben Franklin High School
 - Jules E. Mastbaum High School
- Program is Registered with the PA Department of Labor and Industry
 - Career Readiness & Industrial Maintenance Mechanic
- Rhodes Industries has partnered with Community College of Philadelphia on the development of this program model and the standards.
- On-ramp to Rhoads' Welder-Cutter-Fitter Registered Apprenticeship program.
- For the Welding we are funded for about 115 students
- For the Advanced Manufacturing we are funded for approx. 107 students

-We are in final stages.

Several Questions were addressed:

Mr. Harold Epps asked if we thought about doing a Speaker Series for the students to hear from the workers in the field?

-Dr. Voltz responded by saying yes, each of those programs involve Career Speakers.

Chair Ireland asked how many students are in each class?

-Dr. Voltz responded that they are still recruiting for each high school but the Advanced Manufacturing has 30-35 students for this semester and for the Welding we have between 50-58 students.

Dr. Dave Thomas informed the Committee that the ACT158 was approved and that we have received \$638,000.

Dr. Marshall discussed the Operational Alignment Report (submitted to the 10/5/23 Minutes).

Chair Ireland asked about the Institute for Work at CCP as an intended grant opportunity to be supported by the Department of Labor Strengthening Community Colleges Grant.

-Dr. Mellissia Zanjani stated that she would supply that information at a later date to the committee.

Meeting Adjourned at 11:36pm

MEETING OF AUDIT COMMITTEE (HYBRID)
Community College of Philadelphia
Monday, October 16, 2023 – 10:00 a.m.

Present for the Audit Committee: *Via Zoom* - Mr. Anthony Simonetta, Mr. Harold Epps, Mr. Rob Dubow, and Ms. Ajeenah Amir

Present for the Administration: Donald Generals, Ed.D., Mr. Jacob Eapen, Victoria Zellers, Esq., Mr. Gim Lim, Mr. Robert Lucas, Mr. Barry Sulzberg, and Mr. Derrick Sawyer

Representing Grant Thornton: *Via Zoom* - Ms. Angelica Roiz and Ms. Gabriella D'Angelo

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

AGENDA – PUBLIC SESSION

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

1. Approve Minutes of Audit Committee Meeting on June 21, 2023 (Action Item):

Action: Mr. Tony Simonetta asked whether anybody has corrections or changes to the minutes. Hearing no changes, Mr. Simonetta asked for a motion to recommend acceptance of the June 21, 2023 Audit Committee meeting minutes (Attachment A). Mr. Harold Epps made the motion. Mr. Rob Dubow seconded the motion. The motion passed unanimously.

2. 2023 Fiscal Year Audit Report (Action Item):

Ms. Angelica Roiz presented the results of the 2023 audit (Attachment B). She informed the Committee that typically Grant Thornton would be issuing the Financial Statements (Attachment C) at the end of September but this year the College decided to take advantage of the City's extended deadline which is the end of October. Ms. Roiz stated that Grant Thornton has completed almost all the audit procedures. There are a few remaining closing items and some concluding procedures to go through before a final review by a concurring partner. Ms. Roiz stated that they don't expect any changes or adjustments that may change the draft significantly. Ms. Roiz stated that Grant Thornton plans on issuing the Financial Statements by the 3rd week of October. If any issues were to surface while finalizing the Financial Statements, they would report those to the Audit Committee.

Ms. Roiz then revisited Grant Thornton's audit timeline and scope for the audit. Grant Thornton met with Management in June to go over the audit plan to confirm expectations and discuss business risks. Ms. Roiz stated that they did not have to deviate significantly from the plan. Grant Thornton performed walkthroughs and planning throughout the summer and through the month of September.

Ms. Roiz stated that Grant Thornton will meet again with the Audit Committee in March 2024 to issue the Uniform Guidance audit of the College. Grant Thornton also issues a couple of Agreed Upon Procedures Reports in the December 2023 timeframe.

Ms. Roiz stated that a significant risk is management's override of controls. This is a presumed risk in all audits because of the potential for fraud. It is not specific to the College but Grant Thornton considers it as a significant risk. Ms. Roiz stated that Grant Thornton take all of the population of the journal entries that were posted during the year to understand the preparers, approvers and make sure segregation of duties is appropriate as well as to make sure they have a complete set of journal entries that were posted by the College for purposes of the audit. Ms. Roiz stated that Grant Thornton runs various queries on the entries in order to pick samples for detail testing to make sure they are supported by adequate information and properly reviewed and approved. A lot of this feeds into Grant Thornton's segregation of duties over financial reporting testing as well as IT. Ms. Roiz stated that Grant Thornton did not identify any fraud or any suspicion of fraud. In addition, Grant Thornton also interviewed staff in Payroll and other functional areas of the College to make sure there were no unusual items or entries.

Ms. Roiz stated that for investments, Grant Thornton reviewed the endowment and the Foundation investments that are reported on the College's financials as well as the College's investments. Ms. Roiz stated that all of them were confirmed without exception. Grant Thornton reviewed the fair value and disclosures of the investments and are comfortable with the valuation and disclosures. Tuition revenues and auxiliary revenues were subject to Grant Thornton's detailed testing. Ms. Roiz stated that Grant Thornton reviewed tuition and fees to make sure the amounts are reasonable. Grant Thornton selected a sample of students to make sure the data agreed back to their files and rosters, ensured that any deferred revenue is properly recorded, and the allowance for doubtful accounts is reasonable. Ms. Roiz stated that Grant Thornton is comfortable with the methodology that Management used for the allowance and there was no need for any significant changes year to year.

Ms. Roiz stated that Grant Thornton reviewed the appropriations revenue from the City of Philadelphia as well as the Commonwealth to confirm those amounts and also tested receivables, cash receipts and any outstanding items based on confirmations.

Ms. Roiz reported that the College discloses its Other Post-Employment Benefits (OPEB) liabilities in accordance with Governmental Accounting Standards Board No. 75. This work is actuarially determined. Grant Thornton have in-house actuaries who reviewed the work of Sageview, the College's external actuary, to ensure a comfort level with their assumptions and disclosures. Ms. Roiz stated that Grant Thornton also tested some of the participants' census data. No exceptions or adjustments were noted on that front.

On State and Federal Grants, Grant Thornton reviewed the amounts that were charged as expenses. These grants are mostly cost reimbursements grants. As the College incurs expenses, it records revenues. Ms. Roiz reported that Grant Thornton also reviewed the terms and conditions of the grants to ensure the College is in compliance with any restrictions. Ms. Roiz reported that in 2023 the College spent the remaining portion of the HEERF 3 grant. The College also received an additional supplemental award under the Higher Education Emergency Relief Fund (HEERF). Grant Thornton included this award as part of this year's audit and will perform compliance testing on activity for the Uniform Guidance audit.

Ms. Roiz stated that accounting estimates are also subject to the audit procedures. The valuation amounts, the allowance, and the post-retirement benefit obligations, which are likely the biggest and most significant estimates. Grant Thornton's procedures are designed in part to make sure that the estimates are reasonable and that Management's estimates are not biased and that Grant Thornton is comfortable with these inputs of those amounts with again no exceptions or issues noted. Ms. Roiz stated that the Financial Statements are deemed to be complete and accurate. This year the College implemented GASB No. 96 Subscription-Based Information Technology Arrangement (SBITA). As a result, a single year presentation was adopted which Grant Thornton is comfortable with. Ms. Roiz stated that Management engaged Cherry Bekeart, LLC to help the College inventory these agreements and make sure they are appropriately recorded on the Financial Statements. As a result of the adoption, there is a new asset as well as a liability on the balance sheet for right of use assets and the subscription liability over these terms.

Ms. Roiz reported on the topic of technology, and that Grant Thornton reviewed Banner as the in-scope system for the College. Within Banner, Grant Thornton reviewed the Financial Aid module to confirm who can package and disburse aid making sure there is an appropriate segregation of duties within that system. Ms. Roiz stated that Grant Thornton also looked at Banner module from the general ledger perspective. Grant Thornton reviewed Administrator access, password parameters, as well as best IT practices. Grant Thornton did have a couple of recommendations applicable to best practices and shared certain things with Mr. Eapen and his team including the CIO of the College. Ms. Roiz reported there are no significant deficiencies or material weaknesses that may give rise to a finding should be communicated or be made aware of to the Audit Committee.

Mr. Dubow asked what were the recommendations. Ms. Roiz stated that the recommendations are largely around best practices for password parameters and doing look backs to confirm if there were any changes in the system that the College is reviewing on a periodic basis. The changes should be monitored to ensure there is an audit trail. Additionally, best practices applicable to termination of users should be addressed to ensure that when individuals leave the College their access is terminated timely. Grant Thornton was able to confirm that those individuals did not do anything in the system post-termination date. Mr. Eapen stated that the College has put in place a multi-factor authentication so there is additional security control in place at the College. Ms. Roiz stated that the College has made great strides in recent years on the IT front around best practices and has bolster itself against the threats of cyber security. Grant Thornton is not testing cyber security for penetration or third-party intrusion but is making sure that the College has a security framework like using multi-factor authentication and having cyber security insurance.

Ms. Roiz noted that Management engaged consultants this year to assist with the implementation of GASB No. 96 as well as with assembling the Financial Statements. Ms. Roiz stated that Grant Thornton did have one uncorrected misstatement this year, which was deemed to be immaterial. Management was aware of it and agreed it was immaterial. It related to the presentation of appropriations and had no impact on the net position for the College.

Action: Mr. Simonetta asked whether anybody had any concerns or questions. Hearing no concerns or questions, Mr. Simonetta asked for a motion to recommend acceptance of the June 30, 2023 Financial Statements ([Attachment C](#)). Mr. Dubow made the motion. Ms. Ajeenah Amir 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, one audit had been finalized, and five audits were in various stages of progress.

Mr. Lucas provided some additional information regarding the audits currently in progress. He noted that the audit of Return to Title IV Funds was based on a request from the former Board Chair Jeremiah White who asked last year if Internal Audit could perform one or two audits of student financial aid per year. This audit was selected since it was an area of concern in the 2019 DOE review. Mr. Lucas also noted that an audit of conferred degrees was in progress which was based on a request from Mr. Epps several meetings ago to gain assurance that such information is communicated in a consistent manner and based on effective procedures and controls.

Mr. Lucas then reviewed with the Committee the Internal Audit Plan which was also provided to the members by email in advance of the meeting. He noted the changes made to the status of several audits in the plan since the last meeting.

Mr. Lucas then reviewed with the Committee the Internal Audit Follow Up Matrix on where the audit comments, recommendations, and management's action plans are tracked. The matrix distributed to the Committee members by email in advance of the meeting. Mr. Lucas noted that the action plans for several items had been fully addressed by management and, as such, were highlighted in green. He also noted that the remaining items on the matrix were highlighted in yellow, denoting that action plans were in progress, or not highlighted indicating that the items were not yet past the original target dates of their action plans. Mr. Lucas also noted that there were currently no items on the matrix highlighted in red which would indicate they were more than a year past their target date.

Mr. Dubow asked about the dates on the Internal Audit Plan indicating the anticipated fiscal year and quarter the audits were planned to begin. Ms. Zellers responded that the audits are sometimes deferred, or performed out of order based on staffing concerns in departments or known projects or workloads which would not allow staff to properly support the performance of the audit. Mr. Lucas stated he would update the plan to reflect audits not started in 2023 but expected to being in 2024.

Ms. Amir asked about risk ratings of audits on the Internal Audit Plan, and specifically the High ratings for the financial aid audits. Mr. Lucas stated that the ratings are the preliminary ratings based on certain factors and risks. These audits are all deemed to have high risk as non-compliance and targeted areas like adherence to government regulations would be problematic for the College. Mr. Lucas stated that the risks for these audit subjects may be determined to be lower based on audit work that would reveal satisfactory procedures and controls in place to help support compliance with the associated regulations.

Mr. Dubow also asked Mr. Lucas to explain the subject of Return to Title IV Funds. Mr. Lucas provided the Committee with a brief overview of the subject and the circumstances under which changes in a student's attendance would cause the College to be required to return federal financial aid funds to the DOE.

Mr. Epps inquired about the Iraq/Afghanistan Service an in the Line of Duty Grants. Mr. Lucas explained that these federal grants were for the children of service members who died as a result of military service in those two countries after September 11, 2001.

4. Internal Audit Committee Update (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 audits reports for which there may be questions or concerns about recommendations or action plans in issued or draft audit reports. He stated that the committee members had met monthly since the last Audit Committee meeting.

5. March 2024 Meeting Date (Information Item):

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

Mr. Simonetta asked if everyone was in favor of adjourning the meeting and Dr. Donald Generals stated that there was one other item that the College would like to discuss with the Audit Committee. Ms. Victoria Zellers, Esq. stated that many Colleges are getting hit with the Borrower Defense Repayment Claims for students. The regulations were changed and this is a claim that can be brought if there was an alleged misrepresentation or something the College made when the student took a loan during the Financial Aid process. Ms. Zellers, Esq. stated that there were changes in the regulations that basically allow the claims to get forwarded to the College without the DOE (Department of Education) having to do any kind of internal screening or review before they get sent out to the colleges. All colleges and Universities across the country are getting hit with the claims. Ms. Zellers, Esq. stated that in late September the College received 50 claims, which is not that uncommon for a large Community College with a population that has financial constraints.

The College's Executive Director of Compliance, Dr. Raye Thompson, is handling these claims and they have been reported to United Educators. Ms. Zeller's office or Jim Keller of Saul Ewing LLP will look at the final claims before they are submitted. However, since the DOE is not doing an initial internal screening to see if the claims have merit, there are circumstances like payment plan becoming a loan instead of it actually becoming a debt. Ms. Zellers, Esq. stated that students didn't have to pay their loans during COVID and then the loans were coming due and it was advertised that if you don't want to pay your loans you can file a claim for Borrowers Defense for Repayment. Ms. Zellers, Esq. stated to Ms. Roiz that she will include this in the audit letter she will be providing to Grant Thornton so they have a record that these claims exist. Ms. Roiz expressed her thanks for the heads up and trust this issue will not have an impact on this audit or these Financials from an accrual or a disclosure perspective. However, Grant Thornton will look at it going forward.

Mr. Simonetta asked if everyone was in favor of adjourning the meeting, Mr. Epps made the motion and Mr. Dubow seconded the motion.

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
Mr. Barry Sulzberg
Representing Grant Thornton: Ms. Angelica Roiz
Representing Grant Thornton: Mr. Alex Ney

ATTACHMENT A
MINUTES FROM JUNE 21, 2023
AUDIT COMMITTEE MEETING

**MEETING OF AUDIT COMMITTEE
Community College of Philadelphia
Wednesday, June 21, 2023 – 1:00 p.m.**

Present for the Audit Committee: Mr. Anthony J. Simonetta (*via Zoom*), Mr. Steve Herzog (*via Zoom*), Mr. Harold Epps (*via Zoom*), Mr. Rob Dubow (*via Zoom*)

Present for the Administration: Donald Generals, Ed.D., Victoria Zellers, Esq., Mr. Gim Lim, Mr. Robert Lucas, & Mr. Derrick Sawyer

Guest: Ms. Angelica Roiz, Audit Partner, Grant Thornton
Mr. Alex Ney, Audit Senior Manager, Grant Thornton
Mr. Anthony B. Scott, Chairman & CEO, The Meridian Group (*via Zoom*)
Dr. Judith Gay, Vice President, Emerita (*via Zoom*)

AGENDA – PUBLIC SESSION

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

6. Approve Minutes of Audit Committee Meeting on March 24, 2023 (Action Item):

Action: Mr. Anthony Simonetta asked whether anyone had corrections or changes to the minutes. Hearing no changes, Mr. Simonetta asked for a motion to recommend acceptance of the March 24, 2023 Audit Committee meeting minutes (Attachment A). Mr. Steve Herzog made the motion and Mr. Rub Dubow seconded the motion. The motion passed unanimously.

7. 2022-2023 Audit Process (Information Item):

Ms. Angelica Roiz began by asking for Mr. Anthony B. Scott to introduce himself to the Committee. Mr. Scott stated the Meridian Group is going on for almost 16 years and is based in Philadelphia. Mr. Scott stated that the Meridian Group has broad public and private sector experience. Mr. Scott stated that he wanted to take a moment to acknowledge how much he appreciates the Community College of Philadelphia's commitment to diversity. Mr. Scott stated that as he navigates through Corporate America and even in the Government sector, the Meridian Group doesn't find a significant amount of commitment to diversity. Mr. Scott stated many organizations talk about diversity but don't follow through with it. Mr. Scott stated that Meridian Group appreciates that the members of the Audit Committee have prioritized diversity as a significant priority at Community College of Philadelphia. Mr. Scott stated that he wanted to acknowledge Grant Thornton's decade long relationship with the Meridian Group and have been blessed to have worked with Grant Thornton on multitude projects both from an audit and a management consultant perspective on some relatively large engagements over the past few years. Mr. Scott thanked Ms. Roiz and Grant Thornton for their commitment to the Meridian Group and to the Community College of Philadelphia for their commitment to

supply diversity in leadership. Mr. Scott stated the Meridian Group is excited about being part of the project this year with Grant Thornton and is committed to provide quality staff and support for the engagement. Mr. Scott also mentioned that he has known Mr. Anthony Simonetta for a number of years and wanted to thank him for his support.

Ms. Roiz thanked Mr. Scott for the kind words and stated that Grant Thornton looks forward to working with the Meridian Group in this important capacity. Ms. Roiz stated that Grant Thornton has completed the client acceptance procedures and engagement letters have been shared and signed. Grant Thornton has met with management to do some preliminary discussion and the Audit Committee Meeting is also part of Grant Thornton's planning and risk assessment that they do for the audit. Ms. Roiz stated that they are required to ask the Committee if they are aware of any fraud or suspicion of fraud. Hearing none, Ms. Roiz stated that the Audit Committee is free to ask any questions or share any information at any time. Ms. Roiz stated that Grant Thornton will be contacting Ms. Zellers to get an understanding of any legal matters affecting the College. Ms. Roiz stated that Grant Thornton does not have any concerns around the timing or scope but will keep the door open for those conversations during the audit. Most of Grant Thornton's work happens in late summer/early fall timeframe. Grant Thornton will meet with the Audit Committee again at the end of September to present the results of the audit as well as get the Audit Committee's approval on the final draft financial statements that ultimately go to the City of Philadelphia by the end of September. Then Grant Thornton will come back again in the winter through early March timeframe for the compliance audit procedures.

Ms. Roiz went over the various sign-off dates of the audits (Attachment B): September is the Short Form Financial Statement, the Uniform Guidance happens in March, which is the compliance work that is due at the end of March, and Grant Thornton also does a few Agreed Upon Procedures reports that are usually in the December time frame so these are completed by the end of the year. Ms. Roiz then asked Mr. Alex Ney to take over the presentation to go over the significant risks and other areas of focus for this year's audit.

Mr. Ney stated that the first significant risk is related to revenue and it is associated with the grants that were received by Community College of Philadelphia. Grant Thornton will test a sample of these grants to insure they have been recognized appropriately and this will include testing of HEERF (which is the COVID funding) that is still continuing to be expended by Community College of Philadelphia which Grant Thornton will also use for the Uniform Guidance testing later in the year.

Mr. Ney stated the second significant risk is management's override of controls, which is a risk that is apparent in all of Grant Thornton's audits. Mr. Ney stated that Grant Thornton will again review the controls and processes in place at the College. Mr. Ney stated that Grant Thornton will test journal entries and perform fraud inquiries with management to determine whether Grant Thornton should be made aware of an issue.

Mr. Ney stated the third significant risk is evaluation of investments where Grant Thornton will confirm the existence of the College's and Foundation's investments directly with the custodians as well as evaluate the appropriateness of disclosed fair values of those investments. Mr. Ney stated the other main area of focus is tuition revenue where Grant Thornton will test the overall reasonableness of the amounts reported by the College and perform detail tests of revenue on a per student basis, which again will also feed into both the short-form audit and the uniform guidance audit later in the year.

Mr. Ney stated that Grant Thornton will also test appropriations as needed based on the materiality of the revenue streams during the year. Grant Thornton will include GASB 75 audit procedures, which is the accounting for post-retirement plans. Grant Thornton will be bringing in specialists that work specifically in this area to test the reasonableness of the assumptions used by Community College of Philadelphia and the College's actuaries to compute the liability that exists. Finally, consistent with all audits, Grant Thornton will also assess the reasonableness and the appropriateness of the accounting estimates mentioned earlier, such as the investment fair value and the completeness and accuracy of the financial statement disclosures.

Mr. Ney then mentioned the programs that Grant Thornton is planning to audit during the uniform guidance testing. These include the student financial aid cluster, HEERF (which is the remaining COVID funding) and the Career and Technology education given the expenditures are typically greater than \$750,000, which is the normal threshold in determining major programs. Mr. Ney stated that these are based on preliminary numbers and preliminary determinations and they are subject to change based on final numbers.

Mr. Ney stated that the audit procedures Grant Thornton will perform is consistent with their understanding of the federal compliance requirements issued by the Federal Government each year. Ms. Roiz added that this will be the final year auditing HEERF. As of June 30, 2023, all of the HEERF money is expected to have been fully expended and closed. Ms. Roiz stated that the amount is much smaller now in 22-23 than it has been the past two years, but it will still be subject to testing to get enough coverage over all of the awards. Community College of Philadelphia is designated as a low risk auditee, which means that Grant Thornton has not had any reportable findings or significant issues in those compliance audits in the past two years as well as the few years before that as well. Ms. Roiz stated that Grant Thornton is doing a two-year look back to get 20 percent coverage for those awards and the testing Grant Thornton does is governed by compliance supplement that comes out annually and the Department of Education has its own chapter. Ms. Roiz stated that Grant Thornton has specific procedures that they are prescribed to be performing and those include compliance and control.

Ms. Roiz stated that in addition to the financial statement audit team, Grant Thornton also has an IT Audit support team that does work ahead of time around the Banner system. They look at the Financial Aid module, Administrator access and password testing. Ms. Roiz stated that Grant Thornton is testing Banner to make sure segregation of duties are appropriate and that everyone has the appropriate level of access based on their role at Community College of Philadelphia and that the design of the system is appropriate. Ms. Roiz stated that a lot of the work does center around the Financial Aid module because it is used to process, disburse and package aid and there are certain limits that Grant Thornton is looking at to make sure they are being appropriately monitored and addressed by Community College of Philadelphia.

