

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE H - 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 State Employees Retirement System (SERS) or the Pennsylvania Public School Employees Retirement System (PSERS), it has grandfathered continued participation for those employees currently enrolled. The College has 15 employees participating in the SERS and 26 employees in the PSERS.

1. 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% or 2.5% (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% to 2.5% (depending on membership class) of the member's final average salary multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service. 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% or 2.5% (depending on membership date) of the highest three-year average salary times the number of years of service. The vesting period is either 5 or 10 years (depending on membership date) of credited service.

Contributions

For PSERS, the contribution policy is set by Commonwealth statutes and requires contributions by active members, employers and the Commonwealth of Pennsylvania. Funding percentages are determined by the plan in accordance with actuarial calculations and are based on covered payroll. Currently, for full time faculty, administrators and other staff, the College contributes 29.2% of all earnings as long as contributions are adequate to accumulate assets to pay retirement benefits when due. Employee contributions are 6.5% of all earnings for members prior to July 22, 1983 and 7.5% of all earnings for members after July 22, 1983.

(Continued)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE H - EMPLOYEE BENEFITS - Continued

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 19.92% 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 of Resources and Deferred Inflows of Resources

At June 30, 2018, the College reported a liability of \$1,679,000 and \$2,758,923 for its proportional share of the net pension liability for PSERS and SERS, respectively. The net pension liability was measured as of June 30, 2017 for PSERS and December 31, 2017 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, 2017 and December 31, 2017, respectively, the College's proportion of PSERS and SERS was 0.0034% and 0.01595518%.

For the year ended June 30, 2018, the College recognized the proportional pension expense for PSERS and SERS of \$273,000 and \$531,928, respectively, as provided by the plans' actuarial schedules. At June 30, 2018, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>PSERS</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 17,500	\$ 10,000
Changes in assumptions	45,500	-
Net difference between projected and actual earnings on pension plan investments	39,000	-
Changes in proportion and differences between College contributions and proportionate share of contributions	217,000	36,000
Total	\$ 319,000	\$ 46,000

(Continued)

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE H - EMPLOYEE BENEFITS - Continued

<u>SERS</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 46,647	\$ 52,384
Changes of assumptions	138,127	-
Net difference between projected and actual earnings on pension plan investments	-	109,693
Changes in proportion	643,414	62,109
Changes in proportion and differences between College contributions and proportionate share of contributions	<u>-</u>	<u>156,011</u>
Total	<u>\$ 828,188</u>	<u>\$ 380,197</u>

Actuarial Assumptions

The following methods and assumptions were used in the actuarial valuations for the year ended June 30, 2018. These methods and assumptions were applied to all periods included in the measurement:

PSERS

Actuarial cost method	entry age normal-level % of pay
Investment rate of return	7.25%, includes inflation at 2.75%
Salary increases	effective average of 5.0%, which reflects an allowance for inflation of 2.75%, real wage growth of 2.25% and merit of seniority increases of 2.25%
Mortality rates	Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

SERS

Actuarial cost method	entry age
Amortization method	straight-line amortization of investments over five years and amortization of assumption changes and noninvestment gains/losses over the average expected remaining service lives of all employees that are provided benefits
Investment rate of return	7.25% net of manager fees including inflation

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE H - EMPLOYEE BENEFITS - Continued

Projected salary increases	average of 5.60% with range of 3.70% - 8.90% including inflation
Inflation	2.60%
Mortality rate	projected RP-2000 Mortality Tables adjusted for actual plan experience and future improvement
Cost of living adjustments	none (ad hoc)

PSERS

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

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected rate of return</u>
Global Public Equity	20.00%	5.10%
Fixed Income	36.00%	2.60%
Commodities	8.00%	3.00%
Absolute Return	10.00%	3.40%
Risk Parity	10.00%	3.80%
Infrastructure/MLPs	8.00%	4.80%
Real Estate	10.00%	3.60%
Alternative Investments	15.00%	6.20%
Cash	3.00%	0.60%
Financing (LIBOR)	-20.00%	1.11%
Total	<u>100.00%</u>	

SERS

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

(Continued)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE H - EMPLOYEE BENEFITS - Continued

<u>Asset class</u>	<u>Target allocation</u>	<u>Long-term expected rate of return</u>
Private Equity	16.00%	8.00%
Global Public Equity	43.00%	5.30%
Real Estate	12.00%	5.44%
Multi-Strategy	12.00%	5.10%
Fixed Income	14.00%	1.63%
Cash	3.00%	-0.25%
Total	<u>100.00%</u>	

For PSERS and SERS, the discount rate used to measure total pension liability was 7.25%. 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 is \$1,679,000 using a 7.25% discount rate. The College's net pension liability would have been \$2,067,000 assuming a 1% point decrease (6.25%) in the discount rate and would have been \$1,352,000 assuming a 1% point increase (8.25%) in the discount rate.

For SERS, the College's net pension liability is \$2,758,923 using a 7.25% discount rate. The College's net pension liability would have been \$3,501,934 assuming a 1% point decrease (6.25%) in the discount rate and would have been \$2,122,448 assuming a 1% point increase (8.25%) in the discount rate.

2. 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.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE H - EMPLOYEE BENEFITS - Continued

The College's contributions for each employee (and interest allocated to the employee's accounts) are fully vested. Death benefits in the amount of the full present value of accumulation are provided to the beneficiary of a participant who dies prior to retirement. Various payment options are available. The College has 1,225 employees participating in this program.

The payroll for employees covered by the three plans was \$62,194,258; and the College's total payroll is \$77,953,315 at June 30, 2018. Contributions made by the College during fiscal 2018 totaled \$5,943,256, representing 9.56% of covered payroll. College employees contributed \$4,839,552 during fiscal 2018. A summary of retirement benefits follows:

<u>Type of employee</u>	
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

3. Other 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.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE H - EMPLOYEE BENEFITS - Continued

Funding Policy

Post-employment benefits other than pensions stems from the College's three collective bargaining agreements. For the fiscal year ended June 30, 2018, the College paid \$0.9 million 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.

Employees/Retirees/Beneficiaries	Number of Participants as of July 1, 2017
Actives	878
In-actives entitled to but not yet receiving benefit payments	-
In-actives currently receiving benefit payments	515
Total	1,393

The following table provides a summary of the changes in the College's total OPEB liability for fiscal year ended June 30, 2018. The valuation date was July 1, 2017, and the measurement date was June 30, 2017.

Change in Total OPEB Liability (TOL)	July 1, 2017
TOL, Beginning of Year	\$ 232,502,029
Service Cost	10,624,414
Interest	6,233,949
Change in Benefit Terms	-
Difference Between Expected and Actual Experience	(47,379,552)
Employee Contributions	942,650
Benefits Paid	(5,876,680)
Changes in Assumptions	<u>(19,250,954)</u>
TOL, End of Year	<u>\$ 177,795,856</u>

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Community College of Philadelphia
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE H - EMPLOYEE BENEFITS - Continued

The following summarizes the development of Expense for fiscal 2018:

Service Cost	\$ 10,624,414
Interest	6,233,949
Expected Return on Assets	-
Amortization of:	
Total OPEB Liability and Assumption (Gain)/Loss	-
Fiduciary Net Position (Gain)/Loss	<u>-</u>
Expense	<u>\$ 16,858,363</u>
Weighted Average Assumptions to Determine Expense	
Actual Benefit Payments	\$ 4,934,030
Discount Rate	2.71%
Expected Return on Assets	N/A
Salary Scale	3.00%
Health Care Trend Rate	
Current Rate	6.85%
Ultimate Rate / Year Reached	4.00% / 2036

Deferred outflows of resources and deferred inflows of resources reported by the College at June 30, 2018 are as follows:

Gain/Loss Deferred Inflows

Date Amortization Base Set	Net Amount at June 30, 2018	Amortization Period Remaining at June 30, 2018
June 30, 2018	\$ <u>66,630,506</u>	6.06
Total	\$ <u>66,630,506</u>	

Gain/Loss Deferred Outflows

Date Amortization Base Set	Net Amount at June 30, 2018	Amortization Period Remaining at June 30, 2018
June 30, 2018	\$ <u>-</u>	6.06
Total	\$ <u>-</u>	

(Continued)

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE H - EMPLOYEE BENEFITS - Continued

Deferred Outflows and Inflows Projection

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

Year ended June 30:	
2019	\$ 10,995,133
2020	10,995,133
2021	10,995,133
2022	10,995,133
2023	10,995,133
Thereafter	11,654,841

Actuarial Assumptions

Mortality Table: 88% of rates in the RP-2014 White Collar Healthy Mortality Table backed off to 2006 and projected generationally with Scale MP-2017 plus 12% of rates in the RP-2014 Blue Collar Healthy Mortality Table backed off to 2006 and projected generationally with Scale MP-2017.

Discount Rate: 3.13% for determining June 30, 2018 disclosure and estimated fiscal 2019 expense; 2.71% for determining June 30, 2017 liability and fiscal 2018 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 S&P municipal bond 20 year high grade rate index as of the measurement dates.

A one-percentage point change in the discount rate and assumed health care cost trend rates would have the following impact on the liability for post-employment benefits obligations at June 30, 2018:

Discount Rate Change	<u>1% Decrease</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 208,742,646	\$ 152,982,317
Net OPEB Liability Healthcare Trend Rate	\$ 151,664,620	\$ 210,771,167

The complete actuarial assumptions and methods used for determining GASB 75 obligations are described on the Fiscal Year 2018 GASB 75 Report dated August 14, 2018. The Report is available at the Office of the Controller, Community College of Philadelphia, Suite M1-2, 1700 Spring Garden St, Philadelphia, PA 19130.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE H - EMPLOYEE BENEFITS - Continued

4. Retirement Incentive Program

A retirement incentive option was offered to employees 62 years or older, who have completed at least 15 years of full-time service, and whose combined age and years of service equal at least 80. This option expired August 31, 2014. During 2015, there were two people who accepted the early retirement and incentive options; the present value of future payments as of June 30, 2018 of \$980,639 has been accrued. Future payments in the next two fiscal years are each expected to be \$879,533.