Ms. Roiz stated that there is a new GASB standard effective with this year that is GASB 96. Last year it was GASB 87, which was the leasing standard. GASB 96 is like an incremental accounting to GASB 87 and it relates to subscription-based IT arrangements that colleges and universities are a party to. These types of arrangements were scoped out last year when the leasing standard was implemented so now they will be separately evaluated. Ms. Roiz stated that it was already discussed with management and Grant Thornton knows that Community College of Philadelphia has a good plan around how the

College is going to handle the adoption from day one. Ms. Roiz stated that Grant Thornton will have it in the audit scope this year and there will be some new footnote disclosures. Additionally, there will be a gross up on the balance sheet of the College. There will be a right to use asset and a resulting liability for any of these IT arrangements that are considered in scope.

Ms. Roiz then provided a brief industry outlook beginning on Slide 14 of the handout. Ms. Roiz stated that Community College of Philadelphia's was most recently marked as stable by Moody's. According to Ms. Roiz, the industry outlook is varied so there is not one outlook that applies to all. Ms. Roiz stated that there is disparity among colleges and universities and a lot of that is driven by the fact that the HEERF funding is coming to a close and by the volatility of the capital markets and uptick of operating expenses in certain cases. She noted that in general, higher education overall did a very good job in cost containing and reducing expenses over the past couple of years. Ms. Roiz stated that Grant Thornton sees continued growth in alternative programming. Colleges and universities are looking at ways to continue to be creative in the programs they are offering to students but not at the expense of existing programming and to continue to think about who can they partner with, how can they serve and what will ultimately help the bottom line the most. Ms. Roiz stated in terms of consolidation, it is not so much of consolidation or mergers of institutions but programmatic consolidations that Grant Thornton is seeing more frequently and they expect that will likely continue.

At this point coming out of the pandemic and the end of the funding stream, Grant Thornton is looking at a shift towards strategic plans and discussions around enterprise risk management, and focus on what the next couple of years will look like. Mr. Epps asked whether there are any industry trends that Grant Thornton sees about physical plants given the nature of population stagnation and hybrid delivery. Ms. Roiz replied that she doesn't feel it is too much but higher education is still trying to figure out the right mix and that is probably why the outlook is varied depending on the type of institution and size. On the changing demographics and the lower number of high school students graduating, Ms. Roiz stated that colleges and universities are figuring out ways to combat that by determining what programs to consolidate, combine or eliminate while being thoughtful around how colleges are serving that shrinking of population of students. Mr. Epps thanked Ms. Roiz for her explanation.

Mr. Rob Dubow asked Ms. Roiz if this just focused on community colleges and would there be anything added or taken off. Ms. Roiz stated that with respect to community colleges, dependency on appropriations and public funding are especially important for that sector. Also important are the demographics of the students served and what needs those students have and what ways community colleges are engaging the students and communities that may be different with the hybrid, in-person and vocational programming. Ms. Roiz stated that it is more specific for the students and the composition of the funding.

Mr. Simonetta asked Ms. Roiz if Grant Thornton is hearing anything more about consolidation within the higher education industry. Mr. Simonetta stated that there was a recent merger between Drexel and Salus University. Ms. Roiz replied that Grant Thornton is hearing in pockets across the country but more on programmatic consolidation rather than the full merger of universities or colleges. Ms. Roiz stated that it is more focused on ways to partner with another institution to deliver programs or to reach different students, for example Drexel is partnering with Pierce College for the adult learners. Ms. Roiz stated

that bigger mergers are a little more difficult and take longer to get approval as reasons why they are not as common.

Mr. Dubow asked Mr. Epps if the Audit Committee should share Moody's rating with the full board. Mr. Epps answered yes it should be shared with the full board. Ms. Roiz stated that if there was interest in Grant Thornton presenting to the full board a sector presentation, they would be happy to do it. Mr. Epps stated they may consider that for the fall Board Retreat.

8. Internal Audit Plan (Information Item):

Mr. Lucas provided an update on the 2022-2024 Internal Audit Plan (Attachment C). He provided a summary report of activities since the last Audit Committee meeting and a spreadsheet of the Internal Audit Plan by email in advance of the meeting. Mr. Lucas stated that, since the last Audit Committee meeting, one audit report remains in discussion with management, and four audits were in various stages of progress.

Mr. Lucas provided some additional information additional audits added to the plan. First, he noted that an audit titled Degrees Conferred and Certificates Earned had been added to the plan based on a request from Mr. Epps at a prior Audit Committee meeting. This change was approved by management. Mr. Lucas also stated that he had solicited the Cabinet members in April for their input of audits they believe should be considered as potential additions to the plan. He stated that Cabinet members had requested two other potential audit subjects, which are included in the revised Internal Audit Plan under alternate audits. Mr. Lucas noted that these subjects would be evaluated for inclusion in the plan based on additional discussions with management and determination of the risks associated with the subjects.

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 all of the 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.

9. 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 (Attachment C) for which there may be questions or concerns about recommendations or action plans in issued or draft audit reports. Mr. Lucas also noted that the committee met in May to solicit updates for items on the matrix including changes in action plans and target dates. Any such changes were included in the version provided.

Hearing no other questions, comments or announcements, Mr. Simonetta asked for a motion to adjourn the meeting. Mr. Epps moved and Mr. Dubow seconded the motion.

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 B

Grant Thornton's
2023 Audit Results Presentation



PRESENTATION TO THOSE CHARGED WITH GOVERNANCE

2023 Annual Audit Results Presentation

Community College of Philadelphia

October 16, 2023

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

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Grant Thornton Contacts

We are pleased to meet with you today to present the 2023 financial statement audit results. We look forward to continuing to work with Community College of Philadelphia in this important capacity.



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Chairman and CEO

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Audit timeline & scope

April 2023	Client continuance	<ul style="list-style-type: none"> • Confirm independence and perform client continuance procedures • Issue engagement letters • Conduct internal client service planning meeting, including coordination with audit support teams
May / June 2023	Planning	<ul style="list-style-type: none"> • Meet with management to confirm expectations and discuss business risks • Discuss scope of work and timetable as well as identify current year audit issues • Initial Audit Committee communications (e.g., discuss recently issued accounting pronouncements of relevance) • Materiality Determination
June / July 2023	Preliminary risk assessment procedures	<ul style="list-style-type: none"> • Develop an audit plan that addresses risk areas/identify significant risks & focus areas • Update understanding of internal control environment • Coordinate planning with management and develop work calendar
July 2023	Walkthroughs	<ul style="list-style-type: none"> • Perform walkthroughs of business processes and controls
August / September 2023	Final fieldwork	<ul style="list-style-type: none"> • Perform final phase of audit and year-end fieldwork procedures • Meet with management to discuss results, including review of draft financial statements, misstatements (if any) and completeness/accuracy of disclosures • Present results to the Audit Committee
Sign Off Date	Deliverables	<ul style="list-style-type: none"> • Financial Statements (short-form <i>October</i>, Uniform Guidance <i>March</i>); AUP's <i>December</i> • Listing of unrecorded/recorded misstatements and omitted disclosures (if any)

Significant risks

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

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

Other areas of focus

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

Area of focus	Results
Valuation of investments	<ul style="list-style-type: none">• Obtained independent investment valuation and monitoring reports from investment managers.• Confirmed existence of investment holdings directly with custodians.• Tested reasonableness of investment-related income, including unrealized appreciation/(depreciation) in fair values.• Obtained most recent independent auditors' reports for all non-marketable alternative investment positions. Reviewed auditors' reports to assess quality of financial reporting and type of opinion received.• Obtained SSAE16 reports from investment custodians.• Evaluated prioritization of inputs used to determine fair value investment assets is reasonable and in accordance with GASB 72, <i>Fair Value Measurements</i>, and review related disclosures.
Tuition revenue, auxiliary enterprises and related receivables/deferred revenue	<ul style="list-style-type: none">• Performed reasonableness test on tuition and fees, student aid and auxiliary revenue amounts.• Performed detail testing of a sample of transactions, agreeing to source documentation• Performed deferred revenue testing to determine proper cut-off.• Assessed management's analysis of allowances for doubtful accounts for reasonableness, consistency with methodology and accuracy of inputs.

Other areas of focus (continued)

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

Area of focus	Results
Appropriations revenue (City & State)	<ul style="list-style-type: none">• Obtained detail of appropriations received for the fiscal year.• Confirmed amounts, agreed to revenue recorded in the general ledger.• Reviewed receivable balance, reconciled the cash received to amounts outstanding based on confirmations.
GASB 75, <i>Accounting and Financial Reporting for Postretirement Benefits Other Than Pensions</i>	<ul style="list-style-type: none">• Reviewed the analysis of accrued postretirement benefit obligations.• Assessed the reasonableness of actuarial assumptions: discount factor, trend rates and cash flows, amongst others.• Tested participant census data.
State and Federal Grants & Contracts	<ul style="list-style-type: none">• Reviewed contracts to obtain understanding of the terms of selected grants.• Compared revenues and recorded expenses to determine that amounts are being recorded appropriately based upon the terms of the contracts.• Reviewed any deferred amounts for reasonableness.• Agreed any subsequent collections to year-end receivable balances.• Reviewed propriety of financial statement presentation and disclosures.

Other areas of focus (continued)

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

Area of focus	Results
Accounting estimates	The preparation of the College's financial statements requires management to make multiple estimates and assumptions that affect the reported amounts of assets and liabilities as well as the amounts presented in certain required disclosures in the notes to those financial statements. The most significant estimates relate to the valuation of non-exchange traded alternative investments, allowance for doubtful accounts, and the determination of post-retirement benefit obligations, amongst others. Our procedures have been designed in part, to review these estimates and evaluate their reasonableness.
Financial statement disclosures	Our procedures also include an assessment as to the adequacy of the College's financial statement disclosures to ensure they are complete, accurate and appropriately describe the significant accounting policies employed in the preparation of the financial statements and provide a detail of all significant commitments, estimates and concentrations of risk, amongst other relevant disclosures required by US GAAP.
GASB 96, <i>Subscription – Based Information Technology Arrangements</i>	Reviewed management's analysis related to the adoption of GASB 96, implemented as of July 1, 2022. Tested a sample of subscription-based information technology arrangements for completeness and accuracy. Evaluated the appropriateness of management's financial statement disclosures related to the adoption of the new accounting pronouncement.

Technology support as part of the audit process



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

In scope application: Banner

1. Financial aid module review
2. Administrator Access & Password Testing

Other required communications

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

Going concern matters

Fraud and noncompliance with laws and regulations

Significant deficiencies and material weaknesses in internal control over financial reporting

Use of other auditors

Use of internal audit

Related parties and related party transactions

Significant unusual transactions

Disagreements with management

Management's consultations with other accountants

Significant issues discussed with management

Significant difficulties encountered during the audit

Other significant findings or issues that are relevant to you and your oversight responsibilities

Modifications to the auditor's report

Other information in documents containing audited financial statements



Quality of accounting practices

Accounting policies Accounting policies are consistently applied and appropriate.

Accounting estimates Accounting estimates are reasonable and disclosed in the financial statements. The most significant estimates relate to the valuation of level 2 investments based on NAV per share and actuarial estimates for the College's post-retirement plan (OPEB) under GASB 75.

Disclosures Financial statement disclosures are complete and accurate, including the implementation of GASB 96 and related disclosures for subscription assets and liabilities.

Uncorrected misstatements Overall financial statements and disclosures deemed to be clear and appropriate. We identified an immaterial reclassification adjustment in the amount of \$3,462,853 to reduce capital appropriations and increase unrestricted net position by \$2,741,572 and federal grants and contracts by \$721,281. This proposed reclassification adjustment was deemed to be immaterial to the financial statements and did not impact the total change in net position of the College for the period.



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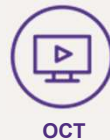


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ATTACHMENT D
2022-2024 Internal Audit Plan Status

COMMUNITY COLLEGE OF PHILADELPHIA

Date: October 16, 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:
 - Employee Computer Loans

- Audits in progress:
 - Veterans' Benefits
 - Part-Time Faculty Medical Benefits
 - Return of Title IV Funds
 - Conferred Degrees
 - 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.

- Currently assisting the internal ADA Committee with follow up on their recommendations and management action plans (at the request of senior management).

* * * * *

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

Functional Area	Risk Rating	Risk Explanation / Reason for Audit	Fiscal Year	Stage	Planned Quarter
Financial Audits					
403(b) Transactions *	L	Determine adequacy of controls and procedures over payments to retirement savings vendors	2024	**	2
Other Accounts Receivable	L	Determine adequacy of procedures and controls over A/R other than tuition	2024	2	2
Computer Loans	L	Determine adequacy of procedures and controls related to employee loans for computer purchases	2023	7	3
Lion Card	L	Determine adequacy over controls and procedures related to prepaid card program	2024		1
Operational Audits					
403(b) Administration *	L	Determine adequacy of controls and procedures related to employee requests related to retirement savings	2024	**	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
Compliance					
Veterans' Educational Benefits	M	Determine compliance procedures related to Veterans' Education Benefits Laws	2022	4	4
Catto Scholarship	M	Determine compliance with policies, procedures and scholarship documents	2023	**	4
State Recruiting Regulations	M	Determine compliance with associated regulations / restrictions	2023		2
Family Medical Leave Act	L	Determine compliance with policies, procedures and regulations	2023	**	4
Federal Student Loans / Return of Title IV Funds	H	Determine compliance with federal regulations and College policies, procedures and controls for such loans	2023	4	3

Conferred Degrees	L	Determine related processes to ensure consistency in volumes of degrees across internal and external parties	2024	1	4
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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
ITS					
Alternate Audits					
Administrative					
Follow Up on Prior Issues			Ongoing		Ongoing
Committee Meetings (Grants, Data Breach, EMT, external audits/reviews)			Ongoing		Ongoing

Stage:

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

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

Community College of Philadelphia Internal Audit Follow Up Matrix

Report Date	Area/ Responsible Party	Recommendation	Target Date	Update Date	Management Response / Follow up
77 5/24/2018	Disaster Recovery and Response Plan Vijay Sonty Victoria Zellers is coordinating updates with Cabinet members	Cyber Breach Committee should meet quarterly to determine the status of data which may not be sufficiently secured. The CIO should be empowered to direct actions to be taken to secure this data. Senior management should be informed of risk areas not secured in a timely manner.	9/30/18 5/31/21 8/31/21		<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 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 & applications.</p> <p>11/1/21 Committe 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>12/7/21 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>5/4/22 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> <p>12/31/23 Reviews and updates of the SaaS matrix are currently being performed by Cabinet members for their respective divisions.</p>
87 6/19/2018	Emergency Operations Plan Jacob Eapen	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>

Community College of Philadelphia Internal Audit Follow Up Matrix

Report Date	Area/ Responsible Party	Recommendation	Target Date	Update Date	Management Response / Follow up
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 10/31/23	10/9/2023	<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> <p>The original set of DRPs were completed. Further updates are considered to be the responsibility of the DRP owners / Cabinets members who can and should update their plans as changes are deemed necessary and when required by senior management to perform full updates.</p>
93A	9/7/2018 Non-ITS Administered Programs Vijay Sonty Victoria Zellers is coordinating updates with Cabinet members	Internal Audit recommends that the Cyber Breach Group establish goals and timetables to address education of department owners related to PII, as well as the security of PII within the College's physical areas and systems.	TBD 5/31/21 8/31/21	11/1/21 12/7/21 3/29/22 5/4/22 8/31/23 10/31/23	<p>A search for a new AVP of Information & Technology is in progress. As facilitator of the Cyber Breach Group, that person will be responsible for following up on any information still needed from the users departments of the SaaS programs based on the most recent survey. The new AVP will schedule another meeting of the Cyber Breach Group within 90 of his/her start date to review progress and next steps for this action.</p> <p>Cyber Breach Committee will be established and timetable and goals will be addressed in the next 90 days.</p> <p>Previously PII Survey was completed and will be revisited in our next Data Breach and Cyber Security Group meeting.</p> <p>See Item 77 response.</p> <p>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> <p>Please see Item 77 response.</p> <p>Reviews and updates of the SaaS matrix are currently being performed by Cabinet members for their respective divisions.</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 Victoria Zellers is coordinating updates with Cabinet members	Internal Audit recommends that ITS review the programs listed in the PII survey and determine if there are time sensitive programs for which downtime for any reason could interfere with the functionality required by staff to perform their duties and provide services to both staff, faculty and students. Since ITS is well versed in continuity planning for the programs they manage, it would be prudent for ITS to assist departments with time sensitive programs in developing procedures related to such downtime.	TBD 5/31/21 8/31/21	3/29/22 5/4/22 8/31/23 10/31/23 12/31/23	The new AVP, when hired, will solicit management's input for each of the programs to determine if any are considered critical to the mission and work of the College, both academic and as a business, such that downtime will quickly be problematic. For any such programs, ITS will offer to consult with management to help ensure that the department and/or vendor is sufficiently prepared to address interrupted access promptly. The target date to solicit this information from management is 120 days after the start date of the new AVP. See response to item 93A. ITS has taken the lead and updated the PII Data and SaaS Applications Matrix. ITS is working with departments in providing whatever support is needed. Please see Item 77 response. Reviews and updates of the SaaS matrix are currently being performed by Cabinet members for their respective divisions.
143	5/11/2022 Social Media Accounts Shannon Rooney	Internal Audit recommends that Policies #306 and #307 be reviewed and updated as appropriate or incorporated into another policy. Internal Audit also recommends management consider incorporating language into a policy which denotes that the same guidance and governance over the College's interactive systems applies to management and staff who are responsible for (1) the College's own social media accounts; and (2) all College affiliated social media accounts such as those for departments, groups and programs.	05/31/23	12/31/23	Vice President of Enrollment Management and Strategic Communications will be working to revise language in policies #306 and #307 to include all relevant accounts within the next year.
144	5/11/2022 Social Media Accounts Shannon Rooney	There are a small number of staff within Strategic Communications who have user access to the College's social media accounts. Internal Audit recommends documented procedures be developed for users of the current accounts to help ensure consistency among users and to reinforce security steps.	05/31/23	12/31/23	VP of Enrollment Management and Strategic Initiatives will work with the Director of Communications to create this document within the next year. Management is currently working on development of procedures for social media accounts.
145	5/11/2022 Social Media Accounts Shannon Rooney	Internal Audit suggests it may be prudent to establish certain protocols for review and approval processes of social media posts. Examples include posts which reference legal situations, the Federation, or employment situations in which it would be prudent for General Counsel to approve; or posts regarding ongoing emergency situations which should be approved by the Director of Public Safety.	05/31/23	12/31/23	VP of Enrollment Management and Strategic Communications and the Director of Communications will incorporate review policies into the above-referenced document over the next year. Management is currently working on development of protocols for social media posts.
148	5/11/2022 Social Media Accounts Shannon Rooney	Internal Audit recommends that a master list of such social media accounts be compiled to help ensure the groups and their designated users are aware of related College policies. It may be prudent to share procedures developed by Strategic Communications to help ensure prudent processes and security protocols are in place for these accounts. Training needs may also be identified for these users to help them ensure appropriate use of these accounts.	05/31/23	12/31/23	VP of Enrollment Management and Strategic Communications and Director of Communications will compile the list and establish a social media workgroup to conduct regular trainings and check-ins within the next year. Management is currently working to compile a master list of related social media accounts.

Community College of Philadelphia Internal Audit Follow Up Matrix

Report Date	Area/ Responsible Party	Recommendation	Target Date	Update Date	Management Response / Follow up
149	5/31/2022 CAN-SPAM Act Shannon Rooney	Internal Audit recommends a formal protocol be developed which clarifies that departments and groups that send such solicitations must be in compliance with the law, offering opt outs when appropriate, processing such elections on a timely basis, and doing so in a manner consistent across the College.	12/31/22	06/30/23	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.
150	5/31/2022 CAN-SPAM Act Shannon Rooney	Internal Audit recommends the Strategic Communications group work with other survey respondents to determine if any of their emails may be subject to the ACT, and if so, have procedures or processes which followed to help ensure compliance with the Act. Procedures should be developed and shared across these group to ensure consistency as well as compliance with the Act. Procedures should address opt-out/unsubscribe methods as well as database updates for those who request to be removed from future solicitations.	12/31/22	06/30/23	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.	12/31/22	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.
156	5/31/2022 50th Anniversary Scholars Program Shannon Rooney	Internal Audit recommends that the program procedures be reviewed and updated as needed, and approved by appropriate management within the Enrollment Management.	12/31/22	12/31/2023	Management will update the procedures related to administering the 50th Anniversary Scholars Program and document them by December 31, 2022. The procedures will reflect the College's position on the residency requirement for this program to match that of the College's residency requirement.
157	3/31/2023 Employee Computer Loans Gim Lim	Internal Audit recommends that the review process of the loan package be strengthened to ensure the buyer is in fact the employee getting the loan and has paid for the computer prior to obtaining the loan.	12/31/2023	9/25/2023	Management agrees that the documentation should show the name of the employee as the buyer or recipient of the purchased computer. Management has drafted revised procedures for this benefit program and expects them to be approved as needed by December 31, 2023 to ensure the terms and conditions reflect the current program. Procedures were updates and approved and were effective July 1, 2023.
158	3/31/2023 Employee Computer Loans Gim Lim	Internal Audit recommends that management update the section of the handbook which describes this benefit.	12/31/2023	9/27/2023	The Employee Handbook is currently being updated. Management has drafted updated language for the section describing this benefit in the handbook and expects it to be approved as needed by December 31, 2023. The link to the updated version of the procedures for this benefit was provided to Strategic Communications and it has been posted to both the online Employee Handbook and to the Human Resources webpage for employee benefits.

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

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

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

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

June 30, 2023

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Report on the financial statements**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, 2023, 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, 2023, 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.