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. Twenty-seven employees received or will receive the incentive payment during fiscal years 2017-18, 2018-19, 2019-2020 and 2020-21.

NOTE I - COMMITMENTS AND CONTINGENCIES

Based upon the provisions of Act 46 enacted in 2005 and effective with the June 2007 fiscal year, the Commonwealth no longer audits the funding received. In lieu of the state audit, an enrollment verification and capital expenditure audit is completed by the College's independent auditor.

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 determines whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. The College assesses potential liability by analyzing litigation matters using available information including consultation with outside and in-house counsel handling the defense in these matters, which involves an analysis of potential results, assuming a combination of litigation and settlement strategies. The College has accrued \$300,000 for legal contingencies. Additionally, 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.

Community College of Philadelphia
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NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE J - OPERATING EXPENSES

The College's and component unit Foundation's operating expenses, on a natural classification basis, were comprised of the following for the year ended June 30, 2018:

	College	Component unit Foundation
Salaries	\$ 76,986,020	\$ 967,295
Benefits	36,258,572	281,722
Contracted services	7,859,052	133,689
Supplies	3,548,903	52,840
Depreciation	8,132,985	-
Student aid	7,213,061	519,607
Other post-retirement benefits	12,309,409	-
Other	12,092,302	536,446
Total	\$ 164,400,304	\$ 2,491,599

NOTE K - CITY AND COMMONWEALTH APPROPRIATIONS

Appropriations from the Commonwealth and the City for the year ended June 30, 2018 are as follows:

	Operations	Capital
Commonwealth of Pennsylvania	\$ 30,891,611	\$ 5,352,051
City of Philadelphia	23,310,452	7,098,755
Total appropriations	\$ 54,202,063	\$ 12,450,806

NOTE L - PASS-THROUGH GRANTS

The College distributed \$29,607,438 in 2018 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 M - SUBSEQUENT EVENTS

The College has evaluated subsequent events through September 28, 2018, noting no items which would require disclosure in the financial statements.

SUPPLEMENTARY INFORMATION

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

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS¹ (UNAUDITED)

Year ended June 30, 2018

(Amounts are in thousands)

Total OPEB Liability		
Service cost		\$ 10,624
Interest cost		6,234
Actual and expected experience difference		(47,379)
Changes in assumptions		(19,251)
Changes in benefit terms		-
Benefit payments		<u>(4,934)</u>
	Net change in total OPEB liability	(54,706)
	Total OPEB liability - beginning	<u>232,502</u>
	Total OPEB liability - ending (a)	<u>\$ 177,796</u>
Plan Fiduciary Net Position		
Contribution - employer		\$ 4,934
Net investment income		-
Benefit payments		(4,934)
Administrative expense		<u>-</u>
	Net change in plan fiduciary net position	-
	Plan fiduciary net position - beginning	<u>-</u>
	Plan fiduciary net position - ending (b)	<u>\$ -</u>
	Net OPEB liability - ending (a)-(b)	<u>\$ 177,796</u>
Plan fiduciary net position as a percentage of the total OPEB liability		0%
	Covered-employee payroll ²	54,241
Net OPEB liability as a percentage of covered-employee payroll		328%

Notes to Schedule:

Changes in assumptions. The discount rate was updated from 4.00% (under GASB 75) to 2.71% and 3.13% as of June 30, 2016 and June 30, 2017, respectively, in accordance with GASB 75.

¹ Since it is the first year of implementation, there is only one year available for the required 10-year schedule.

² Covered payroll reflects the payroll for the measurement period.

The information presented above was determined as part of the actuarial valuation at the date indicated.

See accompanying report of independent certified public accountants.

Community College of Philadelphia
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SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (UNAUDITED)

Years ended June 30,

	<u>2018</u>	<u>2017</u>	<u>2016</u>
PSERS			
College's proportion of the net pension liability (asset)	0.0000%	0.0035%	0.0032%
College's proportionate share of the net pension liability (asset)	\$ 1,679,000	\$ 1,734,000	\$ 1,386,000
College's covered employee payroll	\$ 455,779	\$ 454,763	\$ 413,104
Plan fiduciary net position as a percentage of the total pension liability	51.84%	50.14%	54.36%
SERS			
College's proportion of the net pension liability (asset)	0.0160%	0.0147%	0.0110%
College's proportionate share of the net pension liability (asset)	\$ 2,758,923	\$ 2,827,306	\$ 1,998,201
College's covered employee payroll	\$ 979,992	\$ 894,293	\$ 653,759
Plan fiduciary net position as a percentage of the total pension liability	63.00%	57.80%	58.90%

See accompanying report of independent certified public accountants.