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 14 and the required supplementary information on pages 54 through 56 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 58 through 60 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other information

The other information comprises the statistical section and demographic statistics on pages 62 through 70, 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 any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2023 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Grant Thornton LLP

Philadelphia, Pennsylvania
October 24, 2023

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2023

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 students support services.
- The College expanded and enhanced the new office of enrollment navigators. The office provides 1:1 support ensuring students complete each step of the enrollment and registration process seamlessly.
- The College distributed more than \$200,000 in emergency funds directly to students experiencing crises who would have otherwise withdrawn from the College.
- The College launched a successful pilot program to provide students who have earned more than 30 credits additional time to satisfy outstanding account balances without fear of being dropped for nonpayment. In the first year of the initiative, more than 500 students were able to continue taking classes, contributing to retention growth.
- Following last year's launch of the student equity initiative, the Faculty Center for Teaching and Learning implemented a project to focus on supporting students with invisible disabilities. The project provided faculty with resources that could inform, educate and support them in meeting the needs of students with invisible disabilities.
- The Catto Scholarship was offered for the third year with 1,255 students receiving free tuition, books, and monthly stipends. The Catto Scholarship is a bold new anti-poverty initiative sponsored by the City of Philadelphia. The Scholarship provides comprehensive wrap around services including individualized success coaching, last-dollar tuition funding, and financial support to cover the cost of student basic needs such as food, transportation, and books. In 2023, the College recorded expenses of more than \$5.4 million to support the Catto Scholarship program.
- 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2023

- The 75,000 square feet Career and Advanced Technology Center (CATC) opened in August 2022 and now brings state of the art career training and community engagement to a low-income neighborhood. CATC currently offers workforce development programs in the areas of Advanced Manufacturing, Healthcare and Automotive Technology. Under the advanced manufacturing suite of programs are Welding, Computer Numeric Control (CNC) and Electro-mechanical technology. In the healthcare suite of programs are Sterile Processing Technician, Pharmacy Technician, Dental Assistant and Nurse Aide programs. Several technology and engineering focused programs were launched in May 2023. The Electro-Mechanical Technology program will provide participants with Festo Level 1 Fundamentals NC3 certifications for all 6 modules. This will prepare students for careers in industrial maintenance and opportunities to become electro-mechanical technicians. The Computer Support Specialist program will prepare students to earn a network and systems administration proficiency certificate or a cybersecurity proficiency certificate. CompTia A+ certification and CompTIA Network+ are additional certifications that students will be able to earn.
- The Jr. STEM Academy at CATC continued to offer summer programming in robotics; drone building, programming, and operation; app development; and advanced manufacturing to students from West Philadelphia middle schools and offer after school and summer programming in robotics; drone building, programming, and operation; app development; and advanced manufacturing. During the year, a full-time administrator was added to run the program.
- To better position the College as an effective resource for workforce development, the Workforce and Economic Innovation unit was integrated into Academics and Student Success under the leadership of the newly created Provost, and the Associate Provost for Academic Affairs and Workforce Development.
- A new 10-week non-credit Aseptic Technician training program was launched with students on waitlist. Aseptic Technicians assemble finished sterile products, ensure that laboratory clean rooms remain in a state of constant cleanliness, and perform other activities within production facilities to support manufacture of Cell and Gene Therapy products.
- While the overall student population remains smaller than at its pre-pandemic peak, each part of every term since fall 2022 has seen year-over-year growth in overall headcount as well as in credit hour generation. Enrollment trends appear to have stabilized and the College is hopeful it has moved to sustained growth. Total enrollment increased 1.0% from 16,596 students in 2021-2022 to 16,769 students in 2022-2023.
- In fiscal year 2024, the College will be launching a new website with anticipated enhancements in search engine optimization and easier student usability. The College will also launch a newly envisioned brand identity and increase marketing visibility. The College anticipates these efforts will result in greater rates of inquiries and applications.
- During the year ended June 30, 2023, the College refunded more than \$3.9 million directly to students under the American Rescue Plan (ARP) program. Another \$0.7 million of the College's Supplemental Support under American Rescue Plan (SSARP) institutional funds were applied to discharge unpaid student balances, relieving 521 students from their debt obligations.
- The College continued to provide loaner laptops to students in need of technology to participate in hybrid and distance education course. During the year ended June 30, 2023, the College was awarded a \$2.95 million federal grant to expand minority communities access to technology and broadband connectivity. This pilot project will further assist many of its students.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2023

- During the year ended June 30, 2023, the College implemented GASB 96, *Subscription-Based Information Technology Arrangements* (SBITAs), and the adoption has been reflected as of the beginning of the earliest period presented in the financial statements, resulting in a \$5.0 million increase in right-of-use SBITA (included within capital assets, net in the statement of net position) as well as a SBITA liability of \$4.1 million. The impact of the adoption of this standard did not have a material impact on the unrestricted net position at July 1, 2022, and therefore no restatement of opening net position balances is reflected within the College's 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.

Net Position

At June 30, 2023, the College's net position was \$18.7 million, with liabilities of \$268.1 million and assets of \$332.5 million. Net position increased by \$22.3 million in 2023 prior to recording the impact of the post-employment benefit liability. Unrestricted net position improved from a negative \$119.8 million to a negative \$82.0 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 \$60.9 million. The other factor contributing to the change in the unrestricted net position value was unfunded depreciation expense for 2023 in the amount of \$7.2 million.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2023

	Summary of Net Position June 30,	
	2023	2022
	(in millions)	
Assets:		
Current assets	\$ 84.8	\$ 80.9
Noncurrent assets:		
Loan receivable	19.9	19.9
Bond proceeds available for campus construction	6.5	7.5
Other long-term investments	27.2	20.4
Long-term lease receivable	19.3	16.1
Investment in CCP Development, LLC	-	5.0
Capital assets, net	174.8	163.1
Total assets	<u>332.5</u>	<u>312.9</u>
Deferred outflows of resources	<u>15.1</u>	<u>25.1</u>
Liabilities:		
Current liabilities	47.9	31.4
Noncurrent liabilities	220.2	261.8
Total liabilities	<u>268.1</u>	<u>293.2</u>
Deferred inflows of resources	<u>60.8</u>	<u>48.6</u>
Net position:		
Net investment in capital assets	94.5	110.4
Restricted: expendable	6.2	5.8
Unrestricted	(82.0)	(119.8)
Total net position	<u>\$ 18.7</u>	<u>\$ (3.6)</u>

Assets

Current assets increased by \$3.9 million during 2023. Short-term investments, accounts receivable and other assets decreased due to timing differences offset by increase in receivable from government agencies.

Noncurrent assets increased by \$15.7 million. This is primarily attributable to the implementation of GASB 96 which resulted in the College recording a long-term lease receivable of \$19.8 million. Bond proceeds available for campus construction decreased as construction of the Library and Learning Commons and the Center for Advanced Technology progressed towards completion. The College's capital assets as of June 30, 2023 net of accumulated depreciation were \$174.8 million, an increase of \$11.7 million over the amount reported for 2022 of \$163.1 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 \$5.0 million of SBITA subscription assets recorded due to the implementation of GASB 96. Total current liabilities increased by \$16.5 million in 2023. Accounts payable and accrued liabilities increased by \$1.8 million primarily due to timing, current portion of long-term debt decreased by \$1.7 million and unearned revenue increased by \$15.4 million due to the College's receipt of \$15.0 million from the City for future capital projects.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2023

The College's outstanding long-term debt was \$61.5 million as of June 30, 2023, a decrease of \$8.0 million from June 2022. This decrease is due to the debt service payments made during the year. The pension liability amount for 2023 also includes \$5.5 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 2023 and 2022 was \$154.2 million and \$192.1 million, respectively. Absent this reporting requirement, the College's net assets as of June 30, 2023 would have been at a level of \$172.9 million.

Statements of Revenues, Expenses and Changes in Net Position

The change in net position for 2023 and 2022 was a positive \$22.3 million and \$24.8 million, respectively. The following table quantifies the changes:

	Revenues, Expenses and Changes in Net Position	
	Year ended June 30,	
	2023	2022
	(in millions)	
Operating revenues:		
Net tuition and fees	\$ 23.2	\$ 24.8
Auxiliary enterprises and other sources	0.9	0.1
Total	24.1	24.9
Operating expenses	141.1	188.5
Operating loss	(117.0)	(163.6)
Net non-operating revenues	124.8	176.9
Change in net position before other revenues	7.8	13.3
Capital appropriations	14.5	11.5
Total change in net position	\$ 22.3	\$ 24.8

Operating Revenues

The largest sources of operating revenue for the College are student tuition and fees and auxiliary enterprises revenues. In 2023, tuition charge was unchanged at \$159 per credit. The Technology Fee, General College Fee, and Course Fee also remained unchanged from prior year. The College charges course fees for selected high-cost courses. Course fees range from \$70 to \$345. Average total tuition and fee revenue per credit for 2023 was \$235.

Tuition and fee revenue totaled \$55.0 million in 2023 and \$53.1 million in 2022, an increase of 3.7%. Total enrolled credit headcount increased 1% for the same period.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2023

Scholarship allowance amounts for 2023 and 2022 totaled \$31.8 million and \$28.3 million, respectively. The scholarship allowance represents tuition and fee payments made using public and private grants and scholarships. The increase in scholarship allowance amounts between 2023 and 2022 is reflective of the 1.0% increase in overall credit enrollment and maximum Pell award increasing from \$6,495 in 2021-2022 to \$6,895 in 2022-2023.

Non-operating Revenues

Commonwealth appropriations in 2023, excluding capital appropriations, totaled \$33.6 million, an increase of \$1.3 million or 4.0% over the \$32.3 million received in 2022.

Total 2023 City funding was \$46.0 million. Of the funding appropriation, \$40.6 million was used for operating budget purposes in 2023 and \$5.4 million was used for CATTO Scholarships. In 2022, \$37.2 million of the total appropriation was used for operating purposes and \$3.3 million was used for CATTO Scholarships. Net investment income (loss) was \$3.8 million in 2023 and \$(3.9 million) in 2022.

As shown above, non-operating revenues decreased by 29.5% from \$176.9 million in 2021-2022 to \$124.8 million in 2022-2023 primarily due to the College's expenditures of its Higher Education Emergency Relief Funds. The reduction was partially offset by the College's current year expenditures of an additional \$7.1 million in grant funding received from the United States Department of Education (DOE) through the American Rescue Plan (ARP) Act of which \$4.0 million was spent on student aid and \$3.1 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 amount of \$5.7 for both 2023 and 2022. The College used \$5.4 million of the total City of Philadelphia appropriation of \$46.0 million in 2023 for debt service. In 2022, City of Philadelphia appropriations used for debt service were \$5.9 million.

	Expenses by Function	
	Year ended June 30,	
	2023	2022
	(in millions)	
Instruction	\$ 49.9	\$ 54.7
Public service	0.1	0.1
Academic support	15.3	16.4
Student services	19.8	21.0
Institutional support	21.1	36.6
Physical plant operations	15.7	14.8
Depreciation and amortization	7.2	7.6
Student aid	11.5	37.0
Auxiliary enterprises	0.5	0.4
	<u>141.1</u>	<u>188.6</u>
Total operating expenses	\$ 141.1	\$ 188.6

Exclusive of student aid and depreciation expenses, the College's operating expenses totaled \$122.4 million in 2023 and \$144.0 million in 2022. On October 25, 2021, the College and the Faculty and Staff Federation agreed to extend the Collective Bargaining Agreements through August 31, 2024.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2023

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 2023 and 2022 was a credit of \$19.2 million and \$6.3 million, respectively.

	Expenses by Natural Classification	
	Year ended June 30,	
	2023	2022
	(in millions)	
Salaries	\$ 77.0	\$ 75.9
Benefits	35.5	36.6
Contracted services	10.9	11.0
Supplies	2.0	2.9
Depreciation	7.2	7.6
Student aid	11.6	37.0
Other post-employment benefits	(19.2)	(6.3)
Other	16.1	23.9
	<hr/>	<hr/>
Total operating expenses	141.1	188.6
	<hr/>	<hr/>
Interest on capital asset-related debt service	2.9	3.3
	<hr/>	<hr/>
Total nonoperating expenses	2.9	3.3
	<hr/>	<hr/>
Total expenses	\$ 144.0	\$ 191.9
	<hr/> <hr/>	<hr/> <hr/>

Schedule of Fund Balances

The 2023 and 2022 amounts reported for unrestricted operating funds were reduced by the impact of accrued expense liability for post-employment benefits (GASB 75). The impact of GASB 75 reporting in 2023 was a negative \$148.7 million while the impact of GASB 68 reporting was a negative \$5.5 million. The negative unrestricted plant fund balance reflects the cumulative impact of unfunded depreciation expense of \$7.2 million.

	June 30,	
	2023	2022
	(in millions)	
Total unrestricted fund	\$ (93.4)	\$ (110.8)
	<hr/>	<hr/>
Total endowment	(93.4)	(110.8)
	<hr/>	<hr/>
Plant fund:		
Net investment in capital assets	94.5	110.4
Restricted expendable - capital projects	5.8	5.8
Unrestricted	11.8	(9.0)
	<hr/>	<hr/>
Total plant fund	112.1	107.2
	<hr/>	<hr/>
Total net position	\$ 18.7	\$ (3.6)
	<hr/> <hr/>	<hr/> <hr/>

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) - CONTINUED

June 30, 2023

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 2023 and 2022 were \$20.7 million and \$17.8 million, respectively. Total unrestricted net position for 2023 and 2022 for the Foundation was \$3.2 million and \$2.2 million, respectively. The remaining net position is restricted based upon donor intent.

CCP Development, LLC

CCP Development, LLC, is a Pennsylvania limited liability company established in 2020 for purposes of obtaining New Market Tax Credit (NMTC) financing for the construction of the Career and Advanced Technology Center at 4750 Market Street, Philadelphia, Pennsylvania. Total assets for 2023 and 2022 were \$33.2 million and \$33.7 million, respectively, and total net position for 2023 and 2022 was \$7.0 million and \$5.3 million, respectively.

Future Impacts

The Mayor's final City Budget Plan for 2023-2024 provided a one-time allocation of \$15 million for the College's multi-year capital budget. An additional \$807K was appropriated for the Octavius Catto Scholarship program, which includes \$150K dedicated for dual enrollment programs bringing the total appropriations dedicated to the scholarship program to \$11.7 million.

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 2024 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, 2023

	<u>Business-Type Activities Community College of Philadelphia</u>	<u>Component Unit Community College of Philadelphia Foundation</u>	<u>Component Unit CCP Development, LLC</u>
ASSETS			
Current assets			
Cash and cash equivalents (Note B)	\$ 57,089,197	\$ 3,449,807	\$ -
Short-term investments (Note B)	11,728,566	2,645,698	3,067,293
Current portion of lease receivable (Note E)	450,000	-	-
Current portion of debt proceeds available for CATC construction (Note B)	-	-	54,045
Accounts receivable, net (Note C)	5,319,788	4,594	-
Receivable from government agencies (Note I)	8,893,458	-	-
Other assets	1,314,876	-	-
Total current assets	<u>84,795,885</u>	<u>6,100,099</u>	<u>3,121,338</u>
Non-current assets			
Endowment investments (Note B)	-	14,633,301	-
Loan receivable (Note O)	19,880,421	-	-
Bond proceeds available for campus construction (Note B)	6,551,526	-	-
Other long-term investments (Note B)	27,194,161	-	-
Long-term lease receivable (Note E)	19,310,972	-	-
Capital assets, net (Note D)	174,788,012	-	30,084,066
Total non-current assets	<u>247,725,092</u>	<u>14,633,301</u>	<u>30,084,066</u>
Total assets	<u>\$ 332,520,977</u>	<u>\$ 20,733,400</u>	<u>\$ 33,205,404</u>
Deferred outflows of resources			
Deferred outflows	<u>\$ 15,082,744</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, 2023

	<u>Business-Type Activities</u> <u>Community College</u> <u>of Philadelphia</u>	<u>Component Unit</u> <u>Community College</u> <u>of Philadelphia Foundation</u>	<u>Component Unit</u> <u>CCP</u> <u>Development, LLC</u>
LIABILITIES AND NET POSITION			
Current liabilities			
Accounts payable and accrued liabilities (Note G)	\$ 21,135,482	\$ 620,364	\$ 209,921
Payable to government agencies (Note I)	221,213	-	-
Deposits	275,223	1,931	-
Unearned revenue	17,996,650	1,122,297	-
Current portion of lease obligation (Note E)	258,268	-	-
Current portion of subscription obligation (Note F)	1,092,807	-	-
Current portion of long-term debt (Note H)	6,240,000	-	-
Unamortized bond premium	728,918	-	-
	<u>47,948,561</u>	<u>1,744,592</u>	<u>209,921</u>
Total current liabilities			
Non-current liabilities			
Accrued liabilities (Note G)	1,803,664	-	-
Payable to government agencies (Note I)	691,336	-	-
Annuity payable	-	33,817	-
Deposits	250,000	-	-
Lease obligation (Note E)	365,180	-	-
Subscription obligation (Note F)	3,047,263	-	-
Long-term debt (Note H)	55,265,000	-	-
Notes payable (Note O)	-	-	25,945,000
Unamortized bond premium	4,524,989	-	-
Other post-employment benefits liability (Note J)	154,213,535	-	-
	<u>220,160,967</u>	<u>33,817</u>	<u>25,945,000</u>
Total non-current liabilities			
Total liabilities			
	<u>\$ 268,109,528</u>	<u>\$ 1,778,409</u>	<u>\$ 26,154,921</u>
Deferred inflows of resources			
Deferred inflows	<u>\$ 60,746,536</u>	<u>\$ 4,276</u>	<u>\$ -</u>
Net position			
Net investment in capital assets	\$ 94,532,446	\$ -	\$ -
Restricted:			
Nonexpendable:			
Scholarships, awards and faculty chair	-	12,602,890	-
Annuities	-	6,408	-
Expendable:			
Scholarships, awards and faculty chair	361,283	2,936,366	-
Capital projects	5,843,064	178,679	6,621,484
Unrestricted	<u>(81,989,136)</u>	<u>3,226,372</u>	<u>428,999</u>
Total net position			
	<u>\$ 18,747,657</u>	<u>\$ 18,950,715</u>	<u>\$ 7,050,483</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, 2023

	<u>Business-Type Activities</u> Community College of Philadelphia	<u>Component Unit</u> Community College of Philadelphia Foundation	<u>Component Unit</u> CCP Development, LLC
Operating revenues			
Student tuition	\$ 41,675,886	\$ -	\$ -
Student fees	13,372,548	-	-
Less: scholarship allowance	(31,801,174)	-	-
	<hr/>	<hr/>	<hr/>
Net student tuition and fees	23,247,260	-	-
Auxiliary enterprises	827,375	-	-
Gifts	-	2,759,716	-
Other sources	35,366	-	-
	<hr/>	<hr/>	<hr/>
Total operating revenues	24,110,001	2,759,716	-
Operating expenses			
Educational and general:			
Instruction	49,896,835	51,663	-
Public service	21,131	-	-
Academic support	15,323,736	1,348,404	-
Student services	19,818,236	359,256	-
Institutional support	21,146,669	525,709	-
Physical plant operations	15,675,366	-	14,165
Depreciation	7,197,810	-	1,115,059
Student aid	11,552,569	1,703,824	-
Auxiliary enterprises	476,325	-	-
	<hr/>	<hr/>	<hr/>
Total operating expenses	141,108,677	3,988,856	1,129,224
	<hr/>	<hr/>	<hr/>
OPERATING LOSS	\$ (116,998,676)	\$ (1,229,140)	\$ (1,129,224)

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, 2023

	<u>Business-Type Activities</u> <u>Community College</u> <u>of Philadelphia</u>	<u>Component Unit</u> <u>Community College</u> <u>of Philadelphia Foundation</u>	<u>Component Unit</u> <u>CCP</u> <u>Development, LLC</u>
Non-operating revenues (expenses)			
Commonwealth appropriations (Note M)	\$ 33,561,416	\$ -	\$ -
City appropriations (Note M)	40,637,106	-	-
Federal grants and contracts	40,560,236	-	-
Gifts from the Community College of Philadelphia Foundation	66,727	183,273	(250,000)
Commonwealth grants and contracts	5,721,710	-	-
Nongovernmental grants and contracts	2,259,599	1,885,445	-
Net investment gain	3,813,466	1,517,921	-
Interest on capital asset-related debt service	(2,928,699)	-	(483,355)
Other nonoperating revenues (expenses)	1,149,142	(183,273)	3,614,993
Net non-operating revenues (expenses)	<u>124,840,703</u>	<u>3,403,366</u>	<u>2,881,638</u>
Gain (loss) before other revenues, expenses, gains or losses	7,842,027	2,174,226	1,752,414
Capital appropriations	<u>14,516,725</u>	<u>-</u>	<u>-</u>
Increase in net position	<u>22,358,752</u>	<u>2,174,226</u>	<u>1,752,414</u>
Net position, beginning of the year	<u>(3,611,095)</u>	<u>16,776,489</u>	<u>5,298,069</u>
Net position, ending of the year	<u>\$ 18,747,657</u>	<u>\$ 18,950,715</u>	<u>\$ 7,050,483</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, 2023
(Business-Type Activities - College Only)

Cash flows from operating activities	
Tuition and fees	\$ 22,720,009
Grants and contracts	30,266,966
Payments to suppliers	(29,193,539)
Payments to employees	(105,493,768)
Payments for employee benefits	(7,105,215)
Payments for student aid	(11,552,569)
Auxiliary enterprises	827,375
Other cash receipts	35,366
	<hr/>
Net cash used in operating activities	(99,495,375)
 Cash flows from non-capital financing activities	
Commonwealth appropriations	33,892,302
City appropriations	41,328,442
Supplemental City appropriations	15,000,000
Gifts and grants	48,541,544
Other nonoperating	1,207,233
	<hr/>
Net cash provided by non-capital financing activities	139,969,521
 Cash flows from capital and related financing activities	
Capital appropriations	14,516,725
Capital contributions from CCP Development, LLC	5,023,069
Increase in subscription obligation	4,140,070
Decrease in bond proceeds available for campus construction	962,822
Purchases of capital assets	(53,463,545)
Retirements and adjustments to capital assets	34,585,987
Principal payments on long-term debt and amortization of leases	(7,760,909)
Interest payments on long-term debt and leases	(3,674,305)
	<hr/>
Net cash used in capital and related financing activities	(5,670,086)
 Cash flows from investing activities	
Proceeds from sales and maturities of investments	7,933,167
Purchases of investments	(10,413,752)
Lease receivable	(306,540)
Interest on investments	3,813,466
	<hr/>
Net cash provided by investing activities	1,026,341
INCREASE IN CASH	35,830,401
Cash and cash equivalents, beginning	<hr/>
	21,258,796
Cash and cash equivalents, ending	<hr/> <hr/>
	\$ 57,089,197

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, 2023
(Business-Type Activities - College Only)

Reconciliation of operating loss to net cash used in operating activities	
Operating loss	\$ (116,998,676)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	7,197,810
Changes in assets and liabilities:	
Accounts receivable	(2,688,515)
Receivables from government agencies	30,266,966
Other assets	140,201
Accounts payable and accrued liabilities	1,607,960
Unearned revenue	133,125
Other post-employment benefits	<u>(19,154,246)</u>
Net cash used in operating activities	<u><u>\$ (99,495,375)</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, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

Component Units

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

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

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

Measurement Focus, Basis of Accounting, and Basis of Presentation

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

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

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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 2023, the provisions of Act 46 were not followed in allocating operational funds to Pennsylvania community colleges. Instead, the 2022-23 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, 2023

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, 2023

Lease Receivables

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

Capital Assets

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

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

<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 Lease 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. Short-term leases, those with a maximum period of 12 months, are expensed as incurred.

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

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

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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

Compensated Absences

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

Deposits and Unearned Revenue

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

Student Fees

Student fees for the year ended June 30, 2023 are general college fees of \$940,840, which have been designated for use by the various student organizations and activities.

Tax Status

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

Use of Estimates

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

Scholarship Discounts and Allowances

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

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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, 2023 was \$1,703,600 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 Pensions* (GASB 68), amounts recorded in connection with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions* (GASB 75), GASB Statement No. 87, *Leases*, as well as the advance refunding of the 2008 Series Community College Revenue Bonds in September 2015. See Notes E, G, J, and O for additional details.

Pensions

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

Accounting Pronouncements

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The requirements of this Statement provide guidance on the accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) for government end users. This Statement (1) defines a SBITA (2) establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, included implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The College adopted the requirements of the guidance effective July 1, 2022. See Notes D and F for further information.

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

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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, 2023, cash on hand was \$4,000. At June 30, 2023, the carrying amount of deposits was \$57,085,197 and the bank balance was \$62,049,758. The differences were caused primarily by items in transit.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

The following is the fair value of deposits and investments at June 30, 2023:

	Component Unit		
	College	Foundation	CCP Development, LLC
Deposits:			
Demand deposits	\$ 57,089,197	\$ 3,449,807	\$ 3,067,293
Investments:			
U.S. equity funds	6,068,824	-	-
International equity funds	-	3,673,194	-
U.S. Treasury obligations	5,917,199	-	-
U.S. government agency obligations	399,552	-	-
Corporate and foreign bonds	3,056,422	-	-
Long-term fixed income mutual funds	-	2,891,448	-
Intermediate fixed income mutual fund	4,517,458	670,340	-
Short-term fixed income mutual funds	-	1,052,622	-
Investment in subsidiary	5,990,779	-	-
Multi-strategy bond mutual fund	4,953,914	-	-
Core equity fund	6,961,109	6,345,450	-
Money market mutual funds	1,057,470	2,645,945	-
	<u>\$ 96,011,924</u>	<u>\$ 20,728,806</u>	<u>\$ 3,067,293</u>

In addition to the deposits and investments listed above, the College also has bond proceeds available for campus construction held by State Public School Building Authority, and the Bank of New York (the trustees), under the terms of various bond indentures. Bond proceeds available for campus construction are carried in the financial statements at fair value and consist of short-term investments and government securities. As of June 30, 2023, bond proceeds available for campus construction were \$6,551,526.

As of June 30, 2023, CCP Development, LLC has debt proceeds available for CATC construction of \$54,045. See Note O 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, 2023, 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>\$ 57,085,197</u>
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**Community College of Philadelphia
(A Component Unit of the City of Philadelphia)**

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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, 2023 are:

	Multi-Strategy Bond	Intermediate Fixed Income
Government	17%	32%
Agency	24	23
AAA	13	18
AA	2	5
A	9	17
BBB	17	4
Below BBB	12	1
Non-rated/other	6	-
	100%	100%

The credit quality of the fixed income investments in which the College directly invests, including U.S. Treasury obligations, U.S. government agency obligations and corporate and foreign bonds, at June 30, 2023, is as follows:

	Fixed Income Investments
Aaa	61%
Aa	12
A	18
Baa	9
	100%

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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, 2023 are as follows:

	Weighted-Average Maturity (Years)
U.S. Treasury obligations	4.06
U.S. government agency obligations	3.11
Corporate and foreign bonds	4.72

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, 2023:

Demand deposits, U.S. Treasury obligations, U.S. government agency obligations, equity mutual funds and money market mutual funds of \$77,493,351 are valued using quoted market prices (Level 1 inputs).

Corporate and foreign bonds of \$3,056,422 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 \$9,471,372 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, 2023:

Demand deposits, equity mutual fund, and money market mutual funds of \$16,114,396 are valued using quoted market prices (Level 1 inputs).

The fixed income mutual funds of \$4,614,410 are valued at the NAV per share (or its equivalent) of the investments (Level 2 inputs).

CCP Development, LLC has the following recurring fair value measurements as of June 30, 2023:

Demand deposits \$3,067,293 are valued using quoted market prices (Level 1 inputs).

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

The valuation method for investments measured at the NAV per share (or its equivalent) at June 30, 2023 are presented in the following table:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Intermediate term fixed income mutual fund ⁽¹⁾	\$ 4,517,458	-	Monthly	30 days
Multi-strategy bond mutual fund ⁽²⁾	<u>4,953,914</u>	-	Weekly	7 days
Total investments measured at NAV	<u>\$ 9,471,619</u>			

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

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

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivable include the following at June 30, 2023:

	College	Component Unit Foundation
Tuition and fee receivables	\$ 3,951,590	\$ -
Grants receivable	-	4,594
Other receivables	718,197	-
Receivable from Foundation	2,555,629	-
	7,225,416	4,594
Less: allowance for doubtful accounts	(1,905,628)	-
Total	\$ 5,319,788	\$ 4,594

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, 2023:

	Balance July 1, 2022	Additions	Retirements and Adjustments	Balance June 30, 2023
Capital assets not depreciated:				
Land and improvements	\$ 31,094,976	\$ 6,996,600	\$ (246,600)	\$ 37,844,976
Construction in progress	2,438,533	1,367,064	(2,312,375)	1,493,222
Works of art	902,620	-	-	902,620
	34,436,129	8,363,664	(2,558,975)	40,240,818
Capital assets being depreciated:				
Buildings and improvements	262,896,107	32,104,322	(27,189,546)	267,810,883
Equipment and furniture	17,225,486	7,507,779	(3,399,636)	21,333,629
Library books	6,054,054	168,408	-	6,222,462
Microforms	1,669,831	-	-	1,669,831
Leases	30,991,592	-	-	30,991,592
Software	4,038,895	263,511	(207,112)	4,095,294
System software	6,911,878	6,728	-	6,918,606
SBITAs	5,049,133	-	-	5,049,133
Total before depreciation	334,836,976	40,050,748	(30,796,294)	344,091,430
	\$ 369,273,105	\$ 48,114,412	\$ (33,355,269)	\$ 384,332,248

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

June 30, 2023

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

	Balance July 1, 2022	Additions	Retirements and Adjustments	Balance June 30, 2023
Buildings and improvements	\$ 141,381,738	\$ 5,667,459	\$ -	\$ 147,049,197
Equipment and furniture	12,288,145	1,163,157	(61,275)	13,390,027
Library books	5,294,014	133,238	-	5,427,252
Microforms	1,669,832	-	-	1,669,832
Leases	29,569,347	179,038	382,930	30,131,315
Software	4,038,895	6,267	-	4,045,162
System software	6,873,737	12,203	-	6,885,940
SBITAs	-	36,448	909,063	945,511
	<u>\$ 201,115,708</u>	<u>\$ 7,197,810</u>	<u>\$ 1,230,718</u>	<u>\$ 209,544,236</u>
Total accumulated depreciation and amortization				<u>\$ 174,788,012</u>

CCP Development's capital assets consist of the following at June 30, 2023:

	Balance July 1, 2022	Additions	Retirements and Adjustments	Balance June 30, 2023
Capital assets not depreciated:				
Land and improvements	\$ -	\$ 246,600	\$ -	\$ 246,600
	<u>-</u>	<u>246,600</u>	<u>-</u>	<u>246,600</u>
Capital assets being depreciated:				
Buildings and improvements	-	27,520,135	-	27,520,135
Equipment and furniture	-	3,225,278	-	3,225,278
Software	-	207,112	-	207,112
	<u>-</u>	<u>30,952,525</u>	<u>-</u>	<u>30,952,525</u>
Total before depreciation				
	<u>\$ -</u>	<u>\$ 31,199,125</u>	<u>\$ -</u>	<u>\$ 31,199,125</u>

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

June 30, 2023

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

	Balance July 1, 2022	Additions	Retirements and Adjustments	Balance June 30, 2023
Buildings and improvements	\$ -	\$ 679,284	\$ -	\$ 679,284
Equipment and furniture	-	378,244	-	378,244
Software	-	57,531	-	57,531
Total accumulated depreciation and amortization	<u>\$ -</u>	<u>\$ 1,115,059</u>	<u>\$ -</u>	<u>\$ 1,115,059</u>
				<u>\$ 30,084,066</u>

NOTE E - LEASES

Leases Where College is the Lessor

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

Under GASB 87, the College as a lessor, reports receivables for all leases of land, buildings, and equipment (except for short-term leases and contracts that transfer ownership). As of June 30, 2023 the College had a lease receivable and deferred inflow of \$19,760,972. For the year ended June 30, 2023, the College received \$550,000 in lease revenue and \$306,541 in lease interest revenue.

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
2024	\$ (104,643)	\$ 554,643	\$ 450,000
2025	(107,611)	557,611	450,000
2026	(110,663)	560,663	450,000
2027	(113,802)	563,802	450,000
2028	(117,030)	567,030	450,000
Thereafter	<u>19,643,981</u>	<u>46,148,582</u>	<u>65,792,563</u>
	<u>\$ 19,090,232</u>	<u>\$ 48,952,331</u>	<u>\$ 68,042,563</u>

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

June 30, 2023

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:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 258,268	\$ 14,577	\$ 272,845
2025	271,444	6,866	278,310
2026	93,737	552	94,289
	<u>\$ 623,449</u>	<u>\$ 21,995</u>	<u>\$ 645,444</u>

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

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

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 972,734	\$ 120,073	\$ 1,092,807
2025	1,115,934	87,617	1,203,551
2026	976,385	53,009	1,029,394
2027	789,013	23,730	812,743
2028	1,571	4	1,575
	<u>\$ 3,855,637</u>	<u>\$ 284,433</u>	<u>\$ 4,140,070</u>

For the year ended June 30, 2023, the College had SBITAs with variable payments of \$64,869 that were based on user seats.

For the year ended June 30, 2023, the College had no other payments, such as termination penalties, not previously included in the measurement of the subscription liability.

For the year ended June 30, 2023, the College had no commitments under SBITAs before the commencement of the subscription term or any losses associated with an impairment.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE G - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2023:

Category:	College	Component Unit Foundation	Component Unit CCP Development LLC
Vendors and others	\$ 12,245,633	\$ 608,595	\$ 209,921
Accrued salaries	2,970,515	11,769	-
Accrued benefits	1,955,892	-	-
Compensated absences	3,827,534	-	-
Retirement incentive payments	1,749,237	-	-
Accrued Interest	190,335	-	-
	<u>\$ 22,939,146</u>	<u>\$ 620,364</u>	<u>\$ 209,921</u>

Long-term liability activity for the year ended June 30, 2023 was as follows:

	Beginning Balance July 1, 2022	Additions	Deductions	Total Ending Balance June 30, 2023	Current Portion
Long-term liabilities:					
Accounts payable and accrued liabilities	\$ 21,347,872	\$ 1,591,274	\$ -	\$ 22,939,146	\$ 21,135,482
Payable to government agencies	203,827	861,447	(152,725)	912,549	221,213
Lease liability	982,466	-	(359,018)	623,448	258,268
SBITA liability	4,985,001	-	(844,931)	4,140,070	1,092,807
Long-term debt	69,480,000	-	(7,975,000)	61,505,000	6,240,000
Unamortized bond premium	5,982,825	-	(728,918)	5,253,907	728,918
Other post- employment benefits	192,064,573	1,869,211	(39,720,249)	154,213,535	-
	<u>\$295,046,564</u>	<u>\$ 4,321,932</u>	<u>\$ (49,780,841)</u>	<u>\$249,587,655</u>	<u>\$ 29,676,688</u>

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

June 30, 2023

NOTE H - DEBT

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

Debt consisted of the following at June 30, 2023:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance June 30, 2023</u>	<u>Current Portion</u>
2015 Series	\$ 31,730,000	\$ -	\$ (5,070,000)	\$ 26,660,000	\$ 5,325,000
2018 Series	14,900,000	-	(2,580,000)	12,320,000	575,000
2019 Series	8,270,000	-	(325,000)	7,945,000	340,000
2020 Series	14,580,000	-	-	14,580,000	-
	<u>\$ 69,480,000</u>	<u>\$ -</u>	<u>\$ (7,975,000)</u>	<u>\$ 61,505,000</u>	<u>\$ 6,240,000</u>

Future annual principal and interest payments at June 30, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30:			
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>\$ 61,505,000</u>	<u>\$ 16,943,937</u>	<u>\$ 78,448,937</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.

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

June 30, 2023

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

	Principal
2024	\$ 5,325,000
2025	5,590,000
2026	4,995,000
2027	5,245,000
2028	5,505,000
	\$ 26,660,000

2018 Series

Under a loan agreement dated May 1, 2018, between the Authority and the College, the College borrowed \$24,155,000 of 2018 Series Community College Revenue Bonds to refund the outstanding Authority's Community College Revenue Bonds (Community College of Philadelphia Project), Series of 2017 and the additional 2018 Capital Projects. The 2018 Capital Projects consist of the renovation and improvements of the Library Learning Commons facility at the main campus. All of the foregoing components of the 2018 Capital Projects will be used in connection with the College's operation of its community college buildings in furtherance of its educational mission. The 2018 Series Bonds are payable over 20½ years at rates from 3.63% to 5.00%, with average debt service principal and interest payments of \$2,534,943 through 2024 and \$1,146,218 from 2025 through 2038.

	Principal
2024	\$ 575,000
2025	600,000
2026	630,000
2027	665,000
2028	695,000
2029-2038	9,155,000
	\$ 12,320,000

2019 Series

Under a loan agreement dated May 2019, between the Authority and the College, the College borrowed \$9,155,000 College Revenue Bonds (Community College of Philadelphia Project), Series A of 2019. The 2019 Capital Projects consist of (a) the development, construction, improvement, furnishing, equipping and outfitting of a new, approximately 75,500 square foot, building on land owned by the College in West Philadelphia, with a facility that will be used to house the College's Career and Advanced Technology Center, (b) the demolition of an existing building on such site, and (c) other miscellaneous capital improvements at such site including parking, landscaping and related improvements. All of the foregoing components of the 2019 Capital Projects will be used in connection with the College's operation of its community college buildings in furtherance of its educational mission. The 2019 Series A Bonds are payable over 21 years at rates from 3.00% to 5.00%, with average debt service principal and interest payments of \$675,473 from 2019 through 2039.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

Principal payments required by the loan agreement are as follows:

	Principal
2024	\$ 340,000
2025	360,000
2026	375,000
2027	395,000
2028	415,000
2029-2040	6,060,000
	\$ 7,945,000

2020 Series

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

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

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

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

	Principal
2028	\$ 950,000
2029	970,000
2030	995,000
2031	1,020,000
2032	1,045,000
2033-2040	9,600,000
	\$ 14,580,000

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

June 30, 2023

NOTE I - (PAYABLE TO) RECEIVABLE FROM GOVERNMENT AGENCIES

(Payable to) receivable from government agencies includes the following at June 30, 2023:

	(Payable)	Receivable
Commonwealth of Pennsylvania:		
Provision for potential audit findings and reimbursement calculation	\$ (132,130)	\$ -
Grants and special projects	-	940,343
PHEAA for grants	(89,083)	
Other programs	-	2,168
	(221,213)	942,511
City of Philadelphia:		
Grants receivable	-	4,081,383
Federal:		
Financial aid programs	-	13,733
Grants and special projects	-	3,855,831
Other	(691,336)	-
	(691,336)	7,950,947
Total	\$ (912,549)	\$ 8,893,458

NOTE J - EMPLOYEE BENEFITS

Retirement benefits are provided for substantially all employees through payments to one of the board authorized retirement programs. Although the College does not offer participation in the Pennsylvania SERS or the PSERS, it has grandfathered continued participation for those employees currently enrolled. The College has 14 employees participating in the SERS and 27 employees in the PSERS.

Defined Benefit Plans

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

Benefits Provided

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

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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

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

Contributions

For PSERS, the contribution policy is set by Commonwealth statutes and requires contributions by active members, employers and the Commonwealth of Pennsylvania. Funding percentages are determined by the plan in accordance with actuarial calculations and are based on covered payroll. Currently, for full time faculty, administrators and other staff, the College contributes 17.00% of all earnings as long as contributions are adequate to accumulate assets to pay retirement benefits when due. Employee contributions are 6.50% of all earnings for members prior to July 22, 1983 and 7.50% of all earnings for members after July 22, 1983.

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

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

At June 30, 2023, the College reported a liability of \$1,556,000 and \$3,991,775, 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, 2022 for PSERS and December 31, 2022 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, 2022, the College's proportion of PSERS and SERS was 0.0035% and 0.0174%, respectively.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

For the year ended June 30, 2023, the College recognized proportional pension expense for PSERS and SERS of \$120,000 and \$463,663, respectively, as provided by the plans' actuarial schedules. At June 30, 2023, 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	\$ 13,000
Net difference between projected and actual earnings on pension plan investments	46,000	27,000
Changes in proportion and differences between College contributions and proportionate share of contributions	242,000	24,000
Total	\$ 289,000	\$ 64,000

SERS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 58,013	\$ 11,079
Changes in assumptions	269,226	-
Net difference between projected and actual earnings on pension plan investments	542,205	-
Changes in proportion	-	11,175
Changes in proportion and differences between College contributions and proportionate share of contributions	276,364	253,060
Total	\$ 1,145,808	\$ 275,314

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

Actuarial Assumptions

The following methods and assumptions were used in the actuarial valuations for the year ended June 30, 2023, unless otherwise stated. These methods and assumptions were applied to all periods included in the measurement:

PSERS

Actuarial cost method	entry age normal level % of pay
Investment rate of return	7.00%, includes inflation at 2.50%
Salary increases	effective average of 4.50%, which reflects an allowance for inflation of 2.50%, real wage growth of 2.00% for real wage growth which reflects an allowance for inflation of 2.75% real wage growth for merit of seniority increases
 Mortality rates	 Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for males and females, adjusted to reflect PSERS experience and projected using a modified version of the MP-2020 Improvement Scale.

SERS

Actuarial cost method	entry age
Amortization method	straight-line amortization of investments over five years and amortization of assumption changes and noninvestment gains/losses over the average expected remaining service lives of all employees that are provided benefits
Investment rate of return	6.875% net of manager fees including inflation as of June 30, 2023
Projected salary increases	average of 4.55% with range of 3.30% - 6.95% including inflation
Inflation	2.50%
Mortality rate	projected PubG-2010 and PubNS-2010 Mortality Tables adjusted for actual plan experience and future improvement for retirees, beneficiaries, and survivors and rates determined by SERS actuaries using actual SERS experience for pre-retirement active members
 Cost of living adjustments	 none (ad hoc)

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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, 2023, in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Global Public Equity	28.00%	5.30%
Private Equity	12.00%	8.00%
Fixed Income	33.00%	2.30%
Commodities	9.00%	2.30%
Absolute Return	6.00%	3.50%
Infrastructure/MLPs	9.00%	5.40%
Real Estate	11.00%	4.60%
Cash	3.00%	0.50%
Financing (LIBOR)	(11.00)%	0.50%
	<u>100.00%</u>	

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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, 2023, in the following table:

<u>Asset Class</u>	<u>Total Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Private equity	16.00%	5.75%
Private credit	0.00%	0.00%
Real estate	7.00%	5.12%
U.S. equity	31.00%	4.35%
International developed markets equity	14.00%	4.25%
Emerging markets equity	5.00%	4.65%
Fixed income - core	22.00%	(0.50)%
Inflation protection (TIPS)	3.00%	(1.00)%
Cash	2.00%	(1.05)%
	<u>100.00%</u>	

For both PSERS and SERS, the discount rate used to measure total pension liability was 7.00% and 6.875%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution 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, 2023 is \$1,556,000 using a 7.00% discount rate. The College's net pension liability would have been \$2,013,000 assuming a 1%-point decrease (6.00%) in the discount rate and would have been \$1,171,000 assuming a 1%-point increase (8.00%) in the discount rate.

For SERS, the College's net pension liability at June 30, 2023 is \$3,991,775 using a 6.875% discount rate. The College's net pension liability assuming a 1%-point decrease (5.875%) and 1%-point increase 7.875% in the discount rate was not provided in the Annual Comprehensive Financial Report.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

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 1,013 employees participating in this program.

The payroll for employees covered by the three plans was \$75,405,839 and the College's total payroll is \$76,981,849 at June 30, 2023. Contributions made by the College for the year ended June 30, 2023 are \$6,137,933, representing 8.14% of covered payroll. College employees contributed \$5,036,910 for the year ended June 30, 2023.