Community College of Philadelphia
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SCHEDULE OF CONTRIBUTIONS (UNAUDITED)

Years ended June 30,

	<u>2018</u>	<u>2017</u>	<u>2016</u>
PSERS			
Contractually required contribution	\$ 130,000	\$ 111,000	\$ 83,000
Contribution in relation to the contractually required contribution	<u>130,000</u>	<u>111,000</u>	<u>83,000</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 455,779	\$ 454,763	\$ 413,104
Contributions as a % of covered employee payroll	28.5226%	24.4083%	20.0918%
SERS			
Contractually required contribution	\$ 325,667	\$ 301,735	\$ 202,576
Contribution in relation to the contractually required contribution	<u>325,667</u>	<u>301,735</u>	<u>202,576</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 979,992	\$ 894,293	\$ 653,759
Contributions as a % of covered employee payroll	33.2316%	33.7401%	30.9863%

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)

Year ended June 30,

(Amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Student tuition and fees (net of scholarship allowances)	\$ 33,234	\$ 32,992	\$ 31,643	\$ 31,973	\$ 35,338	\$ 32,003	\$ 30,181	\$ 28,132	\$ 29,608	\$ 31,618
Nongovernmental grants and contracts	-	-	-	-	-	-	-	-	-	-
Sales of auxiliary enterprises	1,523	1,737	1,740	1,786	1,671	1,776	1,827	1,734	1,650	1,371
Other operating revenues	<u>46</u>	<u>62</u>	<u>87</u>	<u>196</u>	<u>166</u>	<u>158</u>	<u>168</u>	<u>180</u>	<u>194</u>	<u>95</u>
Total operating revenues	<u>34,803</u>	<u>34,791</u>	<u>33,470</u>	<u>33,955</u>	<u>37,175</u>	<u>33,937</u>	<u>32,176</u>	<u>30,046</u>	<u>31,452</u>	<u>33,084</u>
City appropriations	23,310	24,189	23,272	21,271	18,346	18,064	17,652	18,092	18,946	19,245
State appropriations	30,892	30,868	30,128	28,632	28,179	28,240	28,229	29,275	28,750	31,496
Federal grants and contracts	49,026	48,888	53,551	57,871	58,796	58,715	56,839	58,890	51,131	32,552
State grants and contracts	7,953	8,126	8,278	7,343	6,591	7,191	6,495	5,967	5,585	5,831
Gifts from the Community College of Philadelphia Foundation	242	835	225	141	100	2,809	-	-	-	-
Nongovernmental grants and contracts	1,582	1,528	1,456	1,521	1,704	1,119	1,014	1,419	1,580	2,688
Net investment income	36	75	815	365	695	333	1,098	718	1,587	249
Other nonoperating revenue	<u>399</u>	<u>378</u>	<u>2,579</u>	<u>1,087</u>	<u>324</u>	<u>379</u>	<u>540</u>	<u>333</u>	<u>353</u>	<u>354</u>
Total nonoperating revenues	<u>113,440</u>	<u>114,887</u>	<u>120,304</u>	<u>118,231</u>	<u>114,735</u>	<u>116,850</u>	<u>111,867</u>	<u>114,694</u>	<u>107,932</u>	<u>92,415</u>
Capital appropriations	<u>12,450</u>	<u>11,050</u>	<u>12,354</u>	<u>10,859</u>	<u>13,969</u>	<u>13,730</u>	<u>14,084</u>	<u>13,648</u>	<u>13,979</u>	<u>13,721</u>
Total revenues	<u>\$ 160,693</u>	<u>\$ 160,728</u>	<u>\$ 166,128</u>	<u>\$ 163,045</u>	<u>\$ 165,879</u>	<u>\$ 164,517</u>	<u>\$ 158,127</u>	<u>\$ 158,388</u>	<u>\$ 153,363</u>	<u>\$ 139,220</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 REVENUES BY SOURCE (UNAUDITED) - CONTINUED

Year ended June 30,

(Amounts expressed in percentages)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues:										
Student tuition and fees (net of scholarship allowances)	20.68%	20.53%	19.05%	19.61%	21.30%	19.45%	19.09%	17.76%	19.31%	22.71%
Nongovernmental grants and contracts	-	-	-	-	-	-	-	-	-	-
Sales of auxiliary enterprises	0.95	1.08	1.05	1.10	1.01	1.08	1.16	1.09	1.08	0.98
Other operating revenues	<u>0.03</u>	<u>0.04</u>	<u>0.05</u>	<u>0.12</u>	<u>0.10</u>	<u>0.10</u>	<u>0.11</u>	<u>0.11</u>	<u>0.13</u>	<u>0.07</u>
Total operating revenues	<u>21.66</u>	<u>21.65</u>	<u>20.15</u>	<u>20.83</u>	<u>22.41</u>	<u>20.63</u>	<u>20.36</u>	<u>18.96</u>	<u>20.52</u>	<u>23.76</u>
City appropriations	14.51	15.04	14.01	13.05	11.06	10.98	11.16	11.42	12.35	13.82
State appropriations	19.22	19.21	18.14	17.56	16.99	17.17	17.85	18.48	18.75	22.62
Federal grants and contracts	30.51	30.42	32.23	35.49	35.45	35.69	35.95	37.18	33.34	23.38
State grants and contracts	4.95	5.06	4.98	4.50	3.97	4.37	4.11	3.77	3.64	4.19
Gifts from the Community College of Philadelphia Foundation	0.15	0.52	0.14	0.09	0.06	1.7	-	-	-	-
Nongovernmental grants and contracts	0.98	0.95	0.88	0.93	1.02	0.68	0.64	0.90	1.03	1.93
Net investment income	0.02	0.05	0.49	0.22	0.42	0.20	0.69	0.45	1.03	0.18
Other nonoperating revenue	<u>0.25</u>	<u>0.24</u>	<u>1.55</u>	<u>0.67</u>	<u>0.20</u>	<u>0.23</u>	<u>0.33</u>	<u>0.22</u>	<u>0.23</u>	<u>0.26</u>
Total nonoperating revenues	<u>70.59</u>	<u>71.49</u>	<u>72.42</u>	<u>72.51</u>	<u>69.17</u>	<u>71.02</u>	<u>70.73</u>	<u>72.42</u>	<u>70.37</u>	<u>66.38</u>
Capital appropriations	<u>7.75</u>	<u>6.86</u>	<u>7.43</u>	<u>6.66</u>	<u>8.42</u>	<u>8.35</u>	<u>8.91</u>	<u>8.62</u>	<u>9.11</u>	<u>9.86</u>
Total revenues	<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 EXPENSES BY USE (UNAUDITED)