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, 2023

Funding Policy

Post-employment benefits other than pensions stem from the College's three collective bargaining agreements. For the year ended June 30, 2023, the College paid \$288,055 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, 2022</u>
Actives	487
In-actives currently receiving benefit payments	<u>258</u>
	<u>745</u>

The following table provides a summary of the changes in the College's total OPEB liability for fiscal year ended June 30, 2023. The valuation date was July 1, 2022 and the measurement date was June 30, 2023.

<u>Change in Total OPEB Liability (TOL)</u>	<u>July 1, 2022</u>
TOL, beginning of year	\$ 188,386,009
Service cost	4,972,761
Interest	4,128,077
Benefits paid	(4,488,226)
Changes in assumptions	<u>(44,332,861)</u>
TOL, end of year	<u>\$ 148,665,760</u>

The following summarizes the development of benefit for the year ended June 30, 2023:

	<u>2023</u>
Service cost	\$ 4,972,761
Interest	4,128,077
Changes in assumptions	1,570,256
Amortization of:	
Total OPEB liability and assumption gain	<u>(35,375,648)</u>
Total benefit	<u>\$ (24,704,554)</u>

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

June 30, 2023

	2023
Weighted-average assumptions to determine expense:	
Actual benefit payments	\$ 4,488,226
Discount rate	3.69%
Expected return on assets	N/A
Salary scale	3.00%
Current rate	7.50%
Ultimate rate/year reached	4.50%/2043

Deferred inflows of resources reported by the College at June 30, 2023 are as follows:

<u>Date Amortization Base Set</u>	<u>Net Amount</u>	<u>Amortization Period Remaining</u>
June 30, 2023	\$ (41,210,082)	3.00%

Deferred outflows of resources reported by the College at June 30, 2023 are as follows:

<u>Date Amortization Base Set</u>	<u>Net Amount</u>	<u>Amortization Period Remaining</u>
June 30, 2023	\$ 10,184,884	3.00%

Deferred Inflows Projection

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

<u>Years Ending June 30:</u>		
2024	\$	(16,247,577)
2025		(14,777,621)

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.

Discount Rate: 3.69% for determining June 30, 2023 disclosure and estimated 2023 expense; 2.16% for determining June 30, 2022 disclosure and estimated 2023 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.

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

June 30, 2023

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, 2023:

<u>Discount Rate Change</u>	<u>1% Decrease</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 173,148,948	\$ 128,998,741
Net OPEB Liability Healthcare Trend Rate	\$ 127,104,655	\$ 175,834,586

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. 30 employees will receive the incentive payment during fiscal year 2023-24. The present value of these payments is \$2,005,350.

NOTE K - COMMITMENTS AND CONTINGENCIES

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

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

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

The College's Collective Bargaining Agreement with Faculty and Classified employee unions expires on August 31, 2024.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE L - OPERATING EXPENSES

The College's and component unit operating expenses, on a natural-classification basis, were comprised of the following for the year ended June 30, 2023:

	<u>College</u>	<u>Component Unit Foundation</u>	<u>Component Unit CCP Development</u>
Salaries	\$ 76,981,849	\$ 952,385	\$ -
Benefits	35,524,937	346,974	-
Contracted services	10,900,602	20,587	-
Supplies	1,988,560	56,588	-
Depreciation	7,197,810	-	1,115,059
Student aid	11,552,569	1,697,336	-
Other post-retirement benefits	(19,154,245)	-	-
Other	16,116,595	914,986	14,165
	<u>\$ 141,108,677</u>	<u>\$ 3,988,856</u>	<u>\$ 1,129,224</u>

NOTE M - CITY AND COMMONWEALTH APPROPRIATIONS

Appropriations from the Commonwealth and the City for the year ending June 30, 2023 were as follows:

	<u>Operations</u>	<u>Capital</u>
Commonwealth of Pennsylvania	\$ 33,561,416	\$ 5,656,539
City of Philadelphia	40,637,106	5,397,333
	<u>\$ 74,198,522</u>	<u>\$ 11,053,872</u>

NOTE N - PASS-THROUGH GRANTS

The College distributed \$24,570,012 during the year ended June 30, 2023 for student loans through the U.S. Department of Education Federal Direct Loan Program. These distributions and related funding sources are not included as expenses and revenues, nor as cash disbursements and cash receipts in the accompanying financial statements.

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

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

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

June 30, 2023

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 seven-year period for Qualified Equity Investments in designated CDEs pursuant to Section 45D of the Internal Revenue Code in order to assist eligible businesses in making investments in certain low-income communities.

The CATC is located at 4750 Market Street, Philadelphia, Pennsylvania, within a census tract that constitutes a "low-income community" and therefore qualified for the NMTC program. CCP Development, LLC (the LLC) was established as a 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.

The construction of the CATC building was completed in August 2022 and leased to the College per the Master Lease Agreement between the LLC and the College. The College is responsible for all operating and maintenance costs of the CATC since completion. The base rent of \$137,500 is due quarterly on the first day of February, May, August and November. 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 seven-year tax credit investment period.

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

The loan receivable and related interest receivable from the Fund to the College are recorded as a loan receivable within the statement 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 at June 30, 2023.

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

June 30, 2023

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

The College hosted the grand opening of the new CATC Building on August 18, 2022 and classes were held beginning in the fall semester. The building is equipped to serve as a learning hub for the College's updated career training programs centered around the health care, advanced manufacturing and auto tech industries. In September 2022, the College purchased a piece of land on 4701 Chestnut Street for \$6,750,000 million and converted it to a parking lot for CATC employees and students.

NOTE P - SUBSEQUENT EVENTS

The College has evaluated subsequent events through October 24, 2023, noting no items which would require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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

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

Years ended June 30,
(Amounts are in thousands)

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

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

See accompanying report of independent certified public accountants.

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

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

Years ended June 30,

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

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

See accompanying report of independent certified public accountants.

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

Years ended June 30,

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

	Community College of Philadelphia Foundation	CCP Development, LLC
Cash on deposit and on hand	\$ 60,539	\$ -
Investments	41,568	3,067
Accounts receivable	41,624	-
Allowance for doubtful accounts	(1,906)	-
Due from other governments	8,893	-
Restricted assets	21,178	-
Other assets	1,315	54
Property, plant and equipment	174,788	30,084
Total assets	\$ 347,999	\$ 33,205
Deferred outflows of resources:		
Deferred outflows	\$ 15,083	\$ -
Liabilities:		
Vouchers and accounts payable	\$ 12,854	\$ 210
Salaries and wages payable	10,515	-
Accrued expenses	5,022	-
Funds held in escrow	527	-
Due to other governments	221	-
Deferred revenue	19,119	-
Current portion of long-term obligations	6,498	-
Noncurrent portion of long-term obligations	55,630	25,945
Notes payable	34	-
Other post-employment benefits (GASB 75)	154,214	-
Total liabilities	\$ 264,634	\$ 26,155
Deferred inflows of resources:		
Deferred inflows	\$ 60,751	\$ -
Net position:		
Net investment in capital assets	\$ 94,532	\$ -
Restricted for:		
Capital projects	6,022	6,621
Tuition stabilization and scholarships	15,907	429
Unrestricted deficit	(78,763)	-
Total net position	\$ 37,698	\$ 7,050

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, 2023
(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	\$ 148,026	\$ 24,075	\$ 50,427	\$ -	\$ 73,524
				General revenues:	
				Grants and contributions*	88,715
				Interest and investment earnings	5,331
				Miscellaneous	4,011
				Total general revenues	98,057
				Change in net assets	24,533
				Net position - beginning	13,165
				Net position - ending	<u>\$ 37,698</u>

* 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	\$ 1,612	\$ -	\$ (250)	\$ -	\$ 1,862
				General revenues:	
				Grants and contributions	3,064
				Interest and investment earnings	-
				Miscellaneous	550
				Total general revenues	3,614
				Change in net assets	1,752
				Net position - beginning	5,298
				Net position - ending	<u>\$ 7,050</u>

See accompanying report of independent certified public accountants.

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

SCHEDULE OF CHANGES IN CAPITAL ASSET BALANCES

Year ended June 30, 2023

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements & Adjustments</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 31,094,976	\$ 6,996,600	\$ (246,600)	\$ 37,844,976
Works of art	902,620	-	-	902,620
Construction in process	2,438,533	1,367,064	(2,312,375)	1,493,222
Total capital assets not being depreciated	<u>34,436,129</u>	<u>8,363,664</u>	<u>(2,558,975)</u>	<u>40,240,818</u>
Capital assets being depreciated:				
Buildings	262,896,107	32,104,322	(27,189,546)	267,810,883
Other improvements	23,723,791	438,647	(207,112)	23,955,326
Equipment	17,225,486	7,507,779	(3,399,636)	21,333,629
Furniture	30,991,592	-	-	30,991,592
Total capital assets being depreciated	<u>334,836,976</u>	<u>40,050,748</u>	<u>(30,796,294)</u>	<u>344,091,430</u>
Less accumulated depreciation for:				
Buildings	141,381,738	5,667,459	-	147,049,197
Other improvements	17,876,478	209,239	615,096	18,700,813
Equipment	12,288,145	759,144	(293,441)	12,753,848
Furniture	29,569,347	561,968	-	30,131,315
SBITAs	-	-	909,063	909,063
Total accumulated depreciation	<u>201,115,708</u>	<u>7,197,810</u>	<u>1,230,718</u>	<u>209,544,236</u>
Total capital assets being depreciated, net	<u>133,721,268</u>	<u>32,852,938</u>	<u>(32,027,012)</u>	<u>134,547,194</u>
Business-type activities capital assets, net	<u>\$ 168,157,397</u>	<u>\$ 41,216,602</u>	<u>\$ (34,585,987)</u>	<u>\$ 174,788,012</u>

See accompanying report of independent certified public accountants.

OTHER INFORMATION (UNAUDITED)

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

STATISTICAL SECTION - SCHEDULE OF REVENUES BY SOURCE (UNAUDITED)

Years ended June 30,
(Amounts expressed in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Student tuition and fees (net of scholarship allowances)	\$ 23,247	\$ 24,759	\$ 28,424	\$ 30,536	\$ 32,753	\$ 33,234	\$ 32,992	\$ 31,643	\$ 31,973	\$ 35,338
Sales of auxiliary enterprises	827	113	408	1,413	1,599	1,523	1,737	1,740	1,786	1,671
Other operating revenues	35	13	23	38	42	46	62	87	196	166
Total operating revenues	24,109	24,885	28,855	31,987	34,394	34,803	34,791	33,470	33,955	37,175
State appropriations	33,561	32,341	32,389	32,408	31,820	30,892	30,868	30,128	28,632	28,179
City appropriations	40,637	37,172	34,451	29,847	25,549	23,310	24,189	23,272	21,271	18,346
Federal grants and contracts	40,560	105,571	65,187	52,337	46,098	49,026	48,888	53,551	57,871	58,796
Gifts from the Community College of Philadelphia Foundation	67	375	12	95	160	242	835	225	141	100
State grants and contracts	5,722	5,718	6,061	6,621	5,989	7,953	8,126	8,278	7,343	6,591
Nongovernmental grants and contracts	2,260	1,948	2,884	2,522	2,115	1,582	1,528	1,456	1,521	1,704
Net investment (loss) income	3,813	(3,894)	451	1,691	1,577	36	75	815	365	695
Interest on capital asset-related debt service	(2,928)	-	-	-	-	-	-	-	-	-
Other nonoperating revenue	1,149	950	509	578	410	399	378	2,579	1,087	324
Total nonoperating revenues	124,841	180,181	141,944	126,099	113,718	113,440	114,887	120,304	118,231	114,735
Capital appropriations	14,517	11,548	12,990	12,032	11,797	12,450	11,050	12,354	10,859	13,969
Total revenues	\$ 163,467	\$ 216,614	\$ 183,789	\$ 170,118	\$ 159,909	\$ 160,693	\$ 160,728	\$ 166,128	\$ 163,045	\$ 165,879

See accompanying report of independent certified public accountants.

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

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

Years ended June 30,
(Amounts expressed in percentages)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues:										
Student tuition and fees (net of scholarship allowances)	14.22%	11.43%	15.47%	17.95%	20.48%	20.68%	20.53%	19.05%	19.61%	21.30%
Sales of auxiliary enterprises	0.51	0.05	0.22	0.83	1.00	0.95	1.08	1.05	1.10	1.01
Other operating revenues	0.02	0.10	0.01	0.02	0.03	0.03	0.04	0.05	0.12	0.10
Total operating revenues	14.75	11.49	15.70	18.80	21.51	21.66	21.65	20.15	20.83	22.41
State appropriations	20.53	14.93	17.62	19.05	19.90	19.22	19.21	18.14	17.56	16.99
City appropriations	24.86	17.16	18.74	17.54	15.98	14.51	15.04	14.01	13.05	11.06
Federal grants and contracts	24.81	48.74	35.47	30.77	28.83	30.51	30.42	32.23	35.49	35.45
State grants and contracts	3.50	2.64	3.30	3.89	3.75	4.95	5.06	4.98	4.50	3.97
Gifts from the Community College of Philadelphia										
Foundation	0.04	0.17	0.01	0.06	0.10	0.15	0.52	0.14	0.09	0.06
Nongovernmental grants and contracts	1.38	0.90	1.57	1.48	1.32	0.98	0.95	0.88	0.93	1.02
Net investment (loss) income	2.33	(1.80)	0.25	0.99	0.99	0.02	0.05	0.49	0.22	0.42
Interest on capital asset-related debt service	(1.79)	-	-	-	-	-	-	-	-	-
Other nonoperating revenue	0.70	0.44	0.28	0.34	0.25	0.25	0.24	1.55	0.67	0.20
Total nonoperating revenues	76.37	83.18	77.24	74.12	71.12	70.59	71.49	72.42	72.51	69.17
Capital appropriations	8.88	5.33	7.06	7.08	7.37	7.75	6.86	7.43	6.66	8.42
Total revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

See accompanying report of independent certified public accountants.

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

STATISTICAL SECTION - SCHEDULE OF EXPENSES BY USE (UNAUDITED)

Years ended June 30,
(Amounts expressed in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Salaries	\$ 76,982	\$ 75,891	\$ 74,041	\$ 77,819	\$ 77,462	\$ 76,986	\$ 78,629	\$ 77,931	\$ 77,161	\$ 75,438
Benefits	35,525	36,603	32,570	34,790	34,979	36,259	36,417	36,978	36,140	35,885
Contracted services	10,901	10,983	9,247	9,276	8,045	7,859	6,512	6,458	8,331	9,697
Supplies	1,988	2,927	5,564	4,467	3,060	3,549	3,376	3,857	3,073	3,232
Depreciation	7,198	7,610	7,464	7,783	7,939	8,133	8,204	8,861	9,698	10,490
Student aid	11,552	36,951	12,644	12,052	6,250	7,213	8,770	8,739	8,211	10,459
Other	16,117	23,848	10,231	11,376	13,375	12,092	12,959	13,167	12,815	12,314
GASB 75 (Other post-employment benefits) accrual	(19,154)	(6,274)	(8,754)	(24,590)	(5,426)	12,309	11,703	11,686	8,016	8,641
Total operating expenses	<u>141,109</u>	<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>
Interest on capital asset-related debt service	<u>2,929</u>	<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>
Total nonoperating expenses	<u>2,929</u>	<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>
Total expenses	<u>\$ 144,038</u>	<u>\$ 191,859</u>	<u>\$ 146,889</u>	<u>\$ 136,577</u>	<u>\$ 149,286</u>	<u>\$ 167,813</u>	<u>\$ 169,833</u>	<u>\$ 170,992</u>	<u>\$ 167,670</u>	<u>\$ 170,414</u>

See accompanying report of independent certified public accountants.

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

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

Years ended June 30,
(Amounts expressed in percentages)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses:										
Salaries	53.45%	39.56%	50.41%	56.98%	51.89%	45.88%	46.30%	45.57%	46.02%	44.27%
Benefits	24.66	19.08	22.17	25.47	23.43	21.61	21.44	21.63	21.55	21.04
Contracted services	7.57	5.72	6.30	6.79	5.39	4.68	3.83	3.78	4.97	5.69
Supplies	1.38	1.53	3.79	3.27	2.05	2.11	1.99	2.26	1.83	1.90
Depreciation	5.00	3.97	5.08	5.70	5.32	4.85	4.83	5.18	5.78	6.16
Student aid	8.02	19.26	8.61	8.82	4.19	4.30	5.16	5.11	4.90	6.14
Other	11.19	12.43	6.97	8.33	8.96	7.21	7.63	7.70	7.64	7.23
GASB 75 (Other post-employment benefits) accrual	(13.30)	(3.27)	(5.96)	(18.00)	(3.63)	7.33	6.89	6.83	4.78	5.07
Total operating expenses	97.97	98.27	97.37	97.36	97.60	97.97	98.07	98.06	97.47	97.50
Interest on capital asset-related debt service	2.03	1.73	2.63	2.64	2.40	2.03	1.93	1.94	2.53	2.50
Total nonoperating expenses	2.03	1.73	2.63	2.64	2.40	2.03	1.93	1.94	2.53	2.50
Total expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

See accompanying report of independent certified public accountants.

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

STATISTICAL SECTION - SCHEDULE OF EXPENSES BY FUNCTION (UNAUDITED)

Years ended June 30,
(Amounts expressed in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses by function:										
Instruction	\$ 49,897	\$ 54,725	\$ 50,333	\$ 49,333	\$ 56,715	\$ 64,578	\$ 65,509	\$ 66,018	\$ 65,046	\$ 66,210
Public service	21	39	38	104	97	145	124	183	86	109
Academic support	15,324	16,437	14,763	13,749	16,405	19,182	18,880	18,824	18,372	17,492
Student services	19,818	20,964	18,891	16,673	20,529	24,212	24,405	25,142	23,494	22,811
Institutional support	21,147	36,592	28,428	19,176	22,640	25,111	24,854	24,429	24,371	25,229
Operation and maintenance of plant	15,675	14,805	10,105	13,445	14,424	15,093	15,013	14,913	13,336	12,586
Depreciation	7,197	7,610	7,464	7,783	7,939	8,133	8,204	8,861	9,698	10,490
Student aid	11,553	36,951	12,644	12,052	6,250	7,213	8,770	8,739	8,211	10,459
Auxiliary enterprises	477	416	342	658	685	733	811	567	831	770
Interest on capital debt	2,929	3,320	3,882	3,604	3,602	3,413	3,263	3,315	4,225	4,258
Total expenses by function	<u>\$ 144,038</u>	<u>\$ 191,859</u>	<u>\$ 146,890</u>	<u>\$ 136,577</u>	<u>\$ 149,286</u>	<u>\$ 167,813</u>	<u>\$ 169,833</u>	<u>\$ 170,991</u>	<u>\$ 167,670</u>	<u>\$ 170,414</u>

(Amounts expressed in percentages)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses by function:										
Instruction	34.64%	28.52%	34.27%	36.12%	37.99%	38.48%	38.57%	38.61%	38.79%	38.85%
Public service	0.01	0.02	0.03	0.08	0.06	0.09	0.07	0.11	0.05	0.06
Academic support	10.64	8.57	10.05	10.07	10.99	11.43	11.12	11.01	10.96	10.26
Student services	13.76	10.93	12.86	12.21	13.75	14.43	14.37	14.70	14.01	13.39
Institutional support	14.68	19.07	19.35	14.04	15.17	14.96	14.63	14.29	14.54	14.80
Operation and maintenance of plant	10.88	7.72	6.88	9.84	9.66	8.99	8.84	8.72	7.95	7.39
Depreciation	5.00	3.97	5.08	5.70	5.32	4.85	4.83	5.18	5.78	6.16
Student aid	8.02	19.26	8.61	8.82	4.19	4.30	5.16	5.11	4.90	6.14
Auxiliary enterprises	0.33	0.22	0.23	0.48	0.46	0.44	0.48	0.33	0.50	0.45
Interest on capital debt	2.03	1.73	2.64	2.64	2.41	2.03	1.92	1.94	2.52	2.50
Total expenses by function	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

See accompanying report of independent certified public accountants.

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

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

Years ended June 30,
(Amounts expressed in thousands)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total revenues (from schedule of revenues by source less capital appropriations)	\$ 148,950	\$ 205,066	\$ 170,798	\$ 158,085	\$ 148,112	\$ 148,423	\$ 149,678	\$ 153,776	\$ 152,186	\$ 151,910
Total operating expenses (from schedule of expenses by use)	<u>144,038</u>	<u>191,859</u>	<u>146,889</u>	<u>136,578</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>
Total changes in net position	4,912	13,207	23,909	21,507	(1,174)	(19,390)	(20,155)	(17,216)	(15,484)	(18,504)
Net position, beginning	<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>
Net position, ending	<u>\$ 1,301</u>	<u>\$ (15,161)</u>	<u>\$ (41,358)</u>	<u>\$ (77,300)</u>	<u>\$ (110,603)</u>	<u>\$ 32,561</u>	<u>\$ 40,902</u>	<u>\$ 48,703</u>	<u>\$ 57,054</u>	<u>\$ 58,568</u>
Net investment in capital assets	\$ 94,532	\$ 110,433	\$ 116,734	\$ 104,726	\$ 103,869	\$ 102,005	\$ 99,772	\$ 98,776	\$ 96,979	\$ 93,771
Restricted - expendable	6,205	5,784	5,727	5,439	5,284	5,101	4,939	4,912	4,742	4,742
Unrestricted	<u>(81,989)</u>	<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>
Total net position	<u>\$ 18,748</u>	<u>\$ (3,611)</u>	<u>\$ (28,368)</u>	<u>\$ (65,267)</u>	<u>\$ (98,807)</u>	<u>\$ (109,429)</u>	<u>\$ 51,951</u>	<u>\$ 61,057</u>	<u>\$ 65,919</u>	<u>\$ 72,538</u>

Source: Audited financial statements.

See accompanying report of independent certified public accountants.

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

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

Years ended June 30,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Enrollments and student demographics:										
Credit FTE	9,161	8,935	10,608	12,331	12,740	13,596	13,659	14,481	14,851	15,051
Unduplicated Credit Headcount	16,769	16,596	19,266	22,160	23,139	24,443	25,571	26,837	27,942	28,096
Percentage - Men	33.2%	31.6%	31.2%	34.7%	36.3%	36.3%	37.1%	37.8%	37.7%	37.7%
Percentage - Women	66.2	68.4	68.4	65.3	63.7	63.7	62.9	62.2	62.3	62.3
Percentage - Black	44.7	42.5	41.7	41.9	43.1	48.1	48.8	49.4	50.7	50.2
Percentage - White	20.7	23.3	24.4	22.9	23.2	23.5	24.0	23.8	23.9	24.3
Percentage - Asian	10.7	10.8	10.4	11.8	11.4	9.8	9.4	8.9	8.4	8.2
Percentage - Hispanic	17.1	16.4	15.7	15.9	14.9	14.0	13.0	12.8	11.8	11.4
Percentage - American Indian/other	4.2	4.1	4.0	3.9	4.0	0.3	0.3	0.3	0.4	0.4
Percentage - Unknown	2.6	3.0	3.8	3.6	3.4	4.3	4.5	4.8	4.8	5.6
Degrees awarded:										
Associate	1,429	1,806	1,954	1,761	1,770	1,731	1,794	1,880	1,916	1,857
Certificate	154	229	178	225	331	495	471	475	446	338

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Faculty:										
Part-time	614	526	297	452	567	543	548	676	635	643
Full-time	279	361	310	336	438	443	467	400	395	407
Percentage tenured	86.4%	74.2%	77.7%	77.7%	67.1%	65.2%	61.8%	74.0%	81.7%	79.9%
Administrative and support staff:										
Part-time	37	77	55	82	76	40	38	18	11	12
Full-time	500	495	503	506	474	470	466	445	453	441
Total employees:										
Part-time	651	603	352	534	643	583	586	694	646	655
Full-time	779	856	813	842	912	913	933	845	848	848
Students per full-time staff:										
Number credit students	11,636	11,647	13,672	15,996	16,672	17,296	18,126	18,099	19,119	19,066
Faculty	42	32	44	48	38	39	39	45	47	47
Administrative and support staff	23	24	27	32	35	37	39	41	42	43
Average annual faculty salary	\$ 69,675	\$ 61,894	\$ 66,597	\$ 65,300	\$ 75,020	\$ 67,883	\$ 69,196	\$ 63,789	\$ 65,212	\$ 64,059

Source: Institutional Human Resource Records.

GROSS SQUARE FEET OF COLLEGE BUILDINGS (UNAUDITED)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Main Campus - Buildings	911,051	911,051	911,051	911,051	911,051	911,051	911,051	911,051	911,051	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	230,360
Main Campus Recreation Deck	62,600	62,600	62,600	62,600	62,600	62,600	62,600	62,600	62,600	62,600
Main Campus - CBI Garage	74,902	74,902	74,902	74,902	74,902	74,902	74,902	74,902	74,902	74,902
Main Campus - 434 North 15th Street	88,500	88,500	88,500	88,500	88,500	88,500	88,500	88,500	88,500	88,500
Northeast Regional Center	109,075	109,075	109,075	109,075	109,075	109,075	109,075	109,075	109,075	109,075
West Regional Center	39,394	39,394	39,394	39,394	39,394	39,394	39,394	39,394	39,394	39,394
Northwest Regional Center	90,000	-	-	-	-	-	-	-	-	-
Career & Advance Technology Center (CATC)	75,500	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Total gross square feet	<u>1,681,382</u>	<u>1,605,882</u>	<u>1,605,882</u>	<u>1,605,882</u>	<u>1,605,882</u>	<u>1,605,882</u>	<u>1,605,882</u>	<u>1,605,882</u>	<u>1,605,882</u>	<u>1,595,444</u>

Source: Institutional Physical Plant Records.

See accompanying report of independent certified public accountants.

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

DEMOGRAPHIC STATISTICS (UNAUDITED)

City of Philadelphia Last Ten Calendar Years

Year:	<u>Population as of June 30</u>	<u>Average Annual Unemployment Rate</u>
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
2022 – 23	1,567,258	4.4

Sources: United States Census Bureau and Bureau of Labor Statistics

See accompanying report of independent certified public accountants.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and the aggregate discretely presented component units of Community College of Philadelphia (the College) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 24, 2023.

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 opinions 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.

Grant Thornton LLP

Philadelphia, Pennsylvania
October 24, 2023

**HYBRID MEETING OF THE BUSINESS AFFAIRS
COMMITTEE OF THE BOARD OF TRUSTEES
Community College of Philadelphia
October 18, 2023 – 9:00 A.M.**

Present for the Business Affairs Committee: Mr. Michael Soileau, (presiding and via zoom), Mr. Rob Dubow (via zoom), Mr. Ronald Bradley (via zoom), Ms. Dominique Ward (via zoom), Ms. Mindy Posoff (via zoom), Mr. Harold Epps (via zoom)

Present for the Administration: Dr. Donald Generals, Mr. Jacob Eapen, Ms. Victoria Zellers, Esq., Ms. Marsia Henley, Mr. Derrick Sawyer, Dr. Alycia Marshall, Mr. John Wiggins, Dr. Shannon Rooney, Ms. Ayanna Washington, Mr. Gim Lim, Ms. Koi Stevens, Mr. Vijay Sonty, Ms. Karen Rege, Ms. Jasmine Sessoms, and Ms. Lisa Sanders (via zoom)

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

AGENDA
BUSINESS AFFAIRS COMMITTEE
PUBLIC SESSION

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 called the meeting to order at 9:00 A.M. Mr. Soileau asked Mr. Eapen to proceed with the first agenda item.

(1) Dell Computers (Action Item)

Discussion: Mr. Eapen stated that staff has reviewed a variety of technology deployment options to purchase in order to support students in the Architecture Design & Construction (ADC) program. In reviewing all technology options, cost, unit capabilities and availability were primary considerations. Upgrading the ADC classroom with current technology provides a critical role in expanding student/staff capabilities, learning outcomes and overall productivity. Mr. Sonty stated the computers are old and needed replacing.

Mr. Eapen stated that special pricing was obtained through COSTARS (Commonwealth of Pennsylvania's Cooperative Purchasing Program) in the amount of \$132,958 which is for the purchase of 37 Dell Precision workstations with monitors. The cost includes three-year maintenance and support. \$60,000 will be covered by Perkins funds, with the remainder will be from the capital budget.

Dell is leveraging our COSTARS agreement which allows for a standard 9% discount of the list price. See Attachment B.

Mr. Epps asked how many students were in the program. Mr. Eapen said that there are 118 students in Architecture, 66 students in Interior Design, and 59 students in Construction Management. Mr. Epps also requested data on student enrollment over a 5-year period in the program to understand the trend of the program.

Recommendation: Mr. Eapen stated that staff requests that the Business Affairs Committee recommend to the full Board the ADC Classroom Refresh of Technology at the total cost of \$132,958 with \$60,000 from Perkins, and \$72,958 from the Capital Budget.

Action: Mr. Dubow moved and Ms. Posoff seconded the motion that the College recommend to the full Board the ADC Classroom Refresh of Technology at the total cost of \$132,958 with \$60,000 from Perkins, and \$72,958 from the capital budget. The motion passed unanimously.

(2) Architect: Mdesigns + MWJ Consulting, LLC (Action Item)

Discussion: Mr. Eapen stated the staff recommends the College engage with Mdesigns + MWJ Consulting LLC for architectural design services to prepare documentation for construction for the following four projects:

- Main Parking Garage Lighting Upgrade \$36,000
- Mint Building Façade Cleaning \$21,200
- Mint Enhanced Exterior Lighting \$33,000
- Mint Exterior Doors and Vestibule Upgrades \$49,900

MWJ Consulting is a minority owned architectural firm in Philadelphia. Ms. Henley stated that MWJ Consulting is located in West Philadelphia with five (5) employees of which 75% are under-represented minorities, and the firm is 100% minority owned.

Mr. Soileau asked if this project is within the capital budget and how it relates to the College's priorities. Mr. Eapen stated that it is important for the Mint Building to be well-lit especially since the Mint Building is a historical building. Mr. Eapen also stated that Dr. General has requested to the Facilities and Construction Management Department to prioritize the Mint Building. Ms. Posoff asked if the College has ever worked with MWJ Consulting before. Mr. Wiggins stated that we have not worked with them before; however, they come highly recommended. Mr. Wiggins also stated that the principal formerly worked for the Philadelphia Housing Authority.

Recommendation: Mr. Eapen stated that staff is requesting that the Business Affairs Committee recommend to the full Board that the College enter into a contract with Mdesigns + MWJ Consulting LLC in the amount of \$140,100 to perform the work specified. The funds for this project will come from the operating budget.

Action: Ms. Posoff moved and Mr. Bradley seconded the motion that the College enter into a contract with Mdesigns + MWJ Consulting LLC in the amount of \$140,100 to perform the work specified. The funds will come from the operating budget. The motion passed unanimously.

(3) VSBA Architect Boardroom Contract (Action Item)

Discussion: Mr. Eapen requested to approve the design for audiovisual systems in the Isadore A. Shrager Boardroom with VSBA Architects. The design includes new audiovisual systems, lighting improvements, room shades, and a control system to operate these elements. Conference room functions would include in person meetings with large groups at the table and in the gallery section as well as virtual and hybrid meetings. The system should be easy to operate with minimal support. The historic character of the room should be preserved.

Mr. Eapen stated that during investigation of the room, additional HVAC and plumbing modifications were found to be needed.

The initial contract cost was for \$93,000 and the additional services are \$12,350 for a total of \$105,350.

Mr. Wiggins stated that VSBA performed the work in the Music Room, and also has performed work for four-year institutions. Ms. Rege stated that VSBA is working with the sub-contractor who will provide HVAC solutions especially working with historically old buildings as to keep the historic integrity of the boardroom.

Ms. Posoff asked about the larger context regarding the audio technology needs of the College as a whole. Mr. Eapen responded his Division has worked on a plan and the next projects are the Klein Cube, and then rooms C2-5 and C3-5 in CBI.

Mr. Soileau asked about warranties for the equipment. Mr. Eapen responded that this contract is for the design only and the warranties will be required of the contractors who complete the work and/or purchase the equipment.

Recommendation: Staff requests that the Business Affairs Committee recommend to the full Board the approval to contract with VSBA in the amount of \$105,350 for the design of the renovation of the boardroom. The funds for this project will come from the College's operating budget.

Action: Mr. Bradley moved and Mr. Dubow seconded the motion that the College recommend to the full Board approval to enter into a contract with VSBA in the amount of \$105,350. The funds for this project will come from the College's operating budget. The motion passed Unanimously.

(4) Capital Budget Plan (Information Item)

Discussion: Mr. Eapen provided an overview the three-year Capital Budget Plan. Attachment C contains the College's proposed multi-year capital budget plan for fiscal years 2023-2024, 2024-2025, and 2025-2026.

Mr. Soileau asked if the Board members had the opportunity to review the document, and Mr. Sawyer shared the document online as Mr. Eapen explained the Capital Budget Plan. Mr. Soileau asked what had changed from last year's plan, and Mr. Eapen explained that last year the focus was on the Gymnasium, Physics, and the Bonnell Restrooms, and capital procurement related to HVAC needs.

Mr. Dubow requested the list of capital projects that have been completed in the last fiscal year and the variance between last year's and this year's Capital Budget Plan. Mr. Eapen stated that any changes are included in Attachment C. Mr. Eapen also stated that the staff will provide a list of completed projects and projects that were carried over to the updated Capital Plan; as well as projects that may have been taken off the Capital Budget Plan.

Mr. Epps asked Mr. Eapen to update the BAC on the water leak issue at NERC. Mr. Wiggins stated that the Engineers are currently testing, and results are expected next week.

(5) Contract with Royalty Construction Services for Dental Clinic (Action Item)

Discussion: Mr. Eapen stated that this item is to approve the contract for construction to support the accreditation of the CCP Dental Clinic in 2024. The work includes demolition, flooring, countertops and painting. In order to meet the strict timelines to complete this project over winter break and be back online for the accreditation and spring semester.

The College issued RFP#10020 September 21, 2023. Bids were due on October 16, 2023; we received 2 bids from Royalty Construction Services LLC in the amount of \$275,721 for general construction and, Robert Michaels Associates (RMA) in the amount of \$328,170 for general construction. Additional amounts were included in each bid for mechanical and plumbing work which the College has decided to perform internally. At this time the College is only contracting the general construction. Mr. Soileau asked if this change will change the scope of the RFP. Ms. Zellers stated that there is standard language used in the RFP process that allows the College to award all, part, or none of the RFP project.

Ms. Henley stated that Royalty Construction is located in Pennsauken, New Jersey and is a minority-owned business.

Recommendation: Staff requests that the Business Affairs Committee recommend to the full Board the approval to award a contract to Royalty Construction Services LLC in the amount of \$275,721 for the general construction portion of the RPF. The funds will be paid from the Capital Budget.

Action: Mr. Dubow moved and Ms. Posoff seconded the motion that the College recommend to the full Board the approval to award a contract to Royalty Construction Services LLC in the amount of \$275,721 for the general construction. The funds will be paid from the Capital Budget. The motion passed unanimously.

The Business Affairs Committee of the Board of Trustees when into Executive Session to discuss contract and labor negotiations.

(6) CVS/Caremark Renewal Contract (Action Item)

CVS/Caremark

Discussion: The College's current pharmacy benefit management services for active employees and retirees is with CVS/Caremark via the Employer's Health coalition. CVS/Caremark was selected through the RFP process. Our current contract is set to expire on 12/31/2023. Trion/MMA, the College's benefits consultant, submitted an RFP to the marketplace to determine the competitiveness of the CVS/Employer's Health coalition program. Proposals were requested from the following PBMs:

- Capital Rx
- CVS Caremark (incumbent)
- Express Scripts
- Rightway
- Independence

PrudentRx

PrudentRx is an independent third-party organization that CVS/Caremark has partnered with to offer cost savings for specialty medications. It allows members to get specialty medications at no cost to them by obtaining copay assistance from drug manufacturers. This program was initially rolled out to non-union (Confidential and Administrative) employees. As of 01/01/2024, this program will be rolled out to union employees (Classified and Faculty) as well.

Recommendation: The staff requests approval to renew the pharmacy benefit management contract with CVS/Caremark from 01/01/2024 to 12/31/2026 and the funds will be from the operating budget.

Action: Ms. Posoff moved and Mr. Dubow seconded the motion that the College renew the pharmacy benefit management contract with CVS/Caremark from 01/01/2024 to 12/31/2026, and the funds will be from the operating budget. The motion passed unanimously.

(7) Next Meeting – Business Affairs Committee of the Board of Trustees (Information Item)

The next meeting of the Business Affairs Committee is scheduled for November 15, 2023 at 9:00 A.M. It will be a Hybrid meeting.

The meeting adjourned at 10:00 AM.

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

AGENDA: October 18, 2023

Agenda No.	Vendor/Consultant	Amount	Source
1	Dell Computers	\$132,958	\$60,000 from Perkins \$72,958 from Capital Budget
2	Architect: Mdesigns + MWJ Consulting, LLC	\$140,100	Operating Budget
3	VSBA Architect Boardroom Contract	\$105,350	Operating Budget
5	Royalty Construction Services, LLS	\$275,721	Capital Budget

ATTACHMENT B

DELL



A quote for your consideration

Based on your business needs, we put the following quote together to help with your purchase decision. Below is a detailed summary of the quote we've created to help you with your purchase decision.

To proceed with this quote, you may respond to this email, order online through your [Premier page](#), or, if you do not have Premier, use this [Quote to Order](#).

Quote No.	3000161761148.1	Sales Rep	MILES MOORE
Total	\$132,957.65	Phone	(800) 456-3355, 18009993355
Customer #	8865075	Email	Miles_Moore@Dell.Com
Quoted On	Sep. 28, 2023	Billing To	ACCOUNTS PAYABLE
Expires by	Oct. 28, 2023		COMM COLLEGE OF
Contract Name	Pennsylvania DGS		PHILADELPHIA
	COSTARS-3 IT Hardware		1700 SPRING GARDEN ST
Contract Code	C000001020025		PHILADELPHIA, PA 19130-3936
Customer Agreement #	COSTARS-003-E22-603		
Deal ID	26529316		

Message from your Sales Rep

Please contact your Dell sales representative if you have any questions or when you are ready to place an order. Thank you for shopping with Dell!

Regards,
MILES MOORE

Custom Fields:

Contract Code: 78ADB
COSTARS 003-051: COSTARS 003-051

Shipping Group

Shipping To	Shipping Method
WILLIAM BROMLEY COMM COLLEGE OF PHILADELPHIA RCVNG DOCK ON 16TH ST BTWN SPRING GARDEN & CALLOWHIL PHILADELPHIA, PA 19130 (215) 751-8975	Standard Delivery

Product	Unit Price	Quantity	Subtotal
Precision 5860 Tower	\$3,241.46	37	\$119,934.02
Dell 32 USB-C Hub Monitor - P3223DE, 80.1cm (31.5")	\$351.99	37	\$13,023.63

Subtotal:	\$132,957.65
Shipping:	\$0.00
Environmental Fee:	\$0.00
Non-Taxable Amount:	\$132,957.65
Taxable Amount:	\$0.00
Estimated Tax:	\$0.00

Total:	\$132,957.65
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Special pricing may be available for qualified customers. Please contact your DFS Sales Representative for details.

Shipping Group Details

Shipping To

WILLIAM BROMLEY
 COMM COLLEGE OF PHILADELPHIA
 RCVNG DOCK ON 16TH ST
 BTWN SPRING GARDEN &
 CALLOWHIL
 PHILADELPHIA, PA 19130
 (215) 751-8975

Shipping Method

Standard Delivery

	Quantity	Subtotal
Precision 5860 Tower	37	\$119,934.02

Estimated delivery if purchased today:

Oct. 19, 2023

Contract # C000001020025

Customer Agreement # COSTARS-003-E22-603

Description	SKU	Unit Price	Quantity	Subtotal
Precision 5860 Tower XCTO Base	210-BFNP	-	37	-
Intel Xeon W3-2435 (22.5 MB cache, 8 cores, 16 threads, 3.1 GHz to 4.5 GHz Turbo, 165 W)	338-CKZL	-	37	-
Windows 11 Pro for Workstations (6 cores plus), English, French, Spanish, Brazilian Portuguese	619-ARSN	-	37	-
No Microsoft Office License Included	658-BCSB	-	37	-
NVIDIA RTX A2000, 12 GB GDDR6, 4 mDP to DP adapters	490-BJJB	-	37	-
64GB, 1x64GB, DDR5, 4800MHz, RDIMM ECC Memory	370-AHHV	-	37	-
1TB, 3.5" 7200rpm SATA Hard Drive	400-BOGQ	-	37	-
Dell KB522 Business Multimedia Keyboard (US)	580-AFHW	-	37	-
No Out-of-Band Systems Management	631-BBHM	-	37	-
Resource DVD not Included	430-XXYU	-	37	-
ENERGY STAR Qualified	387-BBLW	-	37	-
EPEAT 2018 Registered (Gold)	379-BDZB	-	37	-
System Power Cord C13 (US 125V, 15A)	450-AHDU	-	37	-
Dell Laser Wired Mouse - MS3220 - Black	570-ABGR	-	37	-
SHIP,PWS,LNK,NO,NO,AMF	340-CBUU	-	37	-
Shipping Material (5860, 7865)	340-DCJU	-	37	-
Dell Additional Software	658-BFPP	-	37	-
Quick Start Guide placemat, 5860 Tower	340-DJVF	-	37	-
Premier Color 6.1	640-BBSS	-	37	-
Intel Integrated Storage Controller	403-BCVC	-	37	-
No Additional Network Card Selected (Integrated NIC included)	555-BBJO	-	37	-
No Optical Drive	429-ABMS	-	37	-
Precision 5860 Tower 750W Chassis (DAO 2SATA Flexbay L5.5)	321-BHYU	-	37	-
Heatsink for 165W or lower CPU (5860)	412-BBDR	-	37	-
Virtual Raid on CPU software driver	409-BCXD	-	37	-
Dell Precision TPM	340-ACBY	-	37	-
No External ODD	429-ABGY	-	37	-

CMS Software not included	632-BBBJ	-	37	-
No Hard Drive	400-AKZR	-	37	-
5860T 750W Regulatory Label (DAO)	389-FDBD	-	37	-
No SATA RAID	780-BBCJ	-	37	-
No Hard Drive	400-AKZR	-	37	-
No Hard Drive	400-AKZR	-	37	-
512GB, M.2, PCIe NVMe, SSD, Class 40	400-BOGY	-	37	-
No Hard Drive	400-AKZR	-	37	-
No M.2 NVME RAID (C1, C2, C6)	780-BCVL	-	37	-
SATA Upper/Lower Flexbay Assembly included with chassis	340-DCMT	-	37	-
Dell Limited Hardware Warranty Plus Service	882-0661	-	37	-
ProSupport Next Business Day Onsite 3 Years	882-0679	-	37	-
ProSupport 7x24 Technical Support 3 Years	882-0687	-	37	-
Thank you choosing Dell ProSupport. For tech support, visit //support.dell.com/ProSupport	989-3449	-	37	-

Quantity	Subtotal
\$351.99	\$13,023.63

Dell 32 USB-C Hub Monitor - P3223DE, 80.1cm (31.5")

Estimated delivery if purchased today:
Oct. 03, 2023
Contract # C000001020025
Customer Agreement # COSTARS-003-E22-603

Description	SKU	Unit Price	Quantity	Subtotal
Dell 32 USB-C Hub Monitor - P3223DE, 80.1cm (31.5")	210-BDLQ	-	37	-
Advanced Exchange Service 3 Years	844-1960	-	37	-
Dell Limited Hardware Warranty	844-1966	-	37	-

Subtotal:	\$132,957.65
Shipping:	\$0.00
Environmental Fee:	\$0.00
Estimated Tax:	\$0.00
Total:	\$132,957.65

Important Notes

Terms of Sale

This Quote will, if Customer issues a purchase order for the quoted items that is accepted by Supplier, constitute a contract between the entity issuing this Quote ("Supplier") and the entity to whom this Quote was issued ("Customer"). Unless otherwise stated herein, pricing is valid for thirty days from the date of this Quote. All product, pricing and other information is based on the latest information available and is subject to change. Supplier reserves the right to cancel this Quote and Customer purchase orders arising from pricing errors. Taxes and/or freight charges listed on this Quote are only estimates. The final amounts shall be stated on the relevant invoice. Additional freight charges will be applied if Customer requests expedited shipping. Please indicate any tax exemption status on your purchase order and send your tax exemption certificate to Tax_Department@dell.com or ARSalesTax@emc.com, as applicable.