Year ended June 30,

(Amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Salaries	\$ 76,986	\$ 78,629	\$ 77,931	\$ 77,161	\$ 75,438	\$ 76,015	\$ 76,796	\$ 78,168	\$ 73,489	\$ 69,694
Benefits	36,259	36,417	36,978	36,140	35,885	34,247	32,062	32,500	30,231	27,121
Contracted services	7,859	6,512	6,458	8,331	9,697	11,373	6,057	5,376	4,881	5,214
Supplies	3,549	3,376	3,857	3,073	3,232	3,636	2,760	3,253	2,198	2,107
Depreciation	8,133	8,204	8,861	9,698	10,490	10,423	9,764	7,660	6,493	6,588
Student aid	7,213	8,770	8,739	8,211	10,459	8,328	10,015	7,376	7,935	4,409
Other	12,092	12,959	13,167	12,815	12,314	11,468	11,895	12,948	11,730	12,269
GASB 45 (Other post-employment benefits) accrual	<u>12,309</u>	<u>11,703</u>	<u>11,686</u>	<u>8,016</u>	<u>8,641</u>	<u>8,530</u>	<u>7,611</u>	<u>6,039</u>	<u>6,199</u>	<u>5,181</u>
Total operating expenses	<u>164,400</u>	<u>166,570</u>	<u>167,677</u>	<u>163,445</u>	<u>166,156</u>	<u>164,020</u>	<u>156,960</u>	<u>153,320</u>	<u>143,156</u>	<u>132,583</u>
Interest on capital asset-related debt service	<u>3,413</u>	<u>3,263</u>	<u>3,315</u>	<u>4,225</u>	<u>4,258</u>	<u>4,689</u>	<u>3,927</u>	<u>3,542</u>	<u>1,841</u>	<u>1,889</u>
Total nonoperating expenses	<u>3,413</u>	<u>3,263</u>	<u>3,315</u>	<u>4,225</u>	<u>4,258</u>	<u>4,689</u>	<u>3,927</u>	<u>3,542</u>	<u>1,841</u>	<u>1,889</u>
Total expenses	<u>\$ 167,813</u>	<u>\$ 169,833</u>	<u>\$ 170,992</u>	<u>\$ 167,670</u>	<u>\$ 170,414</u>	<u>\$ 168,709</u>	<u>\$ 160,887</u>	<u>\$ 156,862</u>	<u>\$ 144,997</u>	<u>\$ 134,472</u>

See accompanying report of independent certified public accountants.

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

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

Year ended June 30,

(Amounts expressed in percentages)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
Salaries	45.88%	46.30%	45.57%	46.02%	44.27%	45.06%	47.73%	49.83%	50.68%	51.83%
Benefits	21.61	21.44	21.63	21.55	21.04	20.28	19.93	20.72	20.85	20.17
Contracted services	4.68	3.83	3.78	4.97	5.69	6.74	3.77	3.43	3.37	3.88
Supplies	2.11	1.99	2.26	1.83	1.90	2.16	1.72	2.07	1.52	1.57
Depreciation	4.85	4.83	5.18	5.78	6.16	6.18	6.07	4.88	4.48	4.90
Student aid	4.30	5.16	5.11	4.90	6.14	4.94	6.22	4.70	5.47	3.28
Other	7.21	7.63	7.70	7.64	7.23	6.80	7.39	8.26	8.09	9.12
GASB 45 (Other post-employment benefits) accrual	<u>7.33</u>	<u>6.89</u>	<u>6.83</u>	<u>4.78</u>	<u>5.07</u>	<u>5.06</u>	<u>4.73</u>	<u>3.85</u>	<u>4.27</u>	<u>3.85</u>
Total operating expenses	<u>97.97</u>	<u>98.07</u>	<u>98.06</u>	<u>97.47</u>	<u>97.50</u>	<u>97.22</u>	<u>97.56</u>	<u>97.74</u>	<u>98.73</u>	<u>98.60</u>
Interest on capital asset-related debt service										
	<u>2.03</u>	<u>1.93</u>	<u>1.94</u>	<u>2.53</u>	<u>2.50</u>	<u>2.78</u>	<u>2.44</u>	<u>2.26</u>	<u>1.27</u>	<u>1.40</u>
Total nonoperating expenses	<u>2.03</u>	<u>1.93</u>	<u>1.94</u>	<u>2.53</u>	<u>2.50</u>	<u>2.78</u>	<u>2.44</u>	<u>2.26</u>	<u>1.27</u>	<u>1.40</u>
Total expenses	<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 EXPENSES BY FUNCTION (UNAUDITED)

Year ended June 30,

(Amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses by function:										
Instruction	\$ 64,578	\$ 65,509	\$ 66,018	\$ 65,046	\$ 66,210	\$ 66,436	\$ 62,162	\$ 62,184	\$ 57,714	\$ 53,368
Public service	145	124	183	86	109	156	63	92	46	123
Academic support	19,182	18,880	18,824	18,372	17,492	17,247	17,723	19,251	18,540	16,828
Student services	24,212	24,405	25,142	23,494	22,811	21,913	21,075	21,744	20,241	18,212
Institutional support	25,111	24,854	24,429	24,371	25,229	26,216	23,281	22,003	20,095	21,385
Operation and maintenance of plant	15,093	15,013	14,913	13,336	12,586	12,742	12,244	12,392	11,307	10,905
Depreciation	8,133	8,204	8,861	9,698	10,490	10,423	9,764	7,660	6,493	6,588
Student aid	7,213	8,770	8,739	8,211	10,459	8,328	10,015	7,377	7,935	4,409
Auxiliary enterprises	733	811	567	831	770	559	633	617	785	765
Interest on capital debt	3,413	3,263	3,315	4,225	4,258	4,689	3,927	3,542	1,841	1,889
Total expenses by function	\$ 167,813	\$ 169,833	\$ 170,991	\$ 167,670	\$ 170,414	\$ 168,709	\$ 160,887	\$ 156,862	\$ 144,997	\$ 134,472

(Amounts expressed in percentages)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses by function:										
Instruction	38.48%	38.57%	38.61%	38.79%	38.85%	39.38%	38.64%	39.64%	39.80%	39.69%
Public service	0.09	0.07	0.11	0.05	0.06	0.09	0.04	0.06	0.03	0.09
Academic support	11.43	11.12	11.01	10.96	10.26	10.22	11.02	12.28	12.79	12.51
Student services	14.43	14.37	14.70	14.01	13.39	12.99	13.10	13.86	13.96	13.54
Institutional support	14.96	14.63	14.29	14.54	14.80	15.54	14.47	14.03	13.86	15.90
Operation and maintenance of plant	8.99	8.84	8.72	7.95	7.39	7.55	7.61	7.90	7.80	8.12
Depreciation	4.85	4.83	5.18	5.78	6.16	6.18	6.07	4.88	4.48	4.90
Student aid	4.30	5.16	5.11	4.90	6.14	4.94	6.22	4.70	5.47	3.28
Auxiliary enterprises	0.44	0.48	0.33	0.50	0.45	0.33	0.39	0.39	0.54	0.57
Interest on capital debt	2.03	1.93	1.94	2.52	2.50	2.78	2.44	2.26	1.27	1.40
Total expenses by function	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

See accompanying report of independent certified public accountants.

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

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

Year ended June 30,

(Amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total revenues (from schedule of revenues by source less capital appropriations)	\$ 148,423	\$ 149,678	\$ 153,776	\$ 152,186	\$ 151,910	\$ 150,786	\$ 144,042	\$ 144,740	\$ 139,384	\$ 125,499
Total operating expenses (from schedule of expenses by use)	<u>167,813</u>	<u>169,833</u>	<u>170,992</u>	<u>167,670</u>	<u>170,414</u>	<u>168,709</u>	<u>160,887</u>	<u>156,862</u>	<u>144,997</u>	<u>134,472</u>
Income before other revenues and expenses	(19,390)	(20,155)	(17,216)	(15,484)	(18,504)	(17,923)	(16,845)	(12,122)	(5,613)	(8,973)
Capital grants and contracts	-	-	-	-	-	-	-	-	-	-
Deductions to permanent endowments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total changes in net position	(19,390)	(20,155)	(17,216)	(15,484)	(18,504)	(17,923)	(16,845)	(12,122)	(5,613)	(8,973)
Net position, beginning	<u>51,951</u>	<u>61,057</u>	<u>65,919</u>	<u>72,538</u>	<u>77,072</u>	<u>81,265</u>	<u>85,903</u>	<u>84,377</u>	<u>76,011</u>	<u>71,263</u>
Net position, ending	<u>\$ 32,561</u>	<u>\$ 40,902</u>	<u>\$ 48,703</u>	<u>\$ 57,054</u>	<u>\$ 58,568</u>	<u>\$ 63,342</u>	<u>\$ 69,058</u>	<u>\$ 72,255</u>	<u>\$ 70,398</u>	<u>\$ 62,290</u>
Net investment in capital assets	\$ 102,005	\$ 99,772	\$ 98,776	\$ 96,979	\$ 93,771	\$ 89,660	\$ 86,331	\$ 80,136	\$ 69,278	\$ 60,947
Restricted - nonexpendable	-	-	-	-	-	-	-	-	-	-
Restricted - expendable	5,101	4,939	4,912	4,742	4,742	2,740	1,364	731	511	511
Unrestricted	<u>(216,535)</u>	<u>(52,760)</u>	<u>(42,631)</u>	<u>(35,802)</u>	<u>(25,975)</u>	<u>(15,328)</u>	<u>(4,553)</u>	<u>5,036</u>	<u>14,588</u>	<u>14,553</u>
Total net position	<u>\$ (109,429)</u>	<u>\$ 51,951</u>	<u>\$ 61,057</u>	<u>\$ 65,919</u>	<u>\$ 72,538</u>	<u>\$ 77,072</u>	<u>\$ 83,142</u>	<u>\$ 85,903</u>	<u>\$ 84,377</u>	<u>\$ 76,011</u>