Governing Terms: This Quote is subject to: (a) a separate written agreement between Customer or Customer's affiliate and Supplier or a Supplier's affiliate to the extent that it expressly applies to the products and/or services in this Quote or, to the extent there is no such agreement, to the applicable set of Dell's Terms of Sale (available at www.dell.com/terms or www.dell.com/oemterms), or for cloud/as-a-Service offerings, the applicable cloud terms of service (identified on the Offer Specific Terms referenced below); and (b) the terms referenced herein (collectively, the "Governing Terms"). Different Governing Terms may apply to different products and services on this Quote. The Governing Terms apply to the exclusion of all terms and conditions incorporated in or referred to in any documentation submitted by Customer to Supplier.

Supplier Software Licenses and Services Descriptions: Customer's use of any Supplier software is subject to the license terms accompanying the software, or in the absence of accompanying terms, the applicable terms posted on www.Dell.com/eula. Descriptions and terms for Supplier-branded standard services are stated at www.dell.com/servicecontracts/global or for certain infrastructure products at www.dellemc.com/en-us/customer-services/product-warranty-and-service-descriptions.htm.

Offer-Specific, Third Party and Program Specific Terms: Customer's use of third-party software is subject to the license terms that accompany the software. Certain Supplier-branded and third-party products and services listed on this Quote are subject to additional, specific terms stated on www.dell.com/offeringspecificterms ("Offer Specific Terms").

In case of Resale only: Should Customer procure any products or services for resale, whether on standalone basis or as part of a solution, Customer shall include the applicable software license terms, services terms, and/or offer-specific terms in a written agreement with the end-user and provide written evidence of doing so upon receipt of request from Supplier.

In case of Financing only: If Customer intends to enter into a financing arrangement ("Financing Agreement") for the products and/or services on this Quote with Dell Financial Services LLC or other funding source pre-approved by Supplier ("FS"), Customer may issue its purchase order to Supplier or to FS. If issued to FS, Supplier will fulfill and invoice FS upon confirmation that: (a) FS intends to enter into a Financing Agreement with Customer for this order; and (b) FS agrees to procure these items from Supplier. Notwithstanding the Financing Agreement, Customer's use (and Customer's resale of and the end-user's use) of these items in the order is subject to the applicable governing agreement between Customer and Supplier, except that title shall transfer from Supplier to FS instead of to Customer. If FS notifies Supplier after shipment that Customer is no longer pursuing a Financing Agreement for these items, or if Customer fails to enter into such Financing Agreement within 120 days after shipment by Supplier, Customer shall promptly pay the Supplier invoice amounts directly to Supplier.

Customer represents that this transaction does not involve: (a) use of U.S. Government funds; (b) use by or resale to the U.S. Government; or (c) maintenance and support of the product(s) listed in this document within classified spaces. Customer further represents that this transaction does not require Supplier's compliance with any statute, regulation or information technology standard applicable to a U.S. Government procurement.

For certain products shipped to end users in California, a State Environmental Fee will be applied to Customer's invoice. Supplier encourages customers to dispose of electronic equipment properly.

Electronically linked terms and descriptions are available in hard copy upon request.

ATTACHMENT C

**MULTI-YEAR CAPITAL PLAN
FISCAL YEAR 2024-2026**

Community College of Philadelphia

Multi-Year Capital Plan

Fiscal Year 2024-2026

<u>Source of Funds</u>	<u>Amount</u>
Plant Maintenance Reserves	6,400,000
Projected Capital Fees (FY 24-26)	916,885
PDE Funding	362,500
RACP	2,450,000
BNY	1,041,635
City Funding	9,872,000
Total Source of Funds	21,043,019
<u>Use of Funds</u>	
3 Year spending plans	21,043,019
Note: GESA projects are not included	

Community College of Philadelphia						
Multi-Year Capital Plan						
Fiscal Year 2024-2026						
<u>Building</u>	<u>FACILITY PROJECTS</u>	<u>Use of Funds</u>	<u>23-24</u>	<u>24-25</u>	<u>25-26</u>	<u>RACP</u>
Bonnell	Parking lot lighting	60,000	60,000	-	-	-
Bonnell	Bath rooms renovation	300,000	300,000	-	-	-
Bonnell	Cooling Tower Dunnage & Piping	543,161	543,161	-	-	-
	TOTAL BONNELL	903,161	903,161	-	-	-
CBI	CBI Heat Pumps	155,000	155,000			
	TOTAL CBI	155,000	155,000	-	-	-
GYM	GYM-Locker rooms/Bathrooms	1,000,000	-	1,000,000	-	-
	TOTAL GYM	1,000,000	-	1,000,000	-	-
Mint	Mint Façade Cleaning	300,000	300,000	-	-	-
Mint	Mint Building Front Doors	800,000	800,000	-	-	400,000
Mint	Board AV/Conf Table	800,000	800,000	-	-	-
Mint	Mint Lighting	1,000,000	1,000,000	-	-	500,000
	TOTAL MINT	2,900,000	2,900,000	-	-	900,000
NERC	Parking lot Bridge repairs	100,000	-	100,000	-	-
NERC	Indoor Farm	150,000	150,000	-	-	-
NERC	NERC Heat Pumps	176,000	176,000	-	-	-
	TOTAL NERC	426,000	326,000	100,000	-	-
Parking	Main garage: Lighting, Cameras, electrical	1,000,000	500,000	500,000	-	-
Parking	Main garage -Phase IV & V	1,040,000	-	-	1,040,000	
	TOTAL PARKING	2,040,000	500,000	500,000	1,040,000	-
Various	Sidewalk repairs	75,000	25,000	25,000	25,000	-
Various	Electrical cost: Generator	295,758	-	295,758	-	-
Various	College wide Bathroom refresh	750,000	250,000	250,000	250,000	-
Various	Miscellaneous (Contingencies)	250,000	200,000	50,000	-	-
Various	Office relocations	1,100,000	400,000	700,000	-	-
Various	Replace Atrium Skylights - Mint/Bonnell	1,732,100	1,732,100	-	-	900,000

<u>Building</u>	<u>FACILITY PROJECTS</u>	<u>Use of Funds</u>	<u>23-24</u>	<u>24-25</u>	<u>25-26</u>	<u>RACP</u>
Various	Roof Replacements	2,300,000	300,000	2,000,000	-	-
	TOTAL VARIOUS	6,502,858	2,907,100	3,320,758	275,000	900,000
West	CATC Parking Lot	75,000	75,000	-	-	-
West	Renovation of Respiratory Care Lab Space (W2-36)	150,000	150,000	-	-	-
West	New entrance/split system/reconfigure rooms	240,000	120,000	120,000	-	-
West	Dental Clinic Floor & Cabinetry	914,000	914,000	-	-	-
West	Create a Simulation / Skills Lab for Nursing & Allied Health	750,000	750,000	-	-	-
	TOTAL WEST	2,129,000	2,009,000	120,000	-	-
Winnet	Compressor	30,000	30,000	-	-	-
Winnet	Great Hall Renovation	900,000	-	900,000	-	-
Winnet	Old Cafeteria renovation	1,300,000	500,000	800,000	-	650,000
	TOTAL WINNETT	2,230,000	530,000	1,700,000	-	650,000
	<u>SUBTOTAL FACILITY PROJECTS</u>	<u>18,286,019</u>	<u>10,230,261</u>	<u>6,740,758</u>	<u>1,315,000</u>	<u>2,450,000</u>
	<u>Divisional Priorities</u>					
	Math, Science & Health Careers	58,000	58,000	-	-	-
	Various	72,000	72,000	-	-	-
	Lactation Pods	90,000	90,000	-	-	-
	Dental Equip	225,000	225,000	-	-	-
	Computers	550,000	550,000	-	-	-
	Furniture & Fittings	300,000	150,000	150,000	-	-
	Multi Media	390,000	390,000	-	-	-
	Rebranding	1,072,000	1,072,000	-	-	-
	<u>SUBTOTAL DIVISIONAL PRIORITIES</u>	<u>2,757,000</u>	<u>2,607,000</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
	TOTAL	21,043,019	12,837,261	6,890,758	1,315,000	2,450,000

COMMUNITY COLLEGE OF PHILADELPHIA
Proceedings of the Meeting of the Board of Trustees
Thursday, October 5, 2023–3:00 p.m.
Isadore A. Shrager Boardroom, Room M2-1/Hybrid

Present: Mr. Harold T. Epps, presiding: Ms. Ajeenah Amir, Mr. Ronald Bradley, Mr. Pat Clancy, Mr. Rob Dubow, Ms. Chekemma Fulmore-Townsend, Ms. Sheila Ireland, Ms. Rosalyn McPherson, Mr. Jeremiah White, Dr. Donald Generals, Ms. Josephine Di Gregorio, Mr. Eapen, Dr. David Thomas, Ms. Danielle Liautaud-Watkins, Dr. Mellissia Zanjani, Ms. Jasmine Sessoms, Dr. Alycia Marshall, Ms. Victoria Zellers, Dr. Darren Lipscomb, and Dr. Ellyn Jo Waller

(1) Meeting Called to Order

Mr. Epps called the meeting to order. He stated that the following three items (which were approved at this morning's meeting of the Business Affairs Committee), were added to the Consent Agenda: Casework for Dental Clinic Accreditation; Amendment to the Elliott-Lewis Contract for Supplemental HVAC Engineers; and Blackbaud Contract Renewal.

Mr. Epps reviewed the goals for the meeting.

(2) Public Comment

There were no requests for public comment.

(3) Executive Session

Mr. Epps stated that the Board will convene in Executive Session for an update on labor negotiations and personnel matters. The Board will return following the Executive Session.

The Board reconvened in public session.

(4) Report of the President

(a) Enrollment Trends

At the request of Dr. Generals, Dr. Lipscomb provided a presentation on Fall 2023 Enrollment (see **Attachment A**). He stated that 12,329 total students are enrolled (4.8% Year-over-Year); 8,543 continuing students (1% YoY); and 3,786 new students (14.3% YoY). Dr. Lipscomb stated that credit hours total 109,429 (6.6% YoY); and there is an increase in FTEs among continuing (3.6% YoY) and new students (12.3% YoY). Dr. Lipscomb reviewed fall 2023 credit enrollment by location, part of term, and five-year credit and new student enrollment trends. Dr. Lipscomb also discussed extended protections for non-payers.

(b) Laptops for Success

Dr. Generals provided an update of the Laptops for Success program launched in fall 2023. He outlined the following eligibility requirements for the laptops:

- Pell eligible students can purchase refurbished laptops for \$25 (\$125 less scholarship of \$100); and
- Non-Pell eligible students can purchase refurbished laptops for \$50 (\$150 less scholarship of \$100).

Dr. Generals stated that laptops purchased to date are as follows:

- Laptops purchased by Pell eligible students: 173
- Laptops purchased by Non-Pell eligible students: 97

Total: 270

Dr. Generals stated that the \$100 scholarships are being funded through the Foundation; the laptops are given through the College's partnership with PCs for People; the Laptop for Success Program replaced the Laptop Loaner program; and under the Laptop Loaner Program, the College has issued 1,392 laptops to students.

(c) Foundation Report

Dr. Zanjani called attention to the report on Grants and Gifts that was included in the Board materials which is based on cash on hand. She stated that the report reflects July 1, 2023 - September 15, 2023 financial activity. Dr. Zanjani stated that for FY2024, July 1, 2023- September 15, 2023, there was no cash in hand funds from public/governmental sources received during this period. She stated that highlighted in the report was new cash in hand designated for scholarships. Dr. Zanjani stated that the expectation is that the year-over-year projected revenue/cash in hand will continue to improve as the variance in corporation, foundation, and organization are connected to one constituent gift that was not renewed during this period.

Dr. Zanjani informed the Board regarding two upcoming alumni events, namely the Annual Alumni Reunion Dinner, scheduled for Thursday, November 30, 2023 in the Gilroy Roberts Rotunda, 6:00 p.m. – 8:00 p.m. and the Alumni Night at a Community College of Philadelphia basketball game which will be held this season. The date of the game will be announced once it is confirmed.

At the request of Dr. Zanjani, Dr. Waller reported that a reception was held on September 18, 2023 to celebrate the reopening of the Gilroy Roberts Gallery in the Mint Building as well as the recognition of the Gilroy and Lillian Roberts Foundation for naming the Dr. Stanley Merves Open Study in the Library and Learning Commons. Dr. Waller stated that

The Presidents and the Pastor Jazz fundraising event was held on September 22, 2023. She stated that the event was a tremendous success, raising over \$10,000. Dr. Waller stated that the plan is to make the event an annual fall fundraiser.

Dr. Waller provided an update on the Annual Campaign. She stated that the first appeal of the fiscal year was already mailed. The second mail appeal and a thank you to current donors will go out in November for year-end giving. Dr. Waller stated that a digital campaign is also planned for Giving Tuesday, which is scheduled for November 28, 2023.

Dr. Waller reported that the Black & Gold Gala is scheduled for Thursday, June 13, 2024 at Vie. She stated that planning and fundraising for the event has begun. Dr. Waller reminded members of the Board regarding the 2024 Black and Gold Gala honorees.

Regarding the Major Gifts Campaign, Dr. Waller reported that staff met with the consultants last month. She stated that Board members are invited to participate in the events with the consultants. Dr. Waller stated that Board members should have received the dates for the meetings with purpose, which include presentations. Dr. Waller thanked members of the Board for sharing ideas for people to get involved in this important work.

Dr. Waller encouraged members of the Board to attend The Judge Edward R. Becker Citizenship Award Breakfast scheduled for Wednesday, October 25, 2023, at 8:30 a.m. and the reception for the dedication of the Absalom Jones Courtyard scheduled for Monday, November 13, 2023, 3:30 p.m. – 5:30 p.m. Dr. Waller noted that invitations for both events have already been sent to members of the Board.

(d) Strategic Planning Session Update

Dr. Generals reported that the Strategic Planning session held with the Board and Cabinet on Wednesday, October 4, 2023 was a successful and productive session. He stated that we will continue to move the strategic planning process forward. Dr. Generals stated that focus groups with students will be scheduled to get feedback on the process. Dr. Generals stated that he planned to get back to the Board regarding the scheduling of a Board Retreat before the holidays.

(5) Policy Work Group

At the request of Mr. Epps, Dr. Gay reported that in March 2022 the Board approved a Policy on College Policies (#319). A copy of Policy 319 is in the policy folder in the portal (BoardEffect). She stated that Policy 319 includes the statement that “All College policies must be approved by the Board of Trustees (“Board”) or, as delegated by the Board, by the President of the College.”

Dr. Gay stated that the majority of College policies have been delegated for approval by the President, but to ensure the Board is meeting its responsibility, the Board agreed to a review procedure that states “The Office of General Counsel will update the Executive Committee no later than August, and update the full Board no later than October, regarding policies that have been reviewed in the prior academic year, all outstanding policy reviews, and the upcoming review schedule.” A copy of the review procedure is in the portal (BoardEffect). Dr. Gay stated that the Board’s Policy Work Group met at the end of June and had a preview of the status of the 2022-2023 policy reviews. In August, the General Counsel, Ms. Zellers, sent the group an additional update.

Dr. Gay stated that at the combined Business Affairs and Executive Committee meeting on August 23, 2023, Ms. Zellers gave the update for the Executive Committee and she will do the update for the full board today. I want to note that, for several reasons, the College did not complete all of the reviews planned for the 2022-2023 academic year. The reasons include personnel changes and a need to create or revise some new policies. Ms. Zellers can comment further on the reasons and the plans for the coming year, 2023-2024.

Ms. Zellers stated that for 2022-2023, the College reviewed and updated 12 policies and issued two (2) new policies. Two of the fourteen policies were reviewed and approved by the Board of Trustees including the College’s Conflict of Interest Policy and the College’s Procedures and Wage Rate for Employment of Students on a Part-Time Basis. The other policies were approved by the President, many of which went through the College’s Standing committees.

Ms. Zellers stated that the College had set an ambitious goal of reviewing 37 policies this past academic year, but due to changes in the College’s legal and other departments and the Standing Committee process, many policies are still in the review process and have not been updated. The College administration is adjusting the schedule for 2023-2024 and the Policy Working Group has selected the following three policies for Board review and approval this fall: (1) Disposal of College Property; (2) Accounts Receivable Collection and Bad Debt Management Policy; and (3) Inclusion of Diverse Suppliers and Philadelphia Based Businesses in College Purchasing Activities. Ms. Zellers stated that the remaining policies set for review in 2022-2023 will be placed on review for 2023-2024 with the remainder of the schedule pushed back by one year. The College administration may adjust the schedule based on legally required changes or other College priorities as needed and will keep the Board informed in accordance with Policy No. 319.

(6) Student Outcomes Committee, September 7, 2023

Ms. Fulmore-Townsend reported that the Committee met on September 7, 2023 and reviewed the Photography Associate of Applied Science (A.A.S.) Academic Program Review. She stated that the department faculty and staff have worked to improve the courses and program learning outcomes. Ms. Fulmore-Townsend stated that staff will also work to increase enrollment in the program. Ms. Fulmore-Townsend stated that several suggestions were made

on ways for the program to connect with industry. Ms. Fulmore-Townsend stated that after discussion, the Committee had received a photography book as a gift which contained an impressive collection of student photography.

Ms. Fulmore-Townsend stated that the Committee approved the Photography Academic Program review for five years. She stated that the Program Review is part of the Consent Agenda.

(7) Business Affairs Committee, September 20 and October 5, 2023

Mr. Dubow reported that the Business Affairs Committee had met on September 20 and October 5, 2023. He stated that the items discussed and approved by the Business Affairs Committee are part of the Consent Agenda.

(8) Executive Committee

(a) President's Compensation

At the request of Mr. Epps, Ms. Ireland made a motion to approve the compensation package recommended by the Board Compensation Working Group. Mr. Dubow moved, with Mr. Clancy seconding, that the Board approve the President's Compensation. The motion carried unanimously.

Mr. Epps stated that several members of the Board had worked on the working group for the President's compensation. He expressed his thanks to the group and congratulated President Generals.

(9) Consent Agenda

Mr. Epps requested Board approval of the following Consent Agenda:

- (a) Proceedings and Minutes of Decisions and Resolutions
Meeting of September 7, 2023
- (b) Gifts and Grants
- (c) Photography Associate of Applied Science
A.A.S. Academic Program Review
- (d) Contract with Ellucian
- (e) Purchase of PCs
- (f) Casework for Dental Clinic Accreditation
- (g) Amendment to the Elliott-Lewis Contract for Supplemental HVAC Engineers
- (h) Blackbaud Contract Renewal

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

(10) Report of the Chair

Mr. Epps congratulated Trustee Sheila Ireland and Foundation Board Vice President Sulaiman Rahman on being honored with a Nucleus Award from The Science Center. "The Nucleus Awards celebrate leaders fostering a more innovative, collaborative, and equitable future."

(11) Old Business

There was no old business discussed.

(12) New Business

There was no new business discussed.

(13) Next Meeting

The next meeting of the Board of Trustees is scheduled for Thursday, November 2, 2023 at 3:00 p.m. at the Career and Advanced Technology Center, 4750 Market Street, Room 341 A&B. The meeting will be hybrid.

Mr. Epps called attention to the list of Board Committee meetings as well as the list of Upcoming Events. Mr. Epps commended President Generals and Dr. Thomas for convening the Men of Color conference scheduled for Saturday, October 14, 2023 in the Winnet Building, Great Hall.

The meeting adjourned at 4:13 p.m.



ATTACHMENT A

Fall Enrollment Outlook

Board of Trustees
Oct. 5, 2023

Fall 2023 Credit Enrollment

- By the numbers *YoY = year-over-year
 - 12,329 total students enrolled (+4.8% YoY)
 - **8,543 continuing students (+1% YoY)**
 - 3,786 new students (+14.3% YoY)
 - 109,429 total credits (+6.6% YoY)
 - Increased FTEs among continuing (+3.6% YoY) and new students (12.3% YoY)

Fall 2023 Credit Enrollment (By location)

- **Main** *includes students studying at multiple campuses
 - 7,340 total students (+15.5%)
 - 4,817 continuing students (+15.5%)
 - 2,523 new students (+15.7%)
 - 50,763 total credits (+18.8%)
- **West/CATC**
 - 225 total students (+80%)
 - 116 continuing students (+20.8%)
 - 109 new students (+275.9%)
 - 1,159 total credits (+99.5%)

Fall 2023 Credit Enrollment (By location)

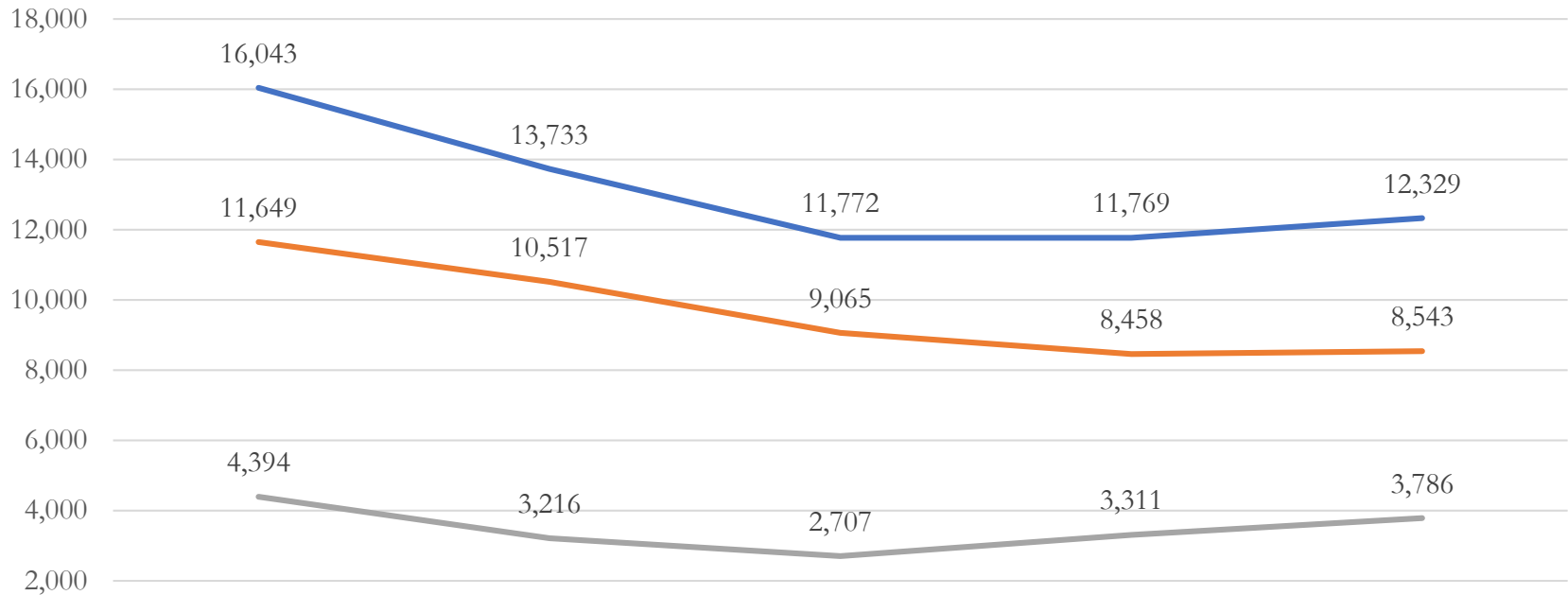
- Northeast
 - 1,233 total students (+17.8%)
 - 755 continuing students (+7.1%)
 - 478 new students (+39.8%)
 - 7,318 total credits (+29.7%)
- Online
 - 7,896 total students (-4.1%)
 - 6,113 continuing students (-3.7%)
 - 1,783 new students (-5.3%)
 - 49,593 total credits (-6.5%)

Fall 2023 Credit Enrollment (by part of term)

- 15 week (+7.9% in headcount; +9.3% credits)
- Early start accelerated
 - 7 week (-10.7% in headcount; -7.4% credits)
- Late start accelerated
 - 10 week (+1.4% in headcount; -3.6% credits)
 - 7 week (-0.4% in headcount; +1% credits)

Five-Year Credit Enrollment trends

Point in time Enrollment trends

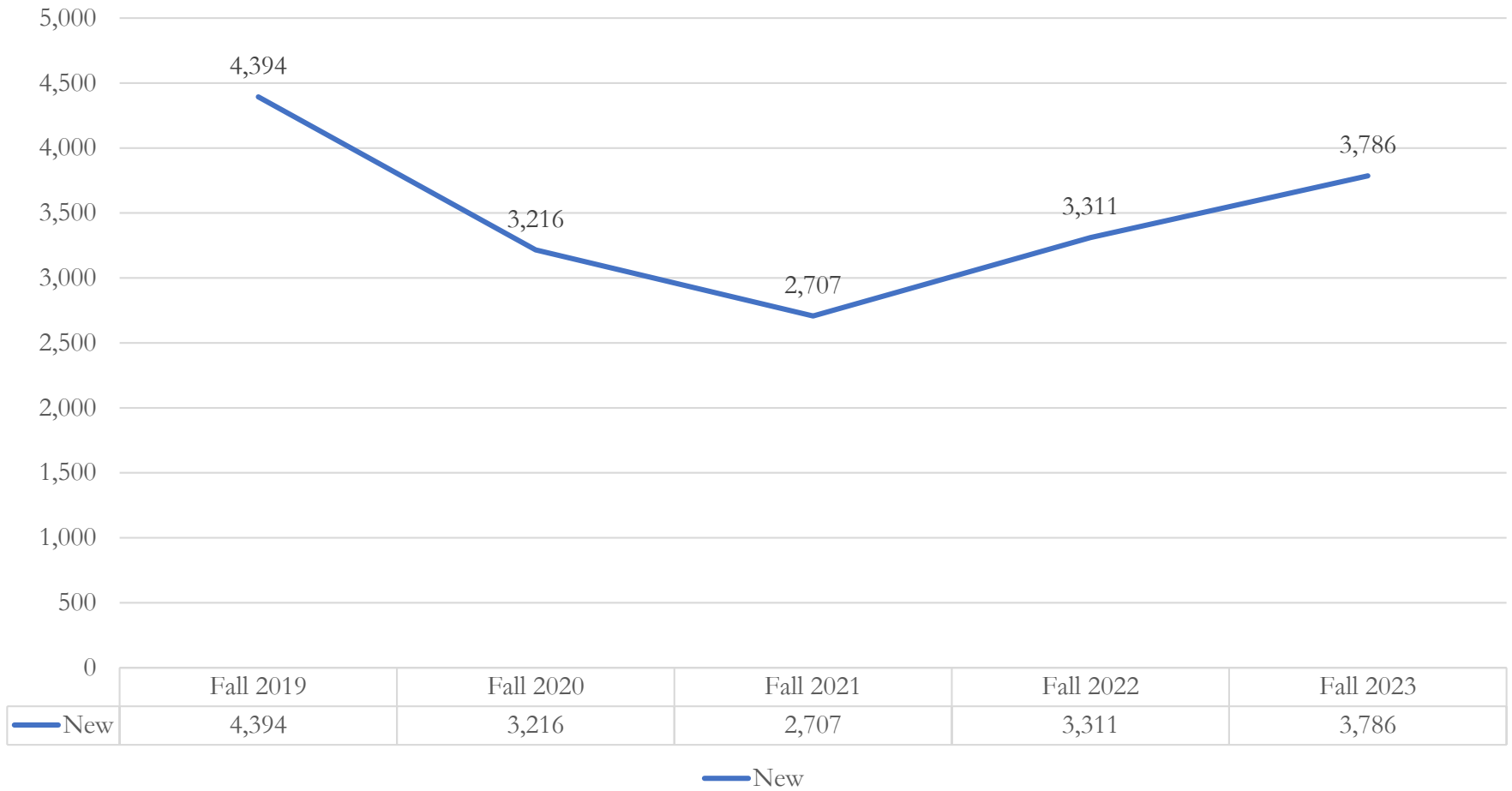


	Fall 2019	Fall 2020	Fall 2021	Fall 2022	Fall 2023
Overall	16,043	13,733	11,772	11,769	12,329
Continuing	11,649	10,517	9,065	8,458	8,543
New	4,394	3,216	2,707	3,311	3,786

— Overall — Continuing — New

Five-Year New Student Credit Enrollment trends

Fall 2019 to Fall 2023 New Student Enrollment



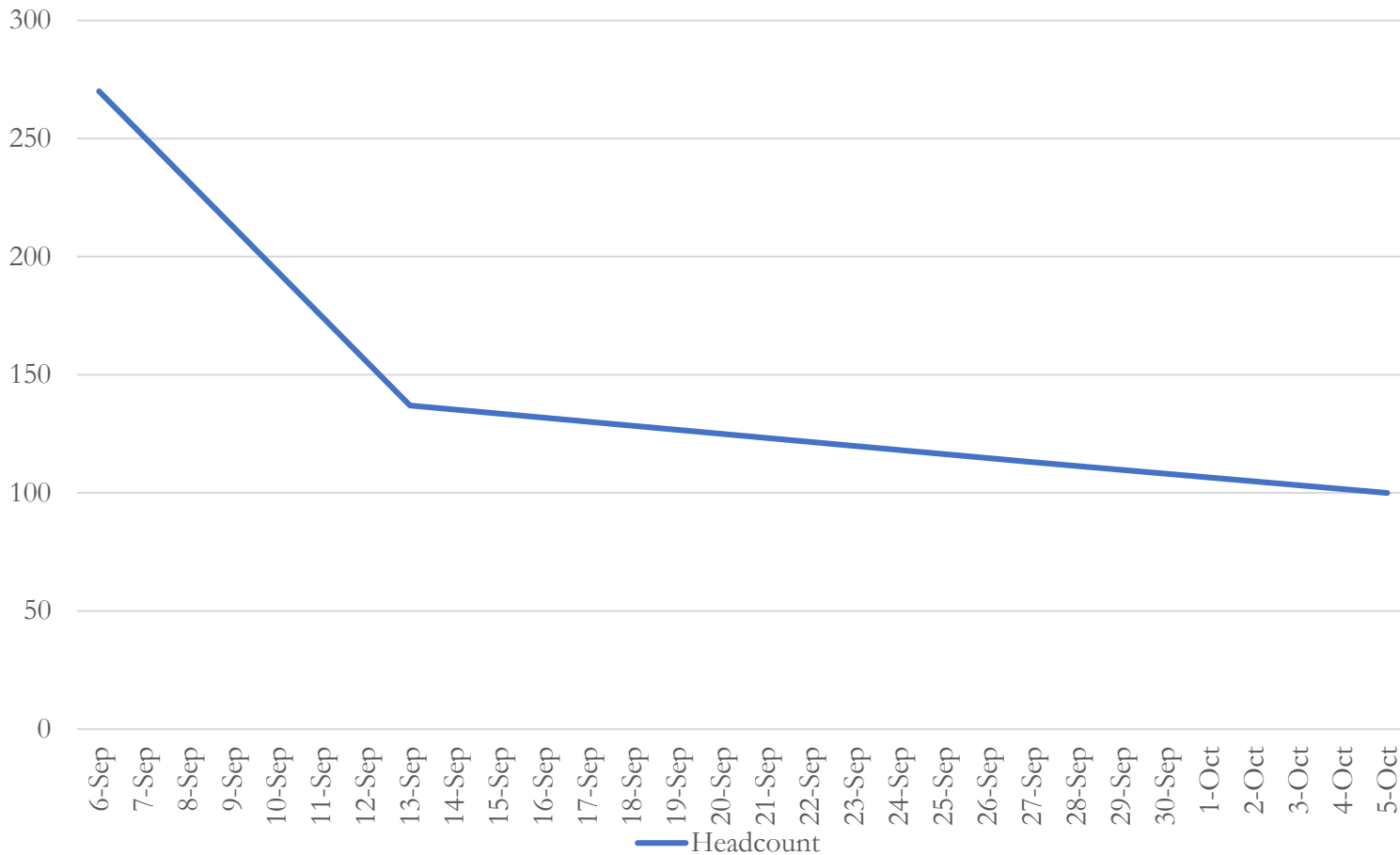
More Time to Pay: Extended Protections for Non-Payers

Protecting students from being dropped for non-payment

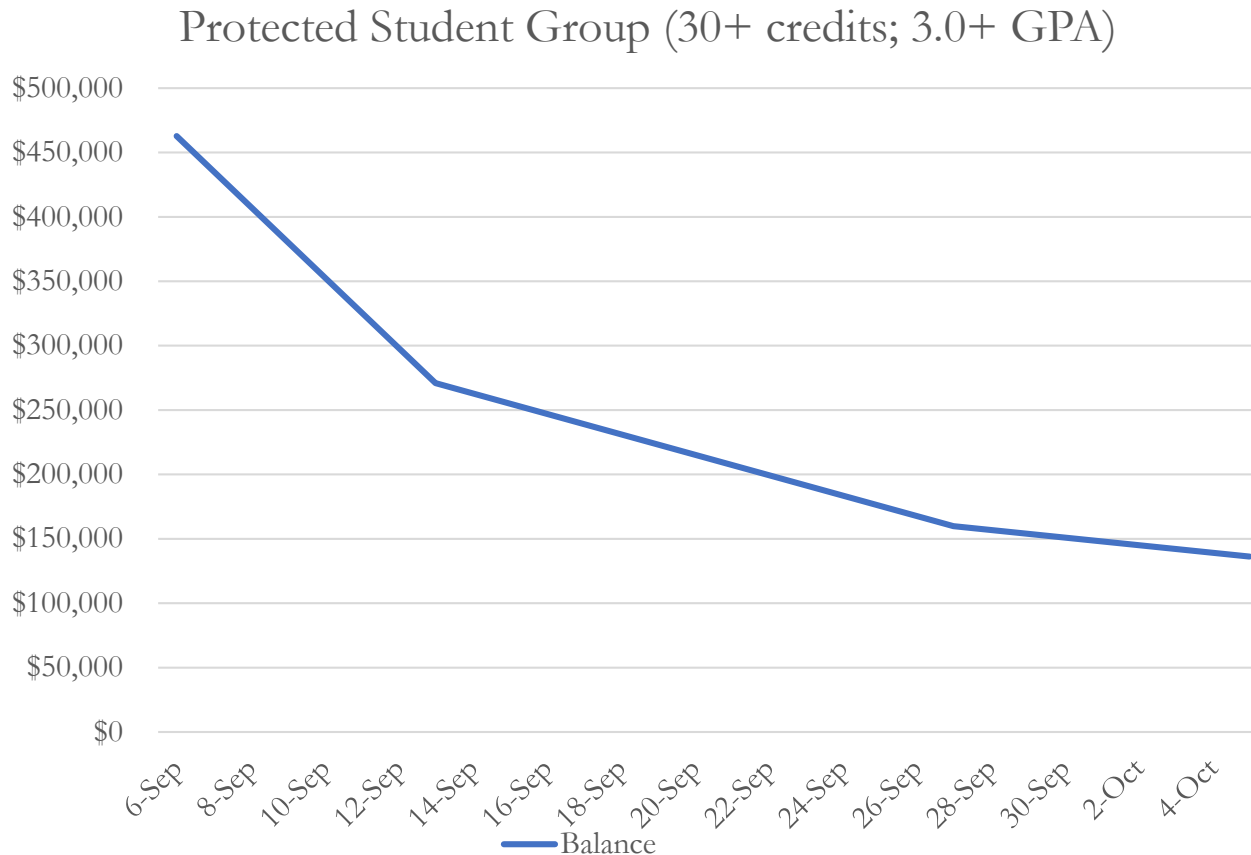
- Based on success of pilot last year, continuing “good holds” for qualified students
- Anticipating increased retention
- Protected students with 3.0 GPA or higher and 30 credits or more
- Started with a cohort of 270 students
- Sixty-three percent of protected students have paid thus far

Extended Protections for Non-Payers

Protected Student Group (30+ credits; 3.0+ GPA)



Extended Protections for Non-Payers



Questions

COMMUNITY COLLEGE OF PHILADELPHIA
Meeting of the Board of Trustees
Thursday, October 5, 2023–3:00 p.m.
Isadore A. Shrager Boardroom, Room M2-1/Hybrid
MINUTES OF DECISIONS AND RESOLUTIONS

Present: Mr. Harold T. Epps, presiding: Ms. Ajeenah Amir, Mr. Ronald Bradley, Mr. Pat Clancy, Mr. Rob Dubow, Ms. Chekemma Fulmore-Townsend, Ms. Sheila Ireland, Ms. Rosalyn McPherson, Mr. Jeremiah White, Dr. Donald Generals, Ms. Josephine Di Gregorio, Mr. Eapen, Dr. David Thomas, Ms. Danielle Liautaud-Watkins, Dr. Mellissia Zanjani, Ms. Jasmine Sessoms, Dr. Alycia Marshall, Ms. Victoria Zellers, Dr. Darren Lipscomb, and Dr. Ellyn Jo Waller

(1) Meeting Called to Order

Mr. Epps called the meeting to order and reviewed the goals for the meeting.

(2) Public Comment

There were no requests for public comment.

(3) Executive Session

The Board convened in Executive Session for an update on labor negotiations and personnel matters.

The Board reconvened in public session.

(4) Report of the President

(a) Enrollment Trends

The Board was provided with an update on enrollment for fall.

(b) Laptops for Success

The Board was provided with an update on the Laptops for Success program.

(c) Foundation Report

The Board was provided with an update on grants and gifts, alumni and other Foundation events, the Major Gifts Campaign, and the 2024 Black and Gold Gala.

(d) Strategic Planning Session Update

The Strategic Planning session held with the Board and Cabinet on Wednesday, October 4, 2023 was a successful and productive session. The plan is to schedule a Board Retreat before the holidays.

(5) Policy Work Group

The Board was provided with an update on the status of the reviews of policies planned for 2022-2023, as well as the policies for Board review and approval this fall.

(6) Student Outcomes Committee, September 7, 2023

The Student Outcomes Committee met on September 7, 2023 and approved the Photography Associate of Applied Science (A.A.S.) Academic Program Review for five years. The Program Review is part of the Consent Agenda for Board approval.

(7) Business Affairs Committee, September 20 and October 5, 2023

The Business Affairs Committee met on September 20 and October 5, 2023. The items discussed and approved by the Business Affairs Committee are part of the Consent Agenda for Board approval.

(8) Executive Committee

(a) President's Compensation

The Board approved the President's Compensation.

(9) Consent Agenda

The Board approved the following Consent Agenda:

- (a) Proceedings and Minutes of Decisions and Resolutions
Meeting of September 7, 2023
- (b) Gifts and Grants
- (c) Photography Associate of Applied Science
A.A.S. Academic Program Review
- (d) Contract with Ellucian

(10) Report of the Chair

The Board congratulated Trustee Sheila Ireland and Foundation Board Vice President Sulaiman Rahman on being honored with a Nucleus Award from The Science Center. "

(11) Old Business

There was no old business discussed.

(12) New Business

There was no new business discussed.

(13) Next Meeting

The next meeting of the Board of Trustees is scheduled for Thursday, November 2, 2023 at 3:00 p.m. at the Career and Advanced Technology Center, 4750 Market Street, Room 341 A&B. The meeting will be hybrid.

The meeting adjourned at 4:13 p.m.

**Community College of Philadelphia
Meeting of the Board of Trustees
November 2, 2023
Office of Institutional Advancement
Record of Grants and Gifts FY24**

Summary by Source:	FY 2024		FY 2023	FY2024 and FY2023
Held by College	<i>since last report</i> 9/16/23 -10/15/23	Fiscal Year To Date 7/1/23 - 10/15/23	Fiscal Year To Date 7/1/22 -10/15/22	Variance 7/1 - 10/15
Federal	\$ -	\$ 681,219	\$ 6,890,342	\$ (6,209,123)
State	\$ -	\$ -	\$ 46,851	\$ (46,851)
Local / City	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 681,219	\$ 6,937,193	\$ (6,255,974)
Held by Foundation (Cash-in-Hand)	<i>since last report</i> 9/16/23 -10/15/23	Fiscal Year To Date 7/1/23 - 10/15/23	Fiscal Year To Date 7/1/22 -10/15/22	Variance 7/1 - 10/15
Corporation	\$ 1,100	\$ 47,600	\$ 349,500	\$ (301,900)
Foundation	\$ 462,826	\$ 855,332	\$ 846,041	\$ 9,291
Individual	\$ 34,145	\$ 90,266	\$ 83,469	\$ 6,797
Organization	\$ 636	\$ 1,801	\$ 61,232	\$ (59,431)
Total	\$ 498,707	\$ 994,999	\$ 1,340,242	\$ (345,243)
TOTAL	\$ 498,707	\$ 1,676,218	\$ 8,277,435	\$ (6,601,217)

PUBLIC / GOVERNMENT SUMMARY (Since October 5, 2023, Meeting)

- No new public grants to report on since the last meeting.

PRIVATE / PHILANTHROPIC SUMMARY (Since October 5, 2023, Meeting)

- A private donor established the Shay Emergency Fund for students' basic needs.

Community College *of* Philadelphia

November 2023 Events

November 1

Creative Arts Pathways Faculty Exhibition
Mint Building, Rotunda
Open, November 1st-Dec. 4th

HBCU Universities Transfer Fair
Bonnell Building, Lobby
9:30 a.m. –12:00 p.m.

12 Plus Signing Ceremony
Pavilion Building, Lobby
10:00 a.m. –11:00 a.m.

November 2

Express Enrollment Event
Bonnell Building, Lobby
9:00 a.m. –3:00 p.m.

CME-Real Talk/Next Level Program
Center for Business & Industry, C2-05
12:00 p.m. –2:00 p.m.

Film Screening: A Hope That Lights The Way
Winnet Building, S2-03
12:30 p.m. –3:30 p.m.

November 3

The JED Foundation-Mental Health
Conference
Winnet Building, The Great Hall
9:00 a.m. –5:30 p.m.

Creative Writing Jam, English Depart.
Mint Building, Rotunda
3:00 p.m. –5:00 p.m.

November 4

Expungement Clinic
Northeast Regional Center
9:00 a.m. – 4:00 p.m.

Sen. John Fetterman Service Academy Fair
Career & Advanced Technology Cntr
9:00 a.m. –5:00 p.m.

November 6

iVote Mock Election
Career & Advanced Technology Cntr
10:00 a.m. – 4:00 p.m.

City of Philadelphia Employer Takeover,
Career Connections
Bonnell Building, Lobby
2:00 p.m– 4:00 p.m.

November 8

Intersex Awareness Day
Winnet Building, S2-03
2:00 p.m. –3:00 p.m.

November 9

Math, Sciences and Healthcare
Careers Student For a Day
Winnet Building, The Great Hall
10:00 a.m. – 2:00 p.m.

Art Department Pottery Sale
Bonnell Building, Lobby
10:00 a.m. – 3:00 p.m.

November 10

Veteran's Day Ceremony
Bonnell Building, Lobby
10:00 – 11:00 a.m.

November 13

Absalom Jones Courtyard Dedication
Absalom Jones Courtyard, Library
5:00 p.m. –7:00 p.m.

November 14

Thanksgiving Luncheon
Winnet Building, The Great Hall
12:00 p.m. – 2:00 p.m.

November 15

Holiday Pop-up Store Experience
Bonnell Building, Lobby
10:00 a.m. – 3:00 p.m.

The Great American Smoke Out
Northeast Regional Center
10:00 a.m.-2:00 p.m.

November 20

Trans Day of Remembrance
Bonnell Circle
4:00.p.m. – 5:00.p.m.

November 30

Minority Men in Medicine Conference
Winnet Building, The Great Hall
10:00 a.m.– 3:00 p.m.

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