Source: Audited financial statements.

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

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

Year ended June 30,

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Enrollments and student demographics:										
Credit FTE	13,596	13,659	14,481	14,851	15,051	15,116	15,769	16,091	15,808	14,208
Unduplicated Credit Headcount	24,443	25,571	26,837	27,942	28,096	28,264	29,094	29,032	28,783	26,868
Percentage - Men	36.3%	37.1%	37.8%	37.7%	37.7%	36.9%	35.5%	35.5%	34.5%	33.7%
Percentage - Women	63.7	62.9	62.2	62.3	62.3	63.1	64.5	64.5	65.5	66.3
Percentage - Black	48.1	48.8	49.4	50.7	50.2	49.7	49.9	49.2	48.9	48.6
Percentage - White	23.5	24.0	23.8	23.9	24.3	25.1	24.6	24.4	25.0	25.7
Percentage - Asian	9.8	9.4	8.9	8.4	8.2	7.7	7.3	7.2	7.1	7.4
Percentage - Hispanic	14.0	13.0	12.8	11.8	11.4	10.6	4.9	6.5	7.0	6.8
Percentage - American Indian/other	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.4	0.4
Percentage - Unknown	4.3	4.5	4.8	4.8	5.6	6.5	12.9	12.2	11.6	11.1
Degrees awarded:										
Associate	1,731	1,794	1,880	1,916	1,857	1,712	1,828	1,702	1,667	1,741
Certificate	495	471	475	446	338	167	180	214	216	259

Source: Department of Institutional Research.

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

STATISTICAL SECTION - FACULTY AND STAFF STATISTICS (UNAUDITED)

For Fall Term in Year

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Faculty:										
Part-time	543	548	676	635	643	734	757	771	737	684
Full-time	443	467	400	395	407	412	418	413	395	393
Percentage tenured	65.2%	61.8%	74.0%	81.7%	79.9%	80.6%	83.0%	84.0%	79.5%	79.6%
Administrative and support staff:										
Part-time	40	38	18	11	12	20	22	19	19	23
Full-time	470	466	445	453	441	447	472	460	462	457
Total employees:										
Part-time	583	586	694	646	655	754	779	790	756	707
Full-time	913	933	845	848	848	859	890	873	857	850
Students per full-time staff:										
Number credit students	17,296	18,126	18,099	19,119	19,066	18,692	19,751	19,503	19,047	17,327
Faculty	39	39	45	47	47	46	47	47	48	44
Administrative and support staff	37	39	41	42	43	42	42	42	44	38
Average annual faculty salary	\$ 67,883	\$ 69,196	\$ 63,789	\$ 65,212	\$ 64,059	\$ 66,137	\$ 66,236	\$ 67,266	\$ 65,381	\$ 63,408

Source: Institutional Human Resource Records.

GROSS SQUARE FEET OF COLLEGE BUILDINGS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Main Campus - Buildings	911,051	911,051	911,051	911,051	911,051	900,613	900,613	852,445	852,445	852,445
Main Campus - 17 Street Garage	230,360	230,360	230,360	230,360	230,360	230,360	230,660	230,660	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	-	-	-
Northeast Regional Center	109,075	109,075	109,075	109,075	109,075	109,075	109,075	109,075	59,876	59,876
West Regional Center	39,394	39,394	39,394	39,394	39,394	39,394	32,090	32,090	32,090	32,090
Northwest Regional Center	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000	90,000
Total gross square feet	<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>	<u>1,588,440</u>	<u>1,451,772</u>	<u>1,402,273</u>	<u>1,402,273</u>

Source: Institutional Physical Plant Records.

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

DEMOGRAPHIC STATISTICS

City of Philadelphia Last Ten Calendar Years

Year:	<u>Population as of June 30</u>	<u>Average annual unemployment rate</u>
2008 – 09	1,540,351	7.1
2009 – 10	1,547,297	9.8
2010 – 11	1,526,006	10.9
2011 – 12	1,536,471	10.8
2012 – 13	1,547,607	10.5
2013 – 14	1,553,165	7.8
2014 – 15	1,560,297	7.4
2015 – 16	1,567,442	6.9
2016 – 17	1,567,872	5.9
2017 – 18	1,580,863	5.7

Sources: United States Census Bureau and Bureau of Labor Statistics

See accompanying report of independent certified public accountants.

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

COMPONENT UNIT SCHEDULE OF NET POSITION

Year ended June 30, 2018

(In thousands)

Assets:	
Cash on deposit and on hand	\$ 17,716
Investments	44,525
Accounts receivable	9,510
Allowance for doubtful accounts	(3,674)
Interest and dividends receivable	50
Due from other governments	1,734
Restricted assets	8,018
Other assets	1,297
Property, plant and equipment	<u>164,372</u>
 Total assets	 <u>\$ 243,548</u>
Deferred outflows of resources:	
Deferred outflows	7,278
Liabilities:	
Vouchers and accounts payable	\$ 12,853
Salaries and wages payable	3,497
Accrued expenses	2,098
Funds held in escrow	282
Due to other governments	729
Deferred revenue	2,876
Current portion of long-term obligations	7,116
Noncurrent portion of long-term obligations	69,256
Other post-employment benefits (GASB 45)	<u>182,234</u>
 Total liabilities	 <u>\$ 280,941</u>
Deferred inflows of resources:	
Deferred inflows	67,057
Net position:	
Net investment in capital assets	\$ 102,005
Restricted for:	
Capital projects	5,215
Tuition stabilization and scholarships	10,309
Rate stabilization	-
Unrestricted (deficit)	<u>(214,701)</u>
 Total net position	 <u><u>\$ (97,172)</u></u>

See accompanying report of independent certified public accountants.

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

COMPONENT UNIT SCHEDULE OF ACTIVITIES

Year ended June 30, 2018

(In thousands)

		Program revenues			Net expense and changes in net position
Expenses	Charge for services	Operating grants and contributions	Capital grants and contributions	Education activities	
Community college services	\$ 170,305	\$ 34,757	\$ 60,139	\$ -	\$ 75,409
			General revenues:		
			Taxes		
			Grants and contributions*		66,653
			Interest and investment earnings		879
			Miscellaneous		1,861
			Special items-Prior Period Adj. GASB 75		<u>(154,262)</u>
			Total general revenues		<u>(84,869)</u>
			Change in net assets		(160,278)
			Net position - beginning		<u>63,106</u>
			Net position - ending		<u>\$ (97,172)</u>

* Includes Commonwealth appropriations of \$36,244 and City of Philadelphia appropriations of \$30,409.

See accompanying report of independent certified public accountants.

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

COMPONENT UNIT CAPITAL ASSET FORMAT

Year ended June 30, 2018

	Beginning balance	Increases	Decreases	Ending balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 31,056,794	\$ -	\$ -	\$ 31,056,794
Fine arts	787,708	-	-	787,708
Construction in process	<u>4,080,144</u>	<u>3,053,979</u>	<u>(6,590,855)</u>	<u>543,268</u>
Total capital assets not being depreciated	<u>35,924,646</u>	<u>3,053,979</u>	<u>(6,590,855)</u>	<u>32,387,770</u>
Capital assets being depreciated:				
Buildings	235,080,565	7,339,518	-	242,420,083
Other improvements	17,957,771	190,600	(1,878)	18,146,493
Equipment	38,266,120	2,504,696	(104,502)	40,666,314
Furniture	1,157,551	124,650	-	1,282,201
Leasehold improvements	<u>199,231</u>	<u>-</u>	<u>-</u>	<u>199,231</u>
Total capital assets being depreciated	<u>292,661,238</u>	<u>10,159,464</u>	<u>(106,380)</u>	<u>302,714,322</u>
Less accumulated depreciation for:				
Buildings	112,316,839	5,812,501	-	118,129,340
Other improvements	16,920,877	244,306	(1,878)	17,163,305
Equipment	32,266,307	2,043,805	(104,502)	34,205,610
Furniture	1,023,113	30,068	-	1,053,181
Leasehold improvements	<u>176,778</u>	<u>2,306</u>	<u>-</u>	<u>179,084</u>
Total accumulated depreciation	<u>162,703,914</u>	<u>8,132,986</u>	<u>(106,380)</u>	<u>170,730,520</u>
Total capital assets being depreciated, net	<u>129,957,324</u>	<u>2,026,478</u>	<u>-</u>	<u>131,983,802</u>
Business-type activities capital assets, net	<u>\$ 165,881,970</u>	<u>\$ 5,080,457</u>	<u>\$ (6,590,855)</u>	<u>\$ 164,371,572</u>

See accompanying report of independent certified public accountants.

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of the Community College of Philadelphia (the College) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated September 28, 2018.

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) to design 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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

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

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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 determination of financial statement amounts. 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*.

Intended purpose

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.

A handwritten signature in black ink that reads "Grant Thornton LLP". The signature is written in a cursive, professional style.

Philadelphia, Pennsylvania

September 28, 2